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Contrasting Supply-side, Demand-side and Combined Approaches to Labour Market Integration

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Abstract

In social policy discussions about activation or ALMP (Active Labour Market Policies), most attention is paid to supply-side approaches, directed towards jobless individuals. In these discussions, little attention is given to demand-side approaches aimed at activating employers, or combined workplace-oriented approaches that combine supply and demand-side elements. The aim of this article is to introduce demand-side and combined approaches developed within the fields of disability policy and vocational rehabilitation to scholarly discussions about activation and ALMP.

By comparing these three approaches, we show that demand-side and combined approaches challenge key assumptions underlying the dominant supply-side approaches. They do so by representing different views of a) work – as a right instead of a duty; b) the problem of reduced work capacity – not as individual failure, but rather as a prejudice in attitudes among employers or as a gap between capacities and demands; c) the employers and the labour market – as transformable instead of fixed.

Supply-side, demand-side and combined workplace-oriented approaches share the aim of labour market integration; however, their developments seem to have taken place largely in isolation from each other. We argue that when brought together they could form a more comprehensive base for further development of labour market integration.

Introduction

ALMPs (Active Labour Market Policies) focus primarily on supply-side measures: efforts to reinforce, stimulate or enable jobless groups to get off welfare benefits and into paid work (Bonvin and Galster, 2010; Ingold and Stuart, 2015; McQuaid and Lindsay, 2005; Peck and Theodore, 2000). At the same time, other kinds of approaches to labour market integration exist. Firstly, there are demand-side approaches developed within disability policy, aimed at activating employers.

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These involve measures such as legal obligations, incentives and various kinds of service and assistance to employers. Secondly, there are approaches developed within the field of vocational rehabilitation. These combine both supply and demand-side measures, while at the same time using workplaces as instruments of integration. These latter approaches are often referred to as 'supported employment' (SE). We characterise them as 'combined workplace-oriented approaches' because they primarily pay attention to the actual processes taking place at the workplace.

The aim of this article is to introduce the demand-side and combined workplace-oriented approaches stemming from disability policy and vocational rehabilitation into scholarly discussion about labour market integration in the context of activation and ALMP. By doing this we want to contribute to the growing research field in the demand-side of labour markets (Ingold and Stuart, 2015; McQuaid and Lindsay, 2005; van der Aa and van Berkel, 2014), and to raise the question of whether demand-side and combined approaches could contribute to the discussion about labour market integration in Western countries. Our focus is not so much on the concrete measures within each of the approaches, their implementation, and possible effects; instead, we rather address their underlying assumptions that we have identified from our reading.

We first provide an overview of the main contents and characteristics of the supply-side oriented ALMPs in Western countries. Secondly, we turn to the fields of disability and vocational rehabilitation and describe the main characteristics of demand-side approaches and of combined workplace-oriented approaches. Thirdly, we compare key assumptions of the three approaches: assumptions of work, work-capacity, employers and the labour market. We finally return to the context of ALMP in order to conclude on the value of our findings for future approaches to labour market integration.

Supply-side approaches – active labour market policies and activation of the jobless

ALMPs aim to move unemployed working-age beneficiaries off their passive benefits, and into the labour market. The content of ALMPs differs from country to country, as do their underlying assumptions (Armingeon, 2007; Barbier and Ludwig-Mayerhofer, 2004; Immervoll and Scarpetta, 2012). Active Labour Market Programmes also differ in their focus on target groups (Kenworthy, 2010: 438). In principle, the target group for ALMPs are the unemployed (or as framed in a workfare perspective, those receiving social benefits). In practice, those considered only short-term unemployed, with attractive skills and education in the labour market, are not seen as in need of help from Active Labour Market Programmes. Locking individuals into Active Labour Market Programmes can even be seen as detrimental to the ability of the short-term unemployed to secure

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paid employment at the own volition. The main target groups of ALMPs are therefore groups with low employment rates over time: women, low skilled or poorly educated individuals, the young, the disabled, immigrants, or those near the retirement age. A common trend in international activation across various regimes is the inclusion of new and more marginalised target groups in activation and labour market policies (van Berkel *et al.*, 2017a).

