Im Auftrag des Brüsseler Kreises
Brüsseler Kreis e.V.
Geschäftsstelle
Daniel Kiesel
c/o Stiftung Liebenau
Siggenweilerstraße 11
88074 Meckenbeuren
E-Mail: daniel.kiesel[at]bruesseler-kreis.de

Brüsseler Kreis

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

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I. Introduction

The first years of 21st century saw economic growth and progress in the rights and living conditions of people with disabilities in Europe. Yet, since the onset of the economic crisis in 2008, concerns have been raised by all interested parties on the negative impacts for the 80 million people with disabilities that are increasingly and disproportionally affected by the consequences of the crisis. The austerity measures undertaken by governments in the EU Member States as a response to the economic crisis jeopardize fundamental rights of people with disabilities and hamper their inclusion into society. Those measures seem to quickly shatter, and for a long time, the progress achieved through lengthy efforts over the last decennia.

This paper intends to examine the effect of the economic crisis in Europe on the rights and status of people with disabilities. To this effect, particular attention is given to the situation in the countries most hit by the economic crisis, notably Ireland, Spain, Greece and Portugal. Nevertheless, this paper does not limit itself to these countries and considers the evolutions in other member states. Italy, but also other countries such as Belgium, Bulgaria, Czech Republic, Estonia, France, Germany; Hungary, Latvia, Lithuania, the Netherlands, Poland, Slovenia, Slovak Republic, Romania and the U.K. are also being exposed to the impact of the crisis, though to a varying extent.

A double focus has been adopted, with one on hand the impact on the delivery of social services, and on the other hand the impact on income supports and allowances particularly aimed at people with disabilities. Finally, attention will be paid to the impact on specific rights of people with disabilities as per the UN Convention on the Rights of Persons with Disabilities (UNCRPD).

II. Macroeconomic trends

After a semblance of recovery in 2010, economic figures for 2011 and the first half of 2012 demonstrate a further slowdown and even contraction of some national economies. The economic growth of the EU recorded a poor 0.1% growth rate for the last quarter of 2011 and the European Commission’s in March 2012 forecast the EU GDP growth rate at 0.0% in the current year.[1] Public deficits are reaching alarming levels with 9 Member States

[1] See also the EU Annual Growth Survey for 2012.

exceeding the 80% of GDP level at the end of 2011. Amongst them are the big four: France, Germany, Italy and the U.K.

Unemployment rates have increased in the general population, but people with disabilities have been even more affected. An analysis of the EU-SILC data revealed that the impact of the economic crisis on the employment rates of people with severe limitations was significant, apart from those in the 55-64 year age range who were already at a very low level. In the U.K and Ireland (at least in the public sector), persons with disabilities in times of economic crisis are the first to be laid-off by employers.[2]

Poverty rates have increased substantially in the entire EU, particularly in those countries most severely hit by the economic crisis, and with the exception of a very few Member States like Germany and Austria. In the EU, 21.1% of persons with disabilities are at risk of poverty as compared to 14.9 % for persons without disabilities[3], a trend that is likely to rise further taking into account the economic forecasts for 2012.

III. Social services have been severely impacted by austerity measures in Europe

A wide range of austerity measures has had significant negative impact on services for people with disabilities, though the situation appears to be different from country to country. In Denmark, Germany, Sweden, Finland and to a lesser extent also in Austria, Belgium and France cuts in the social services sector seem to have been relatively limited, although even in these countries growing demands for social services and a deteriorating financial status of the local authorities are being reported.

Recent reports[4] confirm that public social services financing and provision is being very seriously curtailed in Member States such as the Baltic states, Bulgaria, Greece, Hungary, Ireland, Italy, Portugal, Romania, Spain and the UK.

The public budget cuts in the social services sector have taken *various shapes* and have been implemented through *various means as* summarised below.

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[2] EASPD Report: inputs on the financial crisis and its effects on social services or people with disabilities, October 2010

[3] EU-SILC survey.

