From Employment Quotas to Enforceable Inclusion: Comparing Disability Employment Governance in Indonesia, the Philippines, and Germany

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Abstract

Study Objective: This study analyzes the legal certainty for workers with disabilities in Indonesia based on the Law on Persons with Disabilities and compares the legal and policy approaches implemented by three countries for workers with disabilities.

Methods/Approach: This study employed a normative legal research method, employing statute, conceptual, and comparative approaches, supported by primary legal materials, secondary legal materials, and non-legal materials collected through desk research and analyzed using prescriptive analysis.

Novelty: This study focuses on the Indonesian legal framework, which does not provide legal certainty for workers with disabilities because there are no sanctions against companies that fail to fulfill their obligations to provide employment opportunities for people with disabilities.

Findings: Indonesia does not yet have binding regulations on companies that fail to provide employment opportunities for workers with disabilities. The Philippines has provided tax incentives for companies that recruit workers with disabilities. In contrast, Germany has the strongest legal system, imposing fines on companies that do not employ workers with disabilities.

Conclusion: Indonesia needs to immediately enact strict, binding implementing regulations to create optimal employment opportunities for workers with disabilities.

Keywords: Comparative Disability Law; Employment Quotas; Enforceable Inclusion; Reasonable Accommodation; Workers with Disabilities

Introduction

The right to work is a constitutional entitlement and a condition for living with dignity. Articles 27(2) and 28D(2) of the 1945 Constitution guarantee access to

work, fair remuneration, and equal treatment. For persons with disabilities, these guarantees must be interpreted together with the Convention on the Rights of Persons with Disabilities (CRPD), which Indonesia ratified through Law No. 19 of 2011.[1]

Article 27 of the CRPD requires States Parties to recognize the right of persons with disabilities to work in an open, inclusive, and accessible labour market. The Committee on the Rights of Persons with Disabilities has clarified that this duty extends beyond formal non-discrimination. It includes accessible recruitment, reasonable accommodation, equal pay, protection against harassment, career progression, retention, and transition away from segregated employment.[2]

This rights-based approach rejects the assumption that exclusion primarily results from an individual's impairment. Exclusion develops when legal rules, workplace design, recruitment procedures, technology, transport, attitudes, and institutional practices prevent equal participation. The global scale of disability makes this a mainstream labour-governance issue rather than a marginal welfare concern.[3]

Employment has material and relational functions. It provides income, social protection, professional identity, autonomy, and participation in public life. Persistent exclusion from formal work therefore produces cumulative disadvantage. Recent scholarship shows that people with disabilities experience barriers at every stage of job acquisition, from locating vacancies and completing applications to interviews, onboarding, and retention.[4]

International research also warns that legal rights do not automatically change employer behaviour. Employers may lack knowledge, accessible recruitment systems, accommodation budgets, or confidence in institutional support. Disability-inclusive employment requires both employer obligations and public mechanisms that reduce uncertainty, distribute accommodation costs, and correct discriminatory assumptions.[5]

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[1] Vita Cita Emia Tarigan et al., "Article 24 CRPD Compliance in Inclusive Education: Indonesia and Malaysia Compared," *Uti Possidetis: Journal of International Law* 7, no. 2 (June 23, 2026): 174–93, https://doi.org/10.22437/up.v7i2.54005.

[2] Linda Steele, "Ending Disability Segregated Employment: 'Modern Slavery' Law and Disabled People's Human Right to Work," *International Journal of Law in Context* 19, no. 2 (June 15, 2023): 217–35, https://doi.org/10.1017/S174455232300006X.

[3] Nick Drydakis and Michael E. Martell, "A Pluralistic Framework for the Study of Economic Exploitation," *The Journal of Economic Exploitation and Inequality*, July 3, 2026, 1–43, https://doi.org/10.1108/JOEEI-10-2025-0004.

[4] D. George Strauser et al., "Exploring Employer's Successful Hiring and Retention Practices of Individuals with Disabilities," *Rehabilitation Counseling Bulletin* 69, no. 2 (January 26, 2026): 109–19, https://doi.org/10.1177/00343552241265319.

