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Title:
Productivity, Pandemics and the “Care Economy”: How Disabled People Became the Scapegoats for a Global Slowdown

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Abstract

Commentators are increasingly blaming Australia’s productivity slump, wage stagnation and inflation on the National Disability Insurance Scheme (NDIS), autistic children’s therapies, and the growth of the “care economy”. A recent example is Kehoe (2025) in *The Australian Financial Review*, which juxtaposes a falling labour-productivity line with a rising NDIS-spending bar chart to imply causation, and claims there is “no evidence” that therapies help children or that the NDIS improves outcomes.

This paper commits the radical act of reading actual productivity data. Drawing on Australian Bureau of Statistics (ABS), Treasury, Productivity Commission, OECD and peer-reviewed research, we show:

1. Australia’s productivity slowdown **predates the NDIS by about a decade** and mirrors a **global** slowdown affecting advanced economies with and without disability schemes.

2. COVID-19 produced a **one-off productivity shock** (TFP down up to 5–6% in 2020–21) in line with international evidence, especially in in-person service sectors.

3. Official bodies attribute weak productivity mainly to **structural factors**: low business investment, slower technological diffusion, reduced competition and reform fatigue – not disabled children.

4. The quality of evidence for specific therapies is mixed and uneven, but there **is** peer-reviewed evidence of benefits for some developmental and behavioural interventions, and NDIA outcomes data show many families report improved development and functioning over time.

We conclude that blaming autistic kids’ OT sessions for a decades-long, global productivity slowdown and a once-in-a-century pandemic shock is methodologically unsound and ethically grotesque, but very convenient for anyone who doesn’t want to talk about capital, policy or power.

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1. Introduction: When in Doubt, Blame the Disabled

Recent commentary has discovered an elegant solution to a messy macroeconomic puzzle:

- world-wide productivity slowdown since the mid-2000s
- a pandemic that smashed supply chains and in-person sectors
- chronic under-investment in infrastructure, R&D and skills

Solution: obviously it's the NDIS. Particularly autistic children.

Kehoe's 2025 AFR piece is a good specimen. It argues that:

- there is "no evidence" NDIS therapies help kids thrive,
- the "care economy" is full of "fact-free" low-value services,
- NDIS and childcare subsidies are fuelling inflation and weak productivity,
- New Zealand "did not introduce an NDIS" and "has not suffered the same productivity dive".

To drive the point home, the AFR runs a graphic :

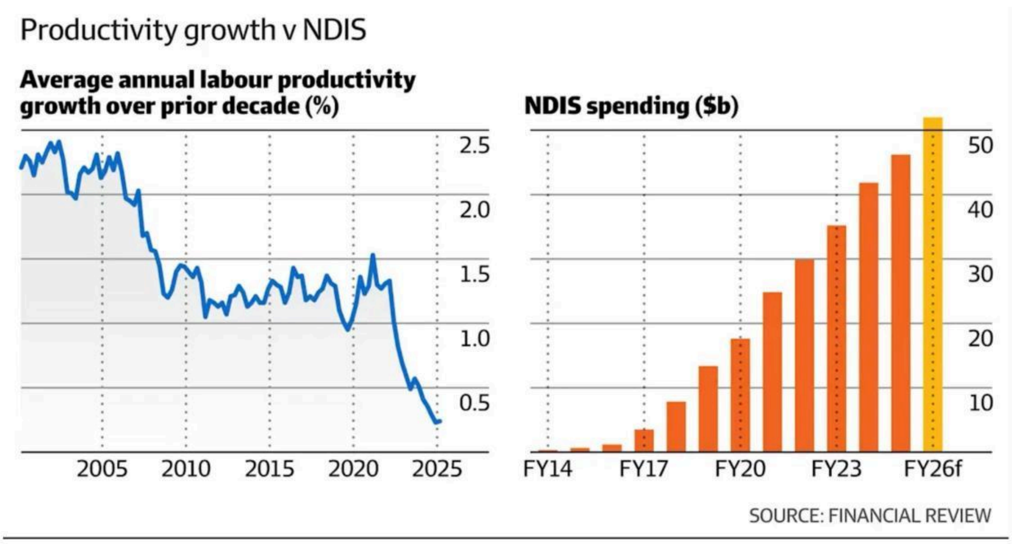

Figure 1. The Blame Graph™: Kehoe & AFR's Illustration of How to Imply Causation Between Unrelated Trends (Productivity Decline vs NDIS Growth).

No causal analysis. Just vibes: **“Productivity growth v NDIS”** – as if autistic kids are personally dragging GDP per hour worked down the stairs.

This paper asks a boring, deeply unfashionable question:

> Does any of this actually line up with the data?

Spoiler: no. But let’s pretend we’re serious economists for a moment.

