Employment Outcomes, Constraints and Interventions in Developing Countries

Sophie Mitra, Fordham University
Objectives

• Review selected employment outcomes for persons with disabilities (PWDs) in developing countries;
• Review available evidence on labor market’s programs –mainstream and targeted- in developing countries;
• Propose a framework to guide disability and employment interventions.
Background
Disability and employment in developing countries

• So far a low priority issues for Governments in developing countries, donors, and international NGOs and researchers in development field.

The “We have other things to worry about” syndrome.

• Although the number of World Bank projects mentioning disability has increased between 2002 and 2007, it remained small at 52 in 2007 (Braithwaite et al 2008).

• Disability is usually nowhere to be found in popular or scholarly works on development and poverty eradication (e.g. Collier 2007). When it is mentioned, it is often done using a charity model of disability (Diaz 2009).
Background (Cont.) : Why encourage the employment of PWDs in developing countries?

- Prevalence may be higher in developing countries. (WHO-World Bank 2011; Mitra and Sambamoorthi 2012).
- A large majority of PWDs live in developing countries (Mitra 2012) and they are a growing group.
- It is good for economic development. Leaving PWDs outside the economy is a waste of human resources: an estimated 5-6% GDP foregone (Metts 2004).
- It is good for poverty reduction.
- Important from a human rights and social development point of view.
1. A Situational Analysis of Employment in Developing Countries

Let’s compare the employment rate of PWDs compared to that of persons without disabilities (PWoDs)

- For about 40 developing countries together (WHO-World Bank 2011).
  Males: 58.6% for PWDs vs 71.2% PWoDs for males
  Females: 20.1% vs 31.5% for females.

- At the country level, almost all studies show that persons with disabilities are less likely to be employed:
  Namibia, Zambia, Mozambique (Eide et al 2003 2006 2009);
  India (World Bank 2009); Loeb and Eide (2004) (Malawi);
  Afganhistan (Trani and Loeb 2010);
  Exception: in Zimbabwe, Eide et al. (2003a)
A study using the World Health Survey shows that in 15 developing countries, people with disabilities have lower employment rates than persons without disabilities.

- in a majority of the 15 countries under study:
  in 12 countries for males,
  in 9 countries for females;

- in all countries, when focusing on persons with multiple disabilities.

(Mizunooya and Mitra 2012)
Employment ratio = Employment rate of PWDs / Employment rate of PWoDs

Source: Mizunoya and Mitra (2012)
Employment ratio = Employment rate of PWDs / Employment rate of PWoDs

Source: Mizunoya and Mitra (2012)
Variation by disability type

• There is variation across disability types, and health conditions.
• e.g. persons with schizophrenia in developing countries (Warner 2004; Naheed et al 2012)
Other employment outcomes:

**Wages**
- Large literature on the disability wage in developed countries
- Studies in developing countries are rare, the few studies available have mixed results.

**Type of employment**
- A large majority of PWDs and PWoDs in developing countries are employed in the informal sector.
- The evidence on the higher propensity of PWDs to be in the informal sector compared to PWoDs is mixed across developing countries.
<table>
<thead>
<tr>
<th></th>
<th>Rural With disability</th>
<th>Rural Without disability</th>
<th>Urban With disability</th>
<th>Urban Without disability</th>
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<td><strong>Sub-Saharan Africa</strong></td>
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<td>Burkina Faso</td>
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<td>Ghana</td>
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<td>Kenya</td>
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<td>Malawi</td>
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<td>80</td>
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<td>Mauritius</td>
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<td>Zambia</td>
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<td><strong>Asia</strong></td>
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<td>Bangladesh</td>
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<td>Lao</td>
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<td>Pakistan</td>
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<td>Philippines</td>
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<td><strong>Latin America and the Caribbean</strong></td>
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<td>Brazil</td>
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<td>Dominican Republic</td>
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<td>Mexico</td>
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<td>Paraguay</td>
<td>82</td>
<td>71</td>
<td>57</td>
<td>38</td>
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Source: Mitra, Posarac and Vick (2011)
Concluding remarks on situational analysis:

