

TOWARDS ECONOMIC INDEPENDENCE: AN INTERNATIONAL STUDY OF STRATEGIES LEADING TO SELF-DIRECTED EMPLOYMENT!

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ABSTRACT

A review of the literature on employment, as well as discussions at international experts meetings such as one on Employment for Persons with Mental Handicap sponsored by the European Centre for Social Welfare Policy Research (Dec., 1991), indicate that the predominant attention has been given to wage employment in the open labour market or employment in sheltered or semi-sheltered contexts. The most interesting recent initiatives have been devoted to integrating persons with mental handicaps into the labour force using a supported employment model. Little or no attention has been given to other models such as self-employment or co-operatives.

This paper reports on an international comparative of strategies leading to successful models of self-directed employment strategies. The project is co-sponsored by the ILO, DPI and the University of Calgary. Data collected from low and middle income countries indicates a variety of self-employment options have emerged there. Preliminary analysis suggests that self-employment and worker co-operatives are feasible for persons with a variety of disabilities, including those with mental handicaps. Results of the project will be presented with data from over 30 low/middle income countries and comparative observations regarding high income countries. An emphasis is placed on identifying strategies important for success and illustrating model approaches.

INTRODUCTION

One finds a curious oversight in reviewing published literature on employment of people with disabilities. While there is a substantial body of literature on sheltered employment, vocational rehabilitation and, more recently, on issues related to accessing employment in the open labour force, virtually nothing has been written on self-employment. For example, a scan of *PsychUt* from January 1987 through March 1993 found 8,431 abstracts on 'handicap', 'disability'⁷ and related terms. Of these 343 were related to sheltered employment or vocational rehabilitation, and 1,051 on topics related work, jobs or employment. There was one reference to self-employment, and that reference only included the term as an aside. A similar search of *EconLit*, the abstracting service which covers economic related journals, found no references to self-employment and disability. In searches through other sources four written documents on the topic have been identified, all very recent. One by Harper and Momm (1989) presents a series of case studies of self-employed individuals with disabilities in low and middle-income countries. The other three involved interviews or surveys of small groups of disabled self-employed people in high income countries (Doutriaux et al, 1992; Fleming et al, 1992; Krasner and Krasner, 1991).

¹Co-sponsors of this project were Disabled Peoples' International, the International Labour Office and the Waiter Dinsdale Centre for Empowerment of Canadians with Disabilities. We gratefully acknowledge funding support for the research from the International Development Research Centre, Employment and Immigration Canada, and the Voluntary Fund for the United Nations Decade of Disabled Persons, UNDP.

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Self-directed Employment

Clearly the idea that people with disabilities might be gainfully employed as their own bosses is not without merit. There is no reason to assume that an inclination towards entrepreneurship will necessarily be constrained by an impairment. The two biggest single reasons why self-employment was chosen amongst the people in high-income countries surveyed by Doutriaux et al were: "to be autonomous" and "to do work I enjoy ... to be creative", reasons which are similar to those which are given by non-disabled people choosing self-employment. In low-income countries there are more pressing reasons why people with disabilities might become self-employed. With wage employment in scarce supply, and the absence of public welfare support, one's very survival may be at stake.

Studies in a considerable number of countries have shown that people with disabilities are less likely to be employed than non-disabled peers (Barnes, 1991; Furrie and Coombs, 1990; Haveman et al, 1984; United Nations, 1990). One report (Neufeldt, Stoelting and Fraser, 1991) indicates a similar pattern occurs for self-employment. In Canada only 3 per cent of people with disabilities in the labour force defined themselves as self-employed, compared to 14 per cent of persons without disabilities. No similar data seems to have been reported from other countries.

It is well known that the barriers to employment for people with disabilities are considerable. On average, people with disabilities have less education than comparable non-disabled populations, they have less opportunity to gain work related skills, and face a variety of other barriers which often include lack of work site accessibility and poor transportation. To become self-employed there are additional barriers. These include lack of opportunity to gain skills in entrepreneurial approaches or to develop and implement business plans, and lack of access to financial resources in order to capitalize one's business.

A central question to be addressed, then, is: what are the kinds of strategies and models of approach that might be used to overcome barriers to self-directed employment by people with disabilities? Finding answers to that and related questions was the purpose of an international study involving some seventeen contributors providing information from 41 countries. The following report presents information obtained from 34 low and middle-income countries. Data from high-income countries is not yet finally received, and therefore is not included.

