

The Economic Dimensions of Independent Supported Living for People with Disability

Table of Contents

1. Introduction

- 1.1 The Economic Aspects of Independent Supported Living
- 1.2 Identification of Stakeholders, Costs and Benefits
- 1.3 Practical Aims
- 1.4 Methodology and Structure of Report

2. The Socio-Economic Profile of Persons with Disability

- 2.1 Demographic Characteristics
- 2.2 Social Participation
- 2.3 Economic Profile and Labour Market Participation

3. International Practices in Independent Living

- 3.1 The Evolution of Approaches towards Independent Living
- 3.2 Practices in the European Union
- 3.3 Practices in other Jurisdictions
- 3.4 Principal features of Policies towards Independent Living

4. An Assessment of Policies towards Disability in Malta

- 4.1 Description of Policies
- 4.2 Financial Cost of Present Policies
- 4.3 Identification of Potential for Improvement
- 4.4 Impact on Individuals
- 4.5 Impact on the Economy

5. Promoting Supported Employment in Malta

5.1 A Proposal for a Scheme to Further Supported Employment in Malta

5.2 A Practical Example

5.3 Effects on the Individual and on His/Her Environment

5.4 Implementation Issues

5.5 Limitations of the Scheme

6. Conclusions

References

Annexes

Introduction

This study concerns the economic dimensions of independent supported living by persons with disability. Independent supported living is a life-style which affords greater choice and decision-making opportunities to persons with disability compared to the more traditional models of family care and institutional care. Perhaps even more importantly, independent living is the right of persons with disability to lead fully active lives in the mainstream of society. From an economic viewpoint, independent living is conducive to increased social participation including activity in the labour market by persons with disability.

A primary consideration in this regard is the monetary value of resources that the economy would have to devote to promote independent living. A complete analysis would however extend beyond the evaluation of this, essentially financial aspect, because independent living would have economic impacts on issues such as the labour supply, the opportunity cost of resources presently employed and on major economic variables such as the fiscal deficit and gross domestic product. For this reason, this research proposal refers to a study of the wider economic dimensions of supported living.

1.1 The Economic Aspects of Independent Supported Living by Persons with Disability

The final aim of economic activity and policy is the promotion of human development, loosely defined as an improvement in the welfare of persons within a society as determined by a given pattern of values and preferences on an individual and social level. Material well-being is recognised as an important, albeit by no means the sole, element in personal and social welfare. Economic

wisdom accumulated over two centuries yields two fundamental considerations regarding development¹:

- i. the economic model based on individual freedom and free choice is superior to the centrally-planned model;
- ii. the economy cannot indefinitely afford subsidies to sustain effective demand – policies that enable and empower individuals to earn a living by actively participating in the economy are superior (economically, and also psychologically and socially) to those that render persons dependent on unearned handouts.

These considerations have a number of implications that are in line with the social model of disability, which views social arrangements which prevent people from choosing to take active part in social life, rather than physical conditions, as the source of disablement². This is because, as opposed to the medical model that would attribute disability to circumstances that cannot be remedied, thereby implying financial and economic dependence on the part of the individual with disability who would consequently have limited freedom of choice, the social model of disability allows an important role for individual and social adjustment so as to enable a person to actively participate in society, exercising freedom of choice as a consumer and adding to the economy's productive base. The idea of independent supported living emanating from the social model is thus also in line with standards of good economic policy-making.

¹ see, for example, Barro et al [1995]

² see, for example, Swain et al (eds) [1993]

1.2 The Identification of Stakeholders, Costs and Benefits

The promotion of independent supported has a number of implications for different classes of stakeholders in Maltese society, which can be identified as:

- i. persons with disability
- ii. families of persons with disability
- iii. remunerated carers of persons with disability
- iv. volunteer carers of persons with disability
- v. Government
- vi. non-government organisations associated with persons with disability
- vii. society and the macro-economy

Particular individuals may fall within more than one of these categories, such as volunteer carers who are part of the family of the person with disability.

Table 1.0 gives an analysis of the potential costs and benefits accruing to the stakeholders from independent supported living. Among the more important elements identified in this analysis, there are:

- i. the financial cost of independent living, which is to be eventually shared between persons with disability, Government and the rest of society;
- ii. the opportunity cost of funds currently spent by Government towards persons with disability;
- iii. the likely impact of increased independent living by persons with disability on the labour market and the economy.

Table 1.0: General Cost-Benefit Considerations

Stakeholders	Benefits	Costs
Persons with disability	<p>Increased freedom of choice of lifestyle</p> <p>Reduced dependence</p> <p>Reduced uncertainty about future</p> <p>Increased economic and social possibilities, implying less poverty³</p>	<p>Possibly increased financial commitments</p> <p>Possible increase in isolation as individualism prevails over family or social group</p>
Families of persons with disability	<p>Reduced concerns regarding the livelihood of family members with disability</p>	<p>Possible loss of social benefits</p> <p>Possible concerns about loss of family bonds</p>
Remunerated carers	<p>Possibility of higher income</p> <p>Happier individuals under their care</p>	<p>Need to upgrade service standards</p>
Volunteer carers	<p>Possibility of expense reimbursement</p> <p>Happier individuals under their care</p>	<p>Need to upgrade service standards</p>
Government	<p>Possible reduction in existing benefits</p> <p>Possible reduction in institutionalisation expenditure</p> <p>Increased tax revenue from higher labour market participation by persons with disability</p>	<p>Cost of setting and running an incentive scheme for independent living</p>
Society and the economy	<p>Reduced marginalisation of persons with disability and better social fabric</p> <p>More employment and output</p>	<p>Possible foregone expenditure by devoting more resources towards persons with disability</p>

³ The World Bank Development Report for 2000/2001 indicates that poverty is increasingly viewed as a lack of social and economic opportunity rather than as a financial condition. Abela

1.3 The Practical Aims of the Project

The primary aim of this research project is to assess the case for a possible partial redirection of and an increase in resources currently devoted by Government towards persons with disability with a view of establishing a system which permits and provides incentives for independent living. This is to be done on the basis of a cost benefit analysis taking into account economic and social considerations. Recommendations arising out of the study will take full account of equity and ethical issues, as well as of the economic and financial constraints that the country is presently facing.

Another important objective is to point out the deficiencies in the present policies towards persons with disability. The present scheme of benefits may be engendering dependence and actually discouraging labour market participation by, for instance, withdrawing all benefits after a low income threshold is surpassed. This could present avenues whereby significant welfare improvements could be derived by re-designing policies, without necessarily requiring an excessive increase in resources absorbed.

This study also presents data and information regarding the present state and aspirations of people with disability which would provide inputs into further studies and indicate avenues for further research.

[2000] also reports evidence pointing out that people with disability have relatively lower income levels.

1.4 Methodology and Structure of Report

The methodology employed in this study involves desk research, interviews and consultations with institutions, fieldwork and quantitative analysis.

The desk research is undertaken in order to:

- i. establish the state of international research and best practice in the area, especially in the European Union⁴;
- ii. identify the stakeholders on the basis of the data on people with disability available at the Commission, and categorise the population on the basis of age, extent of disability, education/skills and socio-economic grouping where possible in order to derive appropriate stratification for sampling;
- iii. assess the costs of and benefits derived from the resources presently devoted towards persons with disability;
- iv. establish where possible, spending patterns by persons with disability in line with the Household Budgetary Survey methodology;
- v. establish costings of units of services and goods required to support independent living.

The interviews and consultations with institutions are conducted in order to:

- i. practically assess the results of present schemes towards persons with disability ;
- ii. examine the current state of and future possibilities regarding labour market participation by persons with disability;

⁴ The European Commission Communication on “Equality of Opportunity for People with Disabilities – A New Community Disability Strategy – 1996” advances the principles of increasing the participation of people with disability and removing obstacles in this regard. The promotion of independent living is highly consistent with these goals. These issues are expected to be central to the activities of the European Year of Persons with disability in 2003.

- iii. assess the administrative capabilities with regards to the establishment of an independent living incentive scheme.

The fieldwork on a sample of persons with disability and their families and carers is undertaken in order to assess:

- i. general attitudes towards independent living;
- ii. existing constraints inhibiting independent living;
- iii. practical needs to support independent living.

A list of interviews and consultations conducted in the course of this study is presented in Annex A.

The quantitative analysis:

- i. combines the results of the desk research and the field work to derive an estimate of the likely cost of independent living;
- ii. completes the cost-benefit analysis of an independent living scheme, taking into account opportunity costs and social considerations;
- iii. derive an equitable, flexible and economically efficient independent living scheme, taking into account economic constraints as well as the needs identified in the course of the study.

On the basis of this research, this report assesses the case for a policy intended to promote independent supported living for people with disability in Malta.

Following this introduction a socio-economic profile of people with disability in Malta is presented, taking into account demographic, economic and social considerations. Thereafter, survey of current international experiences regarding disability policies, particularly those aimed at promoting social and economic participation through employment, is presented. Departing from the baseline of international best practice, a description and assessment of current disability

policies in Malta are presented next. This includes an assessment of costs of present policies and the benefits being derived, together with a discussion of areas of possible improvement. A feasibility assessment of introducing policies designed to promote independent living is presented next, taking into consideration financial, economic and wider social aspects together with sustainability issues. In conclusion, the main findings of this study are summarised and the principal provisions of a policy intended to promote independent living by persons with disability in Malta are delineated.

2. The Socio-Economic Profile of Persons with Disability

An assessment of the current profile of persons with disability and their families in terms of their economic characteristics, demographic features and social participation is needed in order to set the context in which the possibilities of setting up a scheme of supported independent living are evaluated. Issues such as the size of the population with disability, the size and sources of the income of persons with disability, family composition and degree of assistance as well as general attitudes towards social participation have important bearing on the likelihood of success of such a scheme. It is furthermore important to consider that people with disability are a heterogeneous group, with differences not only in the type and extent of impairments but also in age and educational and socio-economic background. These differences are also relevant in the context of promoting independent living.

The observations presented in this section are based on three independent sources of data, namely:

- i. the National Disability Survey 1999 published by the National Commission Persons with Disability;
- ii. information from the Labour Force Survey undertaken in June 2002 by the National Statistics Office;
- iii. information from the Household Budgetary Survey undertaken by the National Statistics Office in 2000.

These different sources are used to cross-check information and capture different aspects of the demographics and socio-economic status of people with disability in Malta.

2.1 Demographic Characteristics of Persons With Disability

Definitions of disability differ from country to country. Furthermore different models, ranging from moral models to medical and social models, define disability differently. The United Nations, a leader in setting standards on disability issues, defines disability as any restriction or lack (resulting from an impairment) of ability to perform an activity in the manner or within the range considered normal for a human being.

For statistical purposes, a similar definition is adopted where a person with a disability is defined as having activity limitations in performing daily tasks, which may arise out of the nature of the activity, its duration and its quality. According to the National Disability Survey, there were in Malta 6,340 registered people with disability in Malta in 1999, representing 1.7% of the population. Of these, 43.6% were women, compared to the 50.4% proportion of women within the entire population.

