


LABOUR MARKET CHARACTERISTICS OF PERSONS WITH DISABILITY IN LATVIA

 **Lasma Licite-Kurbe**¹, Dr.oec., associate professor; **Liva Sevcuna**², MBA

^{1, 2}Latvia University of Life Sciences and Technologies

Abstract. The goal of the Union of Equality: Strategy for the Rights of Persons with Disabilities 2021-2030 is to ensure that persons with disabilities in Europe have equal opportunities, including equal access to participate in society and the economy. In 2020, 201 598 persons with disabilities lived in Latvia (10.6% of the total population), moreover, their number is growing every year. Only 26.6% people with disabilities are employed, and their employment is slightly growing every year. Besides, unemployment increases the risk of falling below the poverty line, as well as increases dependence on municipal and national social benefits. The aim of the present research is to analyse the situation of persons with disabilities in the labour market and identify the factors influencing their employment in Latvia. The monographic, analysis and synthesis methods, as well as statistical analysis methods were used to achieve the aim.

The research has concluded that the employment of people with disabilities is affected by the support instruments embedded in the legislation and specific support instruments for work integration social enterprises. Overall, however, the support instruments for the integration of people with disabilities into the labour market are few or insufficiently encourage entrepreneurs. To increase the employment of persons with disabilities, it is important to promote the development of social entrepreneurship, in particular the development of work integration social enterprises.

Keywords: persons with disability, work integration social enterprise, employment, labour market.

JEL code: E24, J7, L26, D6

Introduction

There are approximately one billion people with disabilities in the world, and this is projected to double by 2050 (World Health Organization, 2018). The UN Convention states that persons with disabilities need to have equal access to the labour market and employment, as well as that universal inclusion is a basic principle of the Sustainable Development Goals. However, in Latvia and the European Union as a whole, the employment rate of people with disabilities is lower than that of people without disabilities. In 2020, only 26.6% working-age persons with disabilities were employed in Latvia. Nevertheless, employment is an essential prerequisite for contributing to a dignified life and participation in social processes (Ge Z.M. et al., 2021; Yang W.G., Dai W., 2007; Zhang J.T., Wang Y., 2017; Kitching J., 2014), as well as it ensures economic independence and fosters personal achievements (Oborenko Z., Rivza B., 2018). In addition, research studies show that compared with people without disabilities, people with disabilities are at much higher risk of falling below the poverty line due to their limited opportunities to enter the labour market and earn a living to cover all their living and health costs (Trani J.F. et al., 2020; Angela B.M., 2015).

Research studies on employment of people with disabilities have been conducted both in Latvia and worldwide. In Latvia, this field has been a focus for researchers such as M. Taube, I. Leimane-Veldmeijere (2007) and Z. Oborenko et al. (2018) who analysed the labour market situation of people with disabilities. Z. Oborenko and B. Rivza (2018), as well as M. Zivitere and V. Claidze (2011) researched the legal environment and public policies on employment of people with disabilities. Furthermore, E. Anca and B. Sloka (2020) have researched social entrepreneurship and employment challenges to persons with mental disabilities. The research studies have found that the employment of people with disabilities is influenced by a variety of factors, mostly social, economic and environmental factors (Pfeiffer D., 2001), as well as legal ones (Ebuanyi I.D. et al., 2019; Oborenko Z., Rivza B., 2018).

Research studies have extensively analysed social factors that include negative attitudes or prejudice resulting from negative stereotypes of society fuelled by cultural beliefs towards a discriminated group

1 E-mail address: lasma.licite@llu.lv

2 E-mail address: livasevcuna@gmail.com

(Corrigan P., 2004; Trani J.F. et al., 2020). A research study conducted in Australia in 2018 on the attitudes of the surrounding population towards people with disabilities found that some people were reluctant to communicate with or even avoided people with psychological or mental disabilities. Besides, 30% respondents said that "too much" should not be expected from people with disabilities. Three quarters of the respondents also noted that they did not know how to treat people with disabilities (Bollier A.M. et al., 2018). This indicates societal prejudice and discrimination against people with disabilities (Xu L., 2010; Yang L. X., Hao Y. L., 2019), which hampers their ability to enter the labour market. The social factors also include the level of education, which is generally lower for people with disabilities (Boman T. et al., 2015; Angela B. M., 2015), work experience and professional skills (Zhivitere M., Oborenko Z., 2019), as well as the age of the person (employment opportunities are poorer for the youngest and the oldest age groups) (Boman T. et al., 2015).

