



# **ASSESSING THE IMPACT OF EUROPEAN GOVERNMENTS' AUSTERITY PLANS ON THE RIGHTS OF PEOPLE WITH DISABILITIES**

## **KEY FINDINGS**

# THE EUROPEAN CONSORTIUM ON HUMAN RIGHTS AND DISABILITY

The EFC European Consortium of Foundations on Human Rights and Disability brings together funders and other stakeholders committed to promoting the implementation of the UN Convention of the Rights of People with Disabilities (UNCRPD). After the Convention's entry into force in 2008, a group of foundations led by Fundación ONCE responded by forming a Consortium which was launched during an event held at the European Parliament in April 2009.

The aim of the Consortium is to breathe life and vigour into the application of the UN Convention in Europe; and to mobilise the foundation sector to play a catalytic role in ensuring that European governments and other relevant stakeholders commit to and support both the ratification and implementation of the Convention.

The Consortium's activities are divided into four areas:

1. Foster the effective implementation of the UN Convention at European and national level through monitoring, awareness raising and capacity-building of legal professionals.
2. Ensure the implementation of the European Disability Strategy 2010-2020.
3. Optimise the use of EU funding in support of the European Disability Strategy 2010-2020, notably for accessibility and non-discrimination.
4. Mainstream disability issues and focus within foundations' work and programmes.

## Members of the EFC European Consortium on Human Rights and Disability:



**The study was conducted on behalf of the Consortium by:**



**Download the full study from:**



[http://www.efc.be/programmes\\_services/resources/Documents/Disability\\_Austerity\\_2012.pdf](http://www.efc.be/programmes_services/resources/Documents/Disability_Austerity_2012.pdf)

# FOREWORD

The European Consortium of Foundations on Human Rights and Disability decided to commission this study in order to gather evidence and data on how the current economic crisis, especially the recent cuts made by a number of European governments, has impacted people with disabilities. The first decade of the 21<sup>st</sup> century has seen significant economic growth in Europe, which has resulted in improvements, albeit not optimal, to the living conditions and the inclusion in society of the 80 million people with disabilities and their families in Europe.

Now, with the seemingly unending economic crisis, Europe risks undoing this progress and weakening the economic, political and social structures that were built up during this prosperous decade. While many positive actions for the inclusion of people with disabilities were taken by European governments in this period, these are now either faltering or coming to a standstill as a result of the austerity measures taken by governments.

With reduced spending on welfare and social services by some Member States, increasing numbers of people with disabilities are losing their jobs, income support and access to fundamental services and resources. This is a bleak situation that can only get bleaker as the economic situation will naturally lead more people with disabilities towards poverty, social stigmatisation and marginalisation.

The study shows that the economic crisis, as well as the political and social decisions taken as a result of it, is undermining the fundamental civil, political, social and economic rights of people with disabilities. These rights are laid down in the UN Convention on the Rights of People with Disability (UNCRPD), which is the first human rights treaty to be ratified by the EU as a whole. The crisis is therefore preventing signatories from adopting the necessary measures to advance the commitments agreed upon when signing the Convention. Many of the austerity measures identified by the study could also seriously inhibit progress towards the EU2020 objectives relating to employment, education, poverty and social exclusion.

Now is not a time to move backwards in the field of disabilities, instead we must aspire to do even better. This means collaborating more closely than ever before with one another, and looking for creative and alternative avenues, such as social innovation and entrepreneurship. We need to come up with solutions that allow us to continue the track along which we started some years ago to achieving social inclusion of people with disabilities.

## **Miguel Ángel Cabra de Luna**

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# INTRODUCTION

Since the onset of the economic crisis in 2008, concerns have been raised by all interested parties on the negative impacts for people with disabilities. This study, which was commissioned by the European Consortium of Foundations on Human Rights and Disability, examines evidence at both European and national level of the effect of the economic crisis, in terms of austerity measures, on the rights and status of people with disabilities. In particular, it focuses on the

impact on the delivery of social services, income support and allowances particularly aimed at people with disabilities.