2.1.1 Age Distribution

Table 2.0: Age Distribution

Age cohort	Persons with Disability	(% distribution)	Entire Population (% distribution)	Persons with Disability within Population cohort (%)
School age (0-14)	916	14.5	20.4	1.2
Early working (15-29)	862	13.6	21.9	1.0
Interim working (30-44)	1161	18.3	20.8	1.5
Late working (44-59)	1108	17.5	20.2	1.4
Early retirement (60-74)	1414	22.3	12.0	3.1
Late retirement (75+)	871	13.7	4.8	4.7
Average age (years)	45.8		36.2	

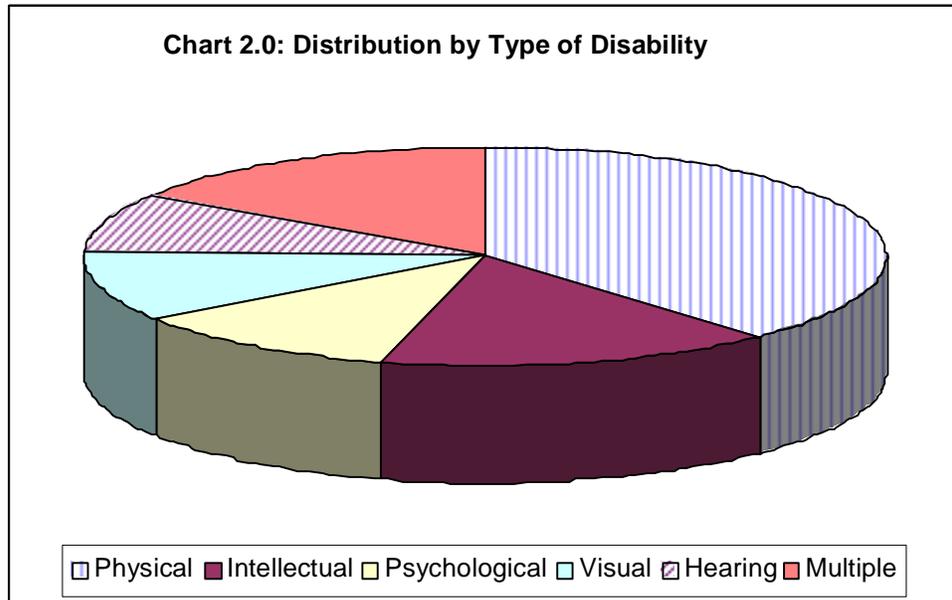
Source: National Disability Survey 1999

Table 2.0 details the age distribution of people with disability according to major cohorts and in relation to the entire population. Persons with disability are relatively old compared to the population. Their average age is estimated at 45.8 years compared to 36.2 years for the entire population. Around 26% of people with disability are aged 60 years and over, whereas this ratio stands at 16.8% for the entire population. This no doubt reflects the fact that certain forms of disability affect individuals at a later stage of life. Under one-third of the persons were with disability from birth. This notwithstanding, it is useful to note that there are in Malta over 900 registered individuals with disability of school age, and over 3,100 registered individuals with disability of working age, a total of at least 4,000 individuals potentially exercising important economic impacts⁵.

2.1.2 Type of Impairment

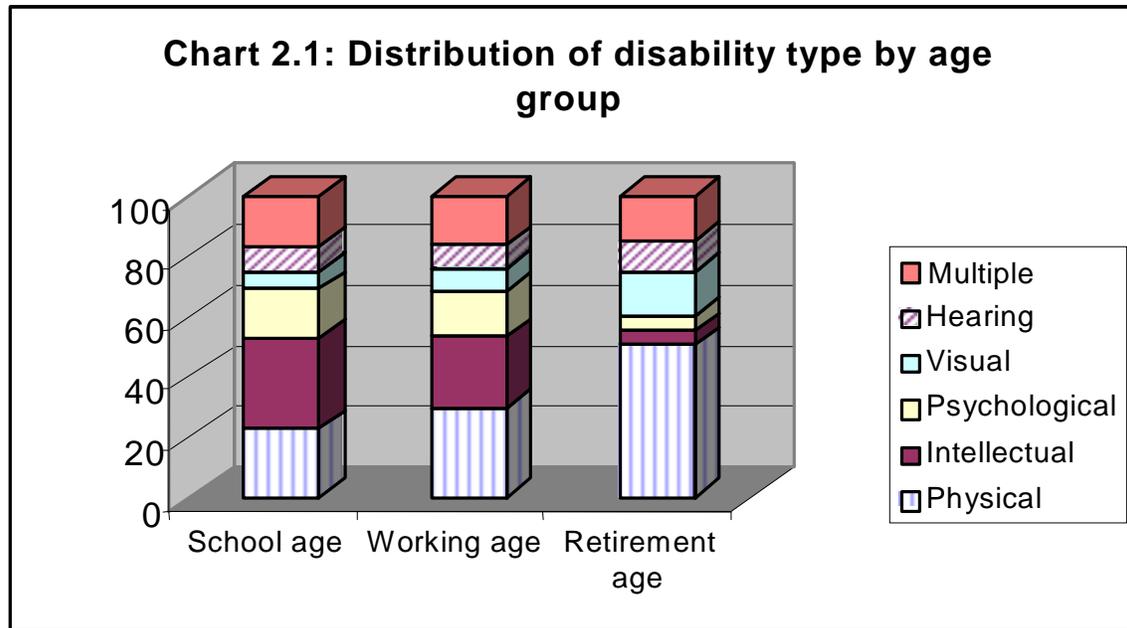
The type of impairment is another important variable characterising the population with disability. The predominant form of impairment is the physical type, accounting for almost four-tenths of cases. This is followed by intellectual and multiple impairments, each account for one-sixth of impairments. Other forms of impairments, comprising psychological, visual, and hearing impairments account for around one-tenth of cases each.

⁵ The National Commission for Persons with Disability Database covers persons who have voluntarily registered as being persons with disability. It may thus give an underestimate of the actual number of persons with disability in the country, albeit it is expected that such the estimation error is unlikely to be material. This emerges from cross-referencing with other sources of data described above.



Source: National Disability Survey 1999

There are interesting age-specific considerations in the way in which disability affects individuals at different stages in life. Chart 2.1 shows the distribution of the different forms of impairment within three age cohorts, roughly corresponding to school age, working age and retirement age. It can be observed how the incidence of physical, visual and hearing impairment increases with age. This observation is understandable in that these kinds of impairment would be more present in older age groups upon the advent of disease, injury or merely the passage of time. It is to be further noted that over one-third of individuals with disability are subject to progressive conditions. On the other hand, the incidence of intellectual and psychological impairment tends to decrease somewhat with age. This may be due to the fact that people with intellectual disability tend to have a shorter life expectancy, while psychological impairments may be remedied over time. The incidence of multiple impairments remains stable across the different age cohorts.



Source: National Disability Survey 1999

2.2 Social Participation

People with disabilities tend to spend significantly less of their time outside their home, socializing and going out, than do people without disabilities. This isolation stems from an long experience of social exclusion, the consequences of which is limited participation by people with disability in societal activities. People with disabilities also face numerous barriers every single day of their lives — from physical obstacles in buildings to systemic barriers in employment and social attitudes.

2.2.1 Difficulties in Normal Daily Activities

Barriers such as physical barriers do not allow people with disability to exercise their fundamental right related to freedom of movement. Actions such as crossing the road or going up a flight of stairs, actions taken for granted by most people, represent difficult barriers for people with disability. Regulations related to physical accessibility of buildings have only been implemented recently and

therefore there are numerous buildings that still do not comply with standards protecting people with disability. There are also numerous communication barriers, such as a lack of Braille markings and a lack of sign language literacy, which do not allow people with disability to communicate freely.

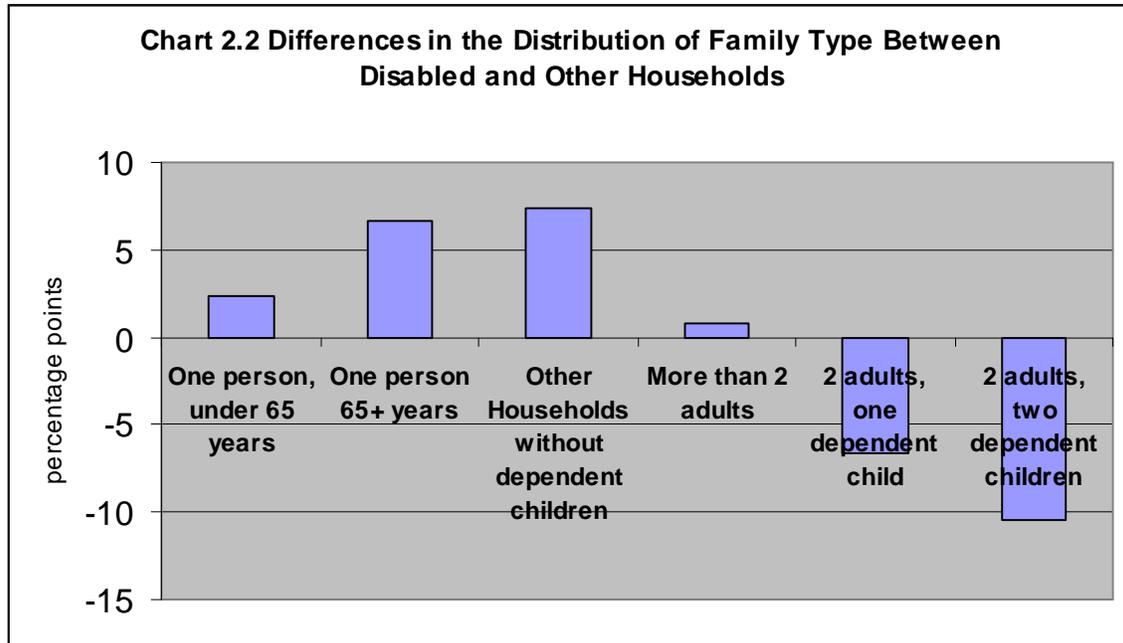
Often however, the most difficult barriers to overcome are prejudice and stereotyping. Due to ignorance and lack of education, people with disability are often dismissed as incapable of accomplishing a task without the opportunity to even display their skill. Moreover people tend to look inferiorly at people with disability. They might feel sorry for a person with a disability, which tends to lead to a patronizing attitude.

2.2.2 Family Life

Household Budgetary Survey data indicates that people with disability tend to live in smaller family units, of an average size of 2.7 compared to 3 for other households. This mainly reflects the fact that 24% of households with a member with disability are single person households, which are composed solely of the individual with disability. The comparable figure for other households is 15.6%. This indicates that there is a higher tendency for isolation for the individual with disability. The counterpart to this is the fact that the proportion of households of size 4 - the most commonly found within the Maltese population - within the group with disability is much lower than the average for the other households.

There are a number of other important differences in the family life of individuals with disability compared to other households. These are summarized in Chart 2.2 below. The Chart indicates that within the population of households living with a disability, there is a larger concentration of one person families, especially aged over 65. In households with more than one person, there is a larger likelihood of there being no dependent children if a disability is present within that household.

Moreover, disability leads to a marginally higher rate of households with more than 2 adults as compared to the rest of the population.



Source: National Disability Survey 1999

2.3 Economic Profile and Labour Market Participation

The analysis of economic profile and labour market participation are crucial to assess the socio-economic standing of people with disability in society and the pattern of dependencies for their livelihood as compared to other social groups. These factors are analysed in terms of the size of the income and its sources, trends in expenditure and saving, together with employment status and education level.

Information in this regard can be garnered from the National Disability Survey and the Household Budgetary Survey conducted in the year 2000. The latter featured 40 households having one person with a disability out of the total sample of 2,000 households participating in the survey. This gives a

representation of households having a person with disability of 2% within the total sample, which is reasonable considering that persons with disability constitute 1.7% of the population in Malta.

2.3.1 Income Size and Sources

Household Budgetary Survey data shows that the average per capita income of persons living in households with a person with disability tends to be around 5% lower than that of other households. The data for the year 2000 indicates that whereas the average income of households with a person with disability averaged Lm2,583 per person in the household, the comparable figure for other households stood at Lm2,727. This is probably indicative of the fact that persons with disability have a lower than average income, thereby constraining the per capita earnings of their household. The results of the National Disability Survey confirm this finding, albeit on the basis of a relatively low response rate, by indicating that within households having a person of an income-earning age with a disability, the persons with disability earnings are around 18% lower than the income of the head of the household⁶.