Persons with disabilities are also significantly influenced by external environment factors, which represent both barriers in the surrounding environment and difficult accessibility, as well as the general attitude of the public, thereby creating limited opportunities for them to enter the labour market. The employment of people with disabilities could also be influenced by their health problems (Angela B. M., 2015).

The legal (Ebuenyi I.D. et al., 2019; Oborenko Z., Rivza R., 2018) and economic factors, including the kinds of support available to promote the employment of people with disabilities, also play an important role. In Latvia, various suggestions have been made concerning how to increase the employment of people with disabilities, yet the situation has not changed significantly (Oborenko Z., Rivza B., 2018). However, there are a few research studies in Latvia that have focused on support instruments and their role in increasing the employment of people with disabilities; therefore, the authors emphasize the role of the economic and legal factors.

Hypothesis: The employment of persons with disabilities in the labour market is mainly influenced by economic and legal factors, as well as entrepreneurial activity in the country.

The research has set the following **aim:** to analyse the situation of persons with disabilities in the labour market and identify the factors influencing their employment in Latvia. To achieve the aim, the following specific research **tasks** were set: 1) to give insight into the employment of persons with disabilities in Latvia; 2) to examine the factors influencing the employment of persons with disabilities; 3) to describe the role of social entrepreneurship in contributing to the employment of persons with disabilities. The monographic, analysis and synthesis methods, as well as statistical analysis methods (including correlation analysis) were employed to achieve the aim.

The present research used the following **information sources:** research papers from international journals and electronically available national and foreign periodicals focusing on persons with disability, as well as statistical data (from the Ministry of Welfare, the State Commission of Physicians for Health and Work Capacity Examination, the State Employment Agency, the Central Statistical Bureau and the State Social Insurance Agency). **Delimitations of research:** Data on the employment of people with disabilities and their link to poverty are limited. Also, there is lack of specific data on the employment of people with disabilities in work integration social enterprises.

1. Characteristics of the employment of persons with disabilities in Latvia

Persons with disabilities include those who have long-term physical, mental, intellectual or sensory impairments which in interaction with various barriers may hinder their full and effective participation in society on an equal basis with others (Convention on the Rights..., 2010). In 2020, approximately 1.9

million people lived in Latvia, of which about 201 000 or 10.6% were persons with disabilities. This was almost 20 000 more than five years ago (Table 1) due to the overall aging of the population and unfavourable socio-economic conditions leading to deteriorating living conditions. In addition, the COVID-19 pandemic that began in 2020 reduced the supply of medical and care services and delayed surgical operations, thereby contributing to health problems and dysfunctions (State Commission of Physicians..., 2020). If the number of people with disabilities increases and the total population continues decreasing, this could pose a threat to economic and social stability in the country. It is therefore necessary to find solutions to reducing social inequality between various groups of the population, including promoting the integration of people with disabilities into the labour market.

Table 1

Employment and unemployment of persons with disabilities in Latvia in 2016-2020

Indicator	2016	2017	2018	2019	2020	2020/2016, %
Adults with disabilities (thou.)	173 752	174 580	183 610	187 868	193 154	11.2
Number of employed persons with disabilities (thou.)	44 187	46 993	49 487	50 987	51 337	16.2
Employed persons with disabilities (%)	25.4	26.9	27.0	27.1	26.6	-
Number of unemployed persons with disabilities (thou.)	9 441	8 234	8 179	7 868	8 583	-9.1

Source: authors' calculations based on data from the Central Statistical Bureau and the State Commission of Physicians for Health and Work Capacity Examination

An analysis of the data from the Ministry of Welfare (MoW) and the State Commission of Physicians for Health and Work Capacity Examination (SCPHWCE) reveals that 26.6% of the total adults with disabilities were employed in 2020 (Table 1). In the period from 2016 to 2020, the employment of persons with disabilities has increased by 16.2%; however, overall, the increase in the employment rate was low, reaching the highest level in 2019 (27.1%). This indicates a long-standing problem of not being able to find sustainable solutions to increasing the employment of people with disabilities.