A core team of European researchers, complemented by national experts in six EU Member States, conducted an independent, systematic and evidence-based survey of documentary sources and carried out interviews with funders, providers and organisations of people with disabilities. The countries included in the study were Greece, Hungary, Ireland, Portugal, Spain and the UK. The findings are linked back to the UN Convention on the Rights of Persons with Disabilities (UNCRPD) and the objectives of the EU Disability Strategy. This summary presents the main findings and conclusions of the study.

A fundamental finding is that current statistical and research data to enable the formulation and implementation of disability policies is very thin on the ground, at EU level and in many of the countries surveyed. This is in contravention of Article 31 of the Convention (Statistics and data collection), which requires that disaggregated data are collected to assess the implementation of obligations under the Convention. The study acknowledges, however, that the Labour Force Survey (LFS) 2011 includes a specific module on the employment of people with disabilities, the results of which have yet to be published.

## RATES OF UNEMPLOYMENT AND THE RISK OF POVERTY FOR PEOPLE WITH DISABILITIES HAVE RISEN DISPROPORTIONATELY SINCE THE ONSET OF THE CRISIS

With the exception of a few Member States, the participation of persons with disabilities in the labour market has decreased in the EU since the onset of the economic crisis. In addition, people with disabilities are more likely to receive temporary contracts and lower wages leading to financial insecurity. An analysis of data from the European Union Statistics on Income and Living Conditions (EU-SILC) shows that between 2008 and 2009 employment rates significantly decreased for people with severe limitations of all ages, apart from those in the 55-64 age range who were already at a very low level.

An existing downward trend in the employment rate of young people (15-24) was exacerbated between 2007 and 2009. Despite a small increase in rates in 2010, rates were still well below pre-crisis levels.

More than 1 out of 5 persons with disabilities (21.1%) are at risk of poverty in the EU compared to people without disabilities (14.9%). The poverty risk-rates sharply increased between 2008 and 2010 in several of the EU countries, namely Ireland (+26.16%), Denmark (+21.27%), Lithuania (+21.01%), Spain (+11.35%), Cyprus (+8.11%), Hungary (+6.03%) and Malta (+5.10%). People with disabilities have more than a 25% chance of being at risk of poverty in Bulgaria, Cyprus, Estonia, Finland, Greece, Latvia, Lithuania, Portugal, Slovenia, Spain and the UK.

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## SOCIAL SERVICES HAVE BEEN SEVERELY IMPACTED BY AUSTERITY MEASURES

A wide range of austerity measures was identified, which have had a significantly negative impact on services for people with disabilities. The main measures are summarised as follows:

**Direct budget cuts:** Grants were cut by 28% for local authorities in the UK; fees for early intervention services were reduced from €240 to €160 per child in Portugal; cuts of between 15% and 23% were made in direct funding to social service providers in Ireland; the financing of disability organisations in Spain decreased by 20% while public funding was cut by 30% between 2011 and 2012 for disability organisations in Portugal. In Italy, public expenditure cuts included the cancellation of the National Fund for Dependent People worth €400 million.

**Closure and merging of services:** The partial or complete closure of social services was reported in Bulgaria, Greece, Hungary, Ireland, Portugal and Romania. Mergers and the re-organisation of services were also reported. Services include day care centres, home care services, vocational training, rehabilitation, specialised nurseries and schools, some of which were established with support from the European Social Fund (ESF).

**Cuts in staffing, pay and conditions:** Reductions in staff numbers have occurred as a result of redundancies, early retirement, recruitment freezes and more temporary contracts. Staff reductions were reported in Bulgaria, Estonia, Hungary, Latvia, Lithuania, Romania and Portugal. In Portugal, organisations providing support to children in mainstream education had to withdraw and even lay off staff, leaving teachers and children with disabilities without appropriate support. In the UK, some 400 staff left one local authority in the two years leading up to the crisis, while in the social work department of another authority, 65 members of staff were let go. In Ireland, staff cuts amounted to 85% of savings in the public sector. Direct cuts in salary packages were also identified in Greece, Ireland, Romania and Spain. Other mechanisms that reduced expenditure included freezing pay rises, stopping increments and payment for overtime, skipping "indexation" and reducing working conditions.

