

ENHANCEMENT OF EMPLOYMENT OPPORTUNITIES FOR THE DISABLED UNEMPLOYED IN ZEMGALE REGION

Anastasija Vilcina¹, Dr.oec.; Zane Blumberga², Mg.oec.

¹Latvia University of Agriculture; ²State Employment Agency

Abstract. The paper analyses the distinctive characteristics of the disabled unemployed, the socio-economic consequences of disabled unemployment and the measures taken to integrate the disabled into the labour market, based on a review of the economic literature, strategic policy documents, employment policies of the EU and Latvia and the related legislation. Using the data provided by the State Employment Agency (SEA), the paper identified trends in the number of the disabled unemployed, their age composition, education level and unemployment duration in Zemgale region and Latvia in the period 2008-2016 and analysed the results of participation of the mentioned target group in national government- and ESF-funded employment activities in the period 2008-2014. Based on a critical analysis of a survey of 152 disabled unemployed individuals in Zemgale region, which accounted for 17 % of their total number, and of an interview of 19 employers, the present research developed proposals for the Ministry of Finance, local governments and nongovernmental organisations, the SEA, which are aimed at enhancing the employment opportunities for the disabled unemployed and integrating them into the social life.

Key words: disabled unemployed, employment, enhancement, Zemgale region.

JEL code: J14, E24

Introduction

Employment and unemployment issues are important in any society, as they involve dealing with the labour force, which is often one of the most important factors of production, and employment relationships. However, as mentioned by British economists J.E.Stieglitz and J. Driffill, one of the most amazing distinctive characteristics of unemployment is the fact that different groups of individuals create unequal economic and social problems (Stiglitz Dz.E., Driffill Dz., 1994). It is particularly attributable to the disabled unemployed, which accounted for 10.5 % of the total number of unemployed individuals in the country at the end of 2015 (Parskats par bezdarbu...2015). Functionality impairments of various degrees were among the key reasons of unemployment for the disabled unemployed, while in the context of unemployment consequences, social exclusion and self-esteem problems were very important as well. This, in its turn, requires an in-depth examination of employment opportunities for the disabled unemployed, which have been addressed in the Sustainable Development Strategy – Latvia 2030, which envisages engaging the entire available human capital in raising labour productivity (Latvijas ilgtspējīgas

attīstības..., 2010). In a medium-term, the National Development Plan of Latvia 2014-2020 requires developing an inclusive, sustainable and competitive economy, in which human resilience is one of the three priorities for an "economic breakthrough" (Latvijas Nacionālais attīstības..., 2012). Both the EU and Latvia – in its Inclusive Employment Guidelines 2014-2020 – addressed the necessity for an inclusive and balanced labour market and gave priority to tackling employment problems (Iekļaujošas nodarbinātības..., 2015).

The research aim is to characterise the disabled unemployed in Zemgale region and identify enhancement opportunities for the disabled unemployed. To achieve the aim, the following specific research tasks were set: 1) to describe the distinctive characteristics of the disabled unemployed and the measures aimed at tackling disabled unemployment; 2) to analyse the key demographic and socio-economic indicators related to the disabled unemployed and the participation of the disabled unemployed in activate employment measures in Latvia and Zemgale region in the period 2008-2016; 3) to identify the ways of enhancing employment opportunities for the disabled unemployed in Zemgale region.

¹ Anetta Waśniewska, Gdynia Maritime University, Tel. +0048 605 570 568, e-mail address: a.wasniewska@wpit.am.gdynia.pl

² Katarzyna Olszewska, The University of Applied Sciences in Elbląg, Tel.: +0048 691 464 035. E-mail address: k.olszewska@pwsz.elblag.pl.

The research methods employed: analysis and synthesis, induction and deduction, monographic, graphic and statistical analysis.

Research results and discussion

Employment is the key economic problem in any society, and it always causes a broad social and political resonance; it represents the extent of use of the labour force, yet the scope and mechanisms of promoting employment have been diverse in various periods of time.

