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**DISABILITY AND LABOUR MARKET INTEGRATION:  
CLARIFYING FEDERAL RESPONSIBILITIES IN THE  
EVOLVING SOCIAL UNION**

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### 3. THE NEW APPROACH TO EMPLOYMENT SUPPORT SERVICES AND PEOPLE WITH DISABILITIES

#### A. The Human Resources Investment Fund

##### i. Consideration of the Needs of People with Disabilities

Perhaps the most striking finding of this study is the lack of consideration within HRDC of the implications of its new approach to employment support for people with disabilities. This does not appear to have been considered during the development of HRIF, contrary to UN Standard Rule 14, which states that implications for people with disabilities be considered in the policy and decision-making process. There appears to be little interest in even talking about how people with disabilities will be affected, let alone making any modifications to minimize any differential or adverse effects. Despite the emphasis on accountability and evaluation, there is even resistance to assessing the impact on people with disabilities retroactively.

The Department has a Designated Group Policy (DGP) as of August, 1990 to:

*"Facilitate adjustments required for the effective functioning of the labour market by eliminating the barriers preventing the full productive contribution of the designated groups . . . [and] to contribute to the achievement of:*

- 1. A decline of the unemployment rate . . .*
- 2. An increase in the labour force participation rate . . .*
- 3. An increase in the average income from employment . . .*
- 4. Increased participation of the group in a wider range of occupations and levels."*

As far as I could ascertain, this policy has not been repealed or replaced.

The *EI Part II Policy Framework*<sup>4</sup> states that:

*"When targeting clients, designated employment equity groups (women, persons with disabilities, visible minorities and aboriginal) remain a priority among the population of insured participants."*

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<sup>4</sup>prepared by Policy and Design Division, Human Resources Investment Directorate, NHQ, May 15, 1996

There is little awareness of these policies at any level within HRDC. Indeed, we could not find a single person outside the Office for Disability Issues (previously called the Status of Disabled Persons Secretariat), including the Department's official contacts assigned to aid me in this analysis, who were aware if indeed there were any policies regarding people with disabilities. Evaluations sponsored by the Department have confirmed lack of awareness and lack of attention to the DGP.<sup>5</sup>

Disability is scarcely mentioned in any Departmental documentation — including just three brief mentions in the *HRCC Handbook on Employment Benefits and Support Measures*, the guide for managers and staff at local HRCCs (Human Resource Centres Canada, formerly Canada Employment Centres [CECs]). There is no documentation or operational guidelines that anyone knew of indicating how these policies could be acted upon. Action with respect to serving people with disabilities or results achieved does not form part of the Accountability Framework for HRIF nor is it in the latest draft of the Evaluation Framework.

The HRCC staff *Handbook* sets out seven principles guiding the new system of employment benefits and support measures. Equity is not included in this list.

How likely is it that people with disabilities will get equitable access to employment services and benefits? The Department's own brief to the Task Force states: "A person with a disability will have access to an employment benefit *only . . . if persons with disabilities are identified as one of the groups of workers identified in the community as most needing support.*" (italics added) This position is consistent with statements by people with disabilities — at Task Force Hearings and elsewhere — that they feel betrayed by the federal government.

Do people with disabilities need help obtaining employment? The facts speak for themselves. Over half — 52 percent — are not employed, compared to 27 percent of non-disabled people. There is ample documentation about the many additional barriers faced by people with disabilities in obtaining and maintaining employment. Because of these barriers, it may require some additional effort to enable a person with a disability to find and maintain employment. But because the alternative is long-term dependency on various income support programs, the potential cost savings are tremendous.

The disability rate among working age adults is 13 percent. Yet the participation rate of people with disabilities in HRDC programs is 1.9 percent.<sup>6</sup> HRDC's evaluation of

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<sup>5</sup>E.g. see Dorothy Riddle, Service-Growth Consultants Inc. *Assessment of the Implementation of the Designated Group Policy*. July, 1994 and Burt Perrin Associates. *Accountability in Contract Training in New Brunswick*. March, 1996.



the National Strategy for the Integration of Persons with Disabilities (NSIPD) indicated that despite its stated objective of tripling the participation rate, this instead declined slightly. This evaluation indicated that the Department did little to attempt to improve the participation rate; indeed, it indicated that local CECs have downgraded their service to people with disabilities.

Groups such as the Council of Canadians with Disabilities (CCD) and the Canadian Association of Independent Living Centres (CAILC) have proposed that a "fence" be placed around funds within HRIF, dedicated to people with disabilities, proportional to the representation rate of people with disabilities within Canada.

