The Geography of the Disability Employment Gap

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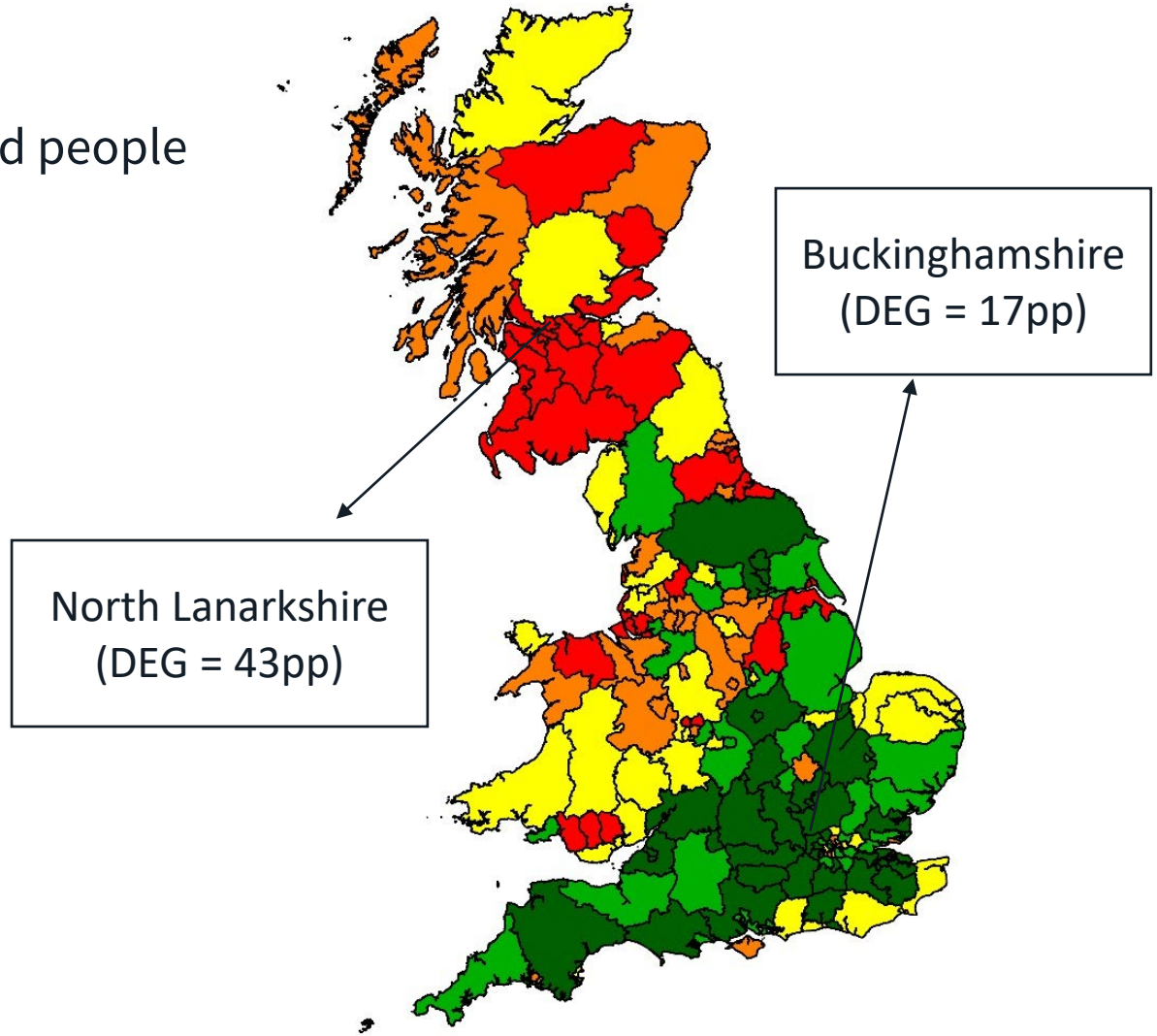
Disability Employment Gap (measured in percentage points - pp)

Disability Employment Gap (DEG) - difference between employment rates of disabled people and non-disabled people

- **31pp** in GB (2014-2019)
- **Large differences across areas**



UK is one of the most spatially unequal countries in the developed world

- some cities and regions are thriving economically
- others are becoming increasingly ‘left behind’

“local government”

1) Do spatial inequalities disproportionately affect disabled people in terms of inequality of employment outcomes?