Before the Great Depression in the 1930's, a number of famous classical economists of the end of the 19th and the beginning of the 20th centuries, among them the most prominent ones – D.Ricardo, J. Stuart Mill, A.Marshall et al. –, believed that a market system, in accordance with French economist Say's law and an assumption on price and wage elasticity, led to full resource utilisation in an economy, and full employment was a normal phenomenon of a market economy, while the best economic policy was no government intervention (McConnell C.R., Brue S.L., 1992). However, classical employment theories are contradicted by one essential fact – regular long unemployment and high inflation periods. British economist J.M.Keynes, in his 1936 book entitled the General Theory of Employment, Interest and Money, presented a new interpretation of employment, stressing that full employment was occasional rather than causal and that active government intervention was necessary to tackle unemployment problems and employment issues. J.M.Keynes's theory has become dominant one since the Greta Depression; however, even though the theory was modified and supplemented, it, to a great extent, shapes the modern macroeconomic and employment theory (McConnell C.R., Brue S.L., 1992). The present research finds it to be true, as government employment policies get more purposeful and segmented, more ESF funding is involved, as well as the competence and role of local governments in providing social security to the population increase.

An indication of unemployment, which makes it a bigger problem than it was before, is the fact that the unemployed are concentrated in certain regions or the fact it is specific to some social groups (Stiglics Dz.E., Drifils Dz., 1994). The present research focuses on the disabled unemployed in Zemgale region. Therefore, based on the theoretical findings on employment and unemployment and the status of the unemployed and the legal framework and support measures, it is important to identify the distinctive characteristics of the disabled unemployed and the measures to be taken to actively and meaningfully integrate them into the labour market and the society.

As regards the status of the unemployed, the same general requirements have to be applicable to granting this status to the disabled unemployed, yet the law has to stipulate that a disabled individual shall be considered to be a person being able to work; an exception is a disabled individual with a 100 % loss of ability to work (Bezdarbnieku un darba mekletaju atbalsta...2002), which has to be confirmed by a decision of the State Medical Commission for the Assessment of Health Condition and Working Ability to grant the status of the disabled or to determine the percentage loss of one's ability to work (Bezdarbnieku un darba mekletaju statusa...2015).

In the aspect of risk of unemployment, the disabled unemployed are at risk of unemployment and may be attributed to some type of unemployment – frictional, structural, cyclical or seasonal –, yet the factors and causes of the mentioned types of unemployment differently influence the situation of the mentioned group of the unemployed in terms of intensity, scope and complexity of the processes caused by their unemployment and in terms of their adaptation to the situation.

In the aspect of consequences of unemployment, the consequences caused by unemployment involve a loss of resources in the

¹ Anetta Waśniewska, Gdynia Maritime University, Tel. +0048 605 570 568, e-mail address: a.wasniewska@wpit.am.gdynia.pl

² Katarzyna Olszewska, The University of Applied Sciences in Elbląg, Tel.: +0048 691 464 035. E-mail address: k.olszewska@pwsz.elblag.pl.

economy, a lower GDP growth rate and an increase in expenditure on unemployment benefits; however, at individual level, it results in a decrease in the standard of living and, what is particularly important, the unemployed disabled get socially excluded from the society, face the risk of loss of self-esteem and self-respect and, what is also important, it can endanger mutual relations within their families.

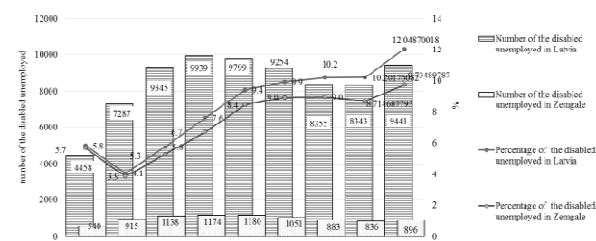
In the aspect of competition in the labour market in respect to the unemployed disabled, socio-economic consequences add to their functionality impairments that reduce the competitiveness of the unemployed disabled in the labour market in general and in comparison with the other groups of the unemployed.

In the aspect of active employment measures, it is of great importance for the unemployed disabled to be involved in measures targeting certain social groups (Bezdarbnieku un darba mekletaju atbalsta...2002), which provide government-subsidised jobs for the unemployed in order to help them comprehend labour market requirements, to contribute to their integration into the society and to help them find permanent jobs. Employers and managers who hire or work with the disabled are paid monthly subsidies during the period of the measure implemented and subsidies for the adaptation of a workplace as well as covered costs of sign language interpreter and ergo-therapist services by the SEA (Noteikumi par aktīvo nodarbinātības pasākumu..., 2011). Complex support measures are of great importance, which involve individual and group counselling sessions provided by specialists (psychologists and psycho-therapists), thereby contributing to the self-esteem of the disabled and their integration into the labour market (Noteikumi par aktīvo nodarbinātības pasākumu..., 2011).