**Cuts in independent living support:** In the UK, the Independent Living Fund (ILF), worth £359 million has been closed to new applicants. A proposal in The Netherlands, which would have cut 90% of recipients of personal budgets by 2014, has been postponed. In Portugal, the pilot introduction of personal budgets has been postponed. There have been deep cuts in budgets for assistive devices - in Portugal funding for assistive

technology was reduced by 37%, while in one region in Ireland no environmental control devices have been granted for over two years.

**Delays in payments:** The crisis and the austerity measures have caused significant delays in payments from the public sector to non-profit social service providers. In Spain, the public administration's debt towards these organisations has put them in jeopardy, and as a result social services to people with disabilities are endangered. In addition, banks have decreased financing facilities and in some cases eliminated funding options - as a result many of these entities have difficulty accessing the credit needed to ensure their survival and their provision of social services. In Hungary, the government has delayed the payment of subsidies to companies providing protected workplaces, affecting 37,000 people. In Ireland, individuals seeking invalidity pension have to wait 31 weeks for their claims to be processed.

**Postponement of developments and reforms:** A lack of sufficient resources has resulted in the deferment of actions in a number of sectors. In Ireland, disability reforms have been suspended as a result of the collapse of the "Multi Annual Funding Programme". Local authorities in Spain have postponed the construction of residential care facilities while the implementation of the law entitled "Promotion of the Autonomy and Care for Persons in a Dependent Situation" is delayed. Government funding provided under this law to "Autonomous Communities" was reduced by between 22% and 29% in 2012 compared to the previous year in most regions. In Portugal, the creation of a national network for integrated continuous care (RNCCI) has been slowed down, with funding reduced by over 30% since 2008.

**Increased waiting lists:** In Portugal, waiting lists are on the rise for long-term care and day-care services. In Hungary, people can wait for years before gaining access to social services. In Ireland, increased waiting lists for access to an assessment of needs were reported, and the current unmet need for personal assistance is estimated at 520,000 hours per annum. Only 1 in 6 people requiring specialist rehabilitation for neurological

## **Other mechanisms that reduced expenditure included freezing pay rises, stopping increments and payment for overtime, skipping "indexation" and reducing working conditions**

conditions are receiving the services as a result of funding cuts of 12% in the last 3 years. **Increased outsourcing of services:** There is a growing trend of privatisation or externalisation of public social services in Greece, Hungary, Ireland, Portugal and Romania. The UK has headed in a similar direction with regard to long-term care. In Ireland, there is a growing trend to outsource social and education services to for-profit providers that pay minimum wages.

**More standardised and/or institutional services:** Services in Ireland, Portugal and The Netherlands are being forced into providing more standardised services as a result of the crisis. These services are also expected, due to increased tendering and competition, to deliver more service outputs with fewer resources. In Portugal, legislative changes have increased the maximum number of residents per bedroom or reduced the square metres per resident in residential care. In the UK, in some areas there is no budget allocated to community services, only for residential services.

**Impact on inclusive education support:** Ireland has suspended the implementation of inclusive education, which is resulting in children with disabilities being turned away from mainstream schools due to lack of resources. Resource teaching time for children with learning disabilities has been reduced by 15% over two years. In Spain, there is an increase in referrals to specialised schools. Portugal has drastically cut services supporting mainstream education, despite the forced closure of specialised schools by 2013.

**Impact on employment support and services:** In Greece, Hungary, Ireland, Portugal, Spain and the UK, employment services - including supported employment - have been discontinued. In the UK, the closure of 29 sheltered employment companies made 1,700 workers with disabilities redundant, obliging 74% of these workers to receive welfare benefit. Further closures are in the pipeline which will make 1,400 disabled employees redundant. Sheltered workshops in many countries face empty order books and financial pressure. In Spain, there is an increase in temporary contracts for people with disabilities who are employed by the Special Employment Centres while state funding for supported employment has been cut by 25%, compensated for by the ESF. In Portugal, the number of vocational training hours for people with disabilities has been cut in half. In the UK and Portugal wage subsidies for employers who recruit employees with disabilities have been eliminated.



