



# Fat chance! Obesity and the transition from unemployment to employment

Marco Caliendo<sup>a,b,1</sup>, Wang-Sheng Lee<sup>c,b,\*</sup>

<sup>a</sup> University of Potsdam, Germany

<sup>b</sup> IZA, Bonn, Germany

<sup>c</sup> RMIT University, Australia

## ARTICLE INFO

### Article history:

Received 31 May 2011

Received in revised form 2 December 2011

Accepted 8 February 2012

Available online 16 February 2012

### JEL classification:

I10

I12

J23

J70

### Keywords:

Obesity

Discrimination

Employment

Labor demand

## ABSTRACT

This paper focuses on estimating the magnitude of any potential weight discrimination by examining whether obese job applicants in Germany get treated or behave differently from non-obese applicants. Based on two waves of rich survey data from the IZA Evaluation dataset, which includes measures that control for education, demographic characteristics, labor market history, psychological factors and health, we estimate differences in job search behavior and labor market outcomes between obese/overweight and normal weight individuals. Unlike other observational studies which are generally based on obese and non-obese individuals who might already be at different points in the job ladder (e.g., household surveys), in our data, individuals are newly unemployed and all start from the same point. The only subgroup we find in our data experiencing any possible form of negative labor market outcomes is obese women. Despite making more job applications and engaging more in job training programs, we find some indications that they experienced worse (or at best similar) employment outcomes than normal weight women. Obese women who found a job also had significantly lower wages than normal weight women.

© 2012 Elsevier B.V. All rights reserved.

## 1. Introduction

Obesity has recently emerged as a prevalent problem in many developed countries. For example, between the periods 1976–1980 and 1999–2000, the prevalence of overweight (BMI  $\geq 25$ ) persons in the US increased from 46% to 65%, and the prevalence of obesity (BMI  $\geq 30$ ) increased from 15% to 31% (Flegal et al., 2002).<sup>2</sup> By 2007–2008, the prevalence of obesity had further increased to

32.2% among adult men and 35.5% among adult women (Flegal et al., 2010). Similarly in Europe, the prevalence of obesity in men ranged from 4.0% to 28.3% and in women from 6.2% to 36.5% during the period 1980–2005. Eastern Europe and the Mediterranean countries showed higher prevalences of obesity than countries in Western and Northern Europe (Berghöfer et al., 2008). According to the 1997/98 German National Health Survey, 18.8% and 21.7% of men and women, respectively, were obese (see Table 1 of Berghöfer et al., 2008). The alarming rise of obesity over the years has led to the practice of a new form of discrimination that has received relatively little attention in the economics literature—weight discrimination.<sup>3</sup>

\* Corresponding author at: RMIT University, Level 12, School of Economics, Finance and Marketing, 239 Bourke Street, Victoria 3000, Australia. Tel.: +61 3 99255861.

E-mail addresses: [caliendo@uni-potsdam.de](mailto:caliendo@uni-potsdam.de) (M. Caliendo), [wangsheng.lee@rmit.edu.au](mailto:wangsheng.lee@rmit.edu.au) (W.-S. Lee).

<sup>1</sup> University of Potsdam, August-Bebel-Str. 89, 14482 Potsdam, Germany.

<sup>2</sup> Body mass index (BMI) is the ratio of weight measured in kilograms, to squared height measured in meters.

<sup>3</sup> The term 'weight discrimination' is one we borrow from researchers in the field of obesity (see e.g., Puhl and Brownell, 2001) and not one we newly introduce.

Researchers estimate that at present, weight discrimination is comparable to rates of race and age discrimination, especially among women. In 1995–1996, weight discrimination was reported by 7% of US adults. In 2004–2006, that percentage rose to 12% of adults (Andreyeva et al., 2008). Puhl and Brownell (2001) published the first comprehensive review of several decades of research documenting bias and stigma toward overweight and obese persons. Their review summarized weight stigma in domains of employment, health care, and education, demonstrating the vulnerability of obese persons to many forms of unfair treatment. It highlighted that weight discrimination is rampant in the workplace, health care and education arenas. Based on data from the National Survey of Midlife Development in the US, a nationally representative sample of adults aged 25–74 years, Roehling et al. (2007) found that overweight respondents were 12 times more likely, obese respondents were 37 times more likely, and severely obese respondents were 100 times more likely than normal weight respondents to report employment discrimination. In addition, women were 16 times more likely to report weight-related employment discrimination than men. A meta-analysis of 32 experimental studies which investigated weight discrimination in employment settings was recently conducted by Roehling et al. (2008). Typically, such experimental studies ask participants to evaluate a fictional applicant's qualifications for a job, where his or her weight has been manipulated (through written vignettes, videos, photographs or computer morphing). Outcome variables examined in these studies included hiring recommendations, qualification/suitability ratings, disciplinary decisions, salary assignments, placement decisions, and co-worker ratings. Across studies, it was demonstrated that overweight job applicants and employees were evaluated more negatively and had more negative employment outcomes compared to non-overweight applicants and employees.

