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fondazione **RODOLFO DEBENEDETTI**

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# Twice unexplored

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# Unexplored in the Unexplored

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- Many dimensions of discrimination still largely unexplored
- Italy is a country without a culture of anti-discrimination policies and, above all, lacking jurisprudence on discrimination
- Unions care about wage differences, rarely about discrimination and other organizations are not allowed to collectively sue the employers

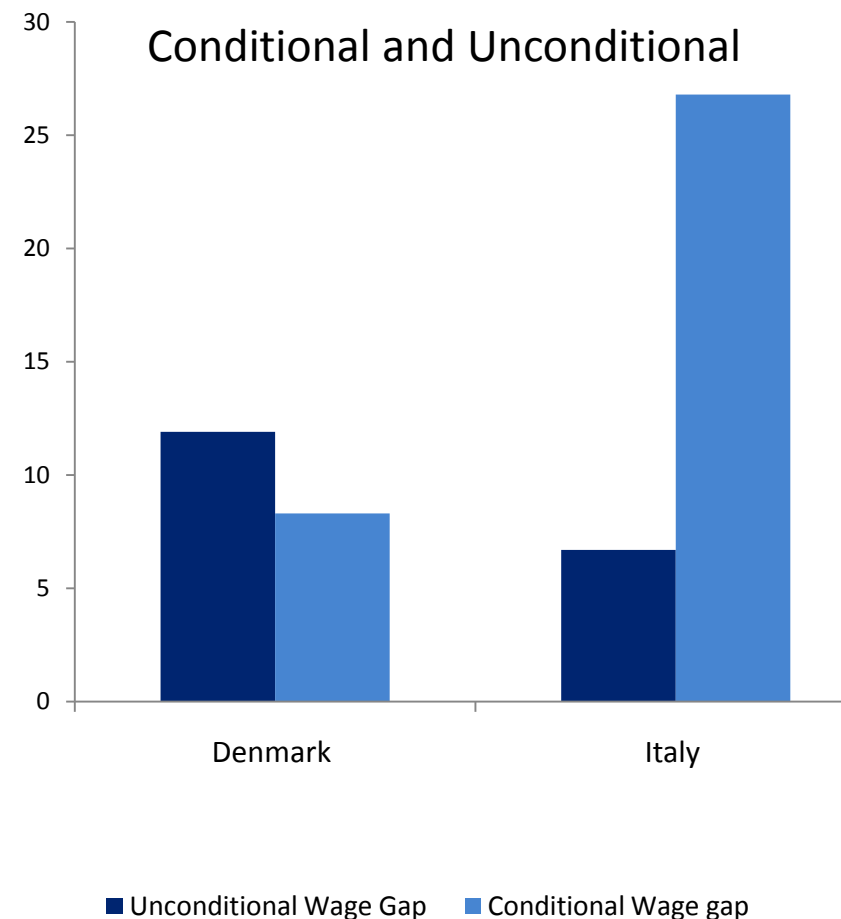
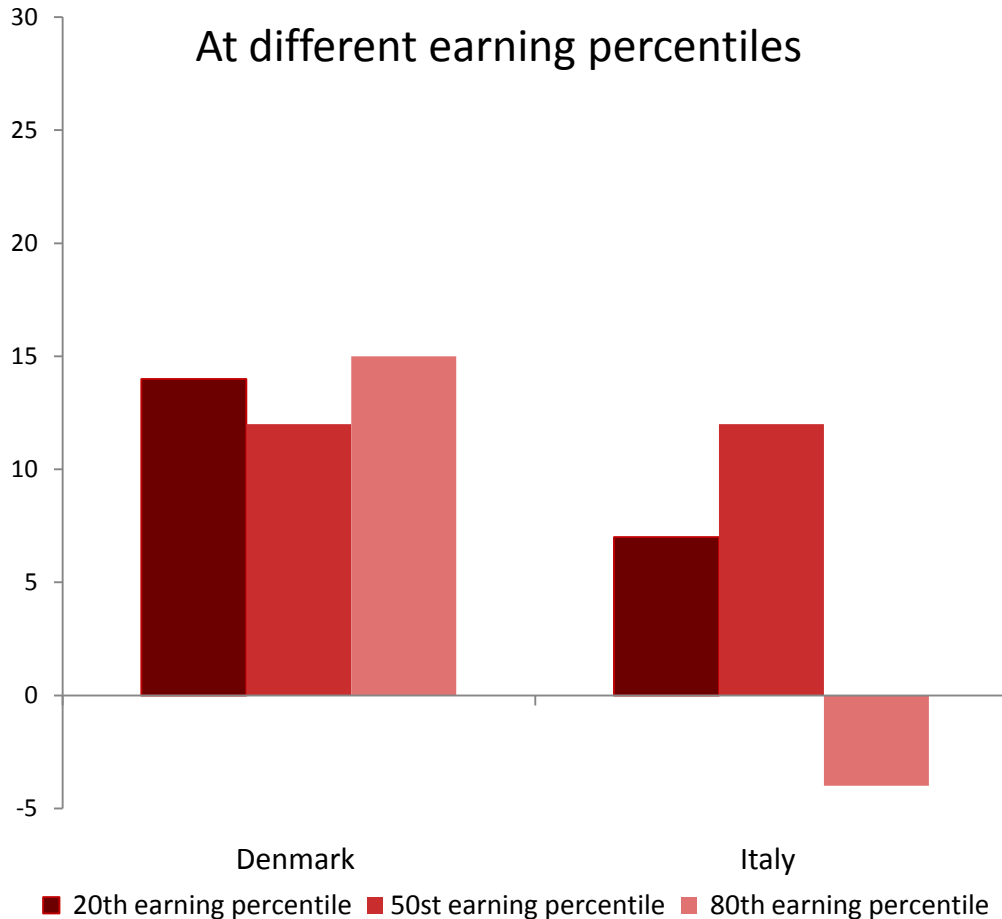
# Wage differences and discrimination