Table 2.1: Sources of Income

	Households with member with disability	Other Households
Salary	42%	61%
Interest, dividends and rents	21%	17%
Social Benefits	33%	16%
Other	4%	6%
Total	100%	100%

Source: National Statistics Office

According to the results of the Household Budgetary Survey, households with a member with disability have, on a per capita basis, a markedly lower earning capacity through remunerated work and a significantly more pronounced dependence on social benefits. As Table 2.1 shows, households with a member with disability obtain just over four-tenths of their income from remunerated work, compared with six-tenths in the case of other households. On the other hand, households with a member with disability obtain as much as one-third of their income from social benefits, which is double the ratio for other households. It is thus clear that disability is resulting in a lower degree of self-reliance by households and more dependence on state handouts. This type of dependency excludes other forms of assistance received from government in kind or by way of direct provision of services.

2.3.2 Expenditure and Saving

Table 2.2: Household Expenditure

Expenditure as a percentage of income	Households in		Other Households	
	KNPD database			
	Lm	%	Lm	%
Food, Beverages and Tobacco	1614	23	1836	22
Housing, Fuel and Appliances	1311	18	1516	18
Transport & Communication	1208	17	1500	18
Other	762	11	1145	14
Clothing	479	7	642	9
Recreation	476	7	778	8
Medicines	184	3	233	3
Education	29	0	96	1
<i>Total Expenditure</i>	<i>6064</i>		<i>7746</i>	

Source: National Statistics Office

⁶ This conclusion was derived by computing weighted average incomes for persons with disability and heads of households on the basis of the distribution given in Table 21 of the National

As can be seen from Table 2.2 the distribution of the expenditure is very similar for households with a member with disability as well as for other households. Both spend a relatively large proportion of their income on food, beverages and tobacco, housing, fuel and appliances as well as transport and communication.

What differs is the actual amount that is spent on goods and services. Households with a member with disability tend to spend less on all of the categories, as their average income is lower than other households. Moreover, as mentioned before, persons with a disability tend to live in households with no dependent children and with one member of the family over the age of 65. As a result, since the household is smaller, the amount that is spent by each household will no doubt be lower. Furthermore most of the goods and services received in kind are resulting in lower expenditure.

Table 2.3 Income and Savings

	Households in KNPD database	Other Households
Average Disposable Income	7150	8246
Savings	1086	500
Savings Ratio	15%	6%
APC	85%	94%

Source: National Statistics Office

Indeed as can be seen from Table 2.3, the average propensity to consume is lower (85%) for households with a member with disability compared to other households. As a result the savings ratio (15%) is higher for households with a family member with disability. One underlying reason for such a higher savings ratio may be that given the composition of a household with a member with

disability, parents of a child with a disability may want to save more, so as to leave enough funds after their demise. Disability thus results in vulnerability and heightened concern for the future livelihood of individuals, constraining concerned households to save more and thereby enjoy a generally lower standard of living. For this reason, means testing based on the availability of financial assets often introduces an unfair bias in relation to persons with disability.

2.3.3 Education and Employment

Education is a very important element in any person's development and it is central to the life of any individual in society. Education will set the stage for later life experiences, more so in employment, but it will also teach the skills required for integration within a society.

According to the Household Budgetary survey, 17% of the total number of persons with a disability are still receiving education, the majority of which are in the age group 10-19. This comes as no surprise given that education is compulsory till the age of 16. Out of this total number, there are 11% who are furthering their education beyond the stipulated age required by law. The number of people with disability who continue their education is generally much lower than for the rest of the population. In fact in scholastic year 2000, there were 0.05% of the total number of students at university who had a disability. There were 0.11% at Junior college and 0.84% at MCAST.⁷

Table 2.3 shows that out of the total number of persons with a disability over the age of 16, 52% have continued their education to the primary level followed by 29% who stopped at the secondary level. At the same time, 1.5% have received no schooling education while 5% have stopped at a tertiary level.

Table 2.3: Level of education attained

The level of education attained in the past by persons in the survey		
School	Persons	%
None	132	4.6%
Special school	258	8.7%
Kindergarten	12	0.4%
Primary	1541	52.2%
Secondary	854	28.9%
Tertiary	158	5.4%

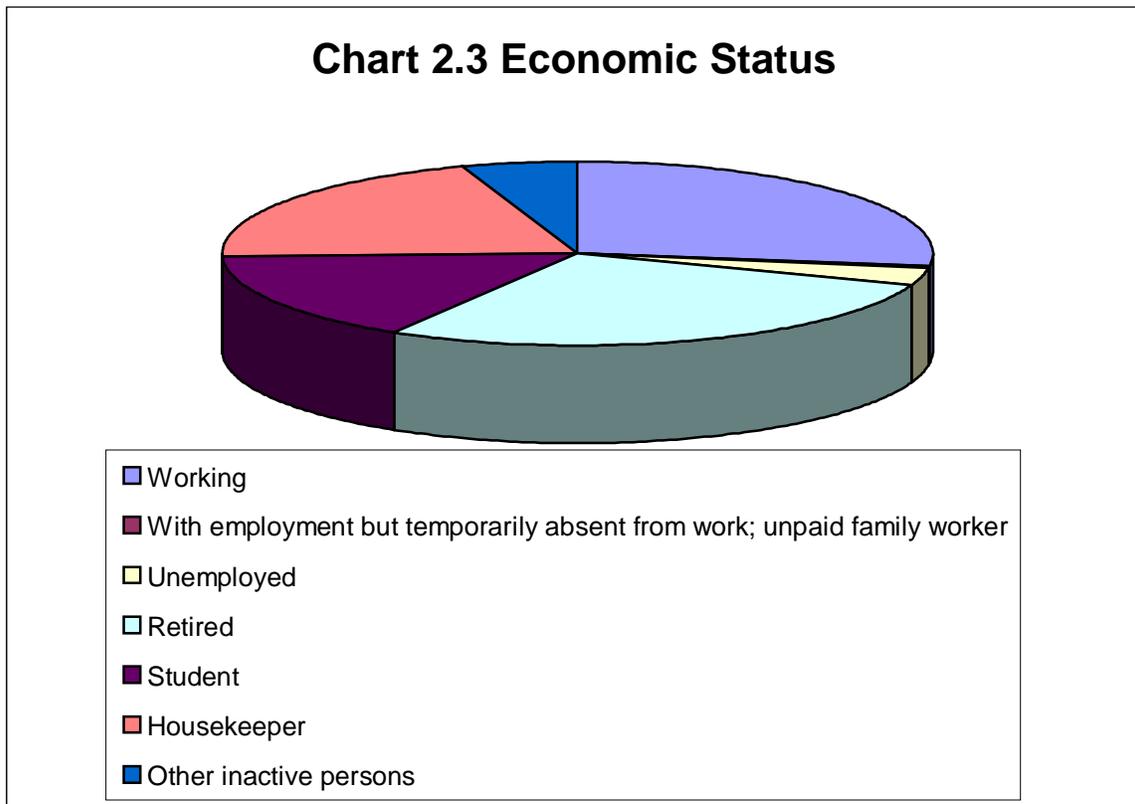
Source: National Disability Survey 1999

As reported in the Household Budgetary Survey, 27% of all persons with a disability are working. This compares with a 40% figure for the entire population, as reported in the Labour Force Survey carried out by the National Statistics Office. Out of the workers with disability, 72% are male while 28% are female. This compares well with other households where the female participation ratio stands at 31%. There are 450 people with a disability who are registered as unemployed. While this constitutes only 4% of the total number of unemployed it represents a significantly high 8% among the population of people with a disability.

At the same time, among the 27% that are working, 22% are in permanent employment, 41% are in temporary employment whilst 37% are engaged in occasional employment. This indicates that only a small proportion of persons with a disability have a secure job. This might serve as deterrence for other individuals who want to join the labour force.

⁷ Parliamentary question 37345 (05/12/2002)

As can be seen in Chart 2.3 a good percentage of persons with a disability are still students. Part of these are likely to be attracted to the workforce provided that the right incentives are in place. Furthermore a good proportion are housekeepers. Provided that these two categories together are directed towards employment, then it would have been possible to increase the working population, in 2000, by approximately 3.7%.



Source: National Statistics Office

2.3.4 Statistical Difficulties

Unfortunately there is limited statistical information available on people with disability and most of the data that is available is not comparable from one source to another.

An important difference between the Household Budgetary Survey and the National Disability Survey is that whereas in the latter the focus of data collection, or the data unit, is the individual with disability, in the former it is the household, within which the individual with disability may be the sole member, the reference person and primary income earner, or may occupy another role. To this extent, therefore, the data emanating from the Household Budgetary Survey may be less informative about the specific circumstances of the individual with disability. It may however be argued that the living styles and standards of people with disability are strongly dependent on and intertwined with those of the household unit, such that Household Budgetary Survey data would be reasonably indicative of the socio-economic profile of persons with disability. Another problem that occurs from use of the Household Budgetary Survey is that the survey does not include people who are institutionalised, a majority of which have a disability. The National Disability survey also is not fully representative as a voluntary questionnaire is used with a poor response rate for some of the questions posed.

There is also a lack of detailed data on the costs of disability policies. This coupled with no time series of the data makes analysis on the effectiveness of policies extremely difficult. Furthermore comparison with other countries also becomes problematic, as most of the data cannot be compared.

Due to these statistical problems, which are also experienced by most countries that compile disability statistics, the United Nations and Eurostat have both been putting great emphasis on the need of comparable and detailed statistical data⁸. It is important for Malta to follow the developments in international best practices in this regard.

⁸ The World Programme of Action specifically requested the United Nations to develop systems for the regular collection and dissemination of information on disability.

3. International Practices Concerning Independent Living

Most people tend to take for granted most of the opportunities that they have regarding their living arrangements, transportation, employment opportunities and other aspects of everyday life. This is simply not the case for people with disability. Society tends to create barriers whether they are social, financial physical or attitudinal and these barriers result in misunderstandings and prejudices about persons with disability and to limit their potential achievements in life.

3.1 The Evolution of Approaches toward Independent Living

This incorrect perception triggers an attitude that people with disability have to be dependent on their families, institutions and social welfare benefits. This is precisely the type of attitude that the Independent Living Movement aims to change. The concept stems from a philosophy that states that *people with disability should have the same rights, opportunities and control over choices in their own lives as do people without disabilities*. This concept is based on self-determination. It is not simply living on one's own or being in a job or even living an active social life but it is oriented towards having the right and the opportunity to pursue any goal.

The evolution of this concept was based on different movements which had an impact on the rights of people with disability.

- i. *The social movement.* This movement focused on de-institutionalisation, the aim of which was to get people with disability out of institutionalised environments and back into their home communities. Prior to the coming of this movement, it used to be claimed that persons with disability could be taken care of better in special institutions, hence the development of 'special' kindergartens, 'special' schools, 'special' workshops, 'special' housing and 'special' transportation. The movement was based on the principle of 'normalisation' developed by Wolfensberger whose theory stemmed from the belief that people with intellectual impairments should live in the most 'normal' setting possible if they are expected to behave 'normally'.
- ii. *The civil rights movement.* To this day, there is great influence by disability movements to include individuals with disability in the legislative framework. One of the greatest milestones in history concerning people with disability was when disability rights started to be included under discrimination laws. Organisations such as the British Council of People with Disability and the Union of the Physically Impaired against Segregations have both been instrumental in putting disability rights in the forefront of the social agenda with respect to rights movements. In Malta, a Persons with Disability (Employment) Act was first enacted in 1969 whilst in 2000 a new Act – the Equal Opportunities (Persons with Disability) Act - was legislated.
- iii. *The self-help movement.* This movement focused specifically on self-help and peer support, which are essentially the key elements of the independent living philosophy. According to this belief, people with similar disabilities are believed to be more likely to assist and to understand each other than individuals who do not share the same experience. As a result, most of the

movements throughout the world are comprised of individuals with disability themselves.