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2. Background: What the Official Data Actually Say

2.1 Australia’s productivity trend – long slump, early start

According to the RBA and Productivity Commission:

- From the **early 1990s to mid‑2000s**, labour-productivity growth averaged about **2.1% per year**, helped by micro‑economic reforms and rapid tech uptake.
- After around **2004**, growth dropped into a lower regime. Multiple reviews describe a clear **step‑down in productivity growth well before 2010**.
- Treasury and the Parliamentary Library both note that **2010–20 was Australia’s weakest productivity decade in about 60 years**.
- ABS now estimates that the **20‑year average labour‑productivity growth** rate has slowed to **0.8%** as of 2023‑24.

The NDIS:

- was legislated in 2013,
- trial sites began mid‑2013,
- national rollout was staged from 2016 and only recently reached maturity.

So the basic chronology is:

- Productivity falls off its 1990s perch **~2004**.
- Worst decade in 60 years **2010–20**.
- NDIS appears **mid‑2010s** as a rounding error in the federal budget.

If this were a lab experiment, we would say:

> The patient's symptoms pre-date the medication by ten years. Possibly the pill is not the cause.

2.2 Global slowdown: everyone's doing it, NDIS or not

The OECD and multiple cross-country studies have documented a **global productivity slowdown** since the mid-2000s:

- an international "productivity puzzle" across at least **25 advanced economies**, not just Australia;
- OECD's 2024 Compendium shows trend labour-productivity growth weakening across most members over the last 15–20 years.

New Zealand – held up in Kehoe's article as the control group that "didn't introduce an NDIS" – has its **own long-run productivity underperformance** and endless official soul-searching about why it can't catch up to OECD peers.

So whatever is happening here, it's happening **everywhere** – including in countries where the phrase "National Disability Insurance Scheme" would get you blank stares.

2.3 COVID-19: you know, the global catastrophe in the room

A substantial productivity hit from COVID has been quantified in several studies:

- Bloom et al. find **total factor productivity (TFP) fell by up to 5–6% in 2020–21**, with the biggest impacts in sectors requiring in-person contact.
- The RBA's own bulletin notes that recent productivity outcomes are heavily distorted by the pandemic and policy responses such as JobKeeper, and warns not to over-interpret short-run data as structural collapse.

So when you see a line plunging in 2020–23, a wild theory suggests:

> Perhaps it has something to do with the once-in-a-century plague, not nine-year-olds getting OT.

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3. Methods: How to Not Blame Autistic Children for Everything

The "method" here is embarrassingly simple:

1. **Compare timelines** of productivity growth with the introduction of the NDIS.

2. **Compare countries**: Australia vs other OECD members, including New Zealand.

3. **Read** what official bodies list as *drivers* of the slowdown.

4. **Check** whether the evidence base for therapies and NDIS outcomes is really “zero”, as claimed.

In other words, I did the unthinkable:
I opened ABS, OECD and peer-reviewed PDFs **instead of screaming at autistic six-year-olds in the AFR opinion pages.**

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4. Results

4.1 Temporal mismatch: The productivity slump got there first

- Productivity growth stepped down **about a decade before** the NDIS existed.

- The Parliamentary Library, Treasury and Productivity Commission all describe a long-running slowdown independent of specific programs.

- NDIS outlays only become macro-relevant **late 2010s–2020s**, i.e., *after* the decade already labelled “worst productivity performance in 60 years”.

Conclusion: the pretty AFR chart is doing what I like to call **“PowerPoint epidemiology”** – lining up two unrelated time series and letting the viewer hallucinate causation.

4.2 Cross-country evidence: productivity is sad everywhere

- Broad panels show a structural slowdown in labour-productivity growth across almost all advanced economies since the mid-2000s.

- New Zealand, proudly NDIS-free, spends its time publishing OECD papers titled variants of **“why is our productivity so bad?”**

If the existence of the NDIS were the main driver, you’d expect:

- Australia: steep fall

- NDIS-less economies: stable or rising

In reality, you get:

- **everyone down**, for slightly different structural reasons, many pre-dating 2013.

4.3 Official explanations: lots of culprits, no autistic toddlers

The RBA, Productivity Commission and others list a familiar cast:

- **weaker business investment** after the GFC,
- **slower diffusion of digital technologies**,
- **reduced competition and business dynamism**,
- **global trade stagnation**,
- **policy-reform fatigue**,
- temporary distortions from **JobKeeper** and COVID containment. [4]

NDIS appears, at most, as one element of expanded **non-market output**, which is notoriously hard to measure and may *look* low-productivity even when it improves welfare.

Strangely, official documents do not list **"autistic children receiving too much speech therapy"** as the binding constraint on GDP per hour worked.

4.4 COVID-19 shock: care versus contagion

As Bloom et al. show for the UK (and similar economies), COVID cut TFP by up to 5–6%, driven mainly by:

- higher intermediate costs (PPE, distancing, logistics),
- lost output from lockdowns,
- sector-specific shutdowns in hospitality, retail, travel, etc.

Australia's productivity data around 2020–22 move in ways entirely consistent with this: volatile, sector-specific, pandemic-shaped.

Yet somehow, when the dust settles, the villain of the story becomes **NDIS spending**, not the virus, not supply-chain chaos, not a decade of under-investment.