[5] Bishan Yang et al., "Employers' Perspectives on Challenges and Strategies Related To

Quota systems remain widely used to address structural under-representation. Their legal character, however, varies. A quota may function as a symbolic target, an affirmative-action obligation, or an enforceable duty supported by reporting and financial consequences. Comparative scholarship therefore cautions against evaluating quotas only by their numerical percentage.[6]

A quota can increase entry into employment, but it may also produce tokenism, strategic classification, or concentration in low-level positions when enforcement focuses exclusively on headcounts. Recruitment practices may even require applicants to narrate disability in ways that reproduce stereotypes. Effective regulation must connect numerical representation with substantive equality.[7]

Reasonable accommodation supplies that substantive dimension. It requires individualized modifications that enable a qualified worker to apply for, perform, retain, and advance in employment, unless the measure imposes a disproportionate or undue burden. Accommodation may involve accessible technology, modified tests, flexible scheduling, task redesign, workplace assistants, communication support, or physical accessibility.[8]

The Indonesian framework contains an apparently strong set of norms. Law No. 8 of 2016 mandates a minimum quota of two percent for government bodies, regional governments, state-owned enterprises, and regional-owned enterprises, and one percent for private companies. It also requires equal pay, accessible recruitment, reasonable accommodation, and employer grievance mechanisms.[9]

Nevertheless, a central doctrinal question remains: how is the quota translated into an enforceable employer duty? The statute does not establish a dedicated administrative consequence calculated by the number of unfilled quota positions. Nor does it prescribe a nationally integrated cycle of employer registration, annual reporting, verification, corrective orders, and publication of compliance data.

This point requires precision. Indonesia does not face an absolute absence of

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Employment of People with Physical Disabilities: Findings from a National Survey in the United States," *Journal of Occupational Rehabilitation*, November 27, 2025, https://doi.org/10.1007/s10926-025-10345-9.

[6] Aili Mari Tripp, "The Changing Subfield of Comparative Politics and the Journal of Politics & Gender," *Politics & Gender* 21, no. 1 (March 16, 2025): 105–13, https://doi.org/10.1017/S1743923X24000424.

[7] Amaia Robertson Nogues, "Automating Injustice: A Critical Analysis of AI-Assisted Recruitment Processes from a Disability Justice Perspective," *AI & SOCIETY* 41, no. 4 (April 29, 2026): 2761–68, https://doi.org/10.1007/s00146-025-02581-7.

[8] Cesar Rey Vazquez, "Functional Compatibility in the Employment of People with Disabilities," 2026, https://doi.org/10.2139/ssrn.6140366.

[9] Maya Khater et al., "The Role of Assistive Technology in Reinforcing the Rights of Persons with Disabilities to Employment from a Legal Perspective," *International Journal of Law and Management*, October 7, 2025, https://doi.org/10.1108/IJLMA-04-2025-0151.

sanctions. Article 50(4) provides administrative sanctions for employers that fail to provide reasonable accommodation and accessible facilities. Articles 143 and 145 also criminalize conduct that obstructs or prohibits persons with disabilities from obtaining the right to work. These provisions are important, but they do not operate as a direct and routine enforcement mechanism for Article 53 quota compliance.[10]

The Philippines and Germany provide useful comparators because they represent different regulatory techniques. Philippine law makes the one-percent quota mandatory for government institutions but only encourages private corporations with more than one hundred employees to reserve the same proportion. It supplements this softer private-sector approach with tax deductions for wages and accessibility-related improvements.[11]

Germany uses a more institutionalized quota-levy model. Public and private employers with at least twenty positions must employ persons with severe disabilities in at least five percent of covered jobs. Non-compliant employers pay a monthly compensatory levy for each unfilled mandatory position, while the obligation to employ remains in force.[12]

The comparison should not be reduced to a ranking in which Germany is simply labelled 'strong', the Philippines 'adaptive', and Indonesia 'weak'. Each system distributes legal compulsion, incentives, accommodation duties, administrative capacity, and employer support differently. Comparative disability law must examine how these components interact and whether they produce access to open and decent employment.[13]

Previous Indonesian studies have documented low quota compliance, limited employer awareness, inaccessible infrastructure, and uneven operation of local Disability Service Units. International literature, meanwhile, shows that quotas work best when employers receive credible information, technical assistance, and predictable enforcement. The present study connects these two bodies of scholarship through a functional comparison of compliance architecture.[14]

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[10] Tomihiko Kayashima, "A New Step toward Sustainable Fisheries in Japan: The 2018 Amendments to the 1949 Fisheries Act and the Fisheries Cooperative Associations Act," *Marine Policy* 178 (August 2025): 106710, https://doi.org/10.1016/j.marpol.2025.106710.