An analysis of the number of the unemployed reveals that in 2020, a total of 69 605 unemployed persons were registered in Latvia, of which 8 583 or 12.3% were persons with disabilities. In the period from 2016 to 2020, the number of the unemployed with disabilities was variable, yet overall their number decreased by 9%. The most positive change was observed in 2017 compared with 2016, as the number of unemployed persons with disabilities decreased by 12.8%, while in 2020 there was an increase in the number of unemployed persons because of the COVID-19 pandemic.

Given the low employment rate of people with disabilities, it could be concluded that they are repeatedly at risk of poverty, thereby leading to severe social inequality, poor living conditions and the consequences thereof. The at-risk-of-poverty rate for people with disabilities (in 2018) was 50.3%. An assessment of the public policy on poverty and social exclusion performed by the MoW revealed that 62.8% persons with disabilities had a total income below the poverty line, indicating an explicit income inequality in society, as well as an urgent need to create a socio-economically favourable environment contributing to the general wellbeing and standard of living of persons with disabilities (Plan for Promoting..., 2021).

The Law on Social Services and Social Assistance (in force since 01/01/2003) stipulates that "the income threshold of a needy household is EUR 272 for the first or only person in a household and EUR 190 for

other persons in the household" and "the income threshold of a low-income household is not higher than EUR 436 for the first or only person in a household" (in accordance with amendments to the law in 2020). This means that persons whose income does not exceed EUR 436 may be considered as living below the poverty line. The results of a study on people at risk of poverty and social exclusion, commissioned by the Ministry of Welfare, serve as a confirmation of the low income of persons with disabilities, which reveal that most persons with disabilities earn their incomes from social transfers (municipal benefits, disability benefits). Their incomes from work or economic activity do not reach EUR 150, indicating various restrictions on their employment (Ministry of Welfare, 2019).

An analysis of the data from the State Social Insurance Agency (SSIA) on the average pension of disabled persons (disability pension) reveals that if a disabled person is unable to participate in the labour market for various reasons, the average disability pension granted by the state corresponds to the income of a poor household – such people live below the poverty line. Although the average size of disability pensions has increased between 2016 and 2020, it is still unable to reach the income threshold of a low-income household, indicating a high risk of poverty among people with disabilities if not earning additional income.

Table 2

Average size of disability pensions in Latvia in 2016-2020

Year	Average size of disability pensions (EUR)	Persons with disabilities as a % of total population (%)
2016	169.63	9.2
2017	172.47	9.4
2018	179.70	9.9
2019	189.78	10.2
2020	198.67	10.6
2020/2016, %	17.1	15.2

Source: authors' calculations based on data from the Central Statistical Bureau and the State Social Insurance Agency

A correlation analysis was performed to identify the factors influencing the employment of persons with disabilities (Table 3). The research sought to identify whether there was a correlation between the number of employed persons with disabilities (dependent variable) and the number of municipal social security recipients and micro, small and medium enterprises (independent variable). The correlation analysis used data available from the Central Statistical Bureau, the MoW and the SCPHWCE for the period from 2005 to 2019.

Table 3

Strength of correlations between the factors influencing the number of employed persons with disabilities in Latvia

Indicator	Correlation coefficient (r)	Correlation strength
Number of recipients of municipal social security	0.58	Weak
Micro enterprises (<10 employees)	0.94	Strong
Small enterprises (< 50 employees)	0.22	Weak
Medium enterprises (< 250 employees)	0.10	Weak

Source: authors' calculations

It was found that among the factors selected, the number of employed persons with disabilities was most significantly affected by the number of micro-enterprises. There was also some correlation between the number of recipients of municipal social security and the employment of persons with disabilities, however, the correlation was weak, indicating that there were other factors that affected the employment of persons with disabilities. The effect of change in the number of small and medium enterprises on the employment of people with disabilities was low, yet there was a strong correlation between the employment of people with disabilities and the number of micro-enterprises, which indicated that the persons with disabilities were more often employed by micro-enterprises, and changes in their number also made a strong effect on the employment of persons with disabilities.