In the aspect of preventive unemployment measures, it is important to engage individuals being at risk of unemployment in training – adult education programmes – and the training

providers have to be eligible for full compensation for their service costs at an amount that does not exceed the amount prescribed by the legislation (Noteikumi par aktīvo nodarbinātības pasākumu..., 2011).

In the context of identification of employment opportunities for the disabled unemployed, it is important to perform a detailed analysis of demographic and socio-economic indicators related to this social group and of their participation in active employment measures in terms of annual change in both number and percentage.



Source: authors' construction based on data of the CSB

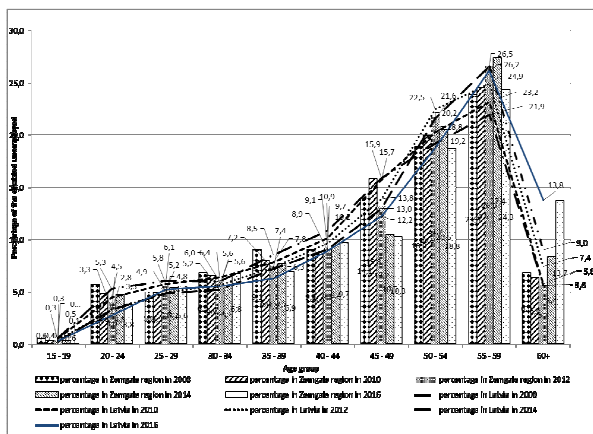
Fig. 1. Number and percentage of the disabled unemployed in Zemgale region in the period 2008-2016

As shown in Figure 1, the number of the disabled unemployed doubled in Latvia in the nine-year period, while in Zemgale their number increased 1.8 times. The proportion of the disabled unemployed in the total number of the unemployed rose to 12 % in Latvia, and this group took third position behind the unemployed aged 50 and over (37 %) and the long-term unemployed (30 %) (Parskats par bezdarba ...2015). Over the same period in Zemgale region, the proportion of the disabled unemployed increased by 4 %-points, reaching 9.7 % in 2016, which was 2.3 %-points lower than in Latvia as a whole. The highest figures – both nationally and regionally – were reported during the economic crisis and the post-crisis period, yet the increases were affected by the fact that in 2009 the disabled unemployed actively sought to acquire the status of the unemployed in order to use the opportunity to participate in the "Measure for certain groups of individuals".

¹ Anetta Waśniewska, Gdynia Maritime University, Tel. +0048 605 570 568, e-mail address: a.wasniewska@wpit.am.gdynia.pl

² Katarzyna Olszewska, The University of Applied Sciences in Elbląg, Tel.: +0048 691 464 035. E-mail address: k.olszewska@pwsz.elblag.pl.

The authors' calculations showed (Figure 2) that at both national and regional levels, the number of the disabled unemployed aged 40-60 and older comprised approximately three quarters of the total number of the disabled unemployed, and the percentage was considerably higher for the age group of 45-49 years, reaching a maximum at the age of 55-59 years. In the period of analysis in the region, the proportion of the disabled unemployed of this age was almost 10 %-points higher than that of the 10-year younger disabled unemployed, while nationally it was 6 %-points higher; in 2016 both nationally and regionally the disabled unemployed aged 55-59 comprised more than a quarter of the total disabled unemployed. The changes in the other age groups ranged within 2-3 %-points; an exception was the age group of 60 and older, the proportion of which increased by 7-8 %-points in the region and in Latvia as a whole over the last nine years, reaching 14 %, which was the third highest percentage across the age groups.