Scholarly discussions about ALMPs and activation have produced several conceptualisations and classifications to describe policies (and/or activation approaches). Often the aim has been a comparison across countries intended to detect and explain cross-national variation (Barbier and Ludwig-Mayerhofer, 2004; Bonoli, 2010; Clasen and Clegg, 2003, 2006; Dingeldey, 2007, Fossati, 2017; van Berkel *et al.*, 2017a). A widely used distinction is between approaches that mainly rely on incentives and sanctions, and approaches that advance human capital investment (Bonoli, 2010, 2011, 2012; Brodkin and Marston, 2013; Dingeldey, 2007; Filges *et al.*, 2015; Kenworthy, 2010; Lødemel and Moreira, 2014; Lødemel and Trickey, 2001; Smedslund *et al.*, 2006; Welshman, 2010; Williams, 2010). This distinction is conceptualised in several different ways.

One conceptualization is between a *liberal* ideal-type of activation, which restricts itself to encouraging individuals to seek paid work, through the provision of quick information, simple matching services and short-term vocational training; and a *universalistic* type, which provides complex services to all citizens, while simultaneously guaranteeing relatively high standards of living (Barbier and Ludwig-Mayerhofer, 2004). Another distinction is between *workfare* states and *enabling* states (Dingeldey, 2007). Workfare states place pressure on (or even compel) the unemployed, particularly welfare recipients to (re-)enter the labour market, even with low-income jobs. In contrast, enabling states form policies that involve social programmes aimed at enhancing human capital and helping the unemployed to adjust to labour market requirements, participate actively and take responsibility for themselves.

Yet another distinction can be seen between *work-first* approaches and *human capital development* (Lindsay *et al.*, 2007). 'Human capital' is most commonly defined as 'knowledge, skills, capabilities, competencies and other attributes embodied in individuals that are relevant to economic activity' (Walker, 2010). Human capital development approaches aim to develop such capacities in the jobless. 'Work-first' refers to programmes that focus on compulsory job seeking and short-term interventions to facilitate a quick return to paid work, rather than long-term tailored services to promote skills and personal development (Lindsay *et al.*, 2007).

Eichhorst *et al.* (2008: 6) introduced a similar distinction, in which *demand-based* approaches referred to putting pressure on the individual towards labour market integration by cutting the duration and level of benefits, tightening up availability criteria and sanctioning clauses, as well as through individual activity

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requirements. Other demanding elements can include restrictive definitions of suitable job offers, the monitoring of individual job search efforts, or mandatory participation in active labour market policy schemes (workfare) (Eichhorst *et al.*, 2008).

Enabling approaches refer to policies aimed at improving individual employability and productivity and making jobless individuals more attractive to potential employers. Measures include classic active labour market policies such as job search assistance and job counselling, subsidised employment, startup and/or mobility grants, or fiscal pay incentives like wage supplements (Eichhorst *et al.*, 2008).

More sophisticated distinctions exist (Bonoli, 2010, 2011, 2012), but our aim is not to compare different supply-side approaches with each other. Rather, we compare supply-side approaches with demand-side and combined approaches and, for that purpose, we find the concepts of Eichhorst *et al.* (2008) and the two broad categories of *demanding* (putting pressure on, forcing) and *enabling* (supporting, enhancing or facilitating) approaches useful.

The basis of *demanding* supply-side approaches is that economic incentives and sanctions are required in order to stimulate individuals to take up paid work, or else the individuals will make the rational choice to live on benefits. The more generous the benefit system, the more pronounced this (dis)incentive is likely to be. The aim of workfare policies is therefore to reinforce work ethics and reduce caseloads in the welfare system, to bring an increasing 'dependency culture' to an end (Kildal, 2001).