[4] ASISP reports 2011, available at http://www.socialprotection.eu/

- ***Direct cuts in the budgets of social services***

Social budgets are often among the first targets of state savings. Direct reductions in the budgets for social services have become common in many members since the beginning of the economic crisis. The grants for local authorities in the UK have been cut by 28%; the fees for early intervention services were cut in Portugal; direct funding to social service providers in Ireland has been cut by between 15% and 23%. The disability organisations providing services have been affected in Spain with decreases in their financing, and in Portugal their public funding has decreased by 30% between 2011 and 2012.

- ***Closure and merging of services***

Social service providers facing funding challenges have increasing difficulties to sustain their activities. In several EU countries, social services are forced to close down or to operate mergers in order to survive. Greece, Romania, Portugal Bulgaria, Hungary and Ireland have seen the complete closure of social services. The services most affected are day care centres, home care services, vocational training, rehabilitation, special nurseries and schools, with direct consequences for the clients that cannot benefit from the same level of access to and quality of services.

- ***Cuts in staffing, pay and conditions***

As a consequence of the austerity budgets, services are obliged to reduce staff numbers by means of redundancies, early retirement, recruitment freezes and more temporary contracts. Staff reductions are common in many countries; direct cuts in salary packages were identified in Greece, Ireland, Spain and Romania. Other mechanisms that reduce expenditure include freezing pay rises, no remuneration for overtime, skipping 'indexation', and reduced working conditions.

- ***Cuts in Independent Living supports***

In the first decade of 21st century, much progress was made in the EU with regards to independent living of people with disabilities. Yet, in the UK, the Independent Living Fund (ILF) 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 also been deep cuts in the budgets for assistive devices in several EU countries.

- ***Postponement of developments and reforms***

A lack of sufficient resources resulted in the deferment of actions in a number of sectors. In Ireland, disability reforms have been suspended as result of the collapse of the Multi Annual Funding Programme. Local authorities in Spain have postponed the construction of residential care facilities and the implementation of the law on the Promotion of The Autonomy and Care for Persons in a Dependent Situation is delayed. In Portugal, the creation of a national network for integrated continuous care (RNCCI) has been postponed.

- ***Increased waiting lists***

Most often, waiting lists for social services are on the rise for long term care and day care services. In Ireland, only 1 in 6 people requiring specialist rehabilitation for neurological conditions are receiving the services as a result of funding cuts of 12 % in the last 3 years. Moreover, in 2011, the WHO highlighted the link between worsening economic conditions and mental health risks. About 30% of new disability benefit claims indeed are currently made on the basis of mental health conditions and this is rising in the EU. In Ireland, this increase in mental health needs was accompanied by a 14% cut in mental health staff, while the suicide rate increased by 24% between 2008 and 2009.

- ***Increased outsourcing of services***

There is a growing trend of privatisation or externalisation of public social services in the countries hit by the crisis, which try to off-load their responsibilities. The UK has embarked in such 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.

- ***Increased user and carer costs and responsibilities***

In countries concerned with austerity measures, it is common that the state off-loads its financial responsibilities at the expense of the citizens, as is the case already in Bulgaria, Greece, Italy, Hungary, Spain, Portugal and Romania. Co-payment systems are reinforced so that medical rise, user charges for medicines and health are higher. There is a growing incapacity on the part of families to bear the costs for the care concerned through private income. Increasingly, families and dependent people are being confronted with exclusion from access to proper social and health care.

- ***More standardised and/or institutional services***

Services are increasingly tendered for, which leads to increased competition and growing requirements to deliver more service outputs for less money. As a consequence of this, services are being forced into providing more standardised services. In Portugal, legislative changes have increased the maximum number of residents per bedroom or reduced the square meters per resident in residential care. In the UK, in some areas there is no budget for community services and money is available for residential services only.

- ***Impact on inclusive education support***

In countries where the resources for inclusive education have been suspended, like in Ireland, Portugal and Spain, children with disabilities are being turned away from mainstream schools due to lack of teaching and support resources. Children are being more and more referred to special schools.

