



*Achieving Equal Employment Opportunities for People with Disabilities through Legislation  
An Education and Training Guide*

# Quotas

# Learning Objectives

- Understand quota schemes as affirmative action measures.
- Identify three basic types of quota schemes, and related issues.
- Outline effective strategies to make a quota system work in practice:
  - targeting specific people with disabilities;
  - standard or varying quota rate;
  - how to identify the appropriate quota percentage;
  - which size of employer to target.

# Three types of Quota schemes

- Binding quota backed up with enforced mechanism (quota-levy system).
- Binding quota without an effective enforcement.
- Non-binding quota based on a recommendation, e.g. government circular.

# Quota-Levy Scheme

- Obligation on employers to provide a specified percentage of jobs to persons with disabilities.
- All employers covered who do not meet their obligation are required to pay a compensatory amount (called a levy or a fine).
- The compensatory payments flow into a fund to support the employment of persons with disabilities.

# Levy Funds - Examples

- In Austria, the fund is administered by a government ministry which calculates the amount owed by and employer and informs them of this information.
- In France, the fund is managed by an association (AGEFIPH) comprising employers, workers, and government representatives.
- In Poland, tax collectors have the authority to collect and distribute levies owed the national fund and can collect money or even take the employer's property without a court decision.

# Quota without effective Sanction

- Under this type of quota, employers are obliged, by law, to employ a quota of persons with disabilities.
- This obligation is not backed up with any effective sanction; either because it does not exist or the sanction is not enforced.
- Reasons include:
  - no legal provision for a sanction;
  - public authorities have decided not to prosecute in cases where the quota obligation is not met.

# United Kingdom - Example

- Three per cent quota established by law in 1944, with enforcement foreseen through courts.
- In 1993, less than 20 per cent of British employers met the quota.
- The quota was not strictly enforced:
  - exemption permits were granted to employers;
  - there were very few prosecutions of errant employers.
- The quota was abolished in 1996.

# Thailand - Example

- Thailand's quota system was established in 1991
  - for private employers
  - with a levy provision in case of non-compliance.
- No enforcement mechanism existed and the impact was limited.
- Under a new law of 2007
  - the quota involves the obligation to employ for public and private employers;
  - a range of options is open to non-complying employers;
  - a fine is payable in cases where none of the options are taken up;
  - employer compliance with the law is reported publicly.



# Non-Binding Quota

- 'Recommended' quota set up – employers encouraged to observe this.
- Compliance with the quota is voluntary.
- No sanctions exist in cases of non-compliance.

# The Case of the Netherlands

- A non-binding quota system existed in the Netherlands in the mid-1980s.
- The quota target was between three and five per cent to be achieved over three years.
- Evaluation by government after 3 years found little improvement in employment – system was abolished.
- Legislation in late 1990s provides for possibility of introducing a binding 3–7 per cent quota, but has not been acted on.

# Making the quota work in practice

## – Factors to Consider

- Which people with disabilities should be targeted by a quota system?
- How to identify those eligible for employment under the quota?
- Should a standard quota or varying quota rate be used?
- What is the appropriate quota percentage?
- Should small and medium-sized employers be included?
- Should both public and private sector employers be covered?
- What options should be open to employers?

# Targeting all or some people with disabilities

- Depends on aim of the scheme.
- Targeting all people with disabilities:
  - Where aim is to reduce number of those on disability benefits;
  - Employers may opt to employ those with slight disabilities.
- Targeting those facing greatest difficulties in finding employment:
  - People with high levels of disability may have less chance of competing for and winning jobs on their individual merits;
  - Targeted affirmative action through a quota may be appropriate to promote employment opportunities for this group.

# Identifying those eligible for the Quota

- Establish a definition of disability which focuses on the limited working capacity of the individual rather than on the impairment.
- Set up a means by which such people are administratively identified:
  - For example, a registration system.
- Compensate for any negative disincentives of registration (e.g. stigma, focus on inabilities, medical examination) through provision for additional benefits relating to finding and maintaining employment.

# Specific Groups often targeted

- Some quotas target specific groups:
  - People with particularly severe disabilities;
  - War veterans with a disability;
  - People with a disability occupying training or apprentice positions;
  - People experiencing multiple discrimination, due to disability in combination with gender, age, religion, or sexual orientation.
  
- Positions filled by specified people may count as more than one for the purposes of the quota.

# Standard or varying quota rate?

- Varying quota rates might be used if:
  - certain sections or regions can provide a large number of jobs which are suitable for people with severe disabilities; or
  - certain sectors or regions can only provide a limited number of jobs suitable for persons with severe disabilities.

# Determining Quota Percentages

- Information required on:
  - number of people with disabilities willing and available to work;
  - number of people needing extra assistance;
  - the size and profile of companies in the economy.
- Once the number of job seekers is identified, quota rate should be designed to provide the required number of jobs.



# Employers covered by quota

- Quotas usually apply to employers above a certain size (e.g. over 10, over 20, or over 200 employees).
- Exclusion of small and medium-sized companies:
  - often based on economic grounds – small companies less able to absorb any additional costs incurred;
  - but, in most countries, the majority of employers are small or medium-sized, and are therefore left out; and
  - the opportunity that small companies can provide to people with disabilities to socially integrate is missed.
- Balanced decision required, based on the importance of small employers in the economy.

# Options open to employers

- In many countries, employers provide a job, or pay a compensatory amount.
- Alternative options now available in France, where employers may partially meet their obligation by:
  - contracting with sheltered workshops to carry out production or provide services;
  - providing on-job training opportunities; or
  - formulating joint plans and agreement to recruit and train workers with disabilities, and/or make technical adaptations to the workplace.