[11] Ankit Verma, "NEPAL IN THE ERA OF E-GOVERNANCE: STATUS, CHALLENGES, AND LESSONS FROM SOUTH ASIA," 2026, https://doi.org/10.2139/ssrn.6489198.

[12] Carolina González-Velosa, Juan Miguel Villa, and Manuel García-Huitron, "Long-Term Social Insurance in the Caribbean: Beyond Parametric Reforms" (Washington, D. C., April 27, 2026), https://doi.org/10.18235/0014030.

[13] Rosario Lopez-Gavira, Inmaculada Orozco, and Aurora Virginia Perez-Lopez, "Internal and External Factors in the Success of Graduates with Disabilities in Higher Education and Employment: An International Comparative Study in Germany and Spain," *Higher Education* 91, no. 3 (March 12, 2026): 845–68, https://doi.org/10.1007/s10734-025-01446-8.

[14] Mst Kaniz Fatema, "Food Safety Compliance and Nutritional Management Protocols in

The article introduces a three-level compliance continuum. A normative-commitment model states rights and quotas but lacks a dedicated enforcement chain. A facilitated-compliance model relies on public-sector reservation and private incentives. An enforceable-inclusion model combines a quota with reporting, levies or sanctions, reasonable accommodation, institutional assistance, and transparent use of collected funds.

This framework also avoids treating employment as successful merely because a person is counted as employed. The CRPD requires work freely chosen in an open, inclusive, and accessible labour market. Sustainable inclusion must therefore consider job quality, equal remuneration, security, career development, accommodation, and freedom from segregation.[15]

Based on this framework, the study addresses two questions. First, to what extent does Indonesian law provide enforceable legal certainty for workers with disabilities? Second, what regulatory lessons can Indonesia draw from the Philippines and Germany without mechanically transplanting foreign legal institutions?

Research Method

This study employs normative legal research. It analyzes law as a structured system of constitutional norms, statutory duties, implementing regulations, institutional competences, and legal consequences. Primary materials include the 1945 Constitution, Law No. 8 of 2016, Law No. 13 of 2003 as amended most recently through Law No. 6 of 2023, Government Regulation No. 60 of 2020, Minister of Manpower Regulation No. 21 of 2020, Republic Acts Nos. 7277 and 10524 of the Philippines, the German General Equal Treatment Act, Book IX of the German Social Code, and the CRPD.[16]

The study combines statutory, conceptual, and functional comparative approaches. The conceptual approach uses the human-rights model of disability, substantive equality, affirmative action, reasonable accommodation, and regulatory enforcement. The functional comparison uses the same tertium comparationis for all three jurisdictions: quota coverage, binding force, consequences of non-compliance, employer incentives, accommodation duties, monitoring, and

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Institutional Healthcare Food Services: Evidence-Based Framework for U.S. Long-Term Care Facilities," *American Journal of Health and Medical Sciences* 07, no. 01 (January 1, 2026): 87–127, https://doi.org/10.63125/rvvzz976.

[15] Preethi Nanjundan et al., "Social Inclusion and Sustainability," in *Global Nexus Handbook* (Wiley, 2026), 965–74, https://doi.org/10.1002/9781394248087.ch52.

[16] Ines Dieckmännken and Alfons Hollederer, "Effects of the WHO QualityRights Training on Stigma Attitudes Among Social Work Students in Germany," *Journal of Social Work Education*, June 5, 2026, 1–22, https://doi.org/10.1080/10437797.2026.2666252.

institutional support.[17]

Legal materials were collected through desk research and assessed as of June 2026. Official legal texts and government statistics were prioritized. International peer-reviewed literature was used to evaluate the operation and limitations of quota systems, accommodation duties, and employer-facing policy instruments. The analysis is prescriptive: it identifies regulatory gaps and formulates reforms that are compatible with Indonesia's constitutional and administrative-law structure.

Results and Discussion

Indonesia: Strong Normative Recognition, Fragmented Enforcement

Indonesia's disability employment regime must be read as a layered framework rather than through Law No. 8 of 2016 alone. The constitutional right to work is reinforced by the Human Rights Law, the Manpower Law, the CRPD ratification statute, and disability-specific legislation. The Job Creation framework amended parts of the Manpower Law, but did not remove the disability-protection obligations contained in Law No. 8 of 2016.[18]

Law No. 8 of 2016 adopts the interactional definition of disability reflected in the CRPD. This definition matters for employment regulation because it shifts attention from an individual's medical condition to barriers created by recruitment, workplace organization, communication, technology, and attitudes. Employers and public authorities consequently bear duties to remove avoidable barriers.