Overall, it could be concluded that the level of inequality in employment is high in Latvia, thereby increasing income and opportunity inequality between population groups. It should also be taken into consideration that the aging of the population, the declining population and the growing number of people with disabilities are a challenge that makes it necessary to create an environment and services that enable people to engage in daily activities and employment, thereby creating a secure socio-economic environment for the future.

2. Legal acts and strategic policy documents for the promotion of employment of persons with disabilities

One of the goals of the EU Disability Strategy 2021-2030 is to ensure that all people with disabilities in Europe enjoy equal opportunities and equal access to participation in the economy and society.

In Latvia, the right to employment of persons with disabilities is primarily protected by the Constitution of the Republic of Latvia (in force since 07/11/1922), which stipulates that "everyone has the right to freely choose their employment and workplace according to their abilities and qualifications", and "every employed person has the right to receive, for work done, commensurate remuneration which shall not be less than the minimum wage established by the State". However, the Labour Law (in force since 01/06/2002) stipulates that "everyone has an equal right to work, to fair, safe and healthy working conditions, and this applies to everyone, irrespective of a person's race, skin colour, gender, disability or other circumstances". The employer is also obliged to take measures to give opportunities for persons with disabilities to establish employment relationships, as well as adapt the working environment, provide vocational training or further education, insofar as such measures do not place an unreasonable burden on the employer. Although the law explicitly stipulates that employers need to establish an inclusive environment, the practice and the low employment of people with disabilities indicate that employers are either reluctant to comply with this section of the law or have a high burden and are unable to do it. The Labour Law also stipulates that if an employee has a disability, the employer must notify the person two months in advance if the employment relationship is terminated (without a disability – one month in advance), and the persons with disabilities are one of the priority groups to be retained in case of redundancies. This means that in accordance with the Labour Law, persons with disabilities are to some extent more protected, which on the one hand is positive, while on the other hand it might be a hindering factor in the employment of persons with disabilities, as the employer is subject to certain restrictions.

The rights of persons with disabilities are also specified in the Disability Law (in force since 01/01/2021), which prescribes support mechanisms for reducing the risks and negative consequences for persons with disabilities, which include the right to receive rehabilitation services in the country that provide knowledge on how to integrate into society, incl. into the labour market. In addition, persons with disabilities of Groups I and II and their accompanying persons in the territory of Latvia may travel by public transport for free.

Although support mechanisms have been introduced, the employment and quality of life of people with disabilities is low.

3. Support instruments for the employment of people with disabilities

The reduced rate of mandatory state social insurance contributions (MSSIC) for the employee and the employer represents monetary support for the employment of persons with disabilities. Cabinet Regulation No. 786 "Regulations regarding the Distribution of the State Social Insurance Contribution Rate by Kind of State Social Insurance" (in force since 01/01/2021) stipulates that for persons with disabilities, the employee MSSIC rate is set at 9.76% and the employer MSSIC rate is set at 21.94% (for persons without disabilities 10.50% and 23.59%, respectively). It could be found that the reduction of the MSSIC rate was minimal, thereby creating a small benefit for employers and not promoting the employment of persons with disabilities. However, a positive fact is that in 2021 amendments were made to the relevant legal acts, thereby providing more support and the reimbursement of the MSSIC paid by the employer to social enterprises that employ persons with disabilities and mental disorders. The regulation stipulates that the enterprises that employ such target groups and do not receive grants from the SEA or Altum programmes are entitled to a lower MSSIC rate (21.94%).

In addition, in the period from 2014 to 2020 in Latvia, the State Employment Agency (SEA) with the support of the European Social Fund (ESF) launched various support programmes to promote employment. According to the information provided in the SEA reports, support for employment of the unemployed with disabilities has been one of the priorities of this period. One of the projects implemented by the SEA and the ESF, which is being implemented from 2015 to 2023, relates to subsidized jobs. Its purpose is to promote the integration into society and employment of the most disadvantaged unemployed (including people with disabilities). According to the SEA, from 2015 to 30 September 2021, a total of 5 686 people began working in subsidized jobs, of which 38.4% (2 183) were persons with disabilities. However, it should be noted that the duration of employment in the project was set at 12 months, which was a short-term rather than a long-term solution for the employment of people with disabilities.

