

Executive Summary of Study

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.