This paper focuses on examining whether newly unemployed and obese job applicants in Germany get treated or behave differently from non-obese applicants. Despite evidence that obese people experience discrimination, to date, with the exception of the state of Michigan in the US, which enacted a law in 1977 prohibiting discrimination against overweight people, there are no laws protecting overweight people from discrimination in employment, education, and health care. In Germany, the 2006 General Equal Treatment Act (*Allgemeines Gleichbehandlungsgesetz*) was introduced only after a long and controversial legislative procedure. This was intended to be a combination of four EU Equality Directives (2000/43, 2000/78, 2002/73 and 2004/113) and prohibits discrimination based on race or ethnical origin, religion or belief, sex, disability, age or sexual orientation. Discrimination against the obese is not explicitly mentioned in the 2006 Act but the new anti-discrimination culture in Germany could plausibly have indirect effects on them. In addition to observing the employment outcomes of job applicants, a novel feature of our data set is that we also have information on the search behavior of job applicants. We therefore will be given insights as to whether any

observed differences in labor market outcomes have arisen because one group simply was less motivated or tried less hard to look for a job, or possibly because they had different access to labor market training programs.

To preview our findings, we find that overweight men, obese men and overweight women experience no discrimination in terms of access to programs that are part of active labor market policies (ALMP) or in their employment and wage outcomes. The only group we find in our data experiencing any possible form of negative labor market outcomes is obese women. Despite making more job applications and engaging more in job training programs, we find some indications that they experienced worse (or at best similar) employment outcomes than normal weight women. Obese women who found a job also had significantly lower wages than normal weight women.

The rest of this paper is organized as follows. Section 2 describes the data in more detail. Section 3 provides more background and discusses some theoretical motivations, whereas Section 4 presents the methods used. The empirical results are provided in Section 5. Finally, Section 6 concludes.

## 2. Data

The IZA-Evaluation dataset is a novel panel data set of newly unemployed individuals in Germany which is specifically designed to shed more light on the transition process from unemployment to employment (see Caliendo et al., 2011, for details). It consists of two components, an administrative part as well as an additional survey data set which we use in this paper. The survey data set is based on individuals who became unemployed between late 2007 and early 2008. The sampling is restricted to individuals who are 16–54 years old, and who receive or are eligible to receive unemployment benefits under the German Social Code III. In particular, from the monthly unemployment inflows of approximately 206,000 individuals identified in the administrative records, a 9% random sample is selected for interview. These individuals constitute the gross sample from which representative samples of approximately 1450 individuals are interviewed each month, so that after 1 year 12 monthly cohorts are gathered. These survey data are then matched to administrative employment records from the 'Integrated Labour Market Biographies' of the Institute for Employment Research (IAB).<sup>4</sup>

The key feature of the data set is that individuals are interviewed shortly after they become unemployed and are asked a variety of non-standard questions. In addition to measuring an extensive set of individual-level characteristics and labor market outcomes, a particular strength of the survey dataset is that it contains many innovative questions focusing on search behavior, social networks, psychological factors, cognitive and non-cognitive skills, subjective assessments on future outcomes, and

<sup>4</sup> The 'Integrated Labour Market Biographies' of the Institute for Employment Research (IAB) contain relevant register data from four sources: employment history, unemployment support receipt, participation in active labor market programs, and job seeker history.

Download English Version:

<https://daneshyari.com/en/article/5057116>

Download Persian Version:

<https://daneshyari.com/article/5057116>

[Daneshyari.com](https://daneshyari.com)