2) How much can ‘levelling up’ be expected to reduce geographic differences in the DEG?

Factors that explain the geographic variation in DEG are complex

We unpack the components that explain the spatial variation in the DEG.

- How much is due to **people effects** (differences in the characteristics of the population)?
- How much is due to **place effects** (differences in area level factors)?
- Any remaining (unexplained) variation?

We find:

- Both people and place effects matter
- Local labour markets explain much of the spatial variation
- Other place-based factors such as healthcare, social institutions and policies are less important

Difference from national DEG (2014-19) by ITL3 area

Data – part 1

Annual Population Survey (APS)

- 2014-2019
- Individuals aged 16 to 64
- Sample: 195,455 disabled & 791,401 non-disabled
- 166 International Territorial Level 3 (ITL3) areas in Great Britain (N. Ireland, Orkney and Shetland are excluded)

Disabled (Equality Act definition)

- = 1 if any health problems or illnesses lasting 12 months or more AND this reduces ability to carry out day-to-day activities
- = 0 otherwise

Employment definition

- = 1 if employed or self-employed
- = 0 if unemployed or inactive

Individual and household characteristics:

- highest qualification
- sex
- age
- marital status
- children
- family structure
- ethnicity
- employment status of partner
- housing tenure
- urban/rural flag

Data – part 2

- Area level characteristics merged from external sources
- Demand
  - Unemployment rate – average of years 2014 to 2019 (from NOMIS)
  - GVA per hour worked – average of years 2014 to 2019 (from ONS Subregional Productivity statistics)
  - Share of employment by industry sector – 2011 (from the Census)
  - Share of employment by occupation – 2011 (from the Census)
  - *Supplementary analysis: Area 'scores' for homeworking, flexible working and autonomy at work*
- Supply
  - Number of GPs per head – 2020 (from NHS Digital, StatsWales and Public Health Scotland)
  - Social Fabric Index – 2020 (from Onward)
  - *Supplementary analysis: Journey times by public transport*
- Policy
  - Number of employers signed up to the government's Disability Confident scheme per thousand enterprises – August 2018 (from DWP)
  - Universal Credit sanction rates – 2019-20 (from DWP)

Decomposition

For each area:

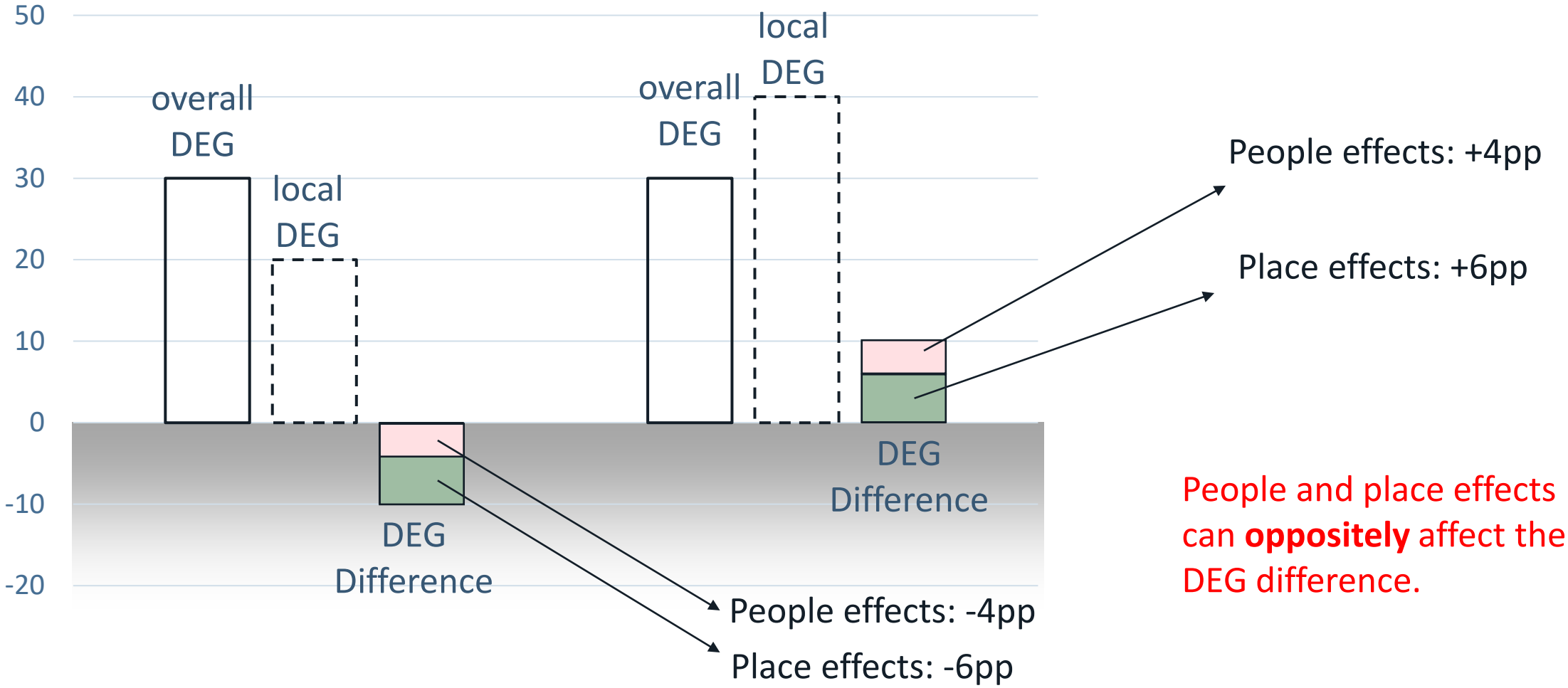
DEG difference = Local area DEG – overall DEG in GB

= Population characteristics (relative) + Population characteristics (absolute) + Area characteristics + Residual

People effects

Place effects

What exactly are we analysing and what are the possible outcomes?



People and place effects can **oppositely** affect the DEG difference.