Enabling measures often involve social services such as case management and personalised support, psychological and social assistance, as well as childcare support, or even vocational training and education to enhance the human capital of the jobless (Eichhorst *et al.*, 2008). The assumption behind *enabling* approaches is that the jobless need upskilling, training and support in order to become employable.

Within both *enabling* and *demanding* supply-side approaches, employment is primarily conceived of as the duty individuals have to provide for themselves in order to contribute to the welfare of society. However, ending unemployment is considered important to individuals not only in terms of income and earnings but also in terms of social inclusion and well-being (Eichhorst *et al.*, 2008). The demands of the employers and the labour market are taken as given premises. Work-capacity is viewed as a characteristic of the individual. Supply-side programmes aim at helping jobless individuals adjust to and fulfil the demands of employers, or, in the case of the curtailing of benefits, assign responsibility to the recipients to take available jobs (Bonvin and Orton, 2009). Furthermore, supply-side oriented approaches are based on a premise that available jobs exist.

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A criticism of both *enabling* and *demanding* ALMPs is that they fail to deliver when it comes to inclusion of the most 'hard-to-place' individuals (Eichhorst *et al.*, 2008: 441; Hauss, 2014; Martin, 2015). ALMPs and activation programmes have also been criticised for being based on a 'supply-side fundamentalism' or 'supply-side orthodoxy', linking joblessness to individual failure and lack of employability, rather than structural changes and/or problems within the labour markets (Baumberg, 2014; Bonvin and Galster, 2010; Ingold and Stuart, 2015: 446; Lindsay *et al.*, 2015a; McQuaid and Lindsay, 2005; Peck and Theodore, 2000; Raffass, 2017).

Demand-side policies: activation of employers

Attention to the impact of employers on the recruitment and retention of workers with disabilities can be found in research on the labour market opportunities of disabled people, and in discussions about disability policy, or occupational or vocational rehabilitation (Graffam *et al.*, 2002; Gustafsson *et al.*, 2014; Hvinden and Halvorsen, 2003; Kaye *et al.*, 2011; Sainsbury *et al.*, 2017). Although several kinds of measures are aimed at influencing actions of employers, as with the supply-side measures described previously, we distinguish between the two broad categories of *demanding* and *enabling* approaches, which of course in actual policies can be combined.

Demanding approaches include social regulations in the form of legal provisions, aimed at influencing employers' decisions regarding recruitment, termination or advancement. These include legal obligations and requirements that place responsibilities on employers to avoid discrimination, provide equal opportunities, or to have a certain number (quota) of disabled workers in their work force (Greve, 2009; Sainsbury *et al.*, 2017). Anti-discrimination legislation prohibits discrimination on a number of grounds, of which disability is one, meaning that legislation makes discrimination against qualified individuals with a disability illegal. The legislation also includes a duty on the side of the employer to provide 'reasonable adjustment' (UK-term) or 'reasonable accommodation' (US-term).

Such regulative approaches are based on the assumption that discrimination by employers gives rise to joblessness. These approaches are founded on civil rights and values, such as equal treatment and equal worth. Work – understood as employment or paid work – is perceived of as a right, belonging also to disabled people, although a right which many persons with disabilities are denied (Sainsbury *et al.*, 2017). Understanding employment as a civil or human right implies that employment is a desirable and beneficial good.

In scholarly discussions about anti-discrimination legislation, an assumption appears present that employers will hire or retain an employee only if the benefits from doing so outweigh the costs (Bell and Heitmueller, 2009). Employers are

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thus modelled as rational actors whose actions are based on economic calculation of gains against costs (Schwochau and Blanck, 2000). Similar to benefit recipients, sanctions and enforcement are needed to press employers to contribute to the goal of labour market integration (Hvinden and Halvorsen, 2003).