## DISABILITY-RELATED SOCIAL SECURITY BENEFITS HAVE UNDERGONE DEEP CUTS

Disability-related social security payments and benefits in kind have been reduced through direct cuts and through a number of indirect mechanisms, which result in de facto reductions in the value of the payments. The main mechanisms identified are summarised as follows:

**Direct cuts in benefits:** In Ireland, disability and long-term care benefits have been cut by between 5% and 8% over the past four years. In Greece, pensions have been subject to cuts ranging from 20% to 40% depending on the age and the amount of the pension. A further 12% cut was imposed on higher levels of pension in 2012. A horizontal 50% cut in grants for assistive equipment and a further 30% to 50% reduction in grants for medical supplies and specialised health and community-based services was introduced in 2011.

**Non-indexation and deductions:** Pensions have not been indexed in several countries: Bulgaria (2010-2011); Latvia (2009-2013); Portugal (no date for resumption) and Romania (2011-2013). Hungary has not increased non-means-tested disability benefits since 2005. Austria and Italy have reformed their pension indexation system so that higher pensions are no longer indexed. The basis for indexation has been altered in Lithuania and the UK resulting in lower adjustments. In Greece, additional deductions between 3% and 14% are levied depending on the level of the pension, and an additional 6% to 10% contribution was introduced in 2011 on higher pensions.

**Consideration of non-contributory periods:** In several countries, some credited periods for pensions have been removed or defined more stringently leading to lower prospective pension amounts. In the Czech Republic, periods of caring for a severely disabled child have been reduced from 18 years to 10 years.

**User charges and cuts in benefits in kind:** Rising medical costs for people with disabilities and their families were reported in Portugal, due to restrictions in the co-payment system; higher user charges for medicines and health; and the introduction of a compulsory payment for obtaining a certificate of incapacity. In Ireland, public nursing home

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care is provided subject to charges equal to the cost of care, and financial support is means tested. Estonia introduced a 15% patient fee for nursing care services. In Spain, pharmaceutical costs over a certain limit are co-paid by the patient at a 50% rate. There is a growing incapacity on the part of families to bear the costs for the needed care through private income. Increasingly, families and dependent people are confronted with exclusion from access to proper social and health care.

**Delayed payments:** In Greece, delays exceeding 2 to 6 months are reported for disability benefits. Waiting times for the provision of long-term care benefits in Spain vary between 9 and 15 months. In Ireland delays in processing new applications and payments vary from 4 to 7 months.

**Changed conditions for entitlement:** A number of countries have enacted stricter entitlement conditions, thus making it harder for people to access payments. In the Slovak Republic, the qualifying period for invalidity pensions increased for people over 34 years from 5 years to 15 years depending on age. In Portugal, where means tests include extended family income in the same house, has reduced those qualifying by 37%. Changes in eligibility in Hungary mean that 50% of people with altered work capacity will lose their benefits. More rigorous (re)certification of disabilities has been introduced in Greece. Changes in the assessment of needs in Sweden have resulted in a decrease of the amount of personal assistance granted. In Spain, a tightening of entitlements to benefits for mildly dependent people with disabilities is planned. In the UK, about 36% of current recipients of incapacity benefit will lose the payment by 2014, while housing benefit will be cut for people living in a space larger than they need. Overall, some 643,000 people will be at risk of losing help in the UK.

## CONCLUSION

The findings of this study need to be interpreted against a background in which public attitudes about disability have hardened over the period of the economic crisis; mechanisms to promote and protect disability rights have been curtailed in some countries; and plans to create accessible public buildings, services and transport are well behind schedule. In addition, representative organisations of people with disabilities, which are an important mechanism to achieve greater participation of people with disabilities in public and political life, have been weakened as a result of austerity measures in some countries.