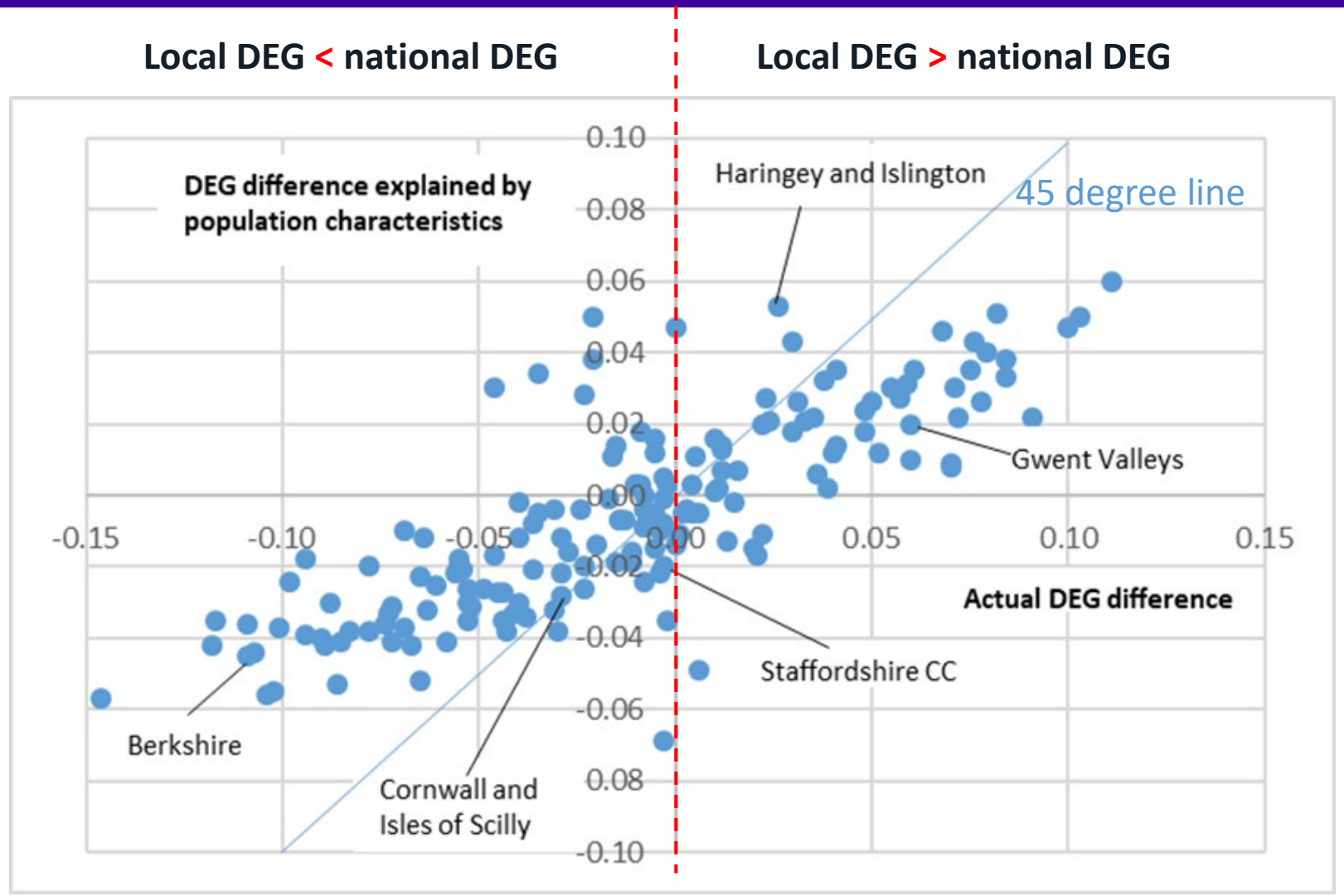
Results - relationship between actual DEG difference and the DEG difference explained by population characteristics

Points to the **left** of the 45 degree line represent areas in which the place effects contribute to **lowering the local DEG** relative to the overall DEG.

Points to the **right** of the 45 degree line represent areas in which the place effects contribute to **increasing the local DEG** relative to the overall DEG.

Berkshire has a lower DEG relative to overall DEG due to more favourable people effects AND more favourable place effects.

Staffordshire also has a lower DEG relative to overall DEG, but the place effects here are not favourable.



