

Revisiting Disability Employment and Firm Productivity in Japan^{*}

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Abstract

We use administrative data on the employment of persons with disabilities to examine the causal effects of disability employment on firms' financial indicators and productivity. The results show that disability employment has no statistically significant effect on firm performance. Furthermore, there is no evidence of either an extensive or intensive margin of disability employment, as disability employment does not affect firm performance, regardless of whether a firm employed persons with disabilities at the beginning of the analysis period. However, we find benefits of employing persons with disabilities among medium-sized firms with subsidiaries specializing in this type of employment.

Keywords: Disability employment; Employment quota; Productivity

JEL classifications: J15; J78; L25

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