For the purposes of this article, *enabling* approaches include financial incentive structures for employers as well as voluntary agreements and commitments encouraging a corporate culture that promotes diversity through progressive recruitment and accommodation measures within the workplace (Halvorsen and Hvinden, 2014). Incentives are measures that aim to reduce the assumed risks connected to employing workers perceived to be high-risk recruits, such as lack of productivity, skills, or competencies, or the need for extended follow-up in the workplace (by either managers or human resource management staff). Wage subsidies are forms of financial assistance given to employers who employ people with 'reduced' work-capacity, most often as temporary incentives, though sometimes as a permanent support. The aim is to lower the cost for employers. Wage subsidies are seen by employers as compensation for reduced productivity of lower skilled staff, and as a reduction of employment costs associated with hiring people with disabilities (Gustafsson *et al.*, 2014). Likewise, funding for in-work training is an encouraging factor (Ingold and Stuart, 2015: 452).

A range of other efforts also exist aimed at increasing employers' willingness to include individuals that are marginalised in relation to the labour market by supporting, underpinning or stimulating employers' own actions. They aim to motivate or address the efforts of employers to develop 'equal opportunity policies', and/or 'diversity (or disability) management' strategies, instigated by anti-discrimination legislation (Dobbin, 2009), or efforts to align with ideas of Corporate Social Responsibility (CSR) (Barak, 2000; Mandal and Ose, 2013). Diversity training and disability training to raise awareness of prejudice and enable employers to enhance diversity has become common practice in the corporate arena (Anand and Winters, 2008). Increased focus is on 'employer engagement' in promoting the labour market participation of vulnerable groups as part of their human resource management (van Berkel *et al.*, 2017b).

Enabling measures can be seen as an answer to shortcomings of regulation, and increased attention to the ways in which corporate culture creates or reinforces obstacles to employment of marginalised groups: specifically how these obstacles can be removed or overcome (Schur *et al.*, 2005). Whereas anti-discrimination legislation can provide an entry ticket for jobless individuals into the labour market, investment in employers may help provide necessary changes at the workplaces to help them stay there. Ideas of diversity management and inclusive workplaces address organisations and employers directly to help in administering their employees. Such measures aim to address employers' assumed moral values and feelings of responsibility, or a company's interest in

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improving its branding and customer loyalty, enhancing business performance, or presenting it as an attractive employer (Burgess *et al.*, 2009; van Berkel *et al.*, 2017b).

As with anti-discrimination legislation, the reasoning behind such *enabling* approaches is that discrimination and stigmatization give rise to joblessness. Labour market participation is perceived of as a human right, and employment as a desirable and beneficial good. While the target group of demand-side approaches is employers, those intended to benefit from these approaches are those who are marginalised in relation to the labour market. However, in line with a 'business case' reasoning it is argued that even employers can benefit from hiring, retaining, and accommodating individuals with disabilities. By adapting to the needs of workers with disabilities, they acquire quality employees, increase company profitability, avoid costs associated with re-hiring and training future employees, and improve the companies' organisational culture and climate (Hartnett *et al.*, 2011). In this kind of reasoning, diversity in the workforce is beneficial to the employer.

Within both kinds of demand-side approaches, the perception of employers is that they are transformable. Through regulations, obligations, financial incentives, appeals to values and profit maximising objectives, employers can be motivated to recruit or retain individuals whom they otherwise would have considered high-risk employees. Furthermore, demand-side approaches rest on an assumption that even jobless individuals who are considered high-risk employees have a work-capacity that can be made use of when stigmatizing prejudice is removed and reasonable accommodation is undertaken.

A criticism of social regulation geared towards employers is that there are not sufficient measures put in place to ensure that regulations are implemented or obeyed. While some critics emphasise the negative sanctioning of those employers who fail to undertake what is demanded of them, others underline also monitoring and funding (Barnes and Mercer, 2005). Furthermore, the need to alter attitudes and combine anti-discrimination legislation with not only economic sanctions, but also social and cultural measures, is emphasised (Maroto and Pettinicchio, 2014; Stein and Stein, 2007).