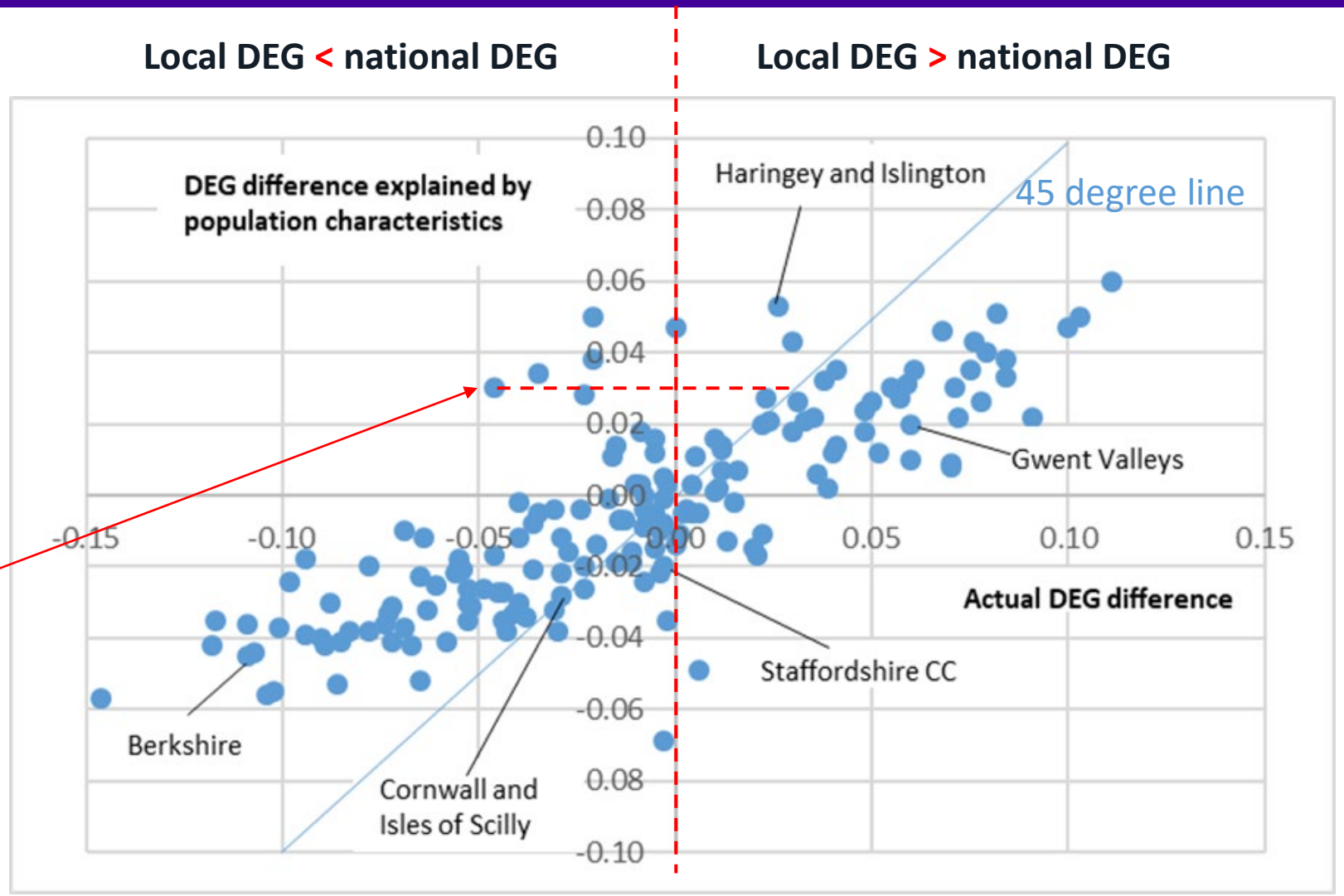
Results - relationship between actual DEG difference and the DEG difference explained by population characteristics

Most areas with a relatively lower DEG have favourable place effects (i.e. reducing the DEG difference).