- iv. *The de-medicalisation movement:* A more holistic approach started to be adopted with the development of this movement. There was a shift from the authoritarian medical model where individuals with disability were seen as 'sick' people who do not have to work and who are excluded from the normal duties of life to a paradigm of individual empowerment and responsibility for defining and meeting one's needs.
- v. *The Consumerism Movement:* This was the last movement to have a significant impact on Independent Living. The idea was based on the notion that consumers should have control over the choice of goods and services that are available to them. This has essentially been the drive behind shifting from indirect payments to direct payments. Ultimately, direct payments are a means to an end and that end is Independent Living (Hasler 2000).

3.1.1 History of Independent Living

The concept of Independent Living first originated in 1973 at the University of California in Berkley. Three students with disability, amongst which was Ed Roberts, were able to attend university with the support of personal assistants. These programmes had already existed in other universities but what was different in this programme was that it had a strong advocacy perspective and helped people with disability learn about their rights. The programme was so successful that after graduation, these students decided to establish the first-ever Independent Living Centre.

Originally the programme had five aims, namely:

- focusing on households;
- personal assistance;
- accessible transport;
- accessible environment;
- peer support.

Within a few years the movement spread like wild fire so much so that in the first ten years of its life, there sprung over 200 centres in the USA alone. In fact, it was not long before the movement spread to other countries.

3.1.2 The role of employment in Independent Living

Employment plays a critical role in Independent Living. It not only provides income and hence reduces dependency but work is also a powerful social activity which brings people with disability into direct contact with everyday activities and relationships.

In fact employment and sustainable livelihoods are priority areas which have been recognised by the General Assembly of the United Nations. In 1993 the United Nations set up Standard Rules on the Equalisation of Opportunities for Persons with Disabilities. The 7th Rule deals specifically with employment and how persons with disabilities have a right to gainful employment in the labour market.

'States should actively support the integration of persons with disabilities into open employment. This active support could occur through a variety of measures, such as vocational training, incentive oriented quota schemes,

reserved or designated employment, loans or grants for small businesses, exclusive contracts or priority production rights, tax concessions, contract compliance or other technical or financial assistance to enterprises employing workers with disabilities. States should also encourage employers to make reasonable adjustments to accommodate persons with disabilities'

While these rules are not compulsory, they do imply a strong moral and political commitment by members to take action for the equalisation of opportunities for people with disabilities.

Unfortunately despite the evident importance of this concept and the numerous disability policies, employment of people with disability is still uniformly and persistently low. This implies that not only is implementation, enforcement and compliance lacking but that discrimination is still an inherent and ingrained problem in our society.

3.2 Practices in the European Union

In the European Union, there are approximately 37 million people with disability. More than half are inactive and the rate of unemployment amongst people with disability tends to be two to three times higher than the norm. People with disability are also likely to be unemployed for longer periods of time and face a higher risk of losing their job. Furthermore the employment rate for people with disability is 20-30% lower and people with disability earn less than the average earnings of non-people with disability.⁹ These shocking figures obviously work against the drive for independent living. Having realised this the EU has, over the years, been trying to tackle this important issue.

⁹ Closing Speech: Anna Diamantopoulou: EU commissioner for Employment and Social Affairs
Commission: *Combating Discrimination against people with disability in the labour market.*

In 1995, 150 European cities signed the Barcelona Declaration, which contained commitments to promote equal opportunities for people with disabilities. These included ensuring access to information, adaptable housing and transport, cultural, sporting and recreational activities.

However it was in 1996, following the Commission's Communication on Equality of Opportunities for People with Disability, that the foundations for a disability strategy in the EU were first laid down. This strategy highlighted four important elements, namely:

- empowering people with disabilities for participation in society;
- removal of barriers which hinder participation;
- promoting employment for people with disabilities as a key to integrating in society;
- nurturing public opinion to be receptive on strategies such as equal opportunities.

Following the Lisbon summit, the Council of Ministers advocated that the EU should conform to the principles laid down in Article 13 of the United Nations Charter. This resolution called for the integration of disability questions in all relevant policy fields and for further communication with persons with disability and their representative organisations.

In 1997, a common employment strategy was introduced in the Amsterdam Treaty, part of which included employment policies concerning people with disability. The first set of guidelines, in 1998, covered the disability issue under the equal opportunities pillar. The integration of people with disability became a

separate guideline in 1999, calling for the design of preventive and active policies to facilitate integration in the labour market.

The employment strategy applies measures to boost employability among persons with disability. This is achievable by equipping people with the right skills to look for jobs, maintain jobs and to prevent them from falling into long-term unemployment. The important issue of adaptability is also tackled in the employment strategy as the labour market has to be made flexible in accommodating people both in terms of the physical environment and in terms of the social environment.

In practice a set of annual policies are drawn up for the member states. Each country then sets up its own National Policy and the European Commission reviews the progress made by each member state while issuing recommendations and reviewing the progress made. Recommendations are also given should amendments be required.¹⁰

The European Social Fund (ESF) and the EQUAL initiative financially support this strategy. The aim of the ESF is to assist Member states to implement innovative practices so as to promote employment opportunities for the various groups which are discriminated against, including people with disability. In fact, the ESF enables millions of people throughout the European Union to play a fuller role in society and thus improve their quality of life.

EQUAL is a programme which has been set up as part of the EU's strategy. National authorities in Member States propose projects under the EQUAL scheme

¹⁰ The next National Policies have to be presented in October 2003, the guidelines of which will be reviewed in 2006.

through Development Partnerships which are then selected for EQUAL funding following national calls for proposal.¹¹ The idea is that Member States can collaborate in dealing with similar themes. EQUAL is funded through the ESF which for the period 2000-2006 will cover EUR2, 847 million.¹²

ADAPT and EMPLOYMENT are another two initiatives adopted by the EU which have resulted in a large resource of 'hands-on' experience and expertise. ADAPT was initially set up to promote growth and to help workers adapt to industrial change. HORIZON, another programme, falls under the Employment initiative and has played an important role in promoting innovative actions for the vocational advancement of persons with a disability.

The inclusion of Article 13 in the Amsterdam Treaty, also known as the non-discrimination clause, has meant a huge step forward for people with disability in Europe. In fact in 2000 an EU directive¹³ on equal treatment in employment and occupation was adopted.

This Directive lays down a *"...general framework for combating discrimination on the grounds of religion and belief, disability, age or sexual orientation as regards employment and occupation, with a view to putting into effect in the Member States the principle of equal treatment."* The part of the Directive relating to disability is probably the most complex provision of the Directive which states that there shall be no direct or indirect discrimination "whatsoever" on the grounds of disability. At the same time however the directive lacks to provide a definition of "disability" or of a "person with disability".

One of the most important articles in this Directive, Article 5, sets out the duty of

¹¹ The next proposal is scheduled in mid-2004.

¹² www.europe.eu.int

¹³ Member States have up to December 2006 to implement provisions on disability.

'reasonable accommodation', meaning: *“employers shall take appropriate measures, where needed in a particular case, to enable a person with a disability to have access to, participate in, or advance in employment, or to undergo training – unless such measures would impose a disproportionate burden on the employer”*. As a result, the responsibility of integrating people with disability into employment should also fall on the employers themselves.

The Directive lays down the minimum requirements that all countries are entitled to adopt. It also encourages all Member states to do more but since they have no obligation to do so, some Member States still lack sufficient policies.

True enough, over the years there has been more concrete commitment from some Member States. Countries such as France, Spain, Portugal, Germany, Austria, the United Kingdom and Ireland have all set national targets to increase the employment levels of people with disability. But given the shocking unemployment and inactive figures, it appears that still not enough is being done.

The European Parliament has also played a key role and has issued several references to persons with a disability in a number of guidelines such as calling for job retention schemes. In the guideline on promoting the integration and combating discrimination of people at a disadvantage the European Parliament has also called for innovation in training schemes and mainstreaming approaches with specific measures such as reducing the employment gap between people with and without disability. A call has also been made by the European Parliament to Member States to enhance work competitiveness by reforming taxes and benefit systems while at the same time maintaining the same level of benefit systems.

3.2.1 Different Approaches adopted by EU Member States

As stated before, the responsibility for the economic and social integration of people with disabilities lies mainly with the Member States themselves. In fact the legislative framework concerning people with disabilities varies enormously across Member States, rendering comparisons difficult to make.

In the UK, the Disability Discrimination Act was enacted in 1995, with different sections coming into force at different times. In fact the requirements for changes to buildings where work has to be done does not come into effect until 2004. A scheme 'Access to Work' has also been formed to provide money to employers or to the employees themselves so as to make physical adjustments to buildings and equipment. Furthermore the scheme also provides money for training. However unlike the American Disability Act the UK Act looks at it in terms of costs as opposed to benefits.

Companies in the UK are also encouraged to adopt the disability symbol and abide by the five commitments to action covering all aspects of policies and procedures in relation to employing people with disabilities.

In Ireland, the contents and approach of the Irish Employment Equality Act is similar to the EU directive. A quota system of 3% was introduced in 1981. France has also adopted this type of system with the difference being that in France, the state took it upon itself to impose an obligation on the public sector before imposing it on the private sector.

In Portugal, the government also introduced a quota system for employing 5% of people with disability in public administration. Even Spain applies a similar quota system where firms employing over 50 workers must ensure that two percent of their staff comprise individuals who have registered their disabilities with the employment office.

Although this quota system is a popular system, it does have its disadvantages amongst which is that it does not address the issue of occupational segregation as it focuses only on the level of representation in the overall workforce. Another drawback is related to the issue of discrimination as the quota system can be interpreted as having to employ people with disability regardless of merit.

In Spain there have been increases in grants to ordinary firms who employ people with disability. These type of grants ensure that the employer must guarantee a steady job to the worker with disability for a duration of three years. If, however this person is dismissed fairly, the employer is then obliged to replace him/her with another person with disability. In addition to the grant, employers are also entitled to a deduction in their social security contributions for each employee with a disability. Changes have also occurred in the Spanish social protection system in particular pensions in order to avoid disincentives to incorporating or integrating people with disability into the labour market.

EU countries are also developing a network of work agencies that specialise in matching the supply and demand of workers with disability in the labour market. Bearing in mind that there are people with disability who are unable to work in the open labour market, some countries have also adopted specialised training centres which give the possibility of participating in sheltered workshops.

Sweden has gone a step further by implementing a disability ombudsman whose task is specifically to supervise the rights of persons with a disability. The ombudsman also supervises compliance with the new legislation prohibiting discrimination in the working life of people with disability.

3.2.2 Education and Employment

Several countries have also realised the important link between education and employment for it is useless having an employment environment where there is no discrimination if the education system does not support it.

In Denmark, a special pool of funds has been set up specifically to fund special education, on the job training, course upgrades, vocational training and higher education with an emphasis on new technologies.

Germany, on the other hand, has adopted Operational Programmes to promote training, guidance and counselling systems in addition to flexible learning. The idea is to promote co-operation between schools and vocational training institutions as well as improved networks and links between schools, parents, social workers and trainers.

In the UK there are approximately 444 further education colleges that offer vocational courses and academic courses to people with disability. These courses teach independent living and communication skills to students with learning difficulties and with other disabilities to prepare them for entry into the work environment.

3.3 Practices in other Jurisdictions

In the USA there are 54 million Americans with disabilities and the unemployment rate for this group hovers at around 70%.¹⁴ In 1990, the Americans with Disability Act (ADA) was signed. This Act covers employment by stating that businesses must provide 'reasonable accommodation' to protect the rights of individuals with disabilities in all aspects of employment. These employment provisions however apply to employers of 15 employees or more. On the other hand the public accommodation provision applies to all business sizes regardless to the number of employees. A special tax credit is also available to help smaller employers make accommodations required by the ADA. Furthermore in order to increase employment opportunities, the office of Disability Employment Policy annually awards competitive grants and contracts to employers.