STUDY APPROACH

Definition of Self-directed Employment

In undertaking this project we decided to use the term 'self-directed employment' in referring to work where people with disabilities, to a significant degree, had a prime decision-making role in the kind of work that was done, how time was allocated, what kinds of investment in time and money should be made, and how to allocate revenue generated. Self-directed employment as a concept is broader than the notion of 'self-employment'. Self-employment in most contexts refers to a situation where a person is the sole proprietor of a business, a professional service, an agricultural or similar enterprise. While the definition of self-directed employment includes self-employment, it also includes such other options as: a group of persons with disabilities jointly, or in collaboration with others, operating their own small business; worker cooperatives where members have decision-making control over the affairs of the organization; and, organizations of disabled persons forming business subsidiaries which create work for its members. All of these have the essential feature that the people taking responsibility for doing the work also have a significant say in how the work is organized and managed.

Self-directed Employment

Selection of Researchers

Funding for this project allowed for the hiring of researchers expressly to examine initiatives in **low** and middle-income countries. They were less readily available to obtain researchers from high-income countries. As a result the approaches adopted were as follows. In low/middle income regions one researcher would examine initiatives in several countries. In high-income countries researchers were invited to participate who already had familiarity with both their country of residence and employment issues pertaining to disabilities, and so could report on developments there with relative ease. Researchers were selected in consultation with regional representatives of Disabled Peoples' International and the International Labour Office.

Case Study Approach

The central interest of this study has been to identify the kinds of strategies that enable people with disabilities to achieve self-directed employment, and models of approach that seem to offer some success. Towards that end, researchers were asked to identify key projects or initiatives which: (a) demonstrated a planned and systematic approach to involving people with disabilities; (b) led to income generation as a result of the initiatives of people with disabilities; (c) resulted in the setting up of micro-enterprises, worker co-operatives, and other forms of self-directed employment; and, (d) held the promise of providing some representative and/or unique contribution to the overall study. Our objective was to examine the experience of people with disabilities in the context of projects or initiatives which met these criteria.

Selection of cases for study proved a challenge since no country had a register of projects or initiatives from which one might select a sub-set for examination. Consequently, it is impossible to determine with any certainty how representative or unique the projects selected are. In a few countries such as Canada and Japan it was possible to undertake an extensive search amongst available governmental and non-governmental sources of information to find what we believe to be the total population approximating the above criteria. In most countries, though, this was impossible because of the limited amount of information available, and the limited amount of personnel time. For example, in many low-income countries initiatives of a self-directed employment nature tend to be started and supported **by** international non-governmental organizations who have relatively little connection **with each other**. Such lack of connectedness, plus the lack of reliable information systems within those countries, make it difficult to determine with any certainty the potential number of self-directed **employment initiatives** which one might examine.

Given these complexities, a networking strategy was employed. **Contacts were made with** representatives of organizations considered to have a high likelihood **of knowing about such projects**. Included were: key leaders in organizations of disabled persons, personnel in relevant **government** departments, representatives of international non-governmental organizations **known to have an** interest in supporting people with disabilities, and representatives **from United Nations related** agencies such as the ILO, ESCAP and others.

While no definitive statement can be made as to the representativeness **of cases selected for** examination, we have some confidence **that** the results being **found are reasonably representative for** the following reasons: the number of cases identified which **meet our criteria is quite sizeable (81** initiatives from low/middle-income countries); a broad variety **of approaches are illustrated within** the cases examined; and, there is considerable variability in the extent to which various of **the** initiatives succeeded in achieving their aims.

Self-directed Employment

Data Collection

Data collection guides for researchers were distributed to a number of researchers in low-income countries for review and comment, following which they were finalized for use. Meetings were held with researchers prior to start of data collection to ensure some common understanding of project purpose and data collection procedures. Thereafter researchers pursued data collection, keeping in contact with the coordinating office through electronic media.

FINDINGS

Project Characteristics

Data was initially collected on just over one hundred initiatives in low and middle-income countries. A number of these did not meet the criteria as set out above, and so were screened out from further analysis. Of those screened out, some involved data only on individuals who had become self-employed with no indication that a specific strategy had been employed by a supporting organization; and, others involved data on sheltered workshops where individuals moving towards self-employment was a by-product of their overall activity. This left a total of 81 projects/initiatives which fully met our criteria. The following represents the first detailed reporting of findings.