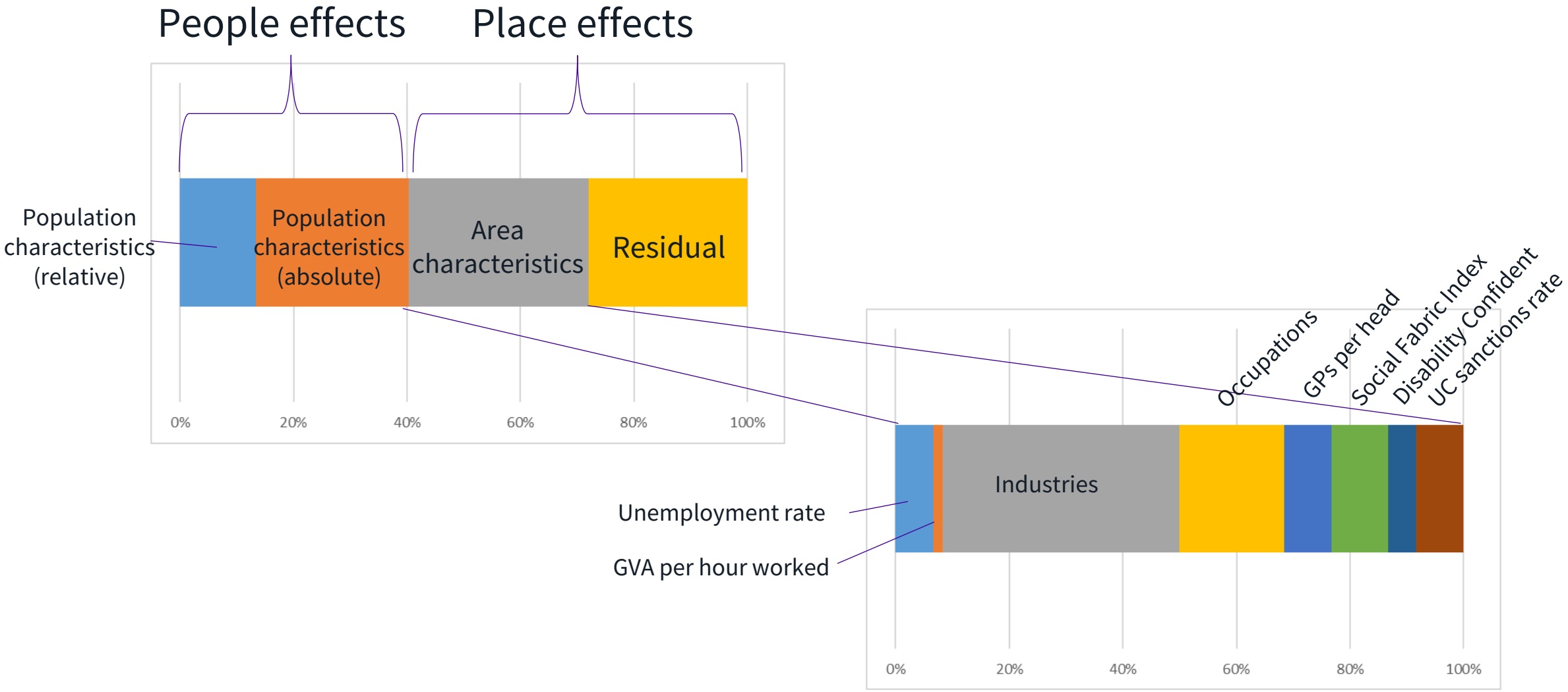
Most areas with a relatively higher DEG have unfavourable place effects (i.e. increasing the DEG difference).