A criticism of *enabling* approaches is that they fail to deliver what they promise, in particular when it comes to disabled individuals. Equal opportunity policies and inclusive workplace declaration are referred to as 'window dressing'; symbols of compliance, but decoupled from actual employer practices that exclude workers that do not fit with the 'ideal worker' (Edelman, 2016; Foster and Wass, 2013; Hoque and Noon, 2004). Although employers may describe positive attitudes towards people with disabilities these attitudes are not reflected in actual recruitment practice, and a minority of employers are committed to active involvement in labour market inclusion (Bredgaard, 2017; Burke *et al.*, 2013; Hernandez *et al.*, 2000). Furthermore, disability is linked to individual

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defects rather than social conditions, and inclusion is therefore not seen as the responsibility of the whole workplace (Dobusch, 2017).

Another criticism is that anti-discrimination legislation, wage subsidies, and individual rights to accommodation are based on an individual model of disability – understanding disability as an individual deficit or in terms of lost productivity (as supply-side approaches also do), rather than as socially or structurally created as in the social model of disability (Barnes, 2000; Lunt and Thornton, 1994). Furthermore, a criticism of both demand and supply-side approaches towards employment of disabled people is that the policies are based on a hegemonic discourse with an implicit orthodox association of work with waged labour and paid employment. Such an association contributes to a systematic exclusion of people with impairments, because barriers linked to the social organisation of the labour market is rarely touched upon (Barnes, 2000; Barnes and Mercer, 2005; Grover and Piggott, 2015a). Rather than promoting equality through labour market participation, there is a need for a fundamental re-evaluation of different forms of human activity and for a reconceptualisation of the meaning of work (Barnes and Mercer, 2005). Researchers have also argued that a 'right to work' for people with disabilities, should be complemented with a 'right *not* to work' (Grover and Piggott, 2015b).

Supported employment: combining supply- and demand-side components

Lindsay *et al.* (2015b) point towards the need for a new policy agenda in order to reach sustainable employment for vulnerable populations: in order to meet the complex barriers to work and social inclusion, there is a need to address both 'health limitations and disability, but also structural labour market and workplace factors' (Lindsay *et al.*, 2015b: 141). Within the field of vocational rehabilitation for the disabled, approaches to labour market integration have been developed with some of the most disadvantaged groups in mind, for example those with developmental disabilities, autism, or severe mental illness. The major target groups are those whom employers consider risky to employ for a number of reasons (Kaye *et al.*, 2011). This development has taken place seemingly in isolation from social policy, activation policies or ALMPs.

One of these approaches is 'Supported Employment' (SE). The term 'supported employment' refers to both a type of employment status and to a type of employment programme (Bond, 2004). Bond *et al.* (2001) defines SE as an 'approach to helping people with disabilities participate as much as possible in the competitive labour market, working in jobs they prefer with the level of professional help they need' (2001: 313). While rapid labour market integration is a major characteristic of this approach, according to its adherents, advocates of SE aim wider and describe SE as a 'true way to help those with disabilities who

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are unable to successfully gain or retain employment on their own to enter the labor force with dignity and inclusion with others in society' (Wehman, 2012: 139).

SE developed as a reaction to (supply-side) 'train-place' models that dominated the field of vocational rehabilitation in the 1980s (Drake *et al.*, 2012). Such stepwise vocational rehabilitation models assumed that individuals would benefit 'from some form of training, instruction, or practice in a protected setting before entering a competitive work role' (Drake *et al.*, 2012: 24). Contrary to this perspective, pioneers of SE described SE as a 'place-train' approach to vocational rehabilitation (Bond *et al.*, 1997; Drake *et al.*, 2012). They aimed to demonstrate that the approach of seeking rapid placement into competitive employment followed by specifically targeted job training and support was superior to pre-employment 'train-place' approaches. SE represents a shift away from a gradual and stepwise process, where individual characteristics were considered important predictors of vocational rehabilitation success, towards an approach where there is a focus on the vocational services being provided (Waghorn *et al.*, 2009).