How will *implementation* of the HRIF affect people with disabilities? All indications are that it will adversely affect them. We have already noted the lack of interest within HRDC at NHQ in even considering this question and failure to build in any monitoring mechanisms. One key aspect of the new approach which concerns many people with disabilities is the decentralization of decision making to the local level. Priority groups at the local level are discretionary. As the above quote from the Department's brief to the Task Force indicates, people with disabilities may — or may not — be considered a priority and eligible for services, in the absence of any principles and guidelines which require that equity be taken into account.

But the new localized approach to labour market planning can also provide major opportunities — *if* supported by the Department. One of the key principles in the EI Act is cooperation and partnership. If groups representing people with disabilities are involved in local level planning, this could provide opportunities to identify barriers to employment and to develop and act upon strategies, suitable to each community, for overcoming these.

Indeed, all HRCCs are required to develop business plans. The HRIF Accountability Framework does not specifically refer to these business plans, although it is implicit that HRCCs are to account in some way for their performance in fulfilling their business plans. HRCCs are expected to develop their business plans in conjunction with groups in the community. The new HRCC staff *Handbook* says that a community network will likely include organisations representing people with disabilities.

The HRCC *Handbook* points out that: "One size does not fit all [and] that there is no magic formula to helping individual Canadians find long-term employment." But the only examples it provides are geographic and age differences. It makes no mention of disability. It provides no acknowledgement that people with disabilities may face additional barriers and hence, as Abella and the Supreme Court have indicated, may require solutions different in some cases from others in order to produce equivalent outcomes.

In order for a person with a disability to be eligible for benefits and measures, he or she must be considered likely to move into long-term independent employment. This is a carryover from the now-defunct CJS. But this acts as a systemic barrier in two ways:

- The only jobs which a person with minimal labour force attachment is likely to obtain may be short-term, entry-level employment;
- Some people may have difficulty working completely independently, but may be able to do so with appropriate support, such as that provided by a job coach or an attendant.

Another difficulty, readily acknowledged by HRDC staff, at least at the regional and local levels, is the limited expertise of HRCC staff regarding disability. This problem probably has increased, given reductions in special needs positions at the Regional and local levels.

There are a variety of potential ways of making necessary expertise regarding disability available. For example, these could include: additional staff training; support and assistance to regular HRCC staff from someone with expertise, perhaps at a regional level within HRDC and/or from the community; advisory committees; use of Outreach and other specialized agencies, as discussed in Section 3.B.ii.

## **ii. Narrowing of Eligibility**

A major issue with respect to the new EI Act and people with disabilities concerns eligibility. Only "insured participants" — people who have been in receipt of EI within the previous three years — are eligible for the five active employment measures which form the cornerstone of HRIE. To a certain extent, this represents an expansion of eligibility for some HRCC services, which were previously restricted to people currently in receipt of EI.

But, this also represents a significant narrowing of eligibility, as people out of the workforce previously were eligible for a number of CJS programs and services. This is of particular concern to the disability community.

Just 16 percent of people with a disability who are not employed are defined as "unemployed", i.e. eligible for EI payments (186,000 according to the 1991 Health and Activity Limitations Survey, probably slightly greater now given increases in the unemployment rate) versus 29 percent of non-disabled people. Slightly more, but probably not too many more people, would qualify under the three-year rule. Thus

*the vast majority of people with disabilities are not eligible for the primary employment measures in the new HRIF.*

There are two potential solutions to this problem: 1) change the eligibility criteria, or 2) create a new fund operating outside the EI Act to fund services for people with disabilities. The second option is discussed in Chapter 4.

Modifications in eligibility criteria would require legislative changes to the EI Act. The Council of Canadians with Disabilities has proposed an exemption for people with disabilities so that they would not have to demonstrate previous labour force attachment in order to be eligible for employment benefits. This has been opposed by the Department, and is likely to continue to be opposed, on the grounds that the primary intended beneficiaries of EI-insured services are those who have been in the labour market and paid into the EI account.

Nevertheless, the EI Act does provide one exception to the three-year rule. Sect. 58(b) extends the benefit period to five years for people who temporarily withdrew from the labour market in order to care for new-born or newly adopted children. This provision acknowledges the special circumstances faced by women on maternity leave who need to withdraw temporarily from the labour market.

Surely the same principle should apply to people who have been employed but subsequently had to withdraw temporarily from the labour market due to a new or recurring disability. It would appear appropriate to extend the eligibility to five years, or more, for people on disability pensions. This would recognize and help to accommodate the special barriers they face and help to level the playing field.

The numbers of people who would qualify for such extended eligibility probably would be small. But this can be expected to increase with an aging population, with the front end of the baby boom entering the age group where new disabilities can be expected to develop. Otherwise, there is a real danger that newly disabled adults will never reenter the labour force. As a newly released report<sup>6</sup> from the General Accounting Office (GAO) in the U.S. documents, the long-term costs to government and private disability insurance plans are staggering — and avoidable.