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- *Earnings differences* across groups capture many things, not only discrimination
- Not only demand-driven. There can be self-selection of some groups into occupational segments paid less or into non-employment
- Non employment also affects wage gaps: earning differences more informative when lower employment gaps

# Wage Gaps under high (Italy:25pp) or low (Denmark:5pp) Employment Gaps

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Source: OECD  
Controls include education, working experience, and spouse's wage.

# Moreover

- Different types of discrimination are possible:
  - Employers' prejudice
  - Co-workers' prejudice
  - Customers' prejudicewhich have different implications as to wage differences and occupational segregation.  
Possible discrimination without wage gaps.
- There can be wage differences for equal workers without prejudice, e.g., statistical discrimination

# Thus important to

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1. Quantify the role played by pre-market skills in wage (and employment) gaps. → report by **Peri, Anelli, de la Rica, Gonzales, Flabbi, Tejada (1<sup>st</sup> report )**
2. Try and obtain information directly on preferences, on prejudice. → report by **Patacchini, Ragusa and Zenou (2<sup>nd</sup> report)**

# What they also do

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## (1st report)

- Gender wage (more than employment) gap in the transition from school to work of the highly educated
- US, Spain and Italy
- New data set specifically assembled for this study

## (2<sup>nd</sup> report)

- Effects of discrimination on employment and participation of diversity in terms of sexual orientation, body weight, religion and beauty
- EC and Italy
- Experiment with fake CVs