In 2001, President George Bush announced the 'New Freedom Initiative' to promote the full integration of people with disabilities into all aspects of everyday life. The goals of this plan are specifically to target educational and employment opportunities, providing accessible transportation as well as increase access to assistive technologies and public accommodations.

In Canada, there is no disability specific legislation as yet as it is part of a broad human rights code. What is positive about this legislation is that it covers everything such as housing, transportation, goods and services and all state legislation as well as employment and government services.

¹⁴ www.disabilityinfo.gov

On the other hand, in Australia the Disability Discrimination Act kicked in 1992. Out of this a Commonwealth disability strategy was formed which was a framework to assist Commonwealth organisations to remove barriers for people with disabilities. Each organisation was then asked to compile a Disability Action Plan so as to eliminate discrimination in the organisations' workplace and within its operations.

3.4 Principal features of policies towards Independent Living

3.4.1 Meaning of Independent Living

The independent living movement is centred on the rights of people with disability. As a movement it looks at every aspect of what needs to be done and changed in order to allow individuals with disability to live their own lives. The concept 'Independent Living' was never meant to mean people doing things on their own but rather it means 'directing people to do for me what I would be able to do for myself if I did not have the disability'.

The philosophy on independent living is based on four key assumptions (Morris, 1993a p 21)

1. All human life is of value.
2. Anyone, whatever their impairment, is capable of exercising choices.
3. People who acquire disability by society's reaction to physical, intellectual and sensory impairment and to emotional distress have the right to assert control over their lives.
4. People with disability have the right to participate fully in society.

The most important element of the philosophy is empowerment. It is the ability to have personal assistance that guarantees geographical and social mobility which allows for basic choices such as choice of residence or work, travel and the opportunity to have a family of one's own. It also means that individuals can take control and responsibility over their own lives.

In fact, the task of Independent Living Centres is to co-ordinate issues such as education and employment rather than tackle each issue separately. Indeed it makes little sense in having an employment strategy if there is discrimination in education or in the transportation systems or housing that is not arranged to accommodate people with disability.

Furthermore there is little use in having a strategy at all unless attitudes towards people with disability on the workplace change. It is the amalgamation of all these separate issues which creates an independent living lifestyle.

In countries such as the UK, an Independent Living Fund has specifically been set up to give people with disability the opportunity to receive cash payments in order to purchase their own personal assistance. This not only gives self-control and enhanced self-respect but by allowing individuals to choose their own care assistants it also allows them to exercise their fundamental right of choice when purchasing goods and services.

3.4.2 Future of Independent Living

Funding is an essential element for all these centres. Without the required resources it is extremely difficult to reach these goals. This is not to say that the

government should not be doing more in terms of financing but that the centres themselves also have an obligation to generate income. This can be done through employment, which not only gives persons with a disability a sense of self-achievement, but in the process it can also generate income for the centre. Many centres have started to produce goods themselves, employing persons with a disability and in the process integrating with other businesses.

More focus also has to be directed on what people with disability need and this is only possible if people with disability themselves take part in forums where their voices will be heard.

4. An Assessment of Policies towards Disability in Malta

Government, non-governmental institutions and voluntary groups all aim to provide benefits and assistance to individuals with a disability and their families to overcome barriers and exploit opportunities so as to live an independent and fulfilled life.

In the year 2000, the government tackled one of the most sensitive areas by enacting the Equal Opportunities (Persons with Disability) Act so as to eliminate discrimination against persons with a disability in areas such as employment, education, access to areas, housing and insurance.

4.1 Description of Policies

4.1.1 Employment

One of the fundamentals of independent living scheme is to give persons with a disability the opportunity to work and earn their own living so as to enrich their self-esteem and social skills. Drawbacks such as physical limitations and cultural attitudes towards people with disability on the workplace still need to be addressed but policies are in place to integrate this group into the workplace.

According to the provisions of the Employment Act (1969) , for which the Employment and Training Corporation (ETC) is responsible, companies that employ more than twenty people have to employ not less than two percent of

their work force among those registered as persons with a disability. In reality, this regulation has never been implemented and very few companies comply with it. ETC has also put aside limited funds so that persons with a disability can be provided with the necessary training to find suitable work. Persons with a disability can also make use of the Employment Training Placement Scheme (ETPS) whereby an employer can be given a wage subsidy amounting to half the minimum wage so that a person can be trained in the initial phase of employment.

Furthermore, through the on-line scheme, an individual with a disability can be trained at the workplace, during which a Lm30 allowance will be paid. In the initial phases of employment a job coach can also be allocated to those who need personalised training. Financial assistance may also be granted to employers who need to adapt the workplace. The Corporation also provides individualised transport so that a person with a disability can find a job.

It can at this stage be commented that the efforts of the ETC in this area are at their inception phase. Indeed, the Corporation is still in the process of gathering data in order to be able to assess the characteristics of its potential clients with disability. It is as yet early to assess the effectiveness of this programme.

There are also a number of non-governmental organisations involved in assisting persons with disability in relation to employment opportunities. Eden Foundation, a non-governmental organisation, runs an Ability Centre where training and support is given to individuals with intellectual disability to find a job. The Foundation for the Rehabilitation of the Physically Disabled also offers training principally for people with a physical disability. The Muscular Dystrophy Group also offers part-time work and training in computer skills to its members. Adult

training centres have also been set up to train basic life skills and offer supportive employment.

4.1.2 Education

The Education Division has set up a Special Needs Centre as part of the Special Education Programme whereby the centre provides support for the education of children with a disability. The aim behind such a programme is not solely preventive but it is also remedial aiding not only students but also parents and the schools themselves.

Children with a disability under four years of age and students with long-term sickness' can obtain the use of teaching services at home. There are also different types of special schools that cater for different disabilities. Children attending regular schools can obtain the help of peripatetic teachers and facilitators. Eden Foundation also provides the Rainbow Centre, which offers a range of programmes for children and young people with intellectual disabilities. Education programmes are tailored to the needs of the individual, the aim of which is to aid persons with a disability to find a job and eventually live an independent life.

4.1.3 Health

The Health Division offers services ranging from diagnosis, medical assessment as well as physiotherapy and occupation therapy for persons with a disability. Speech therapy services are also offered for those in need. A Child Development Assessment Unit has also been set up which offers services for children with development and behavioural problems. Free medical aid is also offered to

persons who suffer from a list of illnesses that are specified in the Social Security Act. This is means tested except for persons who suffer from certain illnesses.

4.1.4 Social Security

The Ministry of Social Policy offers a daytime service for individuals with a disability who cannot work so that they can continue to support their family whilst at the same time developing their skills. A pension of Lm26.65 a week is paid to persons with a disability over the age of sixteen. This pension is means tested so that whoever earns an income above the minimum wage will be paid a lower pension. Children with a severe disability also qualify for an allowance that is means tested according to the income of the parents. This is available till the age of sixteen. Any person who contributes to Social Security contributions and is then physically or mentally injured and who suffers a loss of more than 89% severity, will be entitled to an injury pension. Social Assistance Females and Carer's Pensions are available for single persons, whose capital does not exceed Lm4000, and who take care of their immediate family who may be suffering from a disability. Sickness Assistance is also given to persons who suffer from illnesses that are specified in the Social Security Act. Means testing is carried out on the basis of income and capital resources that the person has available.

4.1.5 Housing and Residential Services

A person with a disability or any member of his/her family may apply for a grant issued by the Housing Authority up to the value of Lm2800. The grant can be used for general alterations ranging from the adaptation of bathrooms and kitchens to the installation of lifts and lifting aids. Furthermore in the allocation of new residences, the Housing Authority is under the obligation of issuing 12% of housing residencies for persons with disability or for family members taking care of them. They can also apply for a grant of up to Lm1200, so as to adapt the

building according to their requirements. All new buildings are also required to accommodate persons with disabilities when it comes to physical restrictions such as ramps. Temporary and permanent residential services are also available for persons with a disability.

The Foundation of Respite Care Services runs Dar tal-Kaptan where individuals with a disability can obtain temporary residence. The Foundation also offers other services such as day care services, Home Care and Family Link services. Dar il-Wens is another residential home which offers permanent residence to a small number of persons with a disability. The home was initially set up to educate the residents with basic skills so that they can eventually live in their own homes. Dar Nazareth, which offers residence to people who cannot live on their own, or who for some reason cannot live with their family, also offers permanent residence. The Church set up Dar tal-Providenza, which is a home offering permanent residency to individuals who cannot live an independent life. Residential services are also offered through the supported living scheme run by Agenzija Sapport. A number of units and bungalows are offered to persons with a disability who want to live an independent life. Support is offered on a needs basis but it is extended 24 hours a day and seven days a week. Each resident is however required to pay 60% of the pension.

4.1.6 Transport

The Foundation of Transport for Independent Living offers a transportation service for people with disabilities who cannot use public transport and who primarily need transport for educational or for employment purposes. The State offers reserved parking permits to persons with a disability so that they can park in reserved public places. In addition, parking can also be reserved in front of the residence of persons with disability and keep clear bays can also be utilised in front of the residence. The government also exempts persons with disability or

their relatives from paying car registration fees, duties or VAT as well as road licences.

4.1.7 Services and special aids

Agenzija Sapport also offers a social work service. The purpose of this service is to offer an individualised service to persons with disabilities and their families according to their needs through services such as group work and counselling. The agency also offers a supported living scheme to persons with a disability who have challenging behaviour. A resource team is also available for consultations to offer long life planning and support groups.

A home help/care service is also offered for persons with a disability, the aim of which is to allow these individuals to go on living in the community and to improve the quality of their life according to their needs. Social assistants visit the residence and offer services ranging from companionship to shopping. These services however are offered at a minimum fee of Lm1 a week. Other services such as Telecare, Meals on Wheels, Community Nursing services as well as Maintenance services are offered to persons with disabilities.

A special identity card allows persons with a disability to be given priority in the services offered by leading institutions as well as other services such as free travelling between Malta and Gozo.

The National Commission Persons with Disability offers advice and financial help to persons with a disability and their families when equipment is needed that will allow persons with a disability to lead a more independent life. This is offered,

provided that the applicant can cover 10% of the price. Similarly Caritas, a non-governmental organisation, has a Centre for a more Independent Life, which offers advice to persons with disabilities who want to buy equipment. The Community Chest Fund also offers financial assistance in the purchase of equipment related to disability, especially to persons with disability who have a low income.

4.1.8 VAT exempted goods and services

Goods which are 'specifically designed for the educational or social advance, or the employment of a person, having some form of permanent intellectual or physical disability', are exempted from VAT and Duty.

4.1.9 Training and Research

A programme for continuing education, research and training (PEKTUR) has been set up by the National Commission Persons with Disability so as to encourage people to continue with their education, training and research. Short courses are also offered at the University of Malta and in different councils and parishes.

4.2 Financial Costs of Present Policies

The process of quantifying the financial costs associated with the provision of these existing policies is not an easy task. Detailed statistical coverage of the financial costs for each and every programme and of the participation rate for these programmes is not available. In addition there is no historical data and the only statistical coverage that exists is rather general so that the cost of any programme will not only incorporate the provisional cost of the good/service for

people with disability but also for other beneficiaries.¹⁵ Thus the following section will only analyse the *general costs* of disability policies that are recorded by the central government in the Financial Report and Financial Estimates which are published annually.

4.2.1 Disability Benefits/Allowances

Disability Allowances are direct payments provided by the state to people with disability. As can be seen from Chart 4.0, these allowances reached a peak in 2000 at Lm3, 103,212 after which they dropped marginally to Lm 3,015,957 in 2001. The financial estimates for 2003 are expected to drop further to Lm2, 800,000. This drop in disability allowance may possibly be linked to the greater effort which over the past few years has been directed towards getting people with disability into employment, which automatically results in a discontinuation of the disability allowance. This however can only be assumed, as the hypothesis cannot be verified due to a lack of statistical evidence.