Many of the measures identified by the study have the potential to seriously inhibit progress towards the EU2020 objectives relating to employment, education, poverty and social exclusion. The combined impact of deteriorating labour market conditions and funding pressures on employment services for people with disabilities are putting at risk the headline target of 75% of the 20 to 64-year-olds in employment by 2020.

Meanwhile restrictions on resources for inclusive education is likely to result in higher school dropout rates on the part of pupils with disabilities and diminish the proportion of students going on to third-level education. In many countries, the sharp increase between 2008 and 2010 of people at risk of poverty, particularly people with disabilities, presents a significant challenge to attaining the EU2020 target of reducing this risk by 20 million people.

**The austerity measures are having a strong and far-reaching negative impact on the right to live independently in the community not only as a result of austerity measures but also as a consequence of reforms and re-structuring**

In addition, significant negative impacts were identified in relation to a number of specific articles of the UNCRPD and objectives of the European Disability Strategy (EDS):

**Article 19 - Living independently and being included in the community:** The relevant EDS objectives for independent living promote the transition from institutional to community-based care and the provision of quality community-based services. The austerity measures identified in this study as well as ensuing reforms and re-structuring are having a strong and far-reaching negative impact on the right to live independently in the community.

**Article 20 - Personal mobility:** Evidence shows that the austerity measures are impacting on the right to personal mobility. In particular, significant cuts to budgets have been made for assistive devices thus increasing waiting lists for these devices. Cuts to mobility allowances were also reported in a small number of countries.

**Article 24 - Education:** The EDS objectives most closely related to inclusive education are providing timely support for inclusive education and personalised learning, and early identification of special needs; and providing adequate training and support for professionals working at all levels of education. The education sector has been affected by austerity measures particularly in those countries experiencing the most severe economic crises such as Ireland and Portugal, where support for mainstreaming has been seriously restricted.

**Article 25 - Health:** The evidence reviewed for this study confirms that people with disabilities are experiencing increasingly high levels of inequalities in terms of access to health and social services. The crisis and related austerity measures are clearly linked to these growing inequalities in terms of reduced services and subsidies, as well as increased co-payments.

**Article 26 - Habilitation and rehabilitation:** The findings show that access to habilitation and rehabilitation services for people with disabilities has been restricted in Ireland, Spain, Portugal and The Netherlands.

**Article 27 - Work and employment:** There is ample evidence that the employment rates of people with disabilities have been negatively impacted by the economic crisis. Considerable cuts were identified in State-run employment services that target persons with disabilities. A number of direct and indirect cuts were reported in vocational

training, supported and sheltered employment services.

**Article 28 - Adequate standard of living and social protection:** There is no doubt that austerity has had a greater impact on the standard of living of persons with disabilities compared to the general population. People with disabilities face a much higher risk of poverty. Austerity measures that directly and indirectly affect social security benefits have had a significant impact on the standard of living of persons with disabilities. There is a strong case to be made that many EU Member States are attempting to avoid their obligation to provide assistance with disability-related expenses.

This study identifies many areas where support from the ESF was essential in the development of innovative and community-based services. In light of this, it is of the utmost importance that the new Cohesion Policy, the forthcoming Structural Funds regulations and the Common Strategic Framework for the period 2014-2020 provide strong imperatives to protect and promote people with disabilities. Specifically the framework needs to have stronger non-discrimination requirements on the grounds of disability - as proposed by the European Parliament. It also should address the needs of people with disabilities as a specific target group under themes (8), (9) and (10) i.e. employment and labour mobility; social inclusion and combating poverty; and education and lifelong learning. In line with article 31 of the UNCRPD, ESF reporting procedures should include an explicit requirement for disaggregated data on outcomes for people with disabilities.

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## ABOUT THE EFC...

The EFC, founded in 1989, is an international membership association representing public-benefit foundations and corporate funders active in philanthropy in Europe and beyond. The Centre develops and pursues activities in line with its four key objectives: creating an enabling legal and fiscal environment; documenting the foundation landscape; building the capacity of foundation professionals; and promoting collaboration, both among foundations and between foundations and other actors.

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