- Employment outcomes, especially employment rates, are worse for PWDs in most developing countries.
- There is a great degree of heterogeneity across countries in the employment of persons with disabilities relative to persons without disabilities.
- Policies to improve the employment of persons with disabilities cannot be one-size-fits-all and need to address different types of challenges.
2. Constraints to Employment for PWDs in developing countries

Constraints outside the labor market
- Limited access to education
- Environmental barriers

Labor market constraints
- Limited access to the workplace
- Skills constraints
- Lack of labor demand
- Lack of labor supply
- Job search constraints
- Firm start up constraint
3. Addressing the Labor Market Constraints to Employment for PWDs in developing countries

Interventions on Workplace Accessability

Interventions to address Skills constraints
• Basic Skills training
• Traditional Institution based Training (Example: India)
• Comprehensive training programs
• Peer training
• Community based vocational rehabilitation
• Information sharing on returns to technical specialties

Interventions to address the Lack of Labor Demand
• Job-creation programs
• Employer discrimination
Interventions to address the Lack of Labor Supply
• Awareness campaigns.
• Empowerment programs.

Interventions to address Job Search Constraints
• Employment services
• Technology-based information sharing on job openings.

Interventions to address Firm Start up Constraints
• Comprehensive entrepreneurship programs (Cunnigham et al 2010)
• Microfinance.

Tailored Interventions to address multiple Constraints to Employment
• Supported employment (Parmenter (2011)
• Community based rehabilitation (review by Sharma (2007))
## Constraints to Employment and Possible Interventions

<table>
<thead>
<tr>
<th>Constraint in the Labor Market</th>
<th>Possible Intervention</th>
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<tbody>
<tr>
<td>Lack of access to the workplace</td>
<td>Evidence based intervention</td>
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<tr>
<td>Skills constraint</td>
<td>Second chance programs</td>
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<tr>
<td>Insufficient basic skills</td>
<td>Comprehensive training programs</td>
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<td>Insufficient or mismatch in technical skills</td>
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<tr>
<td>Type of job - type of disability mismatch</td>
<td>Information on returns to technical specialties</td>
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<tr>
<td>Supported employment*</td>
<td>CBR</td>
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<tr>
<td>Lack of labor demand</td>
<td>Public service programs</td>
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<td>Slow job growth economy</td>
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<td>Employer discrimination</td>
<td>Affirmative action programs*</td>
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<td></td>
<td>Supported employment*</td>
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<tr>
<td>Lack of labor supply</td>
<td>Awareness campaigns</td>
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<tr>
<td>Negative attitudes in the household or low self expectations among PWDs</td>
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<tr>
<td>Job search constraints</td>
<td>Employment services*</td>
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<tr>
<td>Job matching</td>
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<tr>
<td>Firm start up constraint</td>
<td>Comprehensive entrepreneurship programs</td>
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<td>Lack of access to financial or social capital</td>
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</table>
4. Draft framework to guide disability and employment interventions

Step 1: A situational analysis on disability and employment in order to identify the labor market outcomes in need of improvement (e.g., employment rate, wage, type of employment)

Step 2: Identification of the constraints faced by PWDs with respect to particular outcome chosen in step 1 (see table 6 on employment constraints)

Step 3: Selection of a set of interventions to overcome the identified constraints

Step 4: Selection of a subset of interventions and adjustment of their design to the needs of PWDs and the institutional and administrative capacity of the particular country and labor market

Step 5: Impact evaluation of the intervention for future improvement
4. Draft framework to guide disability and employment interventions (Cont.)

This framework needs to be further developed using a participatory approach that engages multiple stakeholders, including persons with disabilities, NGOs, including DPOs, employers, and Governments.
Thank you!

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