Geographic Distribution. The geographic distribution of the 81 initiatives analyzed was as follows: South Asia - 18, South East Asia -10, South America - 12, Central America -15, Caribbean - 11, East Africa - 3, and Southern Africa - 12. Data has not been received from West Africa to date. It should be noted that the reason East Africa data is provided on only three initiatives speaks to the way in which data was collected; namely, that data in East Africa was provided by personnel involved with International Labour Office related projects. Of these, one initiative was the largest single project examined, affecting the most people with disabilities. Of interest in respect to the remaining initiatives is their relative even distribution across different regions. In part this may be a reflection of the amount of researcher time available. However, given that each region has data on ten or more initiatives, it would appear that some reasonable effort has been given with to pursuing self-directed employment opportunities in all low and middle-income regions.

Implementing Organizations. An examination of the kinds of organization which took responsibility for carrying out the 81 projects reveals that: 40 were implemented by organizations for disabled persons (DPOs for), 12 by organizations of disabled persons (DPOs of), 11 by non-governmental organizations (NGOs), 13 by governments, 2 were jointly implemented by NGOs and DPOs (one each DPO of/for), and 3 jointly by NGOs and governments. The large role played by DPOs for disabled person is not surprising, but is interesting. Equally as interesting is the fact that DPOs of disabled persons have become actively involved in pursuing self-directed employment options, and are developing a 'track record' of experience in the organization and management of projects leading towards that end.

Impact of the U.N. Decade of Disabled Persons. A question of **interest** is **whether the** U.N. Decade of Disabled Persons had any material affect on the introduction of self-directed **employment** initiatives since economic integration was one of the important aspirations. To examine this we categorized projects in terms of their dates of commencement. Of the 81 projects, only 70 provided data on starting date. Of these, 15 (21%) had their beginning prior to 1981 with the earliest dating back to 1956, 21 (30%) began between 1981 and 1985, 23 (33%) between 1986 and 1990, and 11 (16%) from 1991 onwards. Since the post-1990 data is based primarily on one year of lapsed time, one might project that if one

Self-directed Employment

were to take another sample in five years time the 1991 - 1995 time period would see a growth over previous years. This data supports the conclusion that an increasing number of self-directed employment oriented initiatives have been begun since the beginning of the Decade, though this can't be said with certainty given the limits to knowledge on how representative our case studies are. At the same time, it is reasonable to assume that an increase has been taking place for three reasons. First, there has been an unprecedented amount of publicity about issues pertaining to disability around the world associated with the U.N. Decade. Second, and coincidentally, there also has been an increasing interest in the promotion of small business/micro-enterprise approaches both in low/medium-income regions of the world and in high-income countries. Third, the adoption of innovative ideas generally follows a geometric growth pattern where, in the early years, relatively few people try a new idea. But, if an idea has validity, the number of new adopters grows increasingly rapidly with the passage of time. The data for the various time periods cited above is consistent with such a growth pattern.

In short, it would be too simplistic to suggest that the U.N. Decade by itself contributed to an increase in number of self-directed employment initiatives. However, in combination with emerging new ideas about self-directed employment, the U.N. Decade probably could be said to have played a significant role in disseminating ideas consistent with the development of self-directed employment options.

Numbers of Project Beneficiaries. Seventy-three of the 81 projects provided information on numbers of people with disabilities assisted in setting up self-directed employment enterprises. Of these, forty-three (59%) had assisted fewer than 25 individuals with disabilities, nine (12%) had 26 to 50 beneficiaries, eleven (15%) had 51 to 100 beneficiaries, and ten (14%) had more than 100 beneficiaries.

Governments and DPOs for persons with disabilities accounted for nine of the ten implementing organizations with more than 100 beneficiaries. The other one was an NGO. That the organizations with the largest numbers of beneficiaries belonged in the 'government' and 'DPO for' categories is not particularly surprising in that these types of organizations have had considerable experience in organizing and managing large scale, complex initiatives. What is more of interest is that the impact of projects initiated by DPOs of persons with disabilities was essentially similar to that of other types of implementing organizations except that none as yet had more than 100 beneficiaries. Of the twelve DPOs of persons with disabilities who provided information, half had 25 or fewer beneficiaries, but another five (42%) had between 51 and 100 beneficiaries. This data adds to the conclusion that DPOs of persons with disabilities are rapidly gaining experience in managing business types of enterprises. When one considers that only one self-directed employment initiative had been begun prior to 1981 by a 'DPO of, then one gets a sense that this is a new idea that has been vigorously pursued.