Supported Employment has developed into different versions. Current versions of SE include an 8-principle model called Individual Placement and Support (IPS), a five-stage process developed by the European Union of Supported Employment (EUSE – a Non-Government Organisation that was established in 1993 to develop SE throughout Europe), and a model called Customized Employment (CE). Among the SE-models, IPS is the most evaluated. Three recent reviews describe IPS as an emerging approach as most studies have been published within the last 15 years (Bonfils *et al.*, 2017; Kinoshita *et al.*, 2013; Rinaldi *et al.*, 2010).

One vital characteristic of all SE-approaches is that participation is based on client choice and on the willingness of the jobless individual to find and hold a job (Drake *et al.*, 2012; EUSE, 2014). They all aim at competitive employment by rapid job search and individualized support from job-coaches or employment specialists. Rather than acting as intermediaries who merely provide information about jobseekers to organisations and about vacancies to people looking for a job (Ingold and Valizade, 2017), they collaborate closely with the employers and provide them with sufficient support to contribute to the integration of the disabled workers (EUSE, 2014: 31–33). Customized Employment goes even further into the workplaces to 'carve out' or create jobs suitable for the individuals with disabilities (Griffin *et al.*, 2008). CE is described as a 'person-centred' approach that begins with identifying a person's needs, aspirations, talents and skills. Job carving is a strategy that aims to move beyond the demands of job descriptions that might be out of reach for some job seekers (Callahan *et al.*, 2011).

SE represents approaches that claim that neither supply side nor demand side approaches alone are sufficient to achieve successful integration. Instead, their supporters argue that predictors of vocational success are found in the

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quality of job matching and in the support from employment specialists to both the employer and the employee in finding jobs or work tasks that represent a match between the interests and skills of the employee and the needs of the employer (EUSE, 2014; Griffin *et al.*, 2008). That is why we term them 'combined' approaches.

The support system in such approaches is characterised by simultaneous synchronous interventions from several agencies, depending on the challenges of the individual. These interventions target the employee, their co-workers and employer, and aim to facilitate productive and sustainable jobs, which is why we term them 'workplace oriented'.

Work-capacity is understood as the result of successful job matching, collaboration and coordination between employer, employee and involved support services. In this way, it is understood as a process and as a relational concept, rather than being viewed as a 'characteristic of the individual'. Work in this instance refers to employment in the ordinary labour market, with competitive wages, and not sheltered employment or sheltered workshops. Integration rather than segregation is a vital dimension of SE (Lunt and Thornton, 1994), as supported employment in the ordinary labour market is seen as a reaction to previous policies that segregated many disabled people into special employment programmes. In line with scholars in other fields, SE proponents consider work and well-matched labour market participation beneficial to health and well-being (Waddell and Burton, 2006). Furthermore, work is seen as a route to possible recovery from mental illness (Corrigan and McCracken, 2005; Tew *et al.*, 2012), as well as to normalisation and equality (Tyree *et al.*, 2011; Wehman, 2012; Wilson, 2003). Workplaces are viewed as flexible, transformable, and adjustable to the needs of employees if, and when, sufficient support is provided.

Combined workplace-oriented approaches seem to quickly address workplaces, but also to combine work placement with long-term support at these workplaces. They primarily include *enabling* strategies for both the jobless individuals and the employers. Job search assistance, wage supplements and personalised support are common ingredients. In a similar manner, SE-approaches geared towards employers contain *enabling* elements, including wage subsidies and support in order to help them manage diversity and disability in their workplace, with the goal of increasing their willingness to include marginalised individuals. However, *demanding* approaches towards employers in the form of legal regulations also seem to be accepted within combined workplace-oriented approaches.