4.5 Evidence for therapies and NDIS outcomes: far from perfect, not remotely "zero"

The AFR column claims there is **no evidence** NDIS-funded therapies improve outcomes. That is… bold.

What the literature actually says:

- Meta-analyses find **positive effects** for some early behavioural and developmental interventions on social communication and adaptive skills, while emphasising variable quality and the need for better monitoring of harms.

- Reviews of early-intervention strategies highlight benefits of speech therapy, occupational therapy and parent-mediated programs, again with caveats about heterogeneity and study quality.

- NDIA's own longitudinal outcomes reports show substantial proportions of families reporting that the NDIS has helped children's development and access to specialist services, with improvements increasing the longer they are in the Scheme.

Is this evidence base messy, incomplete and sometimes over-hyped? Absolutely.
Is it **"non-existent"**? No. That claim is political, not empirical.

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5. Discussion: The Anatomy of a Scapegoat

5.1 How to frame a care program as a productivity crisis

The narrative works like this:

1. **Take a real problem**: sluggish productivity, flat real wages, rising inequality.

2. **Ignore** structural culprits that annoy powerful people (capital deepening, market power, tax settings, housing, under-investment).

3. **Find a vulnerable, visible program** with big numbers – NDIS, childcare, aged care.

4. Draw a **juicy graph**: falling productivity on the left, rising care spending on the right.

5. Add words like "infinite money", "fact-free therapies", "rent seekers", "low-value government services".

Congratulations: you've turned a 20-year global macro trend into the moral failing of a six-year-old autistic boy getting OT in Penrith.

5.2 Why disabled people are such convenient targets

Austerity politics loves three things:

- people who **can't easily answer back**,

- sectors whose benefits are **hard to quantify**,

- and policies that were sold – unwisely – as magic economic growth machines.

The NDIS was sold partly on the promise that it would **free up carers to work more**, boosting labour supply. When that turned out to be more complicated – because coordinating supports is work, and some disabilities genuinely require more care – the same people who over-sold it now cry “failed productivity experiment”.

Instead of admitting “we mis-modelled the labour-supply effects and under-invested in service capacity”, it’s much easier to say:

> “The therapies are useless, the carers are wasting time, the kids are over-serviced, the whole thing is dragging the economy down.”

Disabled people move seamlessly from **moral deservingness props** in glossy launch speeches to **budgetary threats** when the bill arrives.

5.3 Measurement games: when “unproductive” really means “hard to measure”

Health, education and disability supports all share a fun statistical feature:

- You can count **inputs** (dollars, staff hours) easily.
- Measuring **outputs** and **quality** is hard and contested.

As OECD and others have noted, this means non-market sectors often **look** low-productivity even when they’re delivering large welfare gains, because all the “extra effort” shows up on the input side.

So when we pour money into:

- keeping people alive,
- enabling participation,
- supporting carers,

the productivity ledger records it as: “lots of extra hours, not much measured output”. Then columnists translate that into: “wasteful, unproductive, dragging down the economy.”

Apparently if you rebuild a bridge, that’s investment;
if you rebuild a life, that’s fiscal vandalism.

5.4 COVID fallout: from public health failure to autistic child’s fault in three easy steps

The productivity shock from COVID is well-documented: reduced within-firm efficiency, supply disruption, extra costs, lower capital utilisation.

But unlike:

- systemic under-preparedness,
- slow vaccine rollout,
- and policy choices that privileged asset prices over public health,

disabled people can't sack you, fund your opponent, or move their investment portfolio.

So the narrative becomes:

- "Yes, yes, global pandemic, but have you noticed how much an OT session costs?"

It's not that care spending has *no* macro effects – obviously it does. It's that we have taken a historically unequal shock and a decades-long structural trend and **hung them around the necks of autistic kids and their mothers**.

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6. Conclusion: What the Data Say vs What the Politics Need

The data say:

- Australia's productivity slowdown is **real**, **serious**, and **decades in the making**.
- It started long before the NDIS existed and mirrors a **global** pattern.
- COVID delivered a further **one-off productivity shock** that would have hurt with or without disability supports.
- The evidence base for therapies and disability supports is uneven and needs tightening, but it is not the **evidence-free wasteland** some commentary suggests.

The politics need:

- a neat story where **"fact-free care"** explains everything from wage stagnation to housing stress;
- a way to cut or contain NDIS spending without saying "we just don't want to pay for disabled people to live decent lives";
- and, ideally, a human face to blame – autistic children are handy, because they can't write op-eds back.

So we get graphs that line up two unrelated trends and call it science, columns that treat autistic kids as a macroeconomic contaminant, and endless think-pieces about “low-value government services” while companies sit on record profits.

If we really cared about productivity *and* justice, we’d be talking about:

- capital deepening, R&D and infrastructure,
- competition policy, housing and planning reform,
- making care work **more effective and better paid**, not less,
- and, wild idea, including disabled people in the definition of “economic outcomes” at all.

Instead, we are trapped in a discourse where entire sectors of disabled lives are rebranded as a **productivity leak**.