In cooperation with the SEA, the following support mechanisms are available to promote the integration of persons with disabilities into the labour market:

- occupational therapist consultation – the specialist assesses the workplace and its suitability for a person with a disability and gives recommendations for adapting the workplace;
- workplace adaptation – based on the recommendations given by the occupational therapist, financial support is provided for workplace adaptation up to EUR 1000;
- subsidies for a supervisor – a person who works with and trains an employed person with a disability, as well as provides support at the workplace, may receive a supplement of 50% of the national minimum wage for up to two months;
- sign language interpretation services for persons with hearing impairments;
- accompanying person services for persons with mental disabilities.

Table 4

Support instruments for the employment of people with disabilities in Latvia

Support measure	Brief description of the support instrument	Support measure implementer	Positive aspects	Challenges
Jobs subsidized by the State Employment Agency	Integration of the target group into workplaces	State Employment Agency	Specially created or adapted jobs for the involvement of the target group in employment	Support for subsidized jobs from the SEA lasts for one year; the procedure is quite long and bureaucratic; no probationary period is specified
Motivation programme of the State Employment Agency for the long-term unemployed with disabilities	Integration of the target group into workplaces	State Employment Agency	Motivation, support, social problem solving and mentoring services for job search	Job search support lasts for three months; mentor support for up to seven months, including job search time
MSSIC rate	Tax relief	Ministry of Welfare	Employee MSSIC rate for persons with disabilities – 9.76% (without disabilities – 10.50%) Employer MSSIC rate for persons with disabilities – 21.94% (without disabilities – 23.59%)	Tax relief is insignificant and does not motivate people with disabilities to work
Provision of an assistant	Assistant services for the disabled	Ministry of Welfare; municipal social services	Provision of assistant support up to 40h/week, higher remuneration of the assistant – 4.73 EUR/h	Individuals often need to find an assistant themselves; remuneration is not high to hire assistants from outside
Occupational therapist consultation	Occupational therapist consultation on the accessibility of the working environment and recommendations	State Employment Agency	Specialist consultation on individual working environment adaptation options	One-time service, insufficient time to assess all the aspects
Workplace adaptation	Workplace and working environment adaptation, subsidies for adaptive equipment	State Employment Agency	Working environment adaptation up to EUR 1000	Funding ceilings for certain manufacturers or EU-produced equipment
Sign language interpreter services	Sign language interpreter support for people with hearing impairments	State Employment Agency	Specialized professional for providing support both to the employee and the employer	Support is provided for 1-2 months
Support person	Provision of support for people with mental disabilities	State Employment Agency	Specialized mentor for providing support both to the employee and the employer	Support lasts for up to 12 months, which is gradually decreased; the period of support might not be long enough to integrate the person into the workplace
Subsidies for the supervisor	Remuneration of the supervisor	State Employment Agency	Additional financial motivator for the person training the new employee; lower expenses for the employer	Low subsidy - 50% of the minimum monthly wage, in proportion to the number of days worked by the employee

Source: authors' own compilation

There are also some changes regarding the provision of a government-paid assistant. On 1 July 2021, Cabinet Regulation No. 316 "Regulations regarding Assistant, Companion and Care Services for Persons with Disabilities" came into force. Due to the amendments to the relevant legislation, currently persons with disabilities of Groups I or II who are employed and need a lot of support have an opportunity to receive assistant support for up to 160 hours/month (instead of the previous 80 hours/month). In addition, the decision on the need for an assistant was previously assessed by the SCPHWCE, which considered this information when deciding on disability. Currently, the provision of assistant support is provided by municipal social services, which are more accessible to people with disabilities. The required amount of support is assessed considering the person's ability to move outside the home, navigate the environment, use public or other kinds of transport etc. There have also been changes in the remuneration of the assistant – instead of the previous 3.70 EUR/hour before taxes, the assistant now receives 4.73 EUR/hour before taxes, thereby promoting the involvement of both peers and specialists in providing support to persons with disabilities. The available support mechanisms for the employment of persons with disabilities and their integration into the labour market are summarized in Table 4.

In Latvia, a lot of efforts are made to increase the employment of people with disabilities, however, the current solutions are not always in line with the skills, wishes or knowledge of people with disabilities. It is also observed that, although support mechanisms are provided at the national level, the overall statistics on the employment of persons with disabilities show relatively slow progress, indicating shortcomings in the support provided.