- ***Impact on employment supports and services***

Employment services, including supported employment, were closed in Greece, Hungary, Ireland, Spain, Portugal and UK. State funding for supported employment has been cut by 25% in Spain. In the UK, the closure of sheltered employment companies recently made 1,700 workers with disabilities redundant, 74% of whom went onto welfare benefits. In countries where sheltered workshops are still the main employing agents of persons with disabilities, like in France and Germany, the business of sheltered workshops has seriously shrunk as these face empty order books and financial pressure, although the employment level in the workshop has been more or less maintained. Finally, wage subsidies for employers who recruit employees with disabilities have been eliminated in several countries.

IV. Disability-related social security benefits have undergone deep cuts[5]

Disability-related social security payments are being reduced through direct cuts and through a number of indirect mechanisms which result in de facto reductions in the value of the payments.

- ***Direct cuts in benefits***

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***

As an indirect savings lever, pensions are not being indexed for example in Bulgaria (2010-2011); in Latvia (2009-2013); and in Portugal (2011-2013), nor are non-means-tested disability benefits for example in Hungary since 2005. The basis for indexation has been altered in Lithuania and the UK resulting in lower adjustments. In Greece, additional

[5] Based on MISSOC data; ASISP reports; see also EDF Statement issued in November 2008 http://www.edf-feph.org/Page_Generale.asp?DocID=13874&thebloc=19538

deductions are levied depending on the level of the pension. In Germany, where adjustment is based inter alia on wage development, a safeguard clause (*Schutzklausel*) prevents pension adjustment from resulting in a reduction of the current pension value. However, compensation is provided for, in the sense that negative adjustments that were not implemented as a result of this clause are rescheduled by a reduction of any positive adjustments by half.

- ***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***

Several countries have increased co-payments by the users to compensate for decreased benefits and to sustain services. In Ireland, public nursing home 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. Hungary and the UK have increased user charges for long term care. In Spain, higher levels of care co-payments have been introduced and extended to a wider population. In Portugal and Hungary medical and prescription subsidies have been reduced. Additional co-payments have been introduced in Spain.

- ***Delayed payments***

Public administration is experiencing huge difficulties to cope with the number of benefits recipients in a context of reduced available budgets and often, also reduced staffing. Greek recipients receive their disability benefits with two to six months delay. Waiting times for the provision for 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, means tests now include extended family income in the same house, which has reduced those qualifying by 37%. In Hungary, changes in eligibility mean that 50% of people with altered work capacity will lose their benefits; in Sweden, changes in the assessment of needs has resulted in a decrease of the amount of personal assistance granted. In the UK, younger people with disabilities will no longer be entitled to certain benefits, about 36% of current recipients of incapacity benefit will lose the payment by 2014.

V. The impact on the rights of people with disabilities

The evolutions described above need to be interpreted against a background in which the public attitudes about disability have been hardening over the period of the economic crisis. People with disabilities are being stereotyped by the media as a burden on society, and a survey in the UK People showed that people largely over-estimated the level of fraud on the part of people with disabilities, justifying their estimations by references to newspapers.

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. Support for mechanisms to promote and protect disability rights has been curtailed in some countries, and plans to create accessible public buildings, services and transport are well behind schedule.

In this context, significant negative impacts can be identified in relation to a number of specific articles of the UNCRPD and to the objectives of the European Disability Strategy (EDS).

- ***Article 19: Living independently and being included in the community***

The relevant EDS objectives to independent living promote the transition from institutional to community-based, care and quality community-based services. Yet, the austerity measures and related restructuring undertaken in many EU member states have a far-reaching negative impact on the right to live independently in the community. In 2011, the European Network for Independent Living (ENIL) also expressed concern about the negative impact of austerity measures on opportunities for living independently in the community and an increasing reliance on existing segregated, institutional options[6].

- ***Article 20: Personal mobility***

Austerity measures are impacting on the right to personal mobility. Cuts to budgets and waiting lists for assistive devices are substantial; cuts to mobility allowances are planned in a small number of countries.

[6] ENIL, Proposal for a Resolution of the European Parliament on the effect of cuts in public spending on persons with disabilities in the European Union, Spain, 2011

- ***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 severely affected by austerity measures throughout Europe but it is more evident in countries experiencing the most negative economic conditions.

