People with disabilities and their participation in labour market schemes: Are there exclusion mechanisms?

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Vocational rehabilitation of young people with disabilities in Germany

- importance of (vocational training) certificates when accessing the German labour market

- vocational rehabilitation (VR): ensure first labour market integration for young people with disabilities or health problems → VR counselling already during school (mostly in special schools)

- eligibility for VR:
  - being disabled or at risk of becoming disabled → “a person has a disability if their physical ability, mental capacity or mental health is likely to fall short of that typical for their age for at least six months and their participation in society is consequently impaired. They are deemed at risk from disability if such impairment is anticipated.” (Social Code IX, Section 2)
  - disability (also people with learning disabilities) substantively and lastingly affects labour market participation (Social Code III, Section 19)
Reha-Process Data Panel: administrative data of the German Federal Employment Agency

Events

- past school/employment biographies
- recognition
- medical/psychological report
- VR programmes: preparation/training/subsidies
- acceptance
- following employment biographies

Register Data

- sociodemographics; type of disability; continual information on labour market status; local vocational training market & local service provider structure

no information on:
- extent of health restriction; comorbidity; occupational capabilities; subjective (health) measures
Analysis steps and variables

macro level
(a) year of entering vocational rehabilitation (cohort)
(b) regional structure of the apprenticeship-market
(c) regional share of subsidised vocational training
(d) secondary labour market (sheltered employment)
(e) number of vocational rehabilitation providers in local agency district

meso level
(a) re-organization of local public employment agencies in 2012 (NEO)

micro level
(a) sociodemographics (sex, age, education, nationality)
(b) type of disability
(c) status before rehabilitation

analysis steps:
 i) allocation into measures y/n
 ii) participation in certain measures

own graphical representation; based on Gruber et al. 2014
Inflow into vocational rehabilitation (FEA): primary integration of young adults


sample: persons accepted as a rehabilitant in the years 2010 to 2013, \( N = 172579 \) (rehabilitants) / \( 159470 \) (participants in measures)
Socio-demographic characteristics (cohort 2013)

- Gender:
  - Male: 39%
  - Female: 61%

- Age group:
  - Main: 17-20 years (57%)

- German: 94%

- Schooling degree:
  - No schooling degree: 30%
  - Special school: 13%
  - Lower secondary schooling: 10%
  - Intermediate secondary schooling: 13%
  - Upper secondary schooling: 42%
  - Other/missing: 5%

- Type of disability:
  - Psychological: 20%
  - Neurological: 16%
  - Learning: 5%
  - Mental: 5%
  - Vision: 13%
  - Hearing: 10%
  - Musculoskeletal: 13%
  - Internal organs: 10%
  - Other: 61%

Source: IAB Panel Vocational rehabilitation of persons with disabilities; own calculations, N = 40994, cohort 2013
### Participation in labour market schemes – first programme of cohort 2013

<table>
<thead>
<tr>
<th>type of first programme</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>other measures</td>
<td>7%</td>
</tr>
<tr>
<td>sheltered workshop</td>
<td>21%</td>
</tr>
<tr>
<td>other pre-vocational training</td>
<td>9%</td>
</tr>
<tr>
<td>pre-vocational training (reha-specific)</td>
<td>30%</td>
</tr>
<tr>
<td>pre-vocational training (general)</td>
<td>9%</td>
</tr>
<tr>
<td>company-external vocational training</td>
<td>12%</td>
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<tr>
<td>company-internal vocational training</td>
<td>10%</td>
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</tbody>
</table>

8% (N = 3293) do not participate in programmes, though acceptance to VR has been granted.

Source: IAB Panel Vocational rehabilitation of persons with disabilities; own calculations, N = 37701, cohort 2013.
Results I: logistic (participation in measure yes/no) & multinomial regression (type of first measure)

Higher probability to be **generally allocated to labour market measures** for persons
- of younger age (under 20 years)
- with German nationality
- with mental disabilities, coming from general measures and special schools → **VR as the only chance**
- being counselled in restructured public employment agencies → **merging of networks and optimizing rehabilitation strategies**

Higher probability to be allocated to **specific** labour market programmes to **company-internal vocational training** for persons …
- with higher schooling, younger age, disability of the senses and physical disabilities → **visible disabilities; higher capabilities: better chances**
- coming from employment → **being already employed in a vocational training company and applying for subsidies**

to **company-external vocational training** for persons …
- with no/low schooling degree, learning disability, coming from general pre-vocational training measures or vocational schools
- living in a region with a high share of subsidized vocational training
- in local agency districts with a high number of rehabilitation providers → **local industry for subsidized vocational training**
- in earlier cohorts → **strategy change?: more (reha-specific) pre-vocational training**
Higher probability to be allocated to specific labour market programmes

- to pre-vocational training measures for persons
  - of older age
  - learning (general) / psychological (rehabilitation-specific)
  → training maturity/stabilization
- in different rehabilitation cohorts: increase in probability to receive rehabilitation-specific pre-vocational measures & a decrease of general pre-vocational measures → strategy/demand change?

- to sheltered workshops for persons
  - of older age, no schooling degree, mental disability, coming from a special school → path dependency?
  - living in regions with a higher share of supported employment on the secondary labour market → living in regions with a high density of sheltered workshops
  - In earlier rehabilitation cohorts → strategy change?
Summary

→ Allocation to labour market measures is associated with
... sociodemographic factors on the micro level (high impact)
  • **young age**: either pre-vocational training necessary or direct entrance to company-
    internal training
  • **no schooling degree**: very low chances for regular training
  • **psychological disability**: pre-vocational training and reha-specific stabilization and
    orientation needed; **mental disability**: very often allocation to sheltered training and
    employment

...**organizational restructuring** on the meso level
  • generally higher allocation to measures; specifically to company-external vocational
    training, general pre-vocational training and sheltered workshops

...the **local conditions on the macro level**
  • **later rehabilitation cohorts**: more pre-vocational training, less vocational training
  • **high average share of supported employment**: higher probability to be allocated to
    sheltered workshops
  • **high number of local providers**: higher probability to receive company-external
    vocational training (small, but sig. effect)

→ certain path dependencies (special schools/mental disabilities)
→ the supply of measures is associated with the local demand/provider structure
Thanks for your attention!

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