Criticism of combined workplace-oriented approaches addresses inadequate implementation of some central components. Two recent reviews have focused on implementation problems related to attitudes among involved stakeholders. Key hindrances included: fear on the part of professionals, individuals and their

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families that employment would have a negative impact on well-being; a culture of low expectations, underestimating skills and capabilities; a failure to provide the 'place-train' support; problematic collaboration with mental health services; and not enough time to secure local implementation and leadership support (Bonfils *et al.*, 2017; Rinaldi *et al.*, 2010). Numerous studies documenting employer scepticism towards employment of people with disabilities (Burke *et al.*, 2013; Hernandez *et al.*, 2000), point to challenges in engaging employers through an approach that does not involve legal demands. In addition, to provide the resource-demanding support necessary to develop sustainable jobs for vulnerable groups is costly and places huge responsibilities on the shoulders of frontline workers.

There is also criticism of the importance placed on mainstream employment, understood as 'real' or 'normal' jobs. This is on the grounds that, for individuals with learning difficulties, cognitive impairments or developmental disabilities, support will be insufficient to compensate their degree of impairment to the extent that they will be able to perform all the required tasks of a 'real job' (Wilson, 2003). Grover and Piggott (2013) also criticise the insistence on the benefit of paid jobs for all. This criticism applies to all labour market integration approaches, arguing that such a view results in shaming and a treatment of those out of work as idle and of low worth (Grover and Piggott, 2013: 373).

Comparing supply-side, demand-side and combined workplace-oriented approaches

Supply-side, demand-side and combined workplace-oriented approaches all share the aim of work integration of jobless individuals. They have some common components, but differ with respect to others.

Combined workplace-oriented approaches and demand-side approaches (present in anti-discrimination legislation) share a perception of employment as the normal state of participation in society. Therefore, equal access to participation in the labour market is framed as a matter of civil rights. Supply-side approaches, however, conceive of work as a duty to provide for oneself. Combined workplace-oriented approaches share the perception of labour market participation as an opportunity to enhance social inclusion, well-being and self-respect with supply-side approaches. Furthermore, combined workplace-oriented approaches share the aim of developing inclusive workplaces with demand-side approaches. Combined workplace-oriented and demand-side approaches thus share the view that both employers and workplaces are transformable. In combined workplace-oriented approaches, labour market integration is accomplished through collaborating with and supporting employers. In this respect, the concept of employers diverges from the concept

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contained in anti-discrimination legislation, namely that employers need to be persuaded through regulation to employ jobless people with disabilities. While regulation is also included in combined workplace-oriented approaches, it is not regarded as sufficiently encouraging. Combined workplace-oriented approaches also contain incentives similar to those present in *enabling* demand-side approaches (such as wage subsidies).

With the exception of *demanding* supply-side approaches that primarily address the (lack of) willingness of the unemployed population to seek employment, all the other approaches described here operate on the assumption that a gap exists between the work-capacity or employability of the jobless, and the requirements of the labour market and employers. Supply-side approaches locate the solution to this gap solely on the side of the jobless individuals, and demand-side approaches place the solution on the side of employers. In combined workplace-oriented approaches, however, joblessness and reduced work-capacity are seen as consequences of this gap between the resources (capacities) of the jobless and the demands from employers and the labour market. In order to close the gap, the human capital of the jobless must be enhanced *and* the demands of employers must be adjusted. This adjustment can be achieved by matching individuals and work tasks. The focus therefore shifts from the individuals and their 'un-employability', or failure to live up to the demands of the labour market, to a strategy that addresses the employer as well as the individual; one in which support services play a vital role, a need which van Berkel *et al.* (2017b) also address.

Combined workplace-oriented approaches aim to close the gap by altering the perceptions of employers, and by creating or developing jobs with demands that jobless individuals are capable of fulfilling. They accomplish this through the identification or creation of tasks that represent a fit between the skills of the jobless and the demands of the work tasks. Furthermore, if job matching does not close the gap between the capacity of the individual and the needs of the employer, wage subsidies or reduced working hours typify additional appropriate measures.