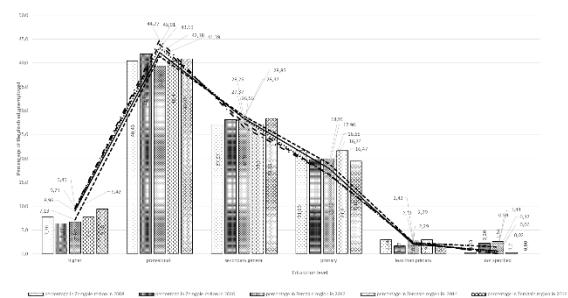


Source: author's calculations based on data of the SEA

Fig. 2. Percentage distribution of the disabled unemployed by age group in Latvia and Zemgale region in the period 2008-2016

An analysis of the education levels of the disabled unemployed (Figure 3) shows that the smallest changes were observed in the percentage of those with higher education; in Zemgale region, their proportion increased by 4 %-points, while nationally it increased by 3 %-points. In the result, almost one in ten disabled unemployed individuals had higher education in

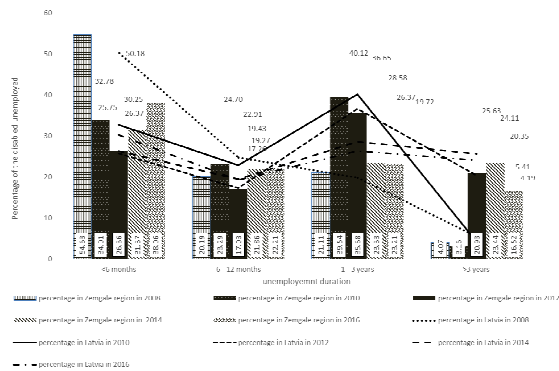
2016. The proportions of the other education level groups of the disabled unemployed changed within 2-3 %-points both nationally and regionally. The highest proportion was reported for the disabled unemployed with professional education – 40 % and general secondary education – 27 %, while almost one in five disabled unemployed individuals had primary education.



Source: author's calculations based on data of the SEA

Fig. 3. Percentage distribution of the disabled unemployed by education level in Latvia and Zemgale region in the period 2008-2016

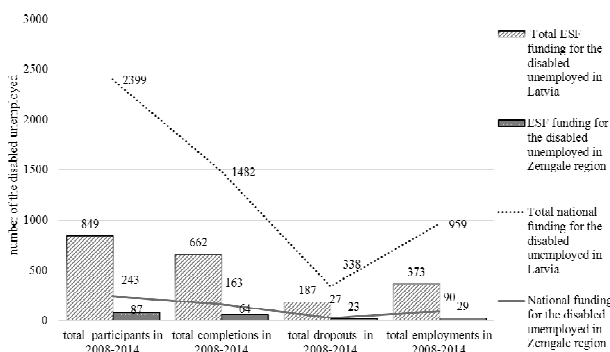
An analysis of unemployment duration of the disabled unemployed (Figure 4) confirms that no steady trend was observed in the period of analysis. Both nationally and regionally, the smallest changes were reported for those being unemployed for 6-12 months, whereas the greatest changes were specific to those being unemployed for more than three years – their proportion increased by more than 12 %-points in Zemgale and 19 %-points nationally. The greatest increase in the proportion of those being long-term disabled unemployed was reported in 2012 when it was 56 % higher both nationally and regionally; however, in 2016 in Zemgale it was 10 %-points lower than nationally, i.e. 40 % and 51 %, respectively. The economic crisis made the greatest influence on the disabled being unemployed for 1-3 years – their proportion increased by 20 %-points nationally and 18 %-points regionally in the period 2008-2010.



Source: author's calculations based on data of the SEA

Fig. 4. Percentage distribution of the disabled unemployed by unemployment duration in Latvia and Zemgale region in the period 2008-2016

Nationally and regionally in the period 2008-2014, three times more disabled unemployed individuals were involved in the national government-funded "Measure for certain groups of individuals" (Figure 5) than in an analogous ESF-co-funded measure. The proportion of those who completed the ESF-co-funded project was higher – 12 %-points nationally and 7 %-points regionally – than for the national government-funded project; however, the proportions of those who found jobs were 8 and 10 %-points, respectively, lower than for the national government-funded project.



Source: author's calculations based on data of the SEA

Fig. 5. Participation of the disabled unemployed in the ESF- and national government-funded "Measure for certain groups of individuals" in Latvia and Zemgale region in the period 2008-2014

To identify a range of employment opportunities to be enhanced for the disabled unemployed, a survey of 152 disabled unemployed individuals registered with the Zemgale regional department of the SEA, which accounted for 17 % of their total number, was

Jelgava, LLU ESAF, 27-28 April 2017, pp. 235-241 conducted in the period from 1 December 2015 to 12 February 2016 (Bezdarbnieku skaitis sadalījuma..., s.a.). There were randomly surveyed the registered disabled unemployed from two republican cities – Jelgava and Jekabpils – and 20 municipalities. The questionnaire included 16 both open and closed questions.