Local DEG lower than overall DEG,

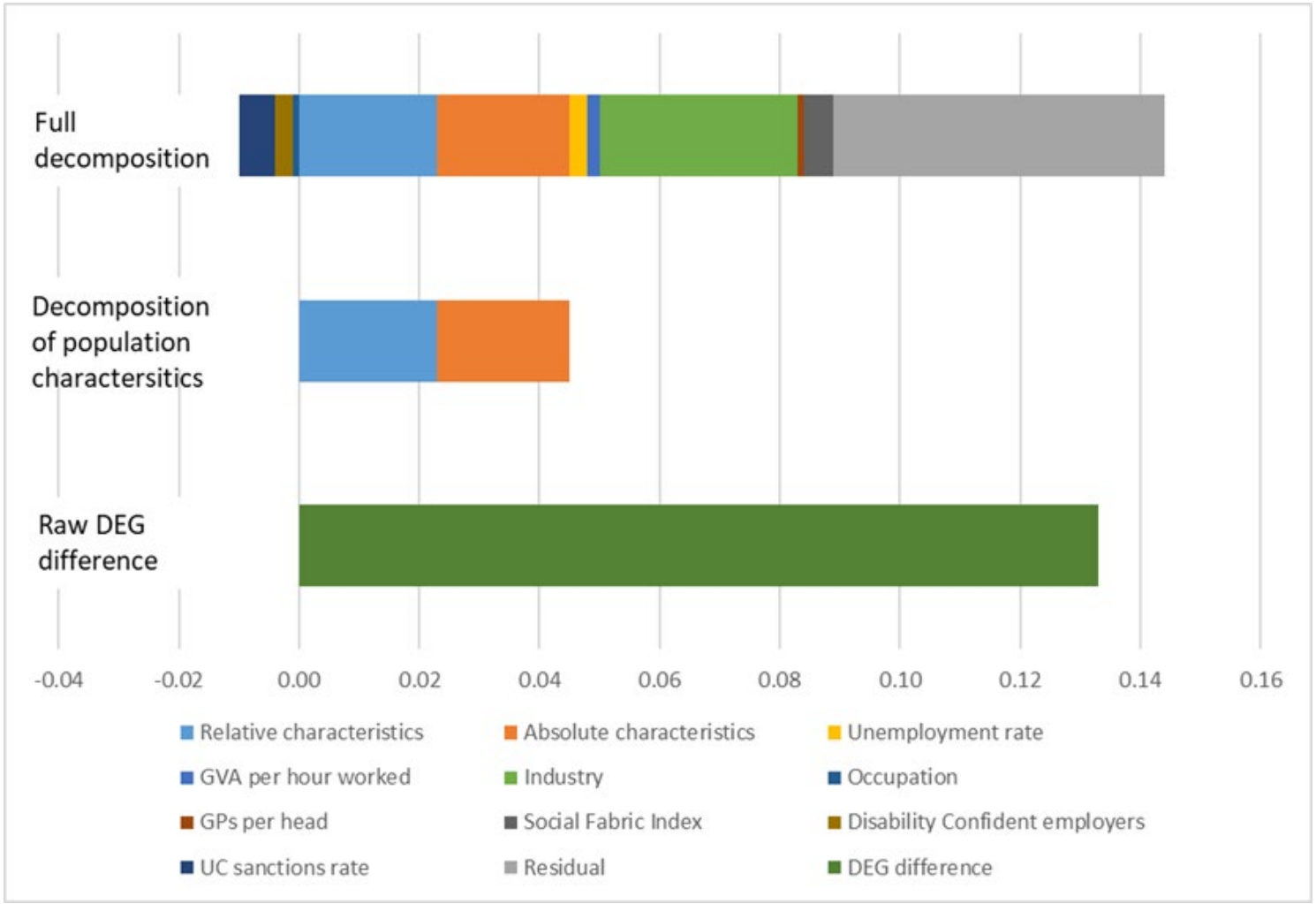
BUT would have been higher if it weren't for the place effects.



