

# **Labour Market Participation of People with Disabilities in Germany**

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## **1. Participation and Self-determination of People with Disabilities – the German Approach**

Germany defines itself as a welfare state. Welfare states can also be judged according to how they deal with people with disabilities, i.e. in terms of social inclusion and poverty prevention. According to statistics, health impairments in Germany do generally not lead to monetary poverty: the poverty rates of disabled people in Germany are much lower than the rates for people without disabilities, indicating a sufficiently working social security system. Although a significantly growing poverty risk for unemployed people in Germany can be considered due to the general reduction or restriction of social benefits in the past years, for people with disabilities living in Germany the promotion of better opportunities in terms of equal employment or social contacts is a much bigger issue.

To improve the participation opportunities of severely disabled people with high support needs, “Personal Budgets”<sup>1</sup> have been implemented in the context of a welfare system reform in 2008. Historically, social benefits have been basing on a concept of compensating for the disadvantages of being disabled; therefore the majority of rehabilitation and participation benefits have traditionally been provided in kind. With the introduction of the “Personal Budget”, a change of this traditional paradigm took place: The “Personal Budget” gives disabled people the right to receive the value of the benefits to which they are entitled in the form of cash, which they can then use to cover their needs and to purchase the necessary benefits themselves. Thus People with disabilities can be empowered easier to lead independent and self-determined lives. They are enabled to decide on their own what kind of support they would like to receive, whether they would like to develop their skills, or seek for a job on the primary labour market with the support of work assistance.

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<sup>1</sup> The idea of personal budgets came from “self-directed living” movements in the USA. After being promoted by several NGOs in Europe, it has been adopted by law in 1996 in the Netherlands (AWBZ / Persoonsgebonden Budget) and in the United Kingdom (UK Community Care Direct Payments Act). The first German experiments were made in 2004. Since January 2008, people with disabilities are entitled to apply for a personal budget.

## **2. Equal Labour Market Participation of Disabled People – the Legal Framework in Germany**

According to the German Federal Office for Statistics, the total number of people with disabilities in Germany is 6.9 million or 8.4 % of the population. The number of unemployed severely disabled persons in Germany in October 1999 was around 190,000. In the first National Action Plan against Social Exclusion (NAPincl) published in 2001, a goal was set to try to reduce this figure by 25% until October 2002. To reach this goal, the legal basis for the employment of disabled people (Ninth Book of the Social Code (SGB IX) "Rehabilitation and participation of disabled people") was adjusted, by introducing a simplified system of funding, changing the system of employment duties and compensation fees<sup>2</sup>, and with new instruments to improve the employment situation of disabled people through integration projects and services.

A first evaluation of these adjustments has been presented in the report of the Federal Government of 30 June 2003 on the employment situation of disabled people. In particular, the improved information and advice to employers, the improved performance of disabled people to participate in working life and the simplification of the funding opportunities have had a positive effect on employment of disabled people. The statutory target had almost been reached with a reduction in the number of unemployed severely disabled people by 24% (45,000 persons); the unemployment rate of disabled people was getting closer to the general unemployment rate. Thus, the implementation of corporate social responsibility by all stakeholders - social partners, organizations of disabled people, federal government, states and governments - seemed to be successful. With the 2004 Federal Act to Promote Training and Employment of People with Disabilities, which has been put into force in order to improve vocational training opportunities for disabled young people as well as the placement of disabled people into mainstream employment, this strategy has been pursued: In March 2008, 158,000 severely disabled people were registered as unemployed<sup>3</sup>.

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<sup>2</sup> According to law, companies with more than 20 employees have to recruit 5% of their staff from people with disabilities. If this quote is not reached by the individual company, a compensation fee has to be paid to the integration offices. The earnings are used for labour market integration costs, i.e. to provide individual work assistance for disabled people in regular workplaces.

<sup>3</sup> The German unemployment figures after 2005 can only partly be compared with figures from until 2005 due to changes in the statistical registration and evaluation schemes that came with the 2005 reform of the welfare system. Although the number of unemployed people with disabilities in 2005 indicates an increase, a structural decrease can be considered.

The SGB IX contains a variety of schemes to services for participation in working life, provided in order to improve, establish or restore the employability of disabled people, taking into consideration their performance abilities. The aim is to secure their participation in working life as long as possible. Naturally, disabled women are guaranteed equal opportunities in employment by law.

### **3. Employment Services and Initiatives for Disabled People in Germany**

The German federal Government and the federal states offer comprehensive services to provide employment to people with disabilities. These services include:

- The development of existing specific skills or talents by providing vocational or basic skills training;
- Supervised employment opportunities in the form of provision of workshops;
- Special labour market policy instruments like employment projects, or granting of wage subsidies;
- Special integration services for the integration on the primary labour market on the basis of allocating the personal budget to employment, often combined with workplace testing, work assistance programmes and integration agreements between employers and disabled employees;
- Free public transport in order to improve the accessibility of workplaces.

