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## **POLICIES TO ENCOURAGE THE EMPLOYMENT OF PEOPLE WITH DISABILITIES: CASE OF ROMANIA**

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***Abstract:** In the last decades, the employment of persons with disabilities became a priority for the social policy from many countries. Usually, such policies are oriented in two directions: to support the persons with disabilities seeking jobs and to provide for the employers who hire these persons some facilities that compensate certain supplementary costs. In the last years, Romania updated its legislation regarding the persons with disabilities, being offered some stimulants for their employment. In this paper we examine this legislation by comparing it with those from other countries. We also present the results of an enquiry among some managers from Romanian enterprises, who were interviewed about hiring people with disabilities.*

***Keywords:** Employment, Romanian Labor Market, People with disabilities*

***JEL Classification:** J08, J14, J01*

### **1. INTRODUCTION**

The employment of people with disabilities is one of the most complex problems to be solved by social policies. Empirical researches revealed that, in comparison with the people without disabilities, these persons are in larger proportions unemployed, although most of them are willing to find a job [3, 5, 7, 8, 13, 27, 31, 35]. The results of some investigations proved that unemployed persons with disabilities were highly exposed to depressions and their employment could strengthen their mental disposition [9, 15, 16, 24, 28, 29, 30]. Other arguments in favor of the people with disabilities employment refer to the possibility of some public expenses reduction or to solve the problem of offer shortage for some

segments of the labor market [1, 2, 6, 10, 11, 14, 22, 23, 32].

In the last decades, central and local authorities from many countries paid a considerable attention to the people with disabilities. Their social policies included objectives related with the employment of these persons. In general, such policies have two main directions:

- support for the persons with disabilities seeking jobs;
- stimulation of the employers to hire people with disabilities.

Governments could support the persons with disabilities which want to be employed by education and training programs, by acting as an interface between them and the employers or by inducing them a successful job-seeking behavior. Several studies revealed the benefits of education and training

programs for the people with disabilities. In many countries such programs reduced the unemployment and increase the productivity of persons with disabilities [19, 20, 26, 27]. There are some countries where the government institutions act as interfaces between individuals with disabilities and employers during the pre-employment, job-placement and post-placement phases, intermediating between the supply and the demand of labor. It was proved that such activities facilitated the employment of persons with disabilities [34]. Government institutions could induce a successful job-seeking behavior among these persons by teaching them how and where to look for jobs and by strengthening their self-efficacy [4, 25].

Authorities could stimulate the employers to hire people with disabilities by offering tax incentives and other benefits. These facilities are meant to compensate the eventually supplementary costs involved [25, 33].

In the last decades governments introduced anti-discrimination legislations meant to protect persons with disabilities. In 1990, in the United States the Congress voted the Americans with Disabilities Act (ADA) which asked the employers to provide reasonable accommodations to individuals with disabilities and forbid the discharge on the basis of disability. In the last years, in the European Union, EU Disability Action Plan (2003 - 2010) and the new European Disability Strategy (2010 - 2020) recommended that social inclusion of persons with disabilities to be stipulated in the national legislations.

However, the results of these initiatives were ambiguous. Some researches revealed that anti-discrimination laws reduced the demand for workers with disabilities [12, 17, 18, 21].

In this paper we approach the Romanian policy regarding the employment of people with disabilities. In the last years, Romania updated its legislation about the people with disabilities, offering some benefits for employment of those persons.

The rest of this paper is organized as follows. The second part describes the Romanian legislation regarding the people with disabilities, the third part presents the

results of an investigation about hiring individuals with disabilities by Romanian employers and the fourth part concludes.

## **2. ROMANIAN LEGISLATION REGARDING OF PEOPLE WITH DISABILITIES**

During the negotiations regarding the adhesion to the European Union, Romanian authorities assumed the obligation to promote legislation for people with disabilities in concordance with European anti-discriminatory principles. In December 2006 it was adopted "The Law for Protection and Promoting the Rights for People with Handicap" which created a framework for the government policies to protect the persons with disabilities. Since 2007 this law suffered a lot of modifications which didn't change it radically.

The Romanian legislation stipulated the rights of individuals with disabilities to a permanent education and training. It recommends special forms of examination for the students with disabilities and educational services to support them.

By law, the Romanian enterprises would have to employ persons with disabilities to an amount which represent 4 percent from all their employees. For all the persons missing to that amount, enterprises have to pay a tax which represents 50 percent of the minimum wage. From this tax could be deducted expenses caused by buying good or services produced by enterprises or organizations of people with disabilities.