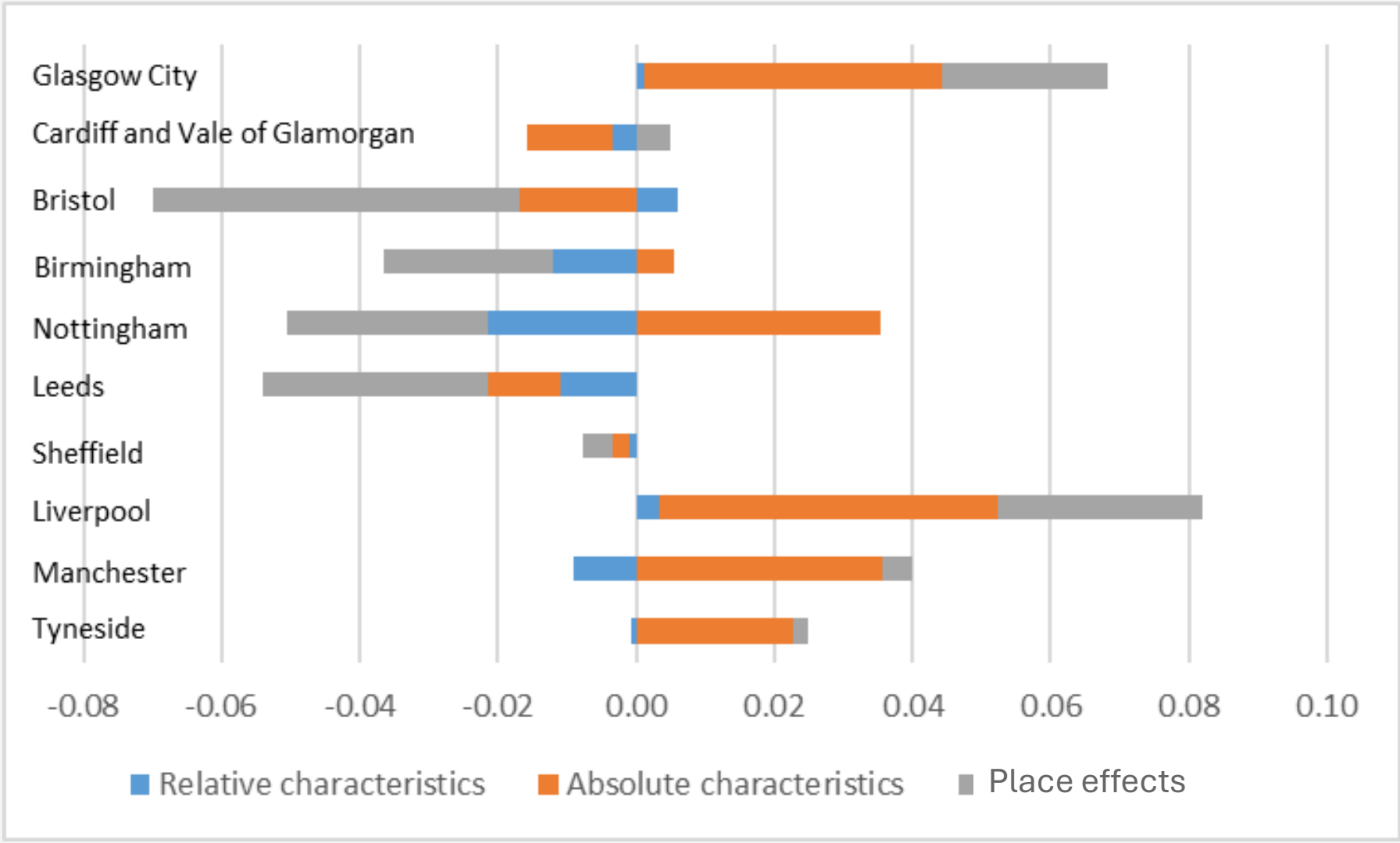
Results – overall decomposition



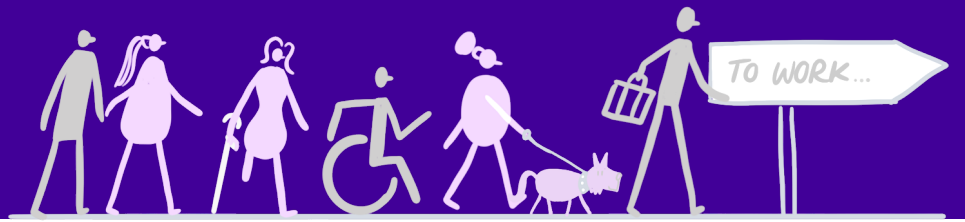
Results – Decomposition of DEG difference btwn. Blackpool and Southampton



Results – decomposition of DEG difference for cities



Conclusion



- Substantial variation in the DEG across Great Britain, not fully explained by demographic differences (people effects)
- Area level factors (place effects) explain some of this variation, in particular factors related to labour demand
- Suggests that the dual government priorities of levelling up and reducing the DEG may be highly symbiotic – efforts to achieve job creation in left behind areas (particularly in highly productive industries) may disproportionately improve the employment prospects of disabled people
- Perhaps this would be more effective than policies or schemes specifically aimed at promoting the employment of disabled people
- But levelling up is not a magic bullet – significant residuals remain in many areas

Unpacking the Disability Employment Gap

More information at:

bit.ly/sheff-DEG

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