Over the past decades, the federal and states governments have implemented a range of project initiatives for the promotion of employment for people with disabilities, both with or without European funding like i.e. the Community Initiative EQUAL. Promising examples for governmental initiatives were:

- The ESF funded “Jobs without Barriers” initiative, aiming at training and employment of disabled people and prevention strategies at the workplace. It has jointly been implemented by employers’ associations, trade unions, disabled people’s organisations, social services and the Council for the Integration of People with Disabilities until 2010. It aims to raise employers’ awareness of the regulations on the

integration of disabled people into work on the primary labour market on an equal opportunities basis, and of the possibilities for financial assistance.

- The Job4000 employment market programme, for better vocational integration of especially affected severely disabled people. It has been implemented until 2013 in order to integrate 4,000 especially affected severely disabled people into employment and training places through additional individually targeted financial assistance. Job4000 has been implemented jointly with the federal states, which are responsible for the programme, and the Federal Employment Agency, which supports it through targeted and result-oriented benefits paid to disabled people under SGB III. Nationwide assistance is available from both special integration services and vocational support services.

This range of offers is designed in order to meet the diverse and individual needs of the target group. Nevertheless, there are still great gaps that need to be closed to improve the employment opportunities of people with disabilities.

#### **4. Critical View on the Effectiveness of Personal Budgets as a Tool to Labour Market Access**

Germany has a remarkable culture of non-governmental and non-profit associations and initiatives. The range of organisations includes large scaled national welfare organisations as well as small non-formal community groups. Many organisations are participating in social policy developments by presenting recommendations to legislative procedures, or by commenting current affairs. For example, in a rather new publication, the VdK (a nationwide social association) stated in July 2009 that the opportunity to promote the self-determination of people with disabilities through the provision of a personal budget has been accepted positively by the people affected. At the same time it should be considered that from 6.9 Million people<sup>4</sup> who are acknowledged to be severely handicapped only around 10.000 have

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<sup>4</sup> In fact, regarding figures of the target group in 2008, only 1 million from 6.9 million people with disabilities are disposable for the primary labour market: 840.000 people were in occupation, and 164.000 were unemployed.

signed a personal budget agreement, which would clearly show the limitations of this programme.

Compared to the absolute figures of people with disabilities the number of budget agreements seems in fact ridiculous and public spending in this sector is still very limited. However, the main target groups for the personal budget are young disabled people and people working in protected workshops on a secondary labour market. Many people may prefer the safe and familiar surroundings of their workshop to working on the primary labour market. From the viewpoint of rehabilitation centres and other bodies providing protected workshops it might as well be difficult to adopt the new situation to their respective environment, where case management and mentoring skills are rather needed than vocational experience and didactics. Taking into consideration that the personal budget is a rather new instrument, it can be expected that especially with young disabled people starting their vocational career right away on an individual basis, the importance of personal budgets will strongly be increasing.

## **5. The 2010 European Year for Combating Poverty and Social Exclusion in Germany**

In the German national framework of the 2010 European Year, people with disabilities play only a minor role. They are included in the main goals of the National Strategy Paper for the Implementation of the European Year for Combating Poverty and Social Exclusion<sup>5</sup>. Nevertheless, within 40 projects that have been selected for funding out of more than 800 project proposals, only one project is addressing people with disabilities but only with cultural activities (public dance theatre events).

It seems that in Germany the issue of labour market access for people with disabilities is not really addressed in terms of social exclusion as a deficiency – great optimists may see this as a step into the right direction, regarding disabled people as regular part of the working environment.

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<sup>5</sup> Third thematic area of the Strategy Paper: “Integration instead of exclusion – self-determined participation for all people”

## 6. Examples of Good Practice

The main objective of the related German employment policies targeted is the integration of people with disabilities in the first labour market. The following interviews have been made in early 2010 and reflect opinions of stakeholders from companies employing people with disabilities in the first labour market – with both positive and negative experiences, as you will discover:

### 6.1. Hofgut Himmelreich gGmbH

The Hofgut Himmelreich is a hotel and restaurant situated in the Black Forest in South West Germany, attracting both holiday and business guests. They mainly employ people with mental challenges, like i.e. Down syndrome. They are as well member of a nationwide network of hotels and caterers working under similar conditions. The interview has been made with the general manager of the Hofgut Himmelreich, Mr. Jochen Lauber.

