

## Disability and Health Problems as Barriers to Employment in Spain

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### INTRODUCTION

The labour inclusion of people with disabilities is one of the objectives of labour and social policies. Indeed, this group is perceived increasingly less as a group of people with physical and social limitations and more as people with goals and challenges that can be overcome with appropriate social and institutional support (Livermore et al., 2000).

However, advances in this field are insufficient, according to data available from the Spanish Statistical Office. As an example, the employment rate of people with disabilities in 2016 was 25.1%, which is a 2.5-point increase since 2014; this rate is still 40 points below the employment rate of people without disabilities.

Despite such limited progress, the number of studies on the relationship between disability and economic activity in Spain is scarce, and these studies have some limitations. Many are simply descriptive analyses. Other conditional analyses mainly examine labour participation, without distinguishing between the heterogeneous groups that coexist within each of these two situations: participation (e.g., self-employed, paid employees, unemployed) and nonparticipation (e.g., student, home workers, early retired individuals). Finally, most of them are based on relatively obsolete data.



## OBJECTIVES

This study aims to explore the role of different types of limitations, diseases and health problems on both the probability of working and the probability of belonging to different groups (entrepreneurs, civil servants, other paid employees, unemployed, inactive individuals — home workers, early retired individuals — and students).

## METHODS

### *Data and sample*

We use microdata drawn from the 2014 European Health Interview Survey (EHIS) for Spain. The survey measures, on a harmonized basis and with a high degree of comparability, the health status, lifestyle (health determinants) and health care services use of EU citizens among EU Member States. The final dataset includes 15,003 individuals.

### *Dependent variables*

The following 2 indicators are used as our dependent variables in 2 different empirical models:

- I. *Having a job* (0-1): Binary discrete variable that equals 1 for individuals who are entrepreneurs, civil servants and other paid employees. The variable equals 0 for individuals who are unemployed, inactive — home workers, early retired individuals — and students.
- II. *Main activity* (1-6): Non-ordered discrete variable that equals 1 for entrepreneurs, 2 for civil servants, 3 for other paid employees, 4 for unemployed individuals, 5 for inactive individuals — home workers, early retired individuals — and 6 for students.

### *Independent variables*

The following set of 6 dummies is used as our main predictors or covariates:

- a. Physical limitation in daily activities during the last 6 months
- b. Mental limitation — or physical and mental limitation — in daily activities during the last 6 months
- c. Severe physical disease or health problem in the last 12 months (e.g., myocardial infarction, cerebral ictus)
- d. Intermediate or mild physical disease or health problem in the last 12 months (e.g., hypertension, cholesterol, asthma)
- e. Mental disease or health problem in the last 12 months (e.g., depression, anxiety)
- f. Physical and mentally healthy individual (*reference category*)

In coherence with the argument by Malo (2007) about the requirements to be met by variables capturing disability and health, our indicators associated with limitations (indicators *a*, *b*) do refer to limitations in daily activities and not explicitly to work limitations. Similarly, our indicators about health (indicators *c*, *d*, *e*, *f*) are not a self-assessment of health as a whole, but instead are associated with specific diseases and health problems.



Some control variables are also used, such as respondents' gender, age, civil state, children, educational attainment, country of birth (i.e., Spain or not), town size, region of residence and health insurance type.

#### *Estimation methods*

When our dependent variable is *Having a job* (0-1), we use binary discrete choice models (binary logit). When our dependent variable is *Main activity* (1-6), the analysis is conducted using non-ordered discrete choice models (multinomial logit).

## **RESULTS**

Our first specification shows as physical limitations (indicator *a*) decrease the probability of having a job by 10.8%, whereas mental limitations (indicator *b*) decrease this probability by 30.4%. Similarly, severe physical diseases or health problems (indicator *c*) decrease the chances of having a job by 4.4%, whereas mental diseases or health problems (indicator *e*) decrease these chances by 17.6%.

Our second specification allows distinguishing among different groups. We first observe how the likelihood of being an entrepreneur decreases by 17.6% for persons with a physical limitation (indicator *a*) whereas this likelihood decreases by 36.9% for persons with a mental limitation (indicator *b*). Regarding diseases or health problems, the chances of being an entrepreneur decrease by 22.7% when these are both physical and severe (indicator *c*).

The probability of being a civil servant is not affected by either physical or mental limitations (indicators *a*, *b*). The same is true for physical diseases or health problems (indicators *c*, *d*). Mental diseases and health problems reduce the likelihood of being a civil servant by 24.3%. Hence, working in the public sector is demonstrated to be an appropriate labour option for people with disabilities and health problems.

In contrast, the chances of having a job as paid employee in the private sector is affected negatively by both physical and mental limitations (indicators *a*, *b*). Thus, these chances decrease by 10.7% for persons with physical limitations (indicator *a*) and by 33% for persons with mental limitations (indicator *b*).

We also observe how the likelihood of being unemployed increases by 25% for persons with a physical limitation (indicator *a*) whereas this likelihood increases by 56.3% for persons with a mental limitation (indicator *b*). Regarding persons with mental diseases or health problems (indicator *c*), their likelihood of being unemployed increases by 53.5%.

The probability of being inactive, either as a home worker or early retired individuals, also increases for persons with limitations (indicators *a*, *b*). In particular, this probability increases by 14% for persons with physical limitations (indicator *a*) and by 42.8% for persons with mental limitations (indicator *b*).



Finally, the chance of being a student is only affected by mental limitations (indicator *b*). In particular, mental limitations increase this likelihood by 37.5%.

## **DISCUSSION/CONCLUSIONS**

In the light of the evidence provided in this work, the group of people with limitations, diseases or health problems cannot be considered as a homogeneous group. Thus, although physical limitations are observed as reducing the probability of having a job, the effect is stronger for persons with mental limitations. These results stress the need to reinforce both employment and social policies aimed to protect these groups with the highest risk of exclusion.

As one of its main contributions, this work identifies the relationship between different types of limitations, diseases and health problems, and the probability of belonging to different groups, such as entrepreneurs, civil servants, other paid employees, unemployed, inactive individuals and students. In this sense, we observe that the chance of having a job in the private sector as either an entrepreneur or a paid employee is affected negatively by both physical and mental limitations, whereas the probability of being a civil servant is not affected by either of these limitations. Hence, it is hence fair to recognize the role public sector plays regarding the labour inclusion of people with disabilities in Spain.

Concerning other groups where the individual does not have a job, i.e., unemployed, inactive individuals and students, these activities are more likely for persons with either physical or mental limitations. These results are not only consistent with the high unemployment rates for this group, which emerge as a result of a labour demand shortage, but also with their low activity rates, which is caused by a labour supply shortage. Therefore, it seems necessary to reinforce both demand and supply policies to promote the labour inclusion of this vulnerable group. Hence, policies aimed at making transitions from unemployment to employment more likely for people with disabilities should be used in tandem with other measures aimed to promote their transitions from inactivity to labour participation.