- ***Article 25: Health***

In many countries, there is an increasingly high level of inequalities in access to health and social services for people with disabilities. The crisis and related austerity measures are clearly linked to these growing inequalities in terms of reduced services and subsidies and increased co-payments. Inequalities concern the quality of health care provision between the public and the private providers, better access for higher income groups to private health services for example in Germany, Finland, France, Italy, Portugal, U.K.

- ***Article 26: Habilitation and rehabilitation***

Access to habilitation and rehabilitation services for people with disabilities has been clearly restricted in countries like Ireland, Portugal, the Netherlands, Spain and Portugal.

- ***Article 27: Work and employment***

The employment rates of people with disabilities have been negatively impacted by the economic crisis. Public spending cuts in employment services target regular employees as well as persons with disabilities. A number of direct and indirect cuts in vocational training, supported and sheltered employment services are identified.

- ***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 affected social security benefits 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.

VI. Conclusion

The cause-effect relationship between the economic crisis, the related austerity and their impact on the social / disability sector is not always very clear-cut. In some Member States, reforms are driven by modernisation of the sector (for example in UK), while in others, reforms are a consequence of the downturn. A review of National Reform Programmes carried out by the Academic Network of European Disability Experts (ANED) in 2009 concluded that in some Member States the priority of disability was de-emphasised, services and funding had been frozen or reduced[7].

A few Member States appear to have been able to contain the worst effects of the crisis, such as Austria, Denmark, Finland, Germany and Sweden. They face, at least for the time being, rather fewer budget cuts in social benefits and social services. Yet, most of these governments have started (or announced) austerity measures as well and most recent economic indicators suggest that these countries may become increasingly exposed to the negative consequences of the economic crisis in the months ahead.

Overall, it should be considered that the full impact of the crisis still probably has to materialise in the absence of substantial economic growth. There is a time lag between initiating austerity measures and recording real impacts and this is approaching its end. As a result, the medium and longer term implications for people with disabilities can be expected to manifest over the coming years.

The debate at government and EU level is not much about the relevance of austerity measures as such, but rather about initiating “intelligent” austerity measures that favour a long-term perspective and protect the rights of vulnerable people from lengthy negative consequences. The European Disability Forum adopted a resolution on a human rights way out of the crisis[8] to support this view. At EU level, the European Social Fund has gained recognition as a means to develop innovative and community based services: The regulations for the forthcoming Common Support Framework (2014-2020) should provide strong imperatives to promote non-discrimination requirements but also to addressing the needs of people with disabilities as a specific target group in employment and labour mobility; social inclusion and combating poverty; and education and lifelong learning.

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[7] Priestly, M and Roulstone, A., Targeting and mainstreaming disability in the 2008-2010 National Reform Programmes for Growth and Jobs, Academic Network of European Disability Experts, Human European Consultancy and Centre for Disability Studies – Leeds University, 2009

[8] http://www.adaptbulletin.eu/docs/EDF_resolution_human_rights.pdf

Relevant references and links

- Defend the Right of Independent Living – How the EU's austerity policy is undermining the lives of people with disabilities. Report from the Hearing in the European Parliament, 9 February 2012.
  http://www.onafhankelijkleven.be/upload/EOL/Publicaties/English%20def/Report28Feb2012_ENIL_Hearing%20in%20the%20European%20Parliament_Report.pdf

- Zero-Project report: International study on the implementation of the UN Convention on the Rights of Persons with Disabilities
  http://www.zeroproject.org/wp-content/uploads/2011/11/Zero-Project-Report-2012.pdf

- Analytical Support on the Socio-Economic Impact of Social Protection Reforms
  http://www.socialprotection.eu/

- Übereinkommen der Vereinten Nationen über Rechte von Menschen mit Behinderungen Erster Staatenbericht der Bundesrepublik Deutschland
  http://www.bmas.de/SharedDocs/Downloads/DE/staatenbericht-2011.pdf?__blob=publicationFile

- Mapping cuts to disability services in the UK. Demos study.
  http://disability-cuts-map.demos.co.uk/

- Proposal for a regulation for the forthcoming Common Support Framework (2014-2020)
  http://www.europarl.europa.eu/meetdocs/2009_2014/documents/com/com_com%282011%290615_/com_com%282011%290615_en.pdf