

Discussion of: "Back to work: Employment effects of tighter Disability Insurance eligibility in the Netherlands"
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- Research aim: Estimate employment effects of tighter eligibility criteria for disability insurance (DI)
- Distinction between absolute and relative employment effects between DI outflow and re-employment
- Reform: More flexibility in the classification of employability for individuals with specific diseases, medical criteria unchanged
- Exogeneity: Reassessment criterion is age
- Evaluation Method: Triple differences
 - 1 prereform - postreform
 - 2 treatment - control to control for time trends
 - 3 young - old to control for age-specific trends

- Identifying Assumptions:
 - Common time trend between between treatment and control group
 - Common age-specific trends between corresponding age groups
- Heterogeneity:
 - over age groups
 - over registered medical condition for DI
- Results
 - Ratio of re-employment by DI outflow is lower than 1
 - Re-employment/DI outflow ratio constant over age groups
 - Absolute re-employment effect higher for younger groups
 - Lower re-employment/DI outflow ratio for individuals with musculoskeletal and mental disorders vs. cardiovascular disorders

- Good justification of method
- Thorough discussion of identification strategy and potential threats
- Thorough discussion of potential bias in estimates
- Interesting results regarding heterogeneity over medical conditions

Underlying reasons for the DI outflow re-employment gap

- ① Labour market frictions and discrimination
 - Your argument: narrowing of gap over time
 - What you could further do: use waves 2007-2009 for further post-trend analysis
- ② Increase in type II error
 - To support this argument better: If you assume that mental and musculoskeletal disorders are taken less serious than physically better to test disorders ...
 - ... you can use this result: larger gap for mental and musculoskeletal disorders vs. cardiovascular disorders
- ③ Individuals with rejected DI might have lower working preferences
 - You use the medical results here to support this argument
 - Ethical issue to argue that individuals with low preferences for work pretend mental disorder to receive DI due to social stigma effects

- Use definition for degree of disability to further discuss your channel of labour market frictions:
 - Qualification for relatively better paying jobs leads to a lower degree of disability. What if re-employment is harder on better paying levels?
 - Degree of disability increases with increasing gap between last income and best income. More likely to lose DI if less fit for the job if income reflects productivity
- Show descriptive statistics on job quality of the re-employed in terms of part-time/full-time, duration and salary to support your frictions argument
- Why spend so much time dealing with bias due to using yearly data vs. monthly data if this is not supporting your main point?
- Why change the time of the reform when switching from yearly to monthly data?

Thank you!