Target Population of Projects. Seventy-four projects provided information on the populations which they targeted. These were distributed as follows:

- all disadvantaged - 13%
- all disabilities - 24%
- combination of physical, visual and hearing impairment - 17%
- physical impairment - 17%
- visual impairment - 25%
- hearing impairment - 03%
- mental handicap - 01%
- psychiatric impairment - 00%

It is evident from the above listing which populations have received the greatest attention in respect

Self-directed Employment

to self-directed employment opportunities. People with cognitive impairments (mental handicap and psychiatric impairment) were least considered, though not necessarily excluded from the 'all disabilities' category. People with hearing impairment, too, appear to have had relatively little attention in low/middle-income countries. These findings are consistent with observations pertaining to the disability movement generally in low-income regions of the world, where these same groups are often not present at meetings of cross-disability organizations.

Types of Enterprise and Income Generation Activities. Seventy-five projects provided information allowing an analysis by type of enterprise and income generation activities promoted. Sixty-nine per cent promoted small self-employment options (micro-enterprises), 20% promoted cooperatives, and 11% promoted the development of business subsidiaries to DPOs. The micro-enterprise/small business model clearly is the most frequent option chosen by beneficiaries, but there also are a significant number of cooperatives and what we call business subsidiaries. An example of a business subsidiary would be DEEDS Industries in Jamaica which is wholly owned by the Combined Disabilities Association, and employs sixty-five workers, 60% of whom have a disability. DEEDS Industries manufactures and markets a variety of products commercially.

The kinds of income generation activities promoted by the seventy-five projects were as follows:

- agricultural enterprises - 13 projects (17%)
- artisan production - 21 projects (28%)
- manufacturing - 48 projects (64%)
- service enterprises - 36 projects (48%)
- trade related enterprises - 20 projects (27%)

A given project might promote more than one type of income generation enterprise, consequently the percentages are not additive.

Strategies Associated with Success and Failure

The 81 projects in our sample were examined for the extent to which they had been successful according to the following criteria: (1) whether they had operated as a viable project in the pursuit of their objectives for at least two years; (2) whether they had enabled at least some people with disabilities to generate income through self-directed employment; (3) evidence of project sustainability over the long term; (4) the numbers of beneficiaries; and, (5) innovative features introduced. Primary emphasis was placed on the first two criteria when making a judgement of success, but some consideration was also given to the last three.

A total of 21 projects were judged to have been high in success according to these criteria. These were then examined in terms of the main strategies used to support people with disabilities in self-directed employment. Seven main strategies were identified as present with some frequency: business advisory services; skill training; providing access to funds (loans or grants); awareness raising/concientization; community development; providing equipment and work space; and, marketing assistance.

Figure 1 illustrates the cumulative distribution of strategies used by the projects judged to be most successful and compares these to a similar cumulative distribution for projects judged least successful. What is noteworthy is that highly successful projects generally used a greater variety of strategies