Available statistics require careful interpretation because disability measurement differs across surveys and prevalence estimates. The BPS decent-work publications nevertheless indicate a gradual increase in the proportion of workers identified as persons with disabilities between 2022 and 2024. The figures should not be read as a complete measure of the disability employment rate, but they reveal employment-status patterns relevant to job quality.[19]

Articles 11 and 45 to 52 of Law No. 8 of 2016 regulate equal access to employment, accessible recruitment, placement, equal remuneration, accommodation, employer complaints, and protection from dismissal due to

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[17] Walter Bartl and Philipp Lutz, "Comparing Refugee Dispersal Policies: Varieties of Responsibility-Sharing in Europe," *Governance* 38, no. 4 (October 9, 2025), https://doi.org/10.1111/gove.70072.

[18] Judith Green-McKenzie, Chidimma Ogechukwu Ezeilo, and Bria McKenzie, "Disability Protections," in *The Palgrave Encyclopedia of Disability* (Cham: Springer Nature Switzerland, 2025), 1–17, https://doi.org/10.1007/978-3-031-40858-8_481-1.

[19] Thomas C. Stephens, "What Has Happened to Job Quality in Britain? The Effect of Different Weighting Methods on Labour Market Inequalities and Changes Using a UK Quality of Work (QoW) Index, 2012–2021," *Social Indicators Research* 177, no. 2 (March 11, 2025): 833–61, https://doi.org/10.1007/s11205-025-03542-9.

disability. Article 50 is especially significant because it expressly requires reasonable accommodation and accessible facilities and attaches administrative sanctions to non-compliance.

Article 53 creates a binding quota. Public employers and state or regional enterprises must employ at least two percent workers with disabilities. Private companies must employ at least one percent. Unlike the Philippine private-sector formulation, the Indonesian provision uses mandatory language. The main weakness therefore lies not in the legal status of the quota, but in the absence of a specialized compliance mechanism.

Article 54 requires central and regional governments to provide incentives to private companies that employ persons with disabilities and delegates the form and procedure to a Government Regulation. The lack of a comprehensive national regulation operationalizing this incentive weakens policy credibility. Employers cannot reliably calculate eligibility, claim support, or integrate incentives into recruitment and accommodation planning.

Implementation is partly supported by Government Regulation No. 60 of 2020 and Minister of Manpower Regulation No. 21 of 2020.[20] These instruments require provincial and district or city manpower offices to establish Disability Service Units that provide labour-market information, employer assistance, job matching, and coordination. Yet the ULD framework does not itself create an annual quota-reporting and sanction system.

BPS data used in this article illustrate the limited presence of workers with disabilities in employee or staff status compared with self-employment and unpaid family work. This pattern cannot be attributed to one legal provision alone. Education, transport, digital accessibility, employer attitudes, occupational segmentation, and the design of social protection also shape labour-market outcomes. Still, the pattern supports closer attention to formal-sector access.

Table 1 shows a modest rise in the measured proportion, from 0.53 percent in 2022 to 0.64 percent in 2024. These values are not equivalent to the prevalence of disability among the working-age population. They depend on Sakernas definitions and identification procedures. The policy relevance lies in the continuing under-representation and the need for better disability-disaggregated reporting.

Employment status offers a clearer indication of job quality. Across the three years, self-employment consistently records a higher proportion than employee or staff status. Formal wage employment remains the smallest category in the table, even though it generally offers stronger access to predictable remuneration, social insurance, career pathways, and institutional grievance mechanisms.

[20] Achmad Safiudin, Riza Multazam Luthfy, and Airin Liemanto, "The Quality of Delegated Regulations in the Job Creation Law," *NEGREI: Academic Journal of Law and Governance* 5, no. 2 (February 2, 2026): 237–62, https://doi.org/10.29240/negrei.v5i2.14868.

Table 1: Proportion of Workers with Disabilities by Gender in Indonesia, 2022-2024

Year	Men	Women	Average
2022	0.54%	0.52%	0.53%
2023	0.53%	0.57%	0.55%
2024	0.67%	0.61%	0.64%

Source: Statistics Indonesia, Decent Work Indicators in Indonesia, 2022-2024 editions.