Non-contributory benefits impose a greater amount of pressure on government finances as opposed to contributory benefits such as retirement schemes. Chart 4.1 exhibits the ratio of disability pensions to non-contributory benefits. This ratio reached a maximum in 2000 when disability pensions were at their highest only to drop to 7.7% in 2002 and for the projected estimates of 2003. Social assistance, old age pensions and medical assistance are usually the non-

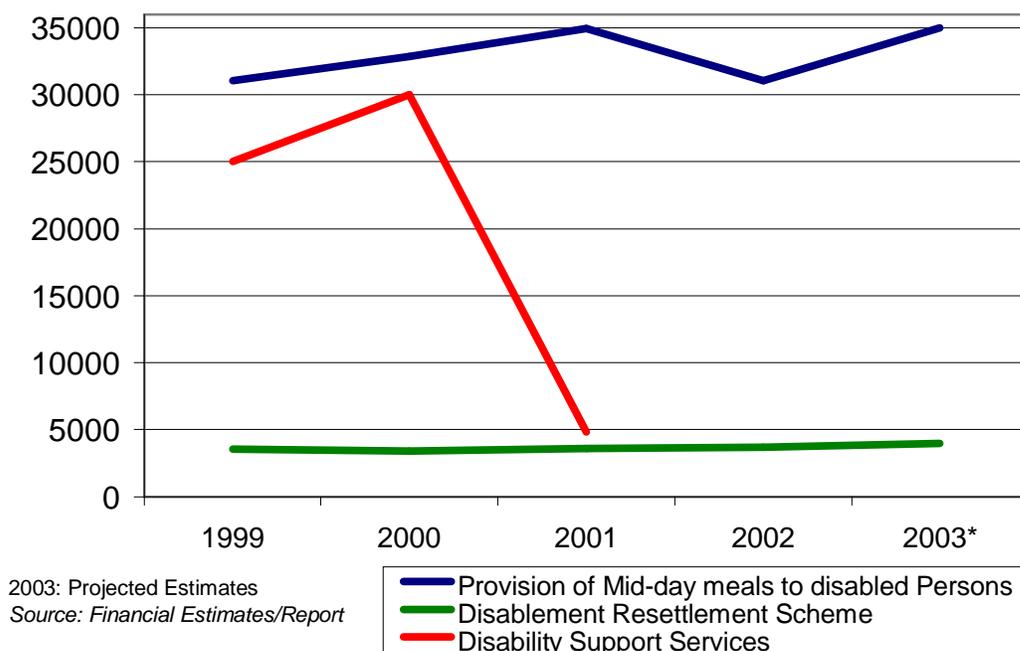
¹⁵ For example: Funds are allotted for ETC programmes but there is no specific mention of employment programmes for people with disability.

contributory benefits which outweigh disability benefits. This is expected given the larger number of beneficiaries who benefit from these schemes.

On the other hand, the ratio of disability pensions to total social security benefits has been fairly static, over the time period studied, averaging at approximately 1.5%.

The government also offers a variety of services to people with disability such as daily delivery of meals. As can be seen in Chart 4.2 the running costs of this scheme is approximately Lm30, 000. Furthermore a limited number of funds are also offered by the Department of Social Security for a Disability Resettlement Scheme, the purpose of which is to promote employment and the training of people with disability. A Disability Support Service fund was also available till 1999 after which it was replaced by a Supported Living Project. The amount of funds allocated for this project tripled in 2003.

Chart 4.2-Different programmes



Ever since its inception in 1987, the aim of the National Commission Persons with Disability has been to work in collaboration with non-governmental organizations and with government to co-ordinate efforts and to voice opinion on disability policies. The Commission also aims to support independent living for people with disability by providing support programmes. 'PEKTUR' has been specifically set up to provide an opportunity for people with disability and their families to share experiences and to give people with disability the opportunity to further their education and training. The programme also provides a forum for people with disability to share their experiences. The amount of funds allocated by the government to the Commission has been increasing as the Commission has been growing in its intent to accommodate people with disabilities. In fact the funds

allocated for 2003 stand at Lm250, 000 with a further Lm100,000 that have been allotted for the European Year for Persons with Disability. The increase in funds was however practically all used up to cover a rise in salaries.

4.3 Identification for Potential Improvement

Employment policies adopted in Malta, described in section 4.1.1, do not tend to differ significantly when compared to employment policies adopted in most EU countries. In fact, the quota system, which is the most common policy adopted by most EU countries, has also been implemented in Malta. This system, however, is notoriously difficult to regulate and rarely works. Other policies such as the availability of job coaches, specialized training and vocational rehabilitation are also policies which have been implemented through the ETC. The ETC also tackles transportation related barriers by providing transport to people with disability. Self-employment is also encouraged by ETC. Furthermore incentives targeted towards employers, such as financial assistance are also granted for Reasonable Accommodation. Wage subsidies and grants for training are also available for employers who employ people with disability.

Needless to say, whilst these policies are similar to other EU countries, their implementation and enforcement does not necessarily imply that we are on a similar scale. The next section deals with other policies that need to be adopted in Malta and issues which need to be challenged so as to make the quest for Independent Living a more realistic and achievable goal.

4.3.1 Incentives for People with Disability

There is no denying that one of the main reasons why people with disability are not encouraged to enter the workforce is directly related to the 'benefit trap'. People with disability are obviously concerned that movement towards any form of employment will threaten their benefit status. This is directly linked to the inflexibility of the benefit system and explains why the employment rate for people with disability is so low.

As stated previously, the average income for households with a member with disability is lower than the average income for other households. Furthermore there is greater reliance on social security benefits and households with a member with disability tend to experience larger financial costs that are related to the disability, such as higher transportation costs. Therefore with lower income and with higher costs, some form of assistance will still be required, despite employment, so as to ensure that people with disability live a life with a sufficient standard of living.

Greater flexibility of the benefit system will minimize the effects of the benefit trap and encourage both full-time and part time employment that automatically results in self-satisfaction and higher self-esteem for people with disability.

The benefit system also has to be reformed putting more emphasis on individualized funding. A wide variety of mechanisms can be adopted to implement individualized funding and assist people with responsibilities that this funding imposes. These include service brokers¹⁶, personal agents and fiscal intermediaries- all designed to assist with budgeting, selecting services, managing payments and accountability.

Supplementary methods of tackling the 'benefit trap':

¹⁶ Service Brokerage alters the balance of power by removing control of funding from agencies and government departments to and placing it in the hands of the person with disability.

- Tax credits and tax reformation
- Income abatement
- Allowing benefits to be on hold for a specific time period to serve as a safety net. Countries such as the USA and Netherlands have adopted a system where benefit payments are continued for a trial period during employment.

Although measurement of the benefit trap is not straightforward due to insufficient data, there is still adequate evidence emerging from research that in the long-run a flexible benefit system results in cost savings of the present system.

Another difficulty which people with disability encounter is related to long working hours that pose further physical and mental strain on workers with disability. It already takes a person with disability longer to get to his/her place of work. A routine taken for granted by some such as waking up, having a shower, getting dressed and driving to work might take a person with disability several hours and hence prove to be physically straining prior to actually arriving at the work destination.

This issue can be tackled by allowing workers with disability to work reduced hours or for the employment firm to allow job sharing. Job sharing will allow workers with disability, who cannot keep up with the full-time grind of employment, to work fewer hours and split the work with another worker. From a positive perspective, the employer will be able to get input from two workers for the price of one. This option will not only provide an opportunity for people with disability to work satisfactory hours but it will also encourage team support.

Other options include working flexi-hours or tele-working. While the latter option allows individuals with disability to work from their home environment that might

be physically more comfortable it could also result in further isolation for a person with disability.

This is a similar problem which crops up from sheltered workshops. When people are segregated in sheltered workshops, they might miss out on the opportunities of interacting, working in a meaningful job and being part of the community at large. At the same time however, these workshops allow people with disability to interact with other people with disability who could share work experiences from which lessons could be learnt. Furthermore these workshops could serve as a stepping stone to open employment and hence an independent lifestyle.

Another area which needs to be tackled in Malta is the need for specialized job centres specifically for people with disability. While the ETC performs this function in terms of general employment, there is the need for a specialized centre for people with disability. This agency could serve as a mediator between people with disability and employers. The agency must also make it a priority to disseminate information for both parties so as to bring the needs of people with disability and employers together.

Once people with disability find employment it is essential to provide support such as assistive technology, specialized job training, and individually tailored supervision. A key characteristic, which distinguishes supported employment from other forms of employment, is the provision of ongoing support for individuals with disabilities.

It is also important to bear in mind that this is an ongoing process. Once an individual with disability finds employment, there is the need for natural support to come from supervisors and co-workers which is only possible if people are educated about the needs of people with disability.

4.3.2 Incentives for employers

The previous section tackled the issue solely from the demand side, which on its own is insufficient to ensure definite employment. As a result the supply side, arising from the needs of employers, needs to be dealt with as a separate issue.

One of the areas that requires immediate attention is the need for employers to be educated about disability. Disability does not mean inability and employers cannot discriminate against people with disability. This has already been implemented in Malta when the government enacted the Equal Opportunities Act, but more needs to be done especially in terms of attitudinal changes. Having the right rules and regulations in place is the first step towards accomplishing this goal but assistance also needs to be offered by government and NGO's to draw attention on the potential benefits that can be enjoyed by firms employing people with disability.

One of the best ways of tackling this issue is to have employers' networks where employers can discuss the issue of disability on the workplace. Usually the best lessons are learnt when an employer, who has first hand experience on the issue, relates the experience to others. This will obviously provide greater awareness about people with disability and what they can achieve.

Other forms of incentives for employers could be compensation for reduced productivity, which might encourage employers to employ people with disability. Other measures such as subsidised taxes according to the number of people with disability employed, can also achieve a similar outcome.

4.3.3 Enforcement and Compliance

Seeing that most of the policies already adopted in Malta are similar to other EU countries and that any potential improvement in the policies mentioned above will only strengthen employment policies, one cannot help but observe that policies in Malta are not being used to their full potential.

One of the areas that requires urgent attention is related to the cultural attitude that exists in Malta. In section 2.1.1 it was stated that most people with a disability in Malta are rather elderly. As a result, families of these individuals with disability still tend to adopt the deep-rooted mentality that a person with disability is dependent on the family and that it is the family's responsibility to provide this assistance. Consequently people with disability are not encouraged to actively seek an independent lifestyle.

One way of tackling this cultural belief is by educating people, especially from a young age, about disabilities. As stated before, disability does not mean inability and people with disability do not need pity but rather support in their quest of living an independent lifestyle worthy of any individual.

Another area, which needs to be tackled, is related to the dissemination of information. It is useless having policies in place if people with disability themselves are not aware of these policies. This is where the role of NGO's becomes crucial. Feedback is another important element and more forums need to be set up where the respective bodies can meet up and discuss issues and where people with disability themselves can voice their opinions on whether the policies available are effective enough.

One way of ensuring that these policies are effective is to make sure that they are practised. This entails constant monitoring. Furthermore compliance is necessary for the policies to be effective. This is where the role of an ombudsman becomes indispensable. The Ombudsman can assist people with disability in taking legal action should the need arise. Negative sanctions such as fines can then be adopted when compliance with regulations is breached. On the other hand positive sanctions such as awards for companies who employ people with disability can also be adopted to serve as an encouragement.

4.4 Impact on Individuals

Policies directed towards getting people with disability into employment will result in increased freedom of choice over the lifestyle that they want to live. This will reduce dependence on social security benefits but it will also reduce dependency on other forms of income such as family related income.

A well-earned income will give people with disability a great sense of self-achievement but it will also bring with it increased responsibility on how that income is to be spent.

Moreover once a person with disability finds employment, backed with a steady stream of income, there will be reduced uncertainty about the future which will undoubtedly make people with disability think more about the future. Therefore employment will not only open up a new path for independent living but it will indeed spark off feelings of self-worth and pride.

