

## The Impact of Diabetes on Employment in Mexico\*

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This paper explores the impact of diabetes on employment chances in Mexico, a country heavily affected by the diabetes epidemic. This is the first time such an analysis is carried out for a low- or middle-income country as previous research has focused on high-income countries.

Using probit regression models we find that diabetes has strong adverse effects on the employment chances of Mexicans with diabetes, with men being more affected than women. Additional analysis shows that the effects are particularly strong for older men and women as well as for economically less affluent men. We further use an instrumental variable approach to investigate if other factors — such as omitted variables or reverse causality (employment status affecting a person's diabetes status) — could potentially prevent a causal interpretation of our probit results, but find no evidence for such concerns.

Our results provide evidence for the adverse effect of diabetes on employment in Mexico and are also indicative of the impact the disease likely has on employment chances in other low and middle-income countries confronted with high diabetes rates, highlighting the need for affordable and effective interventions to prevent and treat diabetes in the context of very limited resources.

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