In comparison with the laws from other countries, the Romanian legislation for persons with disabilities seem to be more permissive for the employers. There are no stipulations obliging them to provide reasonable accommodations or forbidding them to discharge employees on the basis of disability.

## **3. INVESTIGATION AMONG ROMANIAN EMPLOYERS ABOUT HIRING PEOPLE WITH DISABILITIES**



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Between December 2011 and March 2012 we interviewed 34 owners of small and medium Romanian enterprises about hiring people with disabilities. We asked their opinion about three main subjects:

- knowledge about the Romanian legislation regarding people with disabilities;
- circumstances of hiring persons with disabilities;
- benefits of hiring individuals with disabilities.

We find that only 11 employers (32%) read the legislation about people with disabilities, while 20 (59%) didn't read but they knew its main aspects and three of them (9%) knew nothing about it.

At the time of our investigation 8 employers (24%) had between 1 and 5, while 6 (18%) had between 6 and 10 employees with disabilities. Other 14 (41%) had never employed persons with disabilities, while 6 (18%) had employed such individuals in the past, but they had no person with disabilities at the time of the investigation. We questioned them about the factors of hiring people in their enterprises. The answers revealed five relevant factors:

- cost of work;
- experience;
- productivity;
- work quality;
- ability of the employees to work as part of a team.

The employers' perceptions about the importance of these factors, presented in the Table 1, indicate that more than two thirds of them considered the cost of work as very important in hiring people.

We transposed these answers on a rating scale from 1 to 5 (1 for "very low" and 5 for "very high"). The descriptive statistics resulted indicated again the cost of work superiority, while the ability of employees to work as part

of a team was perceived as the least important (Table 2).

We interviewed the employers about their perceptions about the people with disabilities regarding the five factors. Excepting the cost of work, these perceptions are less favorable for the persons with disabilities in comparison with the rest of employees (Table 3).

Regarding the benefits of hiring individuals with disabilities, 16 employers (47%) considered the eventually tax cuts didn't compensate the significant risks involved, while the rest of 18 (53%) found these benefits as stimulating.

#### 4. CONCLUSIONS

In this paper we approached the Romanian policies regarding the employment of people with disabilities. We found some significant differences between the Romanian legislation for individuals with disabilities and similar laws from other countries. Romania didn't impose to the employers to provide reasonable accommodations to individuals with disabilities and it didn't forbid the discharge on the basis of disability. However, since such measures were considered in many studies as responsible for reducing the demand for workers with disabilities, it is hard to view their absence from the Romanian legislation as a weakness.

The results of an investigation among the owners of Romanian small and medium enterprises indicate that only a third of them had read the legislation about the people with disabilities. Most of them perceived the work provided by the individuals with disabilities as cheaper in comparison with those of other people, but less productive and with inferior quality. Almost a half of them considered the risks involved by hiring individuals with

disabilities were not compensated by the tax reduction offered by the authorities.

The efficiency of the Romanian policy about employment of people with disabilities could be increased by implementing adequate programs of education and training. It would be also indicated the introduction of programs meant to improve employers information about the aspects of hiring people with disabilities.

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## APPENDIX

Table 1 – Employers’ perceptions about the importance of the factors of hiring

Degrees of importance	Costs of Work	Experience	Productivity	Work Quality	Ability to Work as Part of a Team
Very high	25	16	15	15	5
High	6	12	14	12	7
Medium	3	3	3	4	14
Low	-	3	2	3	6
Very low	-	-	-	-	2
Total	34	34	34	34	34

Table 2 - Descriptive statistics for the importance of the factors of hiring

Indicator	Costs of Work	Experience	Productivity	Work Quality	Ability to Work as Part of a Team
Mean	4.647	4.206	4.235	4.147	3.206
Standard Error	0.111	0.162	0.147	0.164	0.188
Median	5	4	4	4	3
Mode	5	5	5	5	3
Standard Deviation	0.646	0.946	0.855	0.958	1.095
Sample Variance	0.417	0.896	0.731	0.917	1.199
Kurtosis	1.620	0.502	0.932	0.105	-0.393
Skewness	-1.665	-1.122	-1.106	-0.970	0.007
Sum	158	143	144	141	109
Count	34	34	34	34	34

Table 3 – Employers’ perceptions about the people with disabilities

Answers	High Cost of Work	Lack of Experience	Low Productivity	Low Quality of Work	Low Ability to Work as Part of a Team
Yes	8	24	19	15	16
No	17	4	6	8	11
I don't know	9	6	9	11	7



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Total	34	34	34	34	34
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