The respondent replies indicated that:

- almost half of them got disabled within a 1-10-year period, a third – within a period of more than 10 years, more than a fifth had been disabled since their childhood, which requires implementing national-scale measures to contribute to health as an important component of life quality and human capital;
- 82 % mentioned that before acquiring the status of the disabled unemployed they worked in one or several professions and had certain work experience; half of the potential employees were ready to do any job, which was important for their self-esteem;
- 65 % confirmed that the SEA could help find a job; 60 % were offered to engage in the "Measure for certain groups of individuals", while almost a third denied that; nevertheless, in general, the participation in active employment measures was diverse and might be viewed as positive and promoting employment;
- factors hindering employment were as follows: disability, reluctance of employers to assume responsibility, lack of vacant jobs, an opinion that a disabled individual was not able to perform work at high quality, lack of work experience – 57, 47, 32, 30 and 20 %, respectively.

The interviews of 19 representatives of enterprises and institutions in Zemgale region conducted in person and by phone, which represented randomly selected 12 municipalities of the region and two republican cities – Jelgava and Jekabpils – and diverse forms of business

organisation – both service and goods industries in about equal proportions – revealed that 95 % of the employers were informed about the opportunities provided by the SEA, 84 % of them employed or had employed disabled individuals, 74 % were involved in SEA activities that were considered to be beneficial. The main factors that hindered them from getting involved in the SEA activities were as follows: "large bureaucracy" during the implementation of an activity, the long period of evaluation, high requirements for reporting on funds spent, inability to provide a job for two years, no guarantee that an appropriate employee was selected. If employing the disabled without being involved in SEA activities, the employers wished tax relief and additional support from the government.

The findings made in the survey and interviews allow concluding that the ways of enhancing employment opportunities for the disabled are associated with reduction in the administrative burden and more active use of fiscal policy instruments by employers that employ the disabled as well as the use of more diverse activities and the implementation mechanism of the measures, based on foreign experience, to integrate the disabled unemployed in the labour market and the social life.

Conclusions, proposals, recommendations

- 1) The specifics of acquiring the status of the disabled unemployed is associated not only with the greater risk and consequences of unemployment for the disabled and their lower competitiveness in the labour market

but also active employment and preventive unemployment measures that have to ensure that the mentioned target group is integrated into the labour market and the social life and the risks caused by disability are reduced.

- 2) Nationally and regionally in the last nine years, the proportion of the disabled unemployed in the total number of the unemployed increased; the highest proportion was specific to the disabled unemployed aged 45-59, having professional education and being long-term unemployed, which stresses the necessity for broader involvement of them, based on their individual skills and competences, into the national government- and ESF-funded "Measure for certain groups of individuals", in which one in ten participants that completed the project and found a job in the period 2008-2014 came from Zemgale region.
- 3) The enhancement of employment opportunities for the disabled unemployed in the region is associated with the necessity to nationally introduce tax relief for employers that employ the disabled, while local governments have to promote social entrepreneurship and to involve mentors for the disabled. The SEA has to provide subsidised jobs for a shorter period (6 months) and to unburden enterprises of the great number of inspections and regular reports to be submitted in paper format. The mass media have to popularise the best examples of how the disabled unemployed found permanent jobs.

Bibliography

1. Stiglics, Dz., Drifils, Dz. (1994). Makroekonomika. Latvijas Universitate, saisinats tulkojums (Macroeconomics. Short translation. University of Latvia). Riga: Original published by: Norton&Company, Inc., p. 415.
2. Angela, B.M. (2015). Employment of Persons with Disabilities. Procedia - Social and Behavioral Sciences, Vol: 191, pp. 979-983.
3. Bezdarbnieka un darba mekletaja statusa piešķiršanas kartība un statusa piešķiršanai nepieciešamie dokumenti (2015): Ministru kabineta 2015. gada 24. februāra noteikumi Nr.103. (Procedures for Granting the Status of an Unemployed Person and the Status of a Person Seeking Employment and the Documents Necessary for the Granting of the Status. Cabinet Regulation No. 103 of 24 February 2015). Retrieved: <http://likumi.lv/ta/id/272483-bezdarbnieka-un-darba-mekletaja-statusa-pieskirsanas-kartiba-un-statusa-pieskirsanai-nepieciešamie-dokumenti>. Access: 12.01.2017.
4. Bezdarbnieku un darba mekletāju atbalsta likums (2002): LR likums (Support for Unemployed Persons and Persons Seeking Employment Law). Retrieved: <http://likumi.lv/doc.php?id=62539> Access: 10.01.2017.