4.5 Impact on the Economy

These policies will undoubtedly also have an impact on the economy. In fact in section 2.3.3 it was stated that should all people with disability in the working age bracket join the workforce, labour supply could increase by 3.7%. It is

important to stress that this is an extremely optimistic view as it includes all students and assumes that all 'housekeepers' will seek employment.

At the same time, there is little use in increasing labour supply if the demand for employment is lacking as this will only result in unemployment and hence impose a greater burden on government expenditure as well as bring with it numerous social difficulties.

Consequently the education system must play a crucial role in coordinating skills that are demanded by different sectors. In fact there is little need in training people with disability in the textile industry as demand in this sector has been dwindling for some time. On the other hand it is vital to train people with disability in technological areas where demand for employment is expanding.

Any form of employment which people with disability are attracted to will result in a greater utilization of resources. This greater labour market participation is likely to increase income, output and employment and hence the Gross Domestic Product (GDP) of the country.

As the GDP of a country increases, *ceteris paribus*, people will generally find that they have a higher level of income, which will fuel consumption and investment thus resulting in further economic growth. This automatically generates greater government revenue part of which can be redirected towards the needs of people with disability.

Furthermore as more people with disability start to engage in employment, government expenditure in terms of disability allowances will start to decline.

There is however a two-sided argument related to government expenditure. People with disability still need a supportive structure and at the same time monitoring and enforcement of policies is not costless. Therefore although there may be savings in terms of disability allowances, there may also be greater outlays linked to these support structures. As a result the impact of these policies on the fiscal deficit may be ambiguous especially in the first few years when a greater outlay may be required to implement and ensure compliance with these policies. Gradually however the fiscal deficit should ameliorate as greater revenue generation and lower disability allowances should outweigh the costs associated with these disability policies.

5. Promoting Supported Employment in Malta

It is thus established that supported employment within an independent living context for people with disability is a desirable objective which is being espoused internationally. There are also a number of efforts being undertaken locally within the framework of these objectives. There are however a number of areas for improvement in this regard.

This Chapter of the report aims to derive a scheme whereby supported employment could be rendered more feasible, taking into account the welfare of the individual with disability, social concerns, broader economic issues and the constraints on government expenditure. In the derivation of this scheme, it is useful to recall the principal stylised facts raised in this study so far.

- There are in Malta over 900 registered individuals with disability of school age, and over 3,100 registered individuals with disability of working age, a total of at least 4,000 individuals potentially exercising important economic impacts.
- The labour market activity rate for the population with disability is just around two-thirds the figure for the entire population, while the unemployment rate is double.
- Only one-fifth of workers with disability enjoy permanent employment.
- Households with a member with disability have, on a per capita basis, a markedly lower earning capacity through remunerated work and a significantly more pronounced dependence on social benefits.
- Disability results in vulnerability and heightened concern for the future livelihood of individuals, constraining concerned households to save more and thereby enjoy a generally lower standard of living.
- The number of people with disability who continue their education is generally much lower than for the rest of the population.

- The issues involved in facilitating the approach by people with disability towards employment are complex, involving numerous dimensions. Even internationally, there is no single jurisdiction which could be emulated as a model of unqualified success.
- Employment related policies in Malta are either ineffective or still at the inception phase.
- In Malta, people with disability are concerned that movement towards any form of employment will threaten their benefit status.

5.1 A Proposal for A Scheme to Further Supported Employment in Malta

In view of the complexity of the problem, manifesting itself in the various types of disability, the different socio-economic backgrounds of individual concerns, and different cultural and work-related attitudes, it would be counterproductive to derive a generic “one-size-fits-all” scheme and to attempt a cost-benefit analysis of it. On the other hand, a scheme which is centred on the individual and which can be tailor-made to suit different needs so as to better enable empowerment especially in relation to the world of work can be contemplated.

The scheme is targeted at eliminating the benefit trap inherent in the Maltese social security system, and thus for individuals with a disability and with a potential for work with a remuneration somewhat above the minimum wage. This is because this situation constitutes a case of economic failure, whereby opportunities for income generation and production are being done away with through the distortions introduced by a system of flat rate benefits which would drop markedly upon earning a wage above the minimum. Such a scheme is thus not intended to cover individuals who can earn sufficient income which render the decision not to work on the basis of earning the disability benefit attractive. Nor can it be applicable to individuals which are not suitable for market work earning below the minimum wage.

The overall objectives of the scheme are:

- to be consistent with the social model of disability;
- to be individually rational, in the sense that it contributes to an improvement in the well-being of the person with disability;
- to be socially rational, in the sense that it leads to an overall increase in social welfare;
- to restrain as much as possible increases in government outlays;
- to create no conflict and be as much as possible complementary with other initiatives taken with respect to improving the employability of persons with disability, including the suggestions for improvement in this respect presented in section 4.3 of this report;
- to maintain the present system of benefits available to individuals who may wish to retain it while introducing incentives to encourage work.

The workings of the proposed scheme follow. Consider an individual earning the disability benefit, B' , of around Lm27 per week. For simplicity's sake, this amount shall be taken to represent the individual's level of utility, U' , as well as government expenditure on that individual, G' . Thus,

$$U' = G' = B' \quad (1)$$

Overall societal welfare S can be derived as the welfare of the individual U plus the indirect benefit which society receives through the income transfer which the individual with disability receives, net of government expenditure. Thus, the level of societal welfare at this point, S' , can be derived as:

$$S' = B' + b_0B' - B' = b_0B' \quad (2)$$

where b_0 represents a coefficient which translates the benefit received by the individual with disability into social welfare. It can be considered to represent the extent to which society wants to give income transfers to the persons with disability.

Under the proposed scheme, it is being suggested that part of the disability benefit B be replaced by a transfer of funds that will have to be specifically devoted to empowering the individual with disability to acquire employment. Denote such transfer of funds as E , which will enable the individual to work for H hours per week at a wage rate w . The suitability of such a scheme is here being investigated.

For the scheme to be acceptable to the individual, the following condition will have to hold:

$$B + wH + a_0H = a_1B' \quad (3)$$

that is the new level of disability benefit B plus the earnings from employment wH plus any additional effects on the individual's utility arising out of working H hours must exceed by a multiple a_1 the original level of utility which was equivalent to the original level of disability benefit B' . This presumes that the entire amount of E is spent on products and services aimed at facilitating the acquisition of employment. The term a_1 represents the factor of compensation which must be given to the individual to induce consideration of earning a wage income even if this might mean some reduction in disability benefit earnings. The term a_0 is a negative coefficient representing the extent of disutility which the hours of work will generate for the individual. This may of course be tempered by the extent to which work would generate an inherent satisfaction to the individual.

Assuming for simplicity that $a_0=0$, or incorporating any disutility of work in the multiplier a_1 , equation (3) can be manipulated to obtain the required level of disability benefit under the proposed scheme as:

$$B = a_1B' - wH \quad (4)$$

Thus, the required disability benefit would depend positively on the original level and on the multiplier to induce work, and negatively on the number of hours worked and the wage rate. Condition (4) is required to ensure individual participation to the scheme.

It is however equally important that the scheme yields a net social welfare that is at least equal to the original level shown in equation (2). The net social welfare under the scheme can be derived as the sum of:

- the individual welfare $B+wH$;
- the welfare to the rest of society, which can be expressed as $b_0B + b_1H$, representing the welfare society receives by transferring a payment B in the form of a disability benefit and by having an individual with disability participating in the labour market through H hours of work;
- net of the cost to government of the scheme which is $B + E$.

Thus:

$$B+wH + b_0B + b_1H - (B+E) > b_0B'$$

which may be simplified as:

$$H(w+b_1) + b_0(B-B') > E \quad (5)$$

Equation (5) implies that for the scheme to yield a net social benefit, the expenditure directed to the individual to be able to acquire employment, E , must not exceed the sum of:

- the total wage received by the individual from H hours of work;
- the benefit accruing to the rest of society through the individual working H hours;
- the impact on the welfare of the rest of society from changing the disability benefit level from B' to B .

Assuming for the sake of simplicity that $b_0=0$, that is the welfare effects of a disability payment are restricted to the individual recipient and do not spill over to the rest of society, the maximum expenditure that can be allowed on the outlays associated with gaining employment is:

$$E = H(w+b_1) \quad (6)$$

In other words, the expenditure on gaining employment must be justified in terms of the number of hours worked, the wage rate earned and the benefits accruing to the rest of society.

Finally, we must consider a budget expenditure constraint in the system. The total expenditure by government on the individual with disability under the proposed scheme, G , would be the disability benefit which would continue to be received and the expenditure associated with acquiring employment, that is $B+E$. By combining equations (4) and (6), the maximum expenditure that government would undergo per individual under the scheme would be:

$$G = a_1B' - wH + H(w+b_1) = a_1B' + b_1H \quad (7)$$

Equation (7) implies that Government would optimally pay the multiple of the original benefit to the individual in order to induce a propensity to work plus a consideration for the positive welfare effects on the rest of society which work by the individual would generate. This of course implies that E is at the maximum level allowable for the scheme to be socially desirable. For any other lower level of E, government expenditure per individual would be:

$$G = a_1B' - wH + E \quad (8)$$

If government has a constraint on its budget such that $G = g_0B'$ where g_0 is a multiplier indicating the extent to which government is prepared to increase its expenditure per individual relative to the original outlay, then the limit on the expenditure on E can be derived from (8) as:

$$E = wH - B'(a_1 - g_0) \quad (9)$$

Thus, the expenditure E would increase with the wage income of the individual, as this would imply a lower need for government assistance through the disability benefit. It would also rise with g_0 , the extent to which government would be prepared to have an increase in the expenditure per individual. On the other hand, E would fall with a_1 and with the original benefit level, as higher levels of these variables would imply the need for a greater assistance through a disability benefit, leaving fewer resources for the expenditure on assistance to acquire employment.

The viability of the proposed scheme essentially depends on the expenditure on acquiring employment being sufficiently low relative to the individual and social benefits that it is capable of generating, and relative to the government budget constraints. Whether this will be the case depends on a number of individual specific variables, including the income increase required to induce work, the

extent of hours that can be worked and the wage earned and the expenditure needed to make possible the entry of the individual with disability into the world of work.

5.2 A Practical Example

As an illustration of the scheme proposed above, a practical example is here discussed. Consider an individual with disability who originally receives the disability benefit of around Lm27 per week. Assume that the individual can find employment for 40 hours a week at a wage rate of Lm1.30 per hour, giving a weekly wage of Lm52. This is just above the minimum wage and would entail the loss of the benefit originally received.

From practical experience, it is known that it would be difficult to attract the individual to work under these circumstances. A wage just over the minimum, which is around twice the disability benefit rate, would typically be not enough to cut the dependency on the benefit and entice the individual to depend more on wage income. For the sake of the argument, assume that total earnings of 2.5 times the original level of benefit would be sufficient for this purpose. This would entail that the individual would have a total income of Lm67.5 per week, deriving Lm52 per week out of wage income, with the remaining Lm15.5 coming out of a reduced disability benefit. In this case, the disability benefit would be justified in terms of the increased personal hardship and sacrifice of a pecuniary nature which the individual with disability would face in accepting to participate in the labour market.