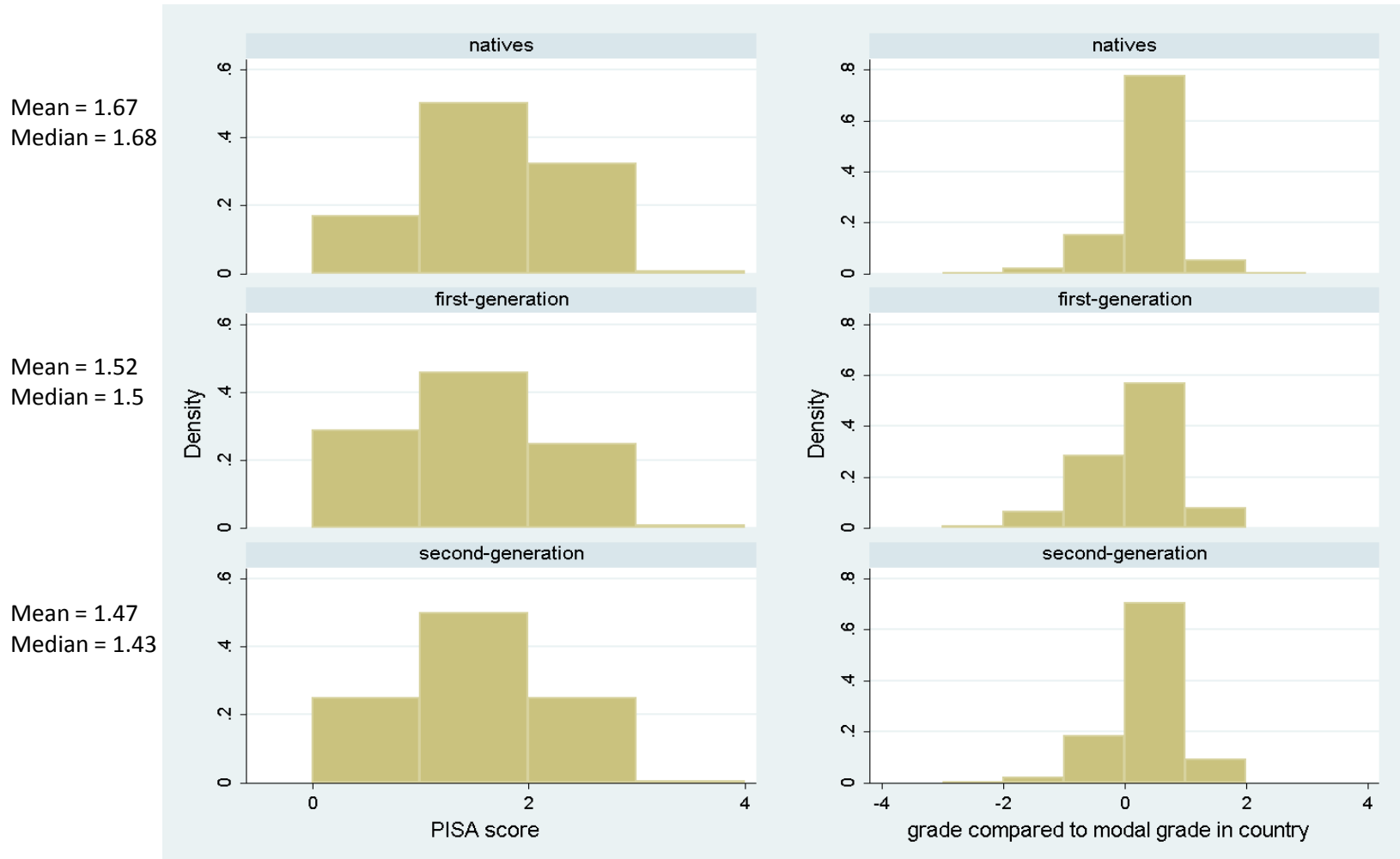
# Not much on Migration

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- Filling this gap drawing on fRDB work
- School grades and PISA test scores of migrants and natives in Italy and Europe:  
**is ability equally rewarded in schools?**
- Wage gaps by migrant status (legal vs illegal): **what are the implications on discrimination of having large pools of illegals?**