¹ Anetta Waśniewska, Gdynia Maritime University, Tel. +0048 605 570 568, e-mail address: a.wasniewska@wpit.am.gdynia.pl

² Katarzyna Olszewska, The University of Applied Sciences in Elbląg, Tel.: +0048 691 464 035. E-mail address: k.olszewska@pwsz.elblag.pl.

5. Eiropas stratēģija invaliditātes joma (2010–2020); atjauninātā apņemšanās veidot Eiropu bez šķēršļiem, (2010) (European Disability Strategy 2010-2020: A Renewed Commitment to a Barrier-Free Europe). Retrieved: <http://eurlex.europa.eu/legalcontent/LV/TXT/PDF/?uri=CELEX:52010DC0636&from=LV> Access: 16.01.2017.
6. Iekļaušanas nodarbinātības pamatnostādnes 2015.-2020.gadam (2015). Ministru kabineta 2015. gada 12.maija rīkojums Nr.244 (Inclusive Employment Guidelines 2014-2020. Cabinet Decree No. 244 of 12 May 2015). Retrieved: <http://likumi.lv/ta/id/273969-par-ieklausos-nodarbinatibas-pamatnostadnem-2015-2020-gadam> Access: 16.01.2017.
7. Konvencija par personu ar invaliditāti tiesībām (2006) (Convention on the Rights of Disabled Individuals). Retrieved: <http://likumi.lv/doc.php?id=205328> Access: 18.01.2017.
8. Latvijas ilgtspējīgas attīstības stratēģija līdz 2030. gadam (2010) (Sustainable Development Strategy of Latvia until 2030). Retrieved: http://providus.lv/article_files/2871/original/latvija2030_lv.pdf?1426753617 Access: 03.01.2017.
9. Latvijas Nacionālais attīstības plans 2014-2020. gadam (2012): Vides aizsardzības un reģionālās attīstības ministrija (National Development Plan of Latvia 2014-2020. Ministry of Environmental Protection and Regional Development). Retrieved: http://www.pkc.gov.lv/images/NAP2020_%20dokumenti/20121220_NAP2020_apstiprinats_Saeima.pdf Access: 06.01.2017.
10. Noteikumi par invaliditāti apliecināsa dokumenta paraugu, dokumenta izsniegšanas un uzskaites kartību (2012): Ministru kabineta 2012.gada 26.jūnija noteikumi Nr.450 (Regulations Regarding the Document Specimen Certifying Disability, the Procedures for the Issuance and Record-keeping of the Document. Cabinet Regulation No. 450 of 26 June 2012). Retrieved: <http://likumi.lv/ta/id/249985-noteikumi-par-invaliditati-apliecinosa-dokumenta-paraugu-dokumenta-izsniegšanas-un-uzskaites-kartibu> Access: 18.01.2017.
11. Pārskats par bezdarba situāciju valstī. 2016. gada janvārī, (2016) (Report on Unemployment in the Country as of January 2016). Retrieved: http://www.lm.gov.lv/upload/statistika/parskats_par_bezdarba_situaciju_valsti_2016_gada_janvaris_2202.pdf Access: 27.12.2016.
12. Pasākums noteiktām personu grupām, 2015 (Measure for certain groups of individuals). Retrieved: <http://www.nva.gov.lv/index.php?cid=433&mid=437&txt=2926> Access: 05.01.2017.
13. McConnell C.R., Brue S.L. (1992) Economics. Principles, Problems and Policies (in Russian). vol. 1, Moscow: Republic, p. 399.

¹ Anetta Waśniewska, Gdynia Maritime University, Tel. +0048 605 570 568, e-mail address: a.wasniewska@wpit.am.gdynia.pl

² Katarzyna Olszewska, The University of Applied Sciences in Elbląg, Tel.: +0048 691 464 035. E-mail address: k.olszewska@pwsz.elblag.pl.