4. Social entrepreneurship as an instrument for employing people with disabilities

One of the ways to increase the employment and living standards of people with disabilities is a relatively new kind of entrepreneurship in Latvia – social entrepreneurship. One of the kinds of social enterprises is work integration social enterprises (28% of 193 active social enterprises in Latvia according to data as at 31 December 2021), which mostly employ persons with disabilities. In accordance with Cabinet Regulation No. 173, 13 groups at risk of social exclusion, incl. persons with disabilities, have been specified in Latvia.

To foster the development of social entrepreneurship, Section 8 of the Social Enterprise Law provides for various support mechanisms available to all social enterprises. However, the most important kind of support for social enterprises was the grants administered by Altum and the Ministry of Welfare (hereinafter Altum grants), which were available from 2016. However, in the second half of 2021, the amount of funding available for the grants was exhausted and new project applications were no longer accepted.

Totally, a few specific support mechanisms or tax relief are available for work integration social enterprises in Latvia. As of 1 January 2021, active social enterprises have an opportunity to apply for a lower MSSIC rate owing to amendments to Cabinet Regulation No. 467 "Implementation Rules for the Operational Programme "Growth and Employment", Specific Support Objective 9.1.1 "Increasing the Integration of the Disadvantaged Unemployed into the Labour Market", Measure 9.1.1.3 "Support for Social Entrepreneurship"". This means that the social enterprises that employ persons with disabilities or persons with mental disorders are entitled to a lower MSSIC rate (21.94%). The reimbursement of the MSSIC paid by the employer is granted to the enterprise for the employees whose remuneration is not reimbursed through the SEA or Altum grant programmes. A one-time salary paid by the government has also been introduced under this operational programme – if a person with disability or a mentally handicapped person has been unemployed, the enterprise is entitled to apply for a one-time salary for the first month of employment.

In addition, the work integration social enterprises that employ persons with disabilities are eligible to the kinds of support listed in Table 5.

Table 5

Support instruments for social and work integration social enterprises in Latvia

Support instrument	Brief description of the support instrument	Positive aspects	Challenges
Immovable property tax relief set by the municipality	Immovable property tax relief for social enterprises	Lower enterprise expenses in relation to state fees	Social enterprises rarely own their own property; low motivation and interest of local governments
Transfer of movable and immovable property of public persons for use free of charge	Transfer of movable or immovable property to social enterprises for use free of charge	Opportunity to expand the operation or improve the performance of a social enterprise; provision of support is free of charge	Reluctance to transfer property for use free of charge
Involvement of volunteers	Involvement of volunteers in the enterprise	Possibility to reduce fixed costs, additional support for business processes in the enterprise	Volunteers are involved in the short term; lower responsibility and quality of work; extra time is needed for training the volunteers
Grants administered by Altum and the Ministry of Welfare	Financial support for increasing enterprise performance	Financial support for social enterprises up to EUR 200000	Bureaucratic procedure can take a long time to make a decision
Lower MSSIC rate	Possibility to get back the part of the MSSIC paid by the employer for employees with disabilities and mental disorders	Motivator for employing target groups, more financial resources to be used for business by the enterprise	Reimbursement may be received once a quarter for employees whose remuneration was not funded by the SEA or Altum support mechanisms
One-time salary paid by the government	One-time salary for the first month of employment of a person with disability	Expenses are lower for the enterprise if the work results do not meet expectations, or the person decides to terminate the employment after the second month	One-time salary is reimbursed by the government if the person has begun an employment relationship after 31/03/2021 and has had unemployment status
Tax deductions for certain categories of non-operating expenses	Defined in Section 8 of the Social Enterprise Law	Potential target groups, additional needs of employees are taken into account	Expenditure categories are insignificant, little used in practice, as the entrepreneurs do not understand their use, and often do not have enough financial resources to implement the activities

Source: authors' construction based on the Social Enterprise Law, Cabinet Regulation No. 467

Overall, it could be concluded that in Latvia the integration of persons with disabilities into the labour market is promoted by applying various kinds of tax relief, support mechanisms for social enterprises, including work integration social enterprises; however, there are a few specific support mechanisms for work integration social enterprises. However, some of the proposed support instruments for social

enterprises are irrelevant, for example, the category of non-taxable expenses. The fact that receiving support could often take a long time and involve a lot of bureaucracy, thereby reducing the attractiveness of support mechanisms for the social enterprises, should also be noted as a negative aspect of the support system.