Table 2: Proportion of Workers with Disabilities by Employment Status in Indonesia, 2022-2024

Employment Status	2022	2023	2024
Self-employed	0.81%	0.85%	1.00%
Employer assisted by temporary/unpaid workers	0.78%	0.79%	0.96%
Employer assisted by permanent/paid workers	0.55%	0.64%	0.71%
Employee/worker/staff	0.23%	0.26%	0.28%
Casual agricultural worker	0.66%	0.54%	0.71%
Casual non-agricultural worker	0.39%	0.32%	0.57%
Unpaid/family worker	0.67%	0.62%	0.78%

Source: Statistics Indonesia, Decent Work Indicators in Indonesia, 2022-2024 editions.

Table 2 demonstrates that numerical growth does not necessarily mean inclusion in decent formal employment. The employee or staff category rose only from 0.23 to 0.28 percent. Policy should therefore measure not only how many persons with disabilities work, but also where they work, under what contractual status, with what wages, and with what accommodation and advancement opportunities.

The Indonesian enforcement structure is fragmented in four ways. First, Article 53 does not specify a direct administrative sanction for each unfilled quota position. Second, employers do not operate under a nationally uniform annual reporting duty comparable to Germany's notification procedure. Third, labour inspection and ULD

functions are not integrated into a single compliance database. Fourth, Article 54 incentives remain insufficiently operationalized.

The existing sanctions must nevertheless be acknowledged. Article 50(4) authorizes written warnings, suspension of operations, freezing of business licences, and revocation of business licences for failure to provide reasonable accommodation and accessible facilities. This provision can support substantive equality after recruitment, but it does not automatically enforce the numerical quota.[21]

Articles 143 and 145 prohibit and criminalize obstruction of the right to work. Their threshold is conduct that prevents or prohibits access to the right. Ordinary quota under-fulfilment, especially where no identifiable applicant has been directly rejected, may not readily satisfy this criminal formulation. Criminal law is also poorly suited to routine compliance supervision. A calibrated administrative mechanism is therefore still needed.

The correct diagnosis is thus an enforcement gap, not a total legal vacuum. Indonesia has rights, quotas, accommodation duties, administrative sanctions, criminal prohibitions, and service institutions. What it lacks is a coherent chain linking employer data, verification, corrective action, incentives, sanctions, and transparent evaluation. This distinction is essential because reform should integrate existing norms rather than merely add another broad prohibition.[22]

Comparative Compliance Architecture: The Philippines and Germany

Comparative analysis begins with Article 27 of the CRPD and General Comment No. 8. States must protect the right to work through anti-discrimination rules, reasonable accommodation, vocational guidance, public procurement, labour inspection, data collection, and measures that promote employment in the open labour market. Quotas are permissible affirmative-action measures, but they do not replace the duty to remove discriminatory barriers.[23]

The decisive question is therefore not whether a country uses a quota, but how the quota relates to other legal instruments. A mature system aligns representation targets with accessible recruitment, accommodation, employer support, monitoring, remedies, and job quality. Research on disability-inclusive employment

[21] Sandra Brunsbach and Ines Weber, "Implementing Gender Quotas Locally: How Germany's Alliance 90/The Greens Enforce the Women's Statute in District Branches," *German Politics*, January 24, 2026, 1–22, https://doi.org/10.1080/09644008.2026.2618711.

[22] Irene Farah, "<scp>THE LEGITIMACY TRAP</Scp> : Street Vending Heterogeneity and Selective Enforcement in San Francisco," *International Journal of Urban and Regional Research* 50, no. 4 (July 5, 2026): 939–59, https://doi.org/10.1111/1468-2427.70052.

[23] Kimberly A. Liu, "The Concept of Positive Action," in *Research Handbook on European Anti-Discrimination Law* (Edward Elgar Publishing, 2025), 187–208, https://doi.org/10.4337/9781789906318.00018.

consistently finds that isolated interventions have limited effects when workplace structures and employer practices remain unchanged.[24]

Reasonable accommodation deserves separate treatment because it individualizes equality. Quotas operate at workforce level, while accommodation addresses the specific barrier encountered by a job applicant or worker. A company may satisfy a numerical quota yet discriminate by using inaccessible testing, refusing assistive technology, or blocking promotion. Conversely, accommodation without recruitment obligations may benefit only the small number already employed.[25]

The Philippines and Germany illustrate two different combinations. The Philippines uses mandatory reservation in government, encouragement and tax incentives in the private sector, and anti-discrimination provisions. Germany uses mandatory quotas for covered employers, compulsory reporting, a compensatory levy, anti-discrimination law, rehabilitation institutions, and employer support. Indonesia combines a mandatory quota with comparatively weak quota-specific enforcement.