**Q:** Do you have specific procedures for the recruitment of disabled people?

**A:** We start the recruitment procedure with a pre-practice training where a first selection basing on the personal abilities is made. After the pre-practice phase we continue with job interviews. For those who are selected for the job, we provide a training-on-the-job assistance. The whole recruitment procedure is based on a specialized workflow description for the recruitment of people with disabilities.

**Q:** What are your company's experiences in recruitment and employment of people with disabilities?

**A:** People with (mental) restrictions have a big ability to learn and to adopt to work environments. In the co-operation with colleagues without disabilities potentials for further personal development can be activated. All in all, we are positively surprised again and again.

**Q:** What are you company's policies regarding the employment of people with disabilities?

**A:** All colleagues are employed on the basis of the common tariff for the hotel and catering business. All colleagues have to accept the “acknowledging personal development” policy of the Hofgut Himmelreich. The instruments for staff development are the same for employees with or without disabilities, with particular varieties as regards individual disabilities. The company is promoting the balance of acknowledgement and capitalization. A mutual company philosophy is eligible for all colleagues. Training and qualification are provided equally for all, and we provide a special modular training course for people with disabilities designed in co-operation with the Chamber of Industry and Commerce (IHK).

**Q:** What are the advantages having people with disabilities in your company?

**A:** The co-operation and teamwork between colleagues with and without disabilities requires not only a wide range of professional but also a high level of social competencies. This leads to positive effects on the working environment and climate and our guests and customers regard and honor this very positive.

Another positive aspect for us as company is that as competitors on the hotel and catering market the employment of people with disabilities and the integrative work approach indicates a state of particularity.

**Q:** How do you incorporate disabled people in your team?

**A:** First of all we are offering training opportunities that are targeting at team building for both groups of employees – disabled and not disabled. We are furthermore providing assistance to colleagues with disabilities, and a special modular training course designed in co-operation with the Chamber of Industry and Commerce (IHK).

**Q:** How do you make job descriptions and explanation of duties for people with disabilities?

**A:** We concentrate on investigating abilities through practice assessments. We do as well training-on-the-job combined with assistance. We create orders in pictures or easy language and we arrange employee development interviews with target arrangements.

**Q:** From your point of view, what are the biggest difficulties or challenges concerning the employment of people with disabilities?

**A:** The biggest challenge for us is to bridge the gaps in our heads, to discover the special abilities of colleagues with disabilities, and to promote and exploit these abilities for our company in the sense of an “appreciating capitalization”.

### ***6.2 Eisbachtaler Fensterbau GmbH***

This company has been awarded on national and regional level for its achievements in recruiting and employing people with disabilities. They are a medium sized company in South Germany working in the area of window construction. We have questioned Mrs. Edeltrud Dupp, the general director of the company.

**Q:** Do you have specific procedures for recruitment of people with disabilities?

**A:** We don't have special procedures. In the recruitment procedure we take into account the cognitive and sensitive opportunities and the practical skills of candidates with disabilities and evaluate them after a practice test.

**Q:** What is your company's experience in recruitment and employment of people with disabilities?

**A:** We have made different kinds of experiences, but related to the disabilities of the respective colleagues, they are all positive.

**Q:** What are you company's policies regarding the employment of people with disabilities?

**A:** There are no special policies required in our company.

**Q:** What are the advantages having people with disabilities in your company?

**A:** We don't see any special advantages. We act in the sense of our corporate social responsibility.

**Q:** How do you inform managers and colleagues of the practical consequences of the individual's disability?

**A:** We inform them in direct talks, partly together with the disabled colleagues and the MCL interpreter<sup>6</sup>

**Q:** How do you incorporate disabled people in your team?

**A:** We are having regular meetings together with the MCL interpreter where they are informed about all important issues.

**Q:** How do you make job descriptions and explanation of duties for people with disabilities?

**A:** Mouth-by-mouth and in written, partly by using MCL

**Q:** From your point of view, what are the biggest difficulties or challenges concerning the employment of people with disabilities?

**A:** The creation of Mutual understanding and teamwork between the colleagues

### **6.3 Technikzentrum Minden – Lübbecke**

The Technikzentrum (technical center) Minden-Lübbecke is situated in the North-Eastern part of North Rhine Westfalia. It is a non-profit organisation for social consulting of i.e. young people in the transition from school to job or education. We have questioned Mrs. Karin Ressel who is the director of the Technikzentrum.

**Q:** Do you have specific procedures for recruitment of people with disabilities?

Yes, I test in interviews how they are acting socially.

**Q:** What is your company's experience in recruitment and employment of people with disabilities?

With the colleagues that have been selected, everything worked out very well. One colleague has even been promoted to a public servant occupation after having worked for us.