Conclusions and proposals

- 1) In Latvia, the employment rate of persons with disabilities, compared with persons without disabilities, is low (26.6% were employed in 2020, while the overall employment rate reached 64.2%). Although the number of employed people with disabilities in Latvia has slightly increased between 2016 and 2020 (16.2%), the overall employment rate was low, thereby contributing to social and economic inequality in society and increasing the risk of poverty and social exclusion for people with disabilities.
- 2) Persons with disabilities in Latvia in 2020 accounted for 12.3% of the total unemployed, moreover, the number of unemployed persons with disabilities did not change significantly in the period 2016-2020, which indicates a long-standing problem of integrating persons with disabilities into the labour market.
- 3) The employment of persons with disabilities is influenced by legal and economic factors. The relevant legislation provides support instruments to increase the employment of people with disabilities, including a lower MSSIC rate (31.70%), and various support programmes are implemented by the State Employment Agency. However, the support instruments are not significant incentives, thereby not increasing the employment of people with disabilities.
- 4) One of the instruments for promoting the employment of persons with disabilities is social entrepreneurship, as its main purpose is to solve social problems and create social benefits. One kind of social enterprise is work integration social enterprises, which employ people with disabilities. In accordance with the Social Enterprise Law, various support instruments are available to work integration social enterprises, one of the most important instruments is the reimbursement of the MSSIC paid by the employer to social enterprises that employ persons with disabilities and persons with mental disorders. However, overall, there are a few specific support instruments for work integration social enterprises that do not contribute to the employment of people with disabilities.

Bibliography

1. Anca, E., Sloka, B. (2020). Social Entrepreneurship and Employment Challenges of Persons with Mental Disabilities. In: *Proceedings of the International Scientific Conference "New Challenges in Economic and Business Development – 2020: Economic Inequality and Well-Being"*, Riga, 02 February 2020. Riga: University of Latvia, Faculty of Business, Management and Economics, pp. 9-16
2. Angela, B.M. (2015). Employment of Persons with Disabilities. *Procedia – Social and Behavioral Sciences*, Volume 191, pp. 979-983.
3. Bollier, A.M., Krnjacki, L., Kavanagh, A., Kasidis, V., Katsikis, G., Ozge, J. (2018). *Survey of Community Attitudes towards People with Disabilities*. Melbourne, VIC: Disability & Health Unit, centre for Health Equity, University of Melbourne, p. 58. Retrieved: https://www.statedisabilityplan.vic.gov.au/application/files/5415/7526/0530/University_of_Melbourne_Community_Attitudes_Final_Report_19.06.19_-_PDF.PDF. Access: 26.01.2022.
4. Boman, T., Kjellberg, A., Danermark, B., Boman, E. (2015). Employment Opportunities for Persons with Different Types of Disability. *ALTER, European Journal of Disability Research*, Volume 9, pp.116-129.
5. Corrigan, P. (2004). How Stigma Interferes with Mental Health Care. *American Psychologist*, Volume 59, Issue 7, pp. 614-625.
6. Ebuenyi, I.D., Regeer, B.J., Nthenge, M., Nardodkar, R., Waltz, M., Bunders-Aelen, J.F.G. (2019). Legal and Policy Provisions for Reasonable Accommodation in Employment of Persons with Mental Disability in East Africa: A Review. *International Journal of Law and Psychiatry*, Volume 64, pp. 99-105.
7. Ge, Z.M., Chen, R.X., Tang, W.Z., Cong, Y. (2021). Why Strong Employment Support for Persons with Disabilities has not brought about Positive Outcomes? A Qualitative Study in Mainland China. *Children and Youth Service Review*, Volume 121, Issue 3.

