

Did the 2005 French Disabled workers Act increase the employment rate of people with disabilities? An econometric evaluation on panel data

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This paper presents the first evaluation of the 2005 French disability Law enabling to promote the employment of disabled people. We apply panel data methods, which accounts for individual and time fixed effects, to the SIP survey. They are equivalent to double and triple difference methods. In a first step, we estimate the effect of a disability on the employment rate. We find a strong negative effect of disabilities, which reaches its maximum for men and the oldest workers. However, we also find that the characteristics (age, gender, education) of disabled workers are different in pre-reform (1991-2004) and post-reform (2005-2010) periods. Therefore, we extend our model to control for the variation in the disabled workers characteristics, in order to isolate the causal effect of the reform on the employment rate of disabled workers. We find that the 2005 Law seems to meet its initial ambition, with a positive effect on the employment rate of the disabled workers. The reform would have compensated about one-half of the effect of the disabilities. We also find that the effect of the reform has been stronger for the workers with a secondary education, corresponding to the vocational training certificates.