The Philippine Constitution and Republic Act No. 7277 establish equal opportunity and prohibit discrimination in employment. Republic Act No. 10524 amended the Magna Carta to reserve at least one percent of positions in government agencies, offices, and corporations for persons with disabilities. Private corporations with more than one hundred employees are encouraged, rather than compelled, to reserve the same proportion.[26]

This wording creates an asymmetrical system. The public-sector quota is a legal reservation, while the private-sector quota functions as a policy expectation. The distinction should not be obscured by describing both as mandatory. It reduces coercive pressure on private employers but permits the state to rely more heavily on fiscal incentives and facilitation.

Philippine law grants private employers an additional deduction from gross income equal to twenty-five percent of wages or salaries paid to qualified employees with disabilities. It also permits an additional deduction for qualifying improvements or modifications to physical facilities, subject to statutory requirements. These incentives seek to offset perceived recruitment and

[24] Sabrina Hossain et al., "Strategies for Supporting Disability-Inclusive Employment in the Future of Work," *Journal of Occupational Rehabilitation*, November 7, 2025, https://doi.org/10.1007/s10926-025-10339-7.

[25] Malachy Bishop et al., "Employment Accommodation Experiences among American Workers with Multiple Sclerosis: A Mixed-Method Analysis," *Journal of Vocational Rehabilitation* 62, no. 2 (March 12, 2025): 141–53, https://doi.org/10.1177/10522263241310070.

[26] Ulbe Bosma, "Labour Mobility and Colonial and Forced Labour Regimes in Indonesia: A Long-Term View," *Journal of Agrarian Change* 25, no. 4 (October 25, 2025), https://doi.org/10.1111/joac.70002.

accessibility costs.[27]

Tax incentives can alter employer calculations, but their effectiveness depends on awareness, certification procedures, administrative simplicity, and whether employers have taxable income. Incentives may have limited influence on firms that anticipate high accommodation costs, lack accessible recruitment systems, or hold negative assumptions about productivity. They should therefore supplement, not substitute for, equality duties.[28]

Table 3 shows that the Philippine model is more accurately described as mandatory public reservation combined with facilitated private compliance. Its value for Indonesia lies in the operational use of tax incentives, not in the strength of its private-sector quota. Indonesia already uses mandatory language for private companies and should not weaken that obligation when adopting fiscal support.

Table 3: Employment Compliance Architecture in the Philippines

Regulatory Element	Government Sector	Private Sector
Core statute	RA No. 7277 as amended	RA Nos. 7277 and 10524
Quota status	Mandatory reservation	Encouraged for corporations with over 100 employees
Minimum proportion	1% of positions	1% policy target
Equal treatment	Mandatory	Mandatory
Wage incentive	Not the primary mechanism	25% additional gross-income deduction
Accessibility incentive	Public duty	Additional deduction for qualifying facility modifications
Monitoring	Civil Service and implementing agencies	Labour, tax, health, and disability agencies

[27] Shawn D. Bushway and Justin T. Pickett, "Direct Incentives May Increase Employment of People with Criminal Records," *Criminology & Public Policy* 24, no. 2 (May 25, 2025): 209–36, https://doi.org/10.1111/1745-9133.12681.

[28] Mingyu Li et al., "A Principle-Based Framework to Determine Countries' Fair Warming Contributions to the Paris Agreement," *Nature Communications* 16, no. 1 (January 26, 2025): 1043, https://doi.org/10.1038/s41467-025-56397-6.

Regulatory Element	Government Sector	Private Sector
Principal strength	Clear public reservation	Fiscal support for inclusive hiring
Principal limitation	Implementation and matching capacity	No binding private-sector quota
Comparative model	Reserved public employment	Facilitated private compliance

Source: Republic Acts Nos. 7277 and 10524 and their implementing rules.