8. Ministry of Welfare (2019) *Ikgadejs nabadzibas un socialas atstumtibas mazinanasas ricibpolitikas izvertejums (t.sk. izvertejums par nevienlidzibu veselibas aprupe un nevienlidzibu majokla pieejamibas joma)* (Annual Assessment of Policies to Reduce Poverty and Social Exclusion (incl. an Assessment of Health Care Inequality and Inequality in Access to Housing)). Retrieved: http://petijumi.mk.gov.lv/sites/default/files/title_file/Nabadz_soc_atstumt_mazin_ricibpol_izvertejums_Zinojums.pdf. Access: 26.01.2022.
9. Kitching, J. (2014) *Entrepreneurship and Self-employment by People with Disabilities*. Background Paper for the OECD project on Inclusive Entrepreneurship, Kingston University, p. 27
10. *Konvencija par personu ar invaliditati tiesibam* (Convention on the Rights of Persons with Disabilities) (2010). Retrieved: <https://likumi.lv/legislation/en/lv/treaties/id/1630>. Access: 26.01.2022.
11. Oborenko, Z., Rivza, B. (2018). Legal and Policy Framework of Employment for people with Disabilities in Latvia. *Proceedings of the 2018 International Conference "Economic Science for Rural Development"*, No 49, Jelgava, LLU ESAF, 9-11 May, pp. 372-384.
12. Oborenko, Z., Zivitere, M., Konstantinova, E. (2018). Disability Management in the Workplace: problems and Trends in Latvia. *SHS Web Conference*, Volume 51, p.12.
13. Pfeiffer, D. (2001). The Conceptualization of Disability. In: Barnatt, S.N., Altman, B.M. (Eds.) *Exploring Theories and Expanding Methodologies: Where We are and Where We Need to Go*. Emeralds Publishing Limited, Bingley, pp. 29-52.
14. *Plans personu ar invaliditati vienlidzigu iespēju veicināšanai 2021. – 2023.gadam* (Plan for Promoting Equal Opportunities for Persons with Disability for 2021-2023) (2021). Retrieved: tap.mk.gov.lv/doc/2021_05/LMPI_invaliditates_plans_2021.435.doc Access: 26.01.2022.
15. Taube, M., Leimane-Veldmeijere, I. (2007). Promotion of the Employment Opportunities for People with Intellectual Disabilities and Psychiatric Illnesses in Latvia. Centre for Psychiatry and Narcology, Riga, p. 47.
16. Trani, J.F., Moodley, J., Anand, P., Graham, L., Maw, M.T.T. (2020). Stigma of Persons with Disabilities in South Africa: Uncovering Pathways from Discrimination to Depression and Low Self-esteem. *Social Science & Medicine*, Volume 265, pp. 1-12.
17. State Commission of Physicians for Health and Work Capacity Examination (2020). *Veselības un darbībaspeju ekspertīzes arstu valsts komisijas publiskais pārskats* (Public Report by the State Commission of Physicians for Health and Work Capacity Examination) Retrieved: <https://www.vdeavk.gov.lv/lv/media/459/download> Access: 26.01.2022.
18. World Health Organization (2018). *Disability and Health*. Retrieved: <https://www.who.int/news-room/fact-sheets/detail/disability-and-health>. Access: 26.01.2022.
19. Xu, L. (2010). The Difficulties in Employment of Persons with Disabilities and the Improvement of Employment Promotion Policy. *Journal of Northwest University* (Philosophy and Social Sciences Edition), Volume 40, Issue 1, pp. 116-120.
20. Yang, W.G. Dai, W. (2007). The Structure and Expansion of China's Employment Policy for Persons with Disabilities. *Academia Bimestris*, Volume 4, pp. 48-55.
21. Yang, L.X., Hao, Y.L. (2019). Research on Employment of Persons with Disabilities in Urban Areas: Transform of Problems and Policy Implication. *Journal of Northwest University* (Philosophy and Social Sciences Edition), Volume 4, pp. 74-88.
22. Zhang, J.T., Wang, Y. (2017). Current Social Views on the Persons with Disabilities and Effects on Their Employment. *Disability Research*, Volume 1, pp. 55-60.
23. Zhivitere, M., Oborenko, Z. (2019). Job Market for Disabled People: Issues in Latvia. In: *the 17th International scientific conference Information Technologies and Management 2019*, April 25-26, ISMA, Riga, Latvia, pp. 191-193.
24. Zivitere, M., Claidze, V. (2011). Legal Environment, National Strategies and Policies for Employment of People with Disabilities. *SEER: Journal for Labour and Social Affairs in Eastern Europe*, Volume 14, No. 1, pp. 119-130.