This report concluded that:

*"Improving the success of SSA's [Social Security Administration] return-to-work efforts offer great potential for reducing federal disability pro-*

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<sup>6</sup>U.S. General Accounting Office (GAO). *SSA Disability: Return-to-Work Strategies from Other Systems May Improve Federal Programs*. July, 1996.



HRDC is currently developing a framework for an eventual evaluation of HRIF. I was not permitted to see the current draft of this evaluation framework. I was told, however, that it contains no consideration of the impact of the new program on people with disabilities.

The lack of accountability measures and of any plans to assess the impact of HRIF on people with disabilities gives a strong message to staff within the Department and to the community. It says that HRDC does not believe it has a responsibility to address the employment needs of people with disabilities.

There is a need for accountability and evaluation — but accountability and evaluation which addresses the *right* questions and which provides useful, timely information. Programs and services which have no positive effect, or which have negative effects, do no one any good. In order for programs and services to be improved, there is a need to identify what works and what does not, so that programs can be adjusted.

But this requires a somewhat different approach to evaluation, with an emphasis on providing timely information in a constructive way, within the context of a learning organization. HRDC staff at the Regional and local levels generally feel that there are limitations to many NHQ evaluations.<sup>7</sup> In particular, they feel that NHQ evaluations tend not to address questions which would give them information which they would be able to act upon, and that the large-scale nature of these evaluations means that it can take years before results are available.

A recurrent theme emerging from the Hearings of the Task Force was a desire for accountability and evaluation. But people with disabilities have indicated concerns about *how* this is done. They feel that they should participate in the monitoring and evaluation process. It is worth noting that a major theme of the International Evaluation Conference held in Vancouver in November, 1995 was the importance of participatory approaches to evaluation which involves key stakeholders. This invariably improves the relevance, quality, and credibility of evaluation.

In any case, the Department thus far has no plans to evaluate either the appropriateness and effectiveness of its new policy direction on people with disabilities, or how this can be improved.

What is included in accountability and evaluation frameworks sends an important message. The word these days is that "what gets measured gets done." With no

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<sup>7</sup>E.g. Burt Perrin Associates. *Accountability in Contract Training in New Brunswick*. Prepared for the New Brunswick Labour Force Development Board. March, 1996.

*gram costs while helping people with disabilities return to productive activity in the workplace. If an additional 1 percent of the 6.3 million DI and SSI working-age beneficiaries were to leave the disability rolls by returning to work, lifetime cash benefits would be reduced by an estimated \$2.9 billion. With such large potential savings, return-to-work services could be viewed as investments rather than as program outlays. "*

### **iii. Accountability and Evaluation: The Need to Move Away from Building in Disincentives to Providing Meaningful and Useful Information**

The new HRIF accountability framework places a focus on results. It has two primary results measures: 1) employment results for clients within the past year, and 2) **resulting savings in UI and social assistance.** The framework does not include any ~~accountability~~ measures for results achieved with subgroups such as people with disabilities.

While it is likely unintentional, the emphasis within the primary measures on immediate employment and cost savings may well reward efforts to "cream"; to serve the easy to serve versus those most in need. The evaluation literature documents the tendency of performance measures such as these to have similar perverse effects.

People with disabilities tend to be perceived by HRCC staff and others as difficult to serve and less likely than others to succeed. Indeed, many people will require extra help and extra time to obtain a job, as a result of the need to accommodate special needs and to overcome both systemic and overt discrimination in the job market. Performance measures of staff who devote any significant effort to serving people with disabilities will suffer accordingly.

To be sure, the accountability framework also contains longer-term results measures. This does provide the potential to document cost savings if people with disabilities can find and maintain employment over the long term. Nevertheless, the emphasis within the Department is perceived to be on the short-term primary measures.

Thus the HRIF accountability framework not only does not reward HRDC staff — or others within provinces or third-party agencies delivering HRIF services on behalf of the Department — who work with people with disabilities; it provides disincentives which may penalize staff who do so. If people with disabilities had been given an opportunity to participate in the development of accountability measures, this form of systemic discrimination probably could have been prevented.



accountability or evaluation indicators examining the impact of HRIF on people with disabilities, there is a clear signal: the Department does not care.

It is important to realize that HRIF policies, including its approaches to accountability, sets the ~~sage~~ <sup>stage</sup> for delivery expectations and practices, not only for services delivered directly by HRDC, but also for those delivered by the provinces and other service providers.

In summary, the basic design of HRIF is flawed. The design is not in compliance ✓ with existing Departmental policies with respect to equity. As a result, the HRIF design contains many systemic biases that will adversely affect people with disabilities — whoever has responsibility for the actual delivery of services — unless modifications are made to HRIF policies, the accountability framework and the approach to evaluation.

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