Germany's framework rests on the General Equal Treatment Act and Book IX of the Social Code. The General Equal Treatment Act prohibits disability discrimination in access to employment, working conditions, promotion, and dismissal. Book IX adds disability-specific participation, rehabilitation, representation, and employer duties.[29]

Section 154 of Book IX requires private and public employers with an annual monthly average of at least twenty jobs to employ persons with severe disabilities in at least five percent of those positions. Special rules calibrate obligations for employers with twenty to thirty-nine and forty to fifty-nine positions. Severe disability status and equivalent status are legally defined, so the German quota covers a narrower category than Indonesia's general disability quota.

Section 160 requires a compensatory levy for each unfilled mandatory position. Payment does not discharge the employment obligation. From the 2025 assessment year, the monthly amounts for employers with at least sixty positions are EUR 155 at a three-to-below-five-percent employment rate, EUR 275 at two-to-below-three percent, EUR 405 at above zero-to-below-two percent, and EUR 815 where no severely disabled or equivalent person is employed.

The levy has both an incentive function and a redistributive function. It increases the cost of non-compliance and finances measures that support participation in working life. Ring-fencing matters. A levy is normatively defensible only when revenue is transparently used for workplace accommodation, employment services, vocational rehabilitation, and employer support rather than absorbed into general revenue.

German law also relies on mandatory employer reporting. Covered employers submit annual information on jobs, employees with severe disabilities, and quota performance. This procedure enables calculation of the levy and produces administrative data. The enforcement advantage is structural: non-compliance is

[29] Laura William, Susan Corby, and Birgit Pauksztat, *Claiming Disability Discrimination* (Cham: Springer Nature Switzerland, 2024), https://doi.org/10.1007/978-3-031-74387-0.

detected through routine reporting rather than only after an individual complaint.

The German model is not self-executing or free from exclusion. Official data continue to show a substantial employment gap between persons with severe disabilities and the general population. In 2024, approximately 1.267 million mandatory positions were available, while employment participation remained considerably below the general working-age rate.[30] A quota-levy system can strengthen compliance without eliminating discrimination, occupational segmentation, or employer reluctance.

Recent research also shows that employer capability and opportunity matter. Employers with knowledge, recruitment capacity, prior inclusive experience, and access to institutional assistance are more likely to hire persons with disabilities. Enforcement should therefore be paired with advisory services, accommodation financing, accessible job matching, and disability-confident human-resource practices.[31]

A further lesson concerns the limits of numerical compliance. Quotas can empower workers by opening entry points, but can also encourage employers to treat disability as an administrative category. Sustainable inclusion requires voice, equal pay, career progression, psychological safety, and participation in workplace decisions. The objective is organizational inclusion, not the mere filling of a statistical slot.[32]

For Indonesia, the German levy should not be copied mechanically. Differences in enterprise size, informality, administrative capacity, disability certification, and labour inspection would affect implementation. A national levy introduced without reliable employer and worker data could create avoidance, misclassification, or disproportionate burdens on smaller firms.

A staged Indonesian design would be more appropriate. Large employers and state enterprises could enter the first reporting phase, followed by medium-sized enterprises after administrative systems mature. Compliance should be calculated against clearly defined covered positions. Employers should receive notice, technical assistance, a correction period, and an opportunity to demonstrate genuine recruitment efforts before higher sanctions apply.

Reasonable accommodation must remain enforceable independently of quota

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[30] Jihye Lee et al., "Multidimensional Poverty and Perceived Discrimination Among Newly Resettled Afghans in the United States," *Journal of Immigrant & Refugee Studies*, June 3, 2026, 1–22, https://doi.org/10.1080/15562948.2026.2670689.

[31] Alan Gutterman, "Creating a Disability Inclusive Workplace," 2025, https://doi.org/10.2139/ssrn.5070614.

[32] Jean Louis K. E. Fendji, Moussa Hassana, and Marcellin Atemkeng, "From Textual Web Forms to Audio Web Forms: Towards a Microservices Architecture That Leverages Natural Language Processing Techniques," 2026, 389–403, https://doi.org/10.1007/978-3-032-07109-5_26.

status. An employer that meets the quota but refuses an accessible test or necessary workplace adjustment still violates substantive equality. Conversely, an employer below quota should be able to obtain technical and financial assistance to redesign recruitment and work rather than simply paying to avoid inclusion.