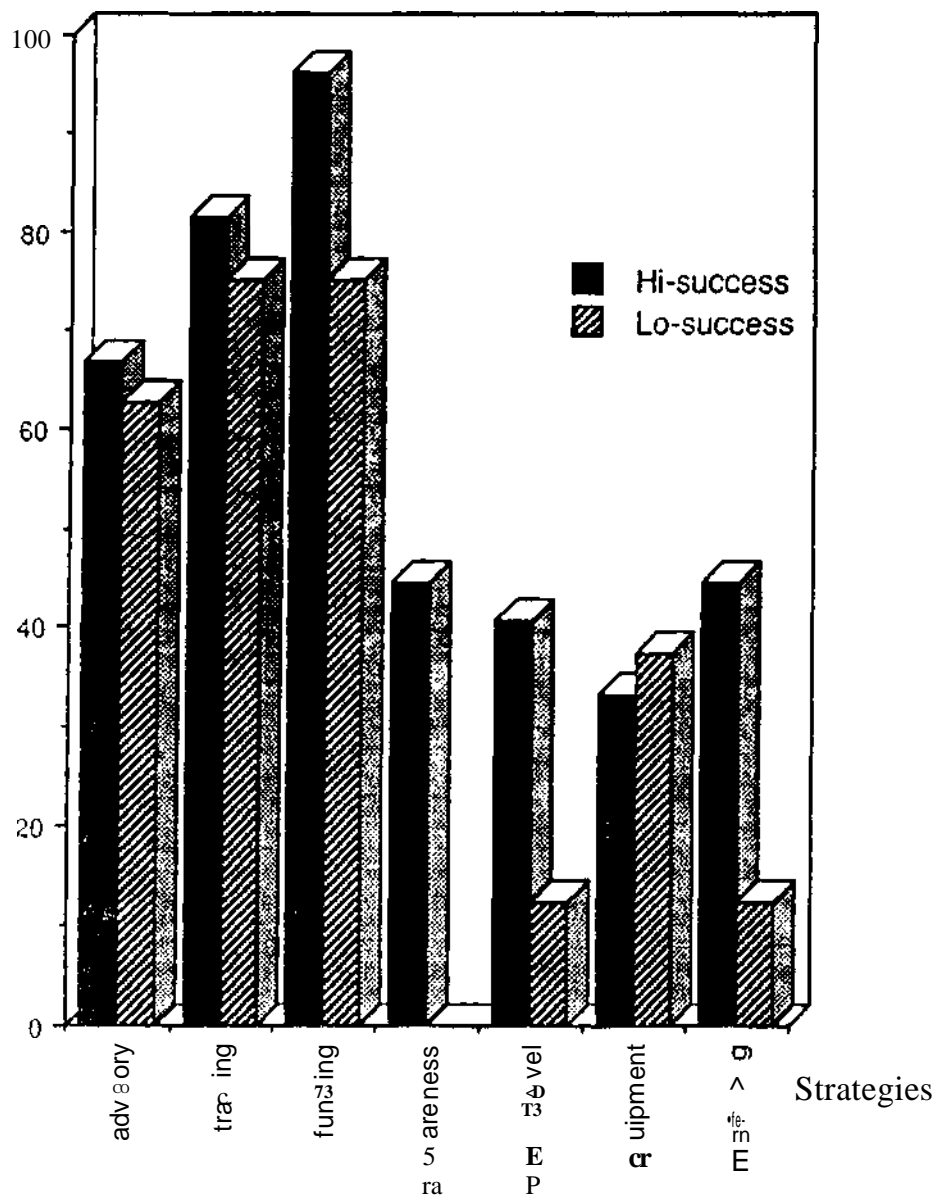


Figure 1. Proportions of high success and low success projects using different strategies in promoting self-directed employment

Self-directed Employment

than those low in success. It seems that 'putting one's eggs in only one or two baskets', such as providing only training or only credit, is not the best means of achieving success when promoting self-directed employment. Rather, a combination of strategies are required, the most common of which are: funding access, skill training, and business advisory services.

Models of Approach to Self-Directed Employment

There were a number of different and innovative approaches to enabling people with disabilities achieve self-directed employment. The models vary considerably. Some focus specifically on enabling the development of micro-enterprises by people with disabilities, serving local population needs. Some use a community development strategy to enable people with disabilities, their family members and interested others to identify the best way for the person with a disability to become economically productive. This may result in a micro-enterprise, but it may also result in other outcomes. Some projects have set as their key the creation of international markets while at the same time enabling people with disabilities to set up production plants with tight quality control.

Space is too limited in this document to provide any detailed description on these. A preliminary description on four models was provided by Neufeldt and Albright (1992). A greater number will be described in several products now being prepared - a book, a monograph, and a video tape - and which will be completed by the end of 1993. That material will also include comparative information from high-income countries.

CONCLUSION

A rich body of data has been collected on projects promoting the development of self-directed employment opportunities for persons with disabilities. What is evident is that this is an option which appears to have a growing level of interest within the disability community.

Having said the foregoing, one should also hasten to add that self-directed employment as described is not necessarily for everyone. Entrepreneurial initiatives by nature are risky ventures, and not everyone has either the personal resilience or the skill to pursue such options. That is likely to be as true amongst persons with disabilities, as for persons without disabilities. Never-the-less, the self-directed employment option is one which is worthy of further examination given that people with disabilities are as under represented in these forms of employment as in wage employment in the open labour market.

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Self-directed Employment

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