Rather than taking the existence of a demand-driven labour market as a given premise, the combined approaches adopted from the disability field and vocational rehabilitation presume that it is possible (with high-quality support) to intervene in the organisation of workplaces and the attitudes of employers. They suggest that the structure, culture and values that exist within the labour market can be reshaped, and that sustainable jobs can be developed with disadvantaged jobseekers in mind. In this way, such approaches combine supply-side and demand-side measures as a strategy that uses workplaces as instruments of integration. Furthermore, they address larger goals of social inclusion, normalisation, social role valorisation, equality and equal worth in a more comprehensive way than supply-side and demand-side measures do.

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Conclusion

We identified three different approaches to labour market integration, which build on different assumptions, and suggest different solutions to the problem of joblessness. Demand-side and combined workplace-oriented approaches challenge key assumptions underpinning dominant supply-side activation and active labour market policies in at least three ways: firstly, by viewing work as an equal right and not as a duty; secondly, by not viewing joblessness and reduced work-capacity as an individual failure, but rather as a misunderstanding or prejudicial attitude among employers, or as a gap between capacities and demands that may require combined workplace-oriented approaches; finally, they represent different perspectives on the subjects of employers and the labour market, viewing them as transformable and not fixed.

While supply-side, demand-side and combined workplace-oriented approaches all share the aim of integrating jobless individuals into the labour market, their development appears to have taken place in isolation from one another. When brought together, their underlying assumptions become more visible. It becomes apparent that the most positive assumptions about transformability of employers and the labour market reside in approaches that address the most disadvantaged. These are the combined workplace oriented approaches developed with individuals with severe mental illness or developmental disabilities in mind. These approaches point to a potential for involving employers through demand-side measures, in particular though supportive *enabling* approaches.

While the three approaches focus to some degree on different target groups, they all address the labour market inclusion of groups that are disadvantaged in the competitive labour market, those that the employers consider risky to employ, and those who often have problems other than mere joblessness. We argue that, seen as a whole, they could form a more comprehensive base for further development of labour market integration in Western countries. By bringing in demand-side and combined approaches, labour market integration policies can draw on a broader spectrum of measures. This can contribute to making it easier to address complex problems on the side of the individuals, as well as on the side of the employers and the workplaces. As the common aim across these policies is generally to create a more inclusive labour market, this implies a growing concern for marginalised groups 'with a greater distance from the labour market' (Eichhorst *et al.*, 2008: 441). In order to meet such a challenge, training and assistance are complementary and necessary additional tools to work-first measures, since 'demanding policies do not suffice to stabilise labour market integration of the hard-to-place' (Eichhorst *et al.*, 2008: 441). Combined approaches appear to have such complementary qualities.

Achieving labour market participation for disadvantaged jobless individuals requires high quality support systems, and comprehensive effort is necessary to

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avoid the work-first component resulting in labour market integration for only a limited period. People with severe disabilities or other major challenges are likely to require ongoing services, and combined workplace-oriented approaches; addressing 'the hard-to-place' puts high demands on resources and is therefore costly. Scholars have argued however that such costs may be 'justified as these individuals become self-sustaining members of the society and no longer will be dependent on cash benefits from the Social Security Administration, or welfare agencies' (Barbour, 1999: 166). Cost-benefit analyses have concluded that SE is more cost-effective than sheltered alternatives (Cimera, 2012). However, if such approaches are to be utilised as part of a spectrum of approaches addressing the larger and perhaps other populations of jobless, there is a need to discuss their degree of comprehensiveness. Whether and to what extent combined workplace-oriented approaches (that base participation on client choice) will contribute to labour market integration if they are implemented (perhaps as part of *demanding* schemes such as workfare policies) is an issue warranting further research.

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