The 2025 German rate adjustment also demonstrates that financial consequences require periodic indexation. A fixed nominal fine loses deterrent value over time. If Indonesia adopts a compensatory levy, the amount should relate to enterprise size, degree of under-fulfilment, duration of non-compliance, and repeated refusal to cooperate. Revenue use and outcomes should be audited and published.

Official German statistics for the 2023 reporting year recorded 180,359 covered employers. Of these, 69,610 fulfilled the obligation fully, 63,924 fulfilled it partly, and 46,825 employed no persons with severe disabilities. These figures illustrate both the administrative visibility created by mandatory reporting and the persistence of non-compliance despite the levy.

Table 4: German Employers Subject to the Disability Employment Obligation, 2023

Year	Full Compliance	Partial Compliance	No Covered Employment
2023	69,610	63,924	46,825

Source: German Federal Employment Agency, Employment Statistics for Persons with Severe Disabilities.

Table 4 should not be interpreted as proof that levies guarantee full compliance. More than one quarter of covered employers reported no relevant employment. The data instead show why reporting is indispensable: it makes the scale and distribution of non-compliance measurable and allows enforcement resources to be targeted.

The comparison yields a regulatory continuum. Indonesia has a mandatory quota and significant substantive rights but weak quota-specific administration. The Philippines operationalizes private incentives but leaves the private quota non-binding. Germany most fully connects quotas, reporting, differentiated levies, support institutions, and labour-market data. Each component addresses a different compliance problem.

A transplant suitable for Indonesia should combine the strongest compatible elements: Indonesia's mandatory public and private quotas, Philippine-style fiscal support, and German-style reporting and graduated financial consequences. It should also incorporate the CRPD's insistence on open employment, reasonable accommodation, equality for women with disabilities, and protection across

recruitment, retention, and advancement.

Table 5: Comparative Disability Employment Compliance Models

Aspect	Indonesia	Philippines	Germany
Regulatory model	Mandatory quota with fragmented enforcement	Public reservation plus private incentives	Mandatory quota with reporting and levy
Quota	2% public/state enterprise; 1% private	1% mandatory public; 1% encouraged private	5% for covered employers
Quota consequence	No dedicated per-position sanction	No private quota sanction	Tiered compensatory levy
Employer incentive	Statutory mandate, incomplete national operation	Tax deductions for wages and facility modification	Levy-funded support and rehabilitation measures
Accommodation	Express duty with administrative sanctions	Equal opportunity and accessibility duties	Anti-discrimination, accommodation, participation and rehabilitation duties
Monitoring	ULD and labour administration, not fully integrated	Multiple implementing agencies	Annual employer reporting and Federal Employment Agency data
Primary reform lesson	Integrate data, incentives, inspection and consequences	Operationalize fiscal facilitation	Link compulsion with support and transparent funding

Source: Authors' comparative analysis of the applicable legal frameworks as of June 2026.

The policy recommendation is a Disability Employment Compliance Regulation under Law No. 8 of 2016. It should define covered employers and positions, prescribe annual digital reporting, authorize data verification by labour inspectors and ULDs, create corrective orders and graduated administrative consequences, operationalize Article 54 incentives, and establish a transparent

accommodation-support fund.[33]

Conclusion

Indonesia has moved beyond a charity-based approach by recognizing persons with disabilities as rights holders and imposing mandatory employment quotas. The legal framework also contains recruitment adjustments, equal-pay rules, accommodation duties, employer grievance mechanisms, administrative sanctions, and criminal protection against obstruction. The central weakness is therefore not a complete absence of law. It is the fragmentation of quota obligations, incentives, sanctions, reporting, inspection, and employment services.

The Philippines demonstrates how tax policy can facilitate private hiring, but its private-sector quota remains non-binding. Germany demonstrates the regulatory value of mandatory reporting, a tiered compensatory levy, institutional support, and transparent statistics. German experience also confirms that enforceability alone does not erase disability employment gaps. Quotas must operate alongside accommodation, accessible recruitment, vocational support, equal pay, career development, and anti-discrimination enforcement.

Indonesia should adopt an enforceable-inclusion model. Reform should establish annual employer reporting, integrated ULD and labour-inspection data, graduated corrective measures, operational tax or non-tax incentives, and a ring-fenced fund for accommodation and employment support. The system should evaluate job quality and retention, not only numerical placement. Such a design would convert Article 53 from an isolated quota into a credible pathway toward open, formal, and decent employment.

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