The monetary costs of acquiring employment would be covered by the expenditure which is defrayed by government specifically for the purpose. From

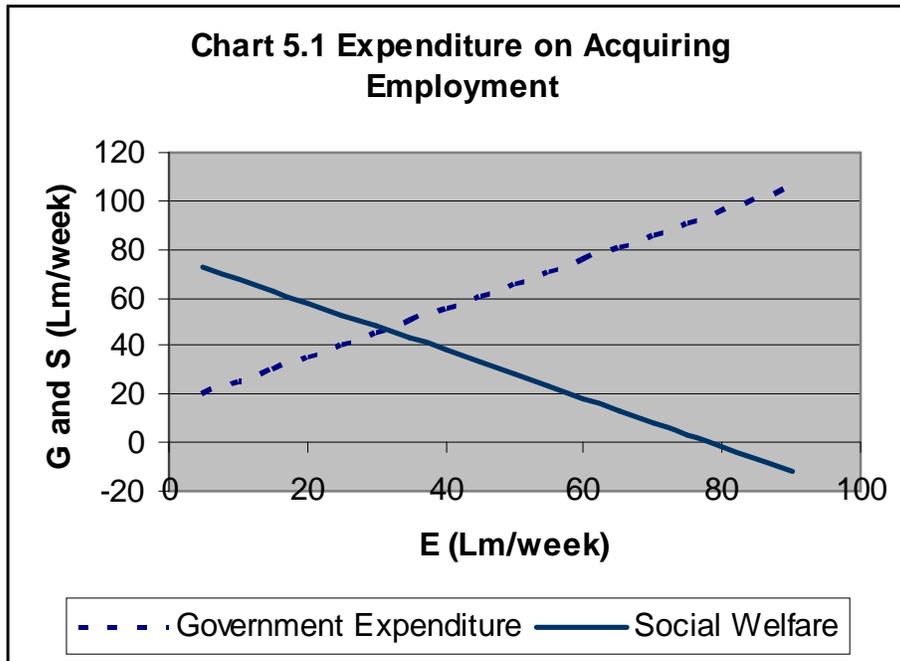
equation 6, the maximum expenditure which should be allocated in this regard would depend upon the number of hours worked, the hourly wage rate and the benefit derived by the rest of society for each hours worked by the individual. The latter is difficult to calculate, but on the assumption that the income multiplier in the Maltese economy is around 1.5¹⁷, this effect is valued at one-half the wage rate. In this case, therefore, the maximum amount of expenditure to be defrayed by government in order to enable the individual with disability to work preserving net social welfare at the original level would be Lm78 per week, being justified in terms of the income received by the individual and the benefits accruing to society out of the employment activity. This is a useful rule of thumb, indicating that it would be only worthwhile to effect expenditure directly related to acquiring employment up to the limit of one and a half times the wage earned.

This represents an absolute maximum to be paid and entails a total government expenditure of Lm93.5 per week on the individual, which is around three and a half times the original level of disability benefit. This arrangement is socially optimal, as all the expenditure being defrayed by government is enjoyed by the individual and by society, with no deadweight losses. Of course, the benefits would be even larger if it were possible to secure the employment of the individual at the same conditions with an expenditure inferior to Lm78 per week. Government expenditure would be commensurately lower, while social welfare would be higher.

The amount of expenditure required to find employment for the individual is hardly discretionary, but would depend upon conditions such as the person's needs and ease of adaptability of the workplace to the person. It thus essentially

¹⁷ Briguglio (1985)

depends on exogenous conditions. Chart 5.1 below presents various alternatives for different expenditure levels and their impact on total government expenditure on the individual and on social welfare.



The Chart indicates that an expenditure on acquiring employment that is larger than Lm78 per week would produce negative social benefits and is therefore not worthwhile undertaking. If this expenditure is lower, then the gain to net social benefits would be commensurately higher. It would be possible to contain government expenditure within the original level of the disability benefit if the expenditure towards acquiring employment remains within the bounds of Lm11 per week. For higher figures, government expenditure would rise from the original levels, while however still resulting in a net gain to society until the Lm78 threshold is reached.

5.3 Effects on the Individual and on His/Her Environment

The main characteristic of the proposed scheme is that it allows individuals a great degree of self-determination, primarily arising out of the availability of disposable income with which they can have a better control of their lives. Individuals with disability will continue to receive a basic reduced disability benefit plus an outlay with which to purchase goods and services necessary for the individual to earn a wage income. The net income in the hands of the individual will be the wage income plus the reduced disability benefit, which the individual can then allocate between consumption and saving activities just like any other wage earner in the economy. Prior to this phase, however, the individual would have exercised significant control in determining the goods and services to be purchased in supporting employment activities.

It is thus important that individuals with disability participating under this scheme would be in a position to wield the economic empowerment that they receive judiciously and responsibly. Perhaps even more important, the individual should be in a position to make the important decision by him or herself, without undue outside interference from carers and/or family members.

Furthermore, as government will provide funds for the acquisition of support services towards employment, it can be expected that:

- a number of goods and services towards this end will start to be provided at market prices;
- the supply of such goods and services will increase, attracted by the effective purchasing power of individuals with disability;

- the ensuing competition between suppliers should increase efficiency of provision, keep prices at a moderate level and enhance and the range of choice for the individual with disability;
- government and quasi-government entities involved in the provision of such services should gear up to become effective market competitors in this regard.

The scheme is thus intended to cause a culture change from dependence to self-reliance and determination. Needless to say, the scheme would likely be irrelevant if such a culture change does not take place.

5.4 Implementation Issues

The example presented in Section 5.2 of this report goes further to show that this scheme must be very much tailored to the individual and that while broad guidelines will be in place for its operation, its actual implementation would vary on a case-by-case basis according to the assessment of specific circumstances and needs.

For these reasons, a tentative suggestion for the actual implementation of the scheme could include the following components:

- A small Working Group composed of representatives from the National Commission for Persons with Disability, the Department of Social Security the Employment and Training Corporation and the Ministry of Finance be set up to run the scheme. This set-up would represent all the major interest parties in the scheme, from the individuals with a disability side, the provision of the disability

benefit, the identification and realization of employment opportunities and the provision of financing. It is worthwhile to note the minimal involvement of employers in the scheme. The scheme is intended to neutralize any difference between individuals with or without disability from the employers' point of view. For this purpose, the scheme should be adequately explained and marketed with potential employers, without their needing to be directly involved in it. In practice, the imposition of quotas or subsidies to employers have often been found to have perverse effects which actually render the individual with disability more dependent on unearned benefits.

- A fund be set up to finance the outlays associated with the support of employment activities. The resources towards the fund could emanate from three sources namely the savings on disability benefits which the scheme would produce, the general government budget to the extent possible and structural funds from the EU which are dedicated to promote labour market accessibility. An approximate evaluation of the amount of funds needed annually in the longer term on the basis of around 500 participants to the scheme would be around Lm1.5 million, of which around one-fifth would come from the savings on disability benefits. The scheme can start off on a pilot basis for the first two years on a much lower outlay.

Eventually, it would also be desirable that funds are defrayed towards the building of an investment fund with which the scheme could become more, if not fully, self-sustaining in the long term.

- The Working Group would launch the scheme after determining the broad parameters of the system, such as the amount of disposable income needed to induce individuals with disability to work, the amount of extra funding that

government is ready to commit to the scheme, and the maximum allowable outlay on employment support services payable as a ratio of wage earned.

- Individuals would be invited to apply for the scheme in the light of an existing or potential employment opportunity which could be identified under the programme run by the Employment and Training Corporation or otherwise.

- The Working Group would decide on the allocation of resources according to economic priorities set up in section 5.1 of this report, and the personal and social considerations as described in section 5.2 of this report.

- Periodic reviews of the system would be undertaken in order to assess the extent of take-up by individuals with disability and the way in which the provision of goods and services intended to support employment has been evolving in response to the scheme. It would also be important to assess the perceptions of employers in this respect.

It is thus expected that the scheme would work in line with already existing initiatives and would actually complement their efforts to produce an increase in welfare for persons with disability and for society as a whole. A number of crucial factors for its success would actually depend on the effectiveness of other schemes intended to improve the employability of persons with disability, such as the educational system, support services and labour market information provision.

5.5 Limitations of the Scheme

This study is essentially economic in nature, and has viewed the issues regarding persons with disability from the economic point of view. The scheme it proposes in this Chapter is specifically meant to address an instance of economic efficiency that exists in the economy, with the objective of improving overall social welfare through the enhancement of the resources available to the economy. It is by definition a win-win situation for society as a whole.

This is however by no means addressing the entire spectrum of concerns regarding persons with disability, because a number of these concerns cannot be viewed and solved through economic apparatus but require a social discretionary approach towards income re-distribution. In particular, there exists a stratum within Maltese society of persons with disability that cannot be assisted to enter into productive employment, or doing so would be prohibitively costly from an economic point of view. These persons are excluded from the proposed scheme, something which makes economic sense but which is not socially desirable. Indeed, there is a risk that the proposed scheme could serve to further marginalise these more vulnerable persons.

It is thus augured that social considerations move hand in hand with economic considerations, and that the resources defrayed towards persons with disability who cannot be employed increase at the same time that more persons with disability participate in the labour market. This could be done, for instance, through a fund set up out of money saved on the expenditure to promote supported employment from some maximum specified amount which could be defrayed towards such application. Continuing on the practical example presented in Section 5.2, if, say, the maximum expenditure to support a person with disability to find employment is established at Lm78 per week, but the average expenditure amounts, to say, Lm60 per week, then the difference of

Lm18 per person per week could be allocated to a fund to assist persons with disability which are not amenable to employment.

From an economic point of view, however, it must be emphasised that such funds must be used judiciously and are not to serve as a dis-incentive to the person with disability to seek and engage in productive employment. Prior to receiving this kind of assistance, there must be evidence that the person in question is not able to participate in the labour market or that such participation is not economically viable.

6. Conclusion

Supported employment within an independent living context for people with disability is a desirable objective which is being espoused internationally. There are a number of efforts being undertaken locally within the framework of these objectives. There are however a number of areas for improvement in this regard. This is evidenced by a number of factors that have been identified during the course of this study, including:

- There are in Malta at least 4,000 individuals with disability potentially exercising important economic impacts.
- The labour market activity rate for the population with disability is just around two-thirds the figure for the entire population, while the unemployment rate is double.
- Households with a member with disability have, on a per capita basis, a markedly lower earning capacity through remunerated work and a significantly more pronounced dependence on social benefits.
- The number of people with disability who continue their education is generally much lower than for the rest of the population.
- Employment related policies in Malta are either ineffective or still at the inception phase.
- In Malta, people with disability are concerned that movement towards any form of employment will threaten their benefit status.

The primary aim of this study was to assess the case for a possible partial redirection of and an increase in resources currently devoted by Government towards persons with disability with a view of establishing a system which permits and provides incentives for independent living. It is recognised that Malta

is currently undergoing a phase where a reduction in the fiscal deficit through a reduction in overall government expenditure are mandatory. Such a reduction in expenditure should however involve a redirection of resources towards areas where there is an economic justification and rate of return.

In this spirit this study has identified an area of such possible improvement through the elimination of a benefit trap and suggested a scheme which:

- is consistent with the social model of disability;
- is individually rational, in the sense that it contributes to an improvement in the well-being of the person with disability;
- is social rationality, in the sense that it leads to an overall increase in social welfare;
- restrains as much as possible increases in government outlays;
- creates no conflict and be as much as possible complementary with other initiatives taken with respect to improving the employability of persons with disability;
- maintains the present system of benefits available to individuals who may wish to retain it while introducing incentives to encourage work.

Through the implementation of the scheme, although government expenditure would in all probability increase, an overall improvement in economic and social welfare would take place.

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Annex: Interviews held

Mr Brian Gera – Agenzija Sapport, Local Council, Mtarfa

Ms Sue Vella – Employment Training Centre, Hal Far

Ms Antonella Borg – Employment Training Centre, Hal Far

Bro Austin Sammut - Eden Foundation, Bulebel

Mr Joseph Pace – Centru ta Matul il-Jum, Mtarfa

Mr Charles Pace - Centru ta Matul il-Jum, St. Venera

Mr Joseph Camilleri – Kumissjoni Nazjonali Persuni b'Disabilta, St. Venera

Mr Charles Borg - Kumissjoni Nazjonali Persuni b'Disabilta, St. Venera