**Q:** What are you company's policies regarding the employment of people with disabilities?

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<sup>6</sup> MCL = Manually Coded Language

A form of good will, in an oral as well as real open-minded atmosphere, without written guidelines.

**Q:** What are the advantages having people with disabilities in your company?

None. It is rather a lot of extra work. In one case when we were recruiting a colleague with short stature it was an amount of about 100 extra hours, because we had to negotiate whether we would have to install a lift or not, and we had to deal with a lot of guidelines from official and other places.

Additionally, we had to provide a permanent personal assistance for this colleague because she was not allowed to walk through the building alone

**Q:** How do you inform managers and colleagues of the practical consequences of the individual's disability?

I discuss these issues with them, together with the respective colleague

**Q:** How do you incorporate disabled people in your team?

Simply by treating them like anybody else!

**Q:** How do you make job descriptions and explanation of duties for people with disabilities?

There are no special job descriptions, only the working conditions (special tables etc) are adjusted.

**Q:** From your point of view, what are the biggest difficulties or challenges concerning the employment of people with disabilities?

The guidelines, the personal habits of the disabled colleagues, and my additional unpaid work.

## **7. Expert Report**

Labour market experts from social networks have been discussing the usefulness of instruments like personal budgets and its effects on labour market integration of people with disabilities (see above). Furthermore the major obstacles are still to be found in issues of combating social exclusion and labour market discrimination. The following report has been written by a young woman with Down syndrome and her mother, who have made their experiences from the real expert site – themselves:

### ***Jenny Works in a Café (or: How Real Life Takes Place Apart From Expert Panels)***

After a year of training in the youth social service support of the "International Association" in the training area which Jenny has completed with success, she works since November 1998 in Berlin in the Café Schwartz'sche Villa. For her, this work is "tailored to a tee," because it is varying. Jenny brings people from all walks of life together.

Jenny works in rotation with five colleagues with mild impairments, and some student assistants during the summer. The head of the café comes from other restaurants and previously worked with disabled people. Luck and chance played an important role that Jenny now has that job.

### ***A look back***

Jenny was born in May 1972. She visited the children's day care from 1973-1980 with children with and without disabilities. However, Jenny was in 1977 in a group with children two years younger in order to get an opportunity for enrollment in a regular school. Afterwards, Jenny studied in the integration group of a grammar school. After completion of the 6th Class in 1986, Jenny was rejected to transfer to high school, because officials decided it would be better for her to attend a special school. This justification was neither understandable nor acceptable after six successful years in the integration class.

An appeal to the Administrative Court through the parents gave Jenny the opportunity to attend a regular secondary school provisionally. After 14 weeks of fighting with the school administration, Jenny received a domestic ban for the school and had to attend a school for children with learning difficulties from 1987 to 1989. Then an integration-friendly school teacher took Jenny into 8th grade of a regular secondary school which she visited successfully until 1992. The change into this new class prepared Jenny no problems.

Now she started her vocational training career which lasted from 1992 to 1998 in different schools and training centres. Since 1998 she works in the Café. Here is what she reports about her daily work:

***"I work in the Café Schwart'sche Villa"***

First, I pack up my bag and I paint my lips. Then I put my shoes and coat on, until I go to the bus at 8 o'clock. It takes 20 minutes to work. At 9am I start working in the villa.

I start with the preparations. First, I bring the new newspaper. Then I'll put down the chairs from the tables, thereafter I wipe off the tables. I blanket with candles, ashtrays, and sugar, salt, pepper for our guests. We open at 10 o'clock. When the guests arrive, I take orders and bring the food or drinks to the tables. My colleagues help me where I'm not that fast. They always support me.

I make the drinks at the bar and bring them to the guests. I fill in between the drinks, the back of the cupboard and also at the front desk. I have to polish the cutlery. That's my job. Sometimes I have to bring out empty containers, paper and paperboard. I have to clean up in the staff room. I accept the appointment of guests and type it into the cash register, and then I bring the ordered items to the guests. That's what I like best. In bad weather I work in the café and in nice weather we use the beer garden and terrace, then it is very crowded there.

The guests are very friendly to me. The guests that I know come from school or from the children's day care; even friends and my family come to visit me at work in the villa. They want to be served by me. Sometimes we have a reservation of larger groups. In the café we have on every table candles and flowers which I find very beautiful.

In between serving guests, I have to polish the glasses and put them away in the shelf. My boss writes my work plan if possible after my theater plan. The friends or other guests touch me sometimes and say, "Well you are an actress!"<sup>7</sup>

My colleagues and my boss make me very happy. I am a great help to the café. I know what I have to do. It gives me a lot of fun to work there. Every day I bring a good mood into the cafe."

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<sup>7</sup> Jenny is member of the well-known Ramba Zamba Theatre Group in Berlin

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