

Towards a European Pillar of Social Rights

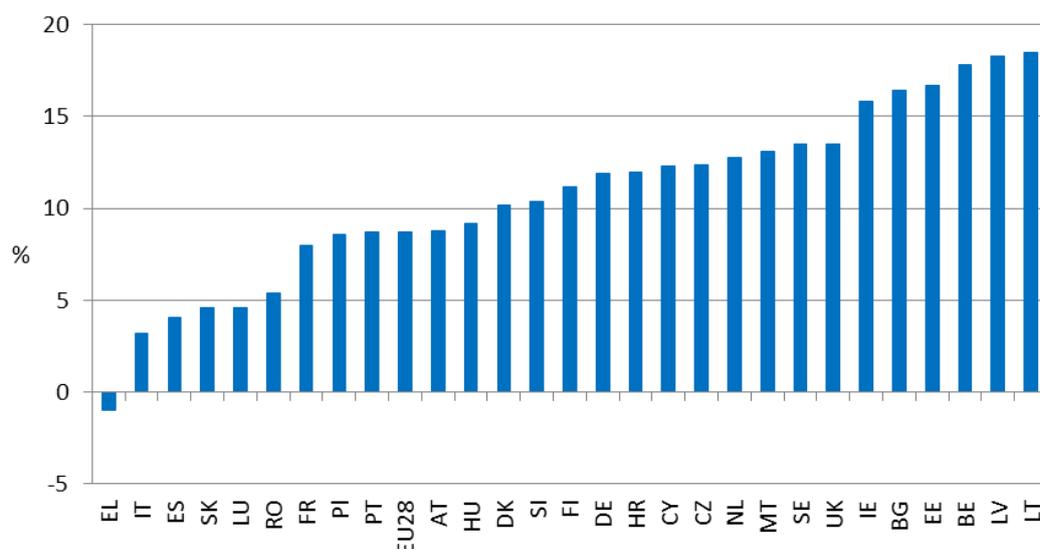
DISABILITY BENEFITS

Disability benefits aim to ensure an adequate and comparable standard of living for persons with disabilities, providing social protection and reducing the risk of poverty and social exclusion. They can provide a secure basic income, compensating for a lack of employment (opportunities), for income shortfalls as well as for additional costs related to disability. When well-designed, disability benefits do not create a barrier to employment. When linked to rehabilitation services and targeted active labour market measures, they can enhance social and labour market participation.

Challenges

A key challenge is to design disability benefits schemes which promote active participation, social inclusion and social protection. This implies going beyond compensating for limited labour market participation, notably by compensating the extra costs related to the disability itself, which can amount to up to 50% of an individual's income. At EU level, the employment rate of people with disabilities is about 47.9% compared to 71.5% of persons without disabilities. This has important consequences of poverty and social exclusion (see figure below). While part of this difference is due to the fact that people with disabilities may be unable to enter employment, part of it is related to employment disincentives and the lack of adequate support measures to enable people with disabilities to enter the labour market. The design of disability benefits can lead to benefit traps reducing the motivation to seek work, for example when benefits are withdrawn immediately and entirely once (re-)entering employment.

Figure: Poverty and social exclusion gap* between persons 16+ with and without disabilities, 2014



Source: EU-SILC 2014 *Gap: Percent of persons with disabilities – Percent of persons without disabilities.

Situation at EU level

The design of disability benefits is mainly a national competence. EU legislation only regulates the coordination of social security schemes. Some benefits aim to compensate the disadvantaged situation of people with disabilities on the labour market. In the work place, discrimination is prohibited by EU law (Directive 2000/78), which allows Member States to take positive action with a view to ensuring full equality in practice.

Situation in the Member States

Disability benefits vary substantially across Member States in terms of eligibility, level, characteristics (in cash or in kind) and nature (contributory or non-contributory). In absolute terms, expenditure on disability benefits is steadily increasing in most Member States, and stands currently around 2% of the GDP. In addition, levels of poverty, social exclusion or activity rates show a consistent gap with those of people with disabilities across the EU and indicate differences in adequacy of benefits.

International dimension

The UN Convention on the Rights of Persons with Disabilities is part of the EU legal order. It sets out the right of persons with disabilities to an adequate standard of living and social protection for themselves and their families (Article 28). In addition it recognizes their right to live independently and be included in the community (Article 19). The Social Protection Floors Recommendation, 2012 (No. 202) provides for basic social security guarantees including disability benefits.