# PISA scores and school grades



Source: OECD

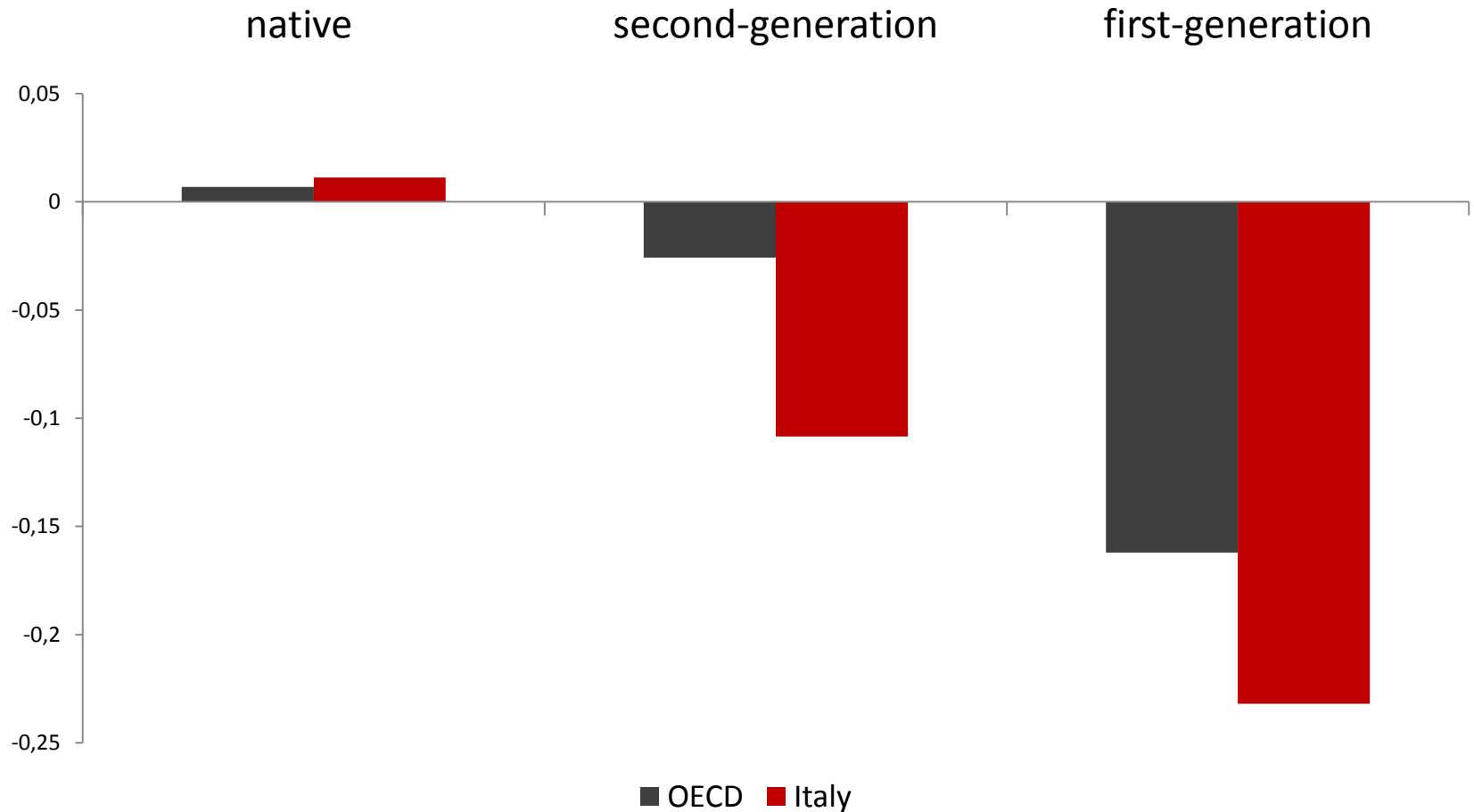
# From PISA to grades controlling for school characteristics f R D B

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1. We estimate the “predicted grade” based on individual (gender, education of parents and number of siblings) and school characteristics (a dummy for each school), and the individual-specific PISA score
2. We take the difference between actual grades and predicted grades
3. We look at these “residuals” for natives, 1<sup>st</sup> generation and 2<sup>nd</sup> generation migrants

# Residuals of regressions of school grades against PISA scores and school characteristics

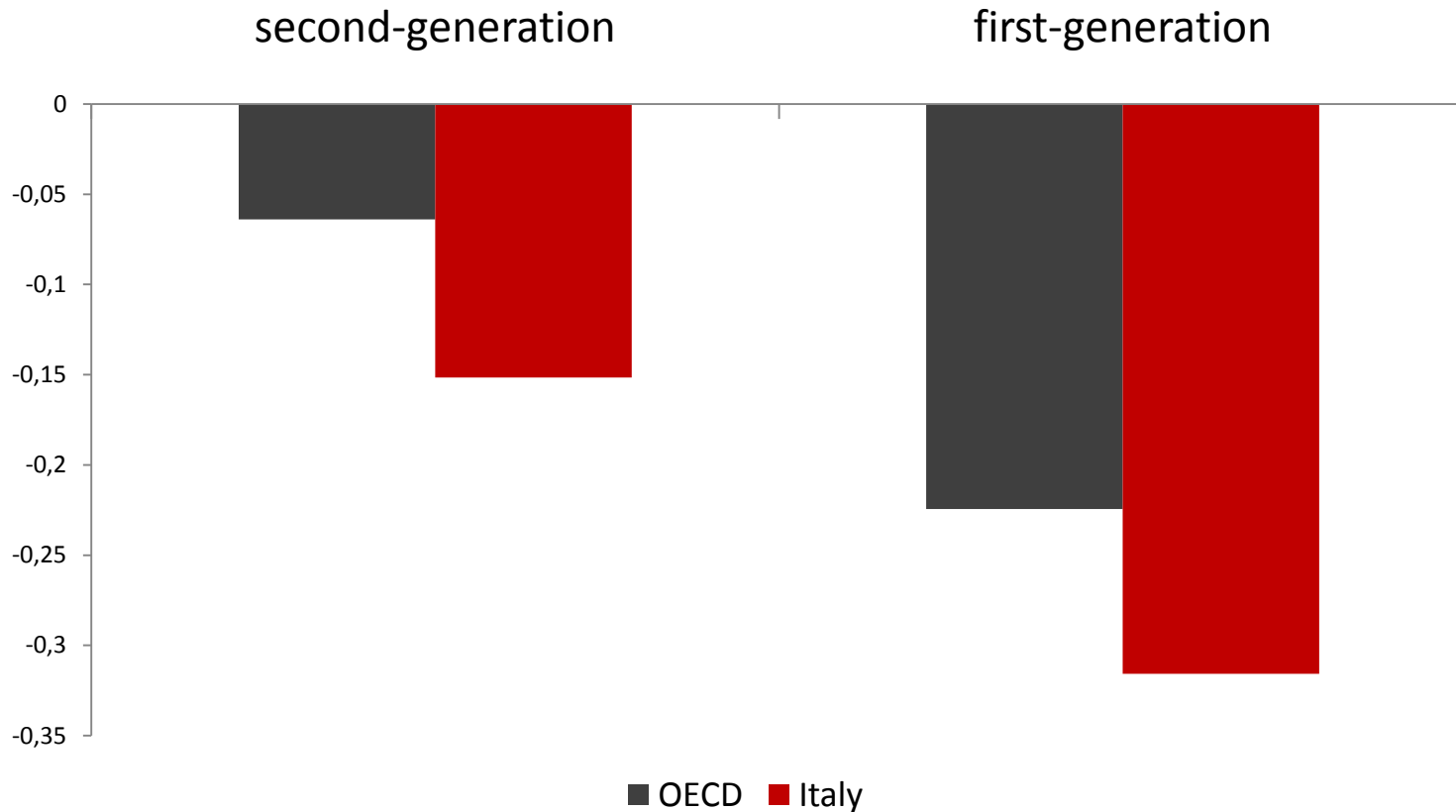
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Source: OECD

Controls include PISA score, gender, number of siblings, parental education and school fixed-effects.

# Marginal effect of being a migrant<sup>f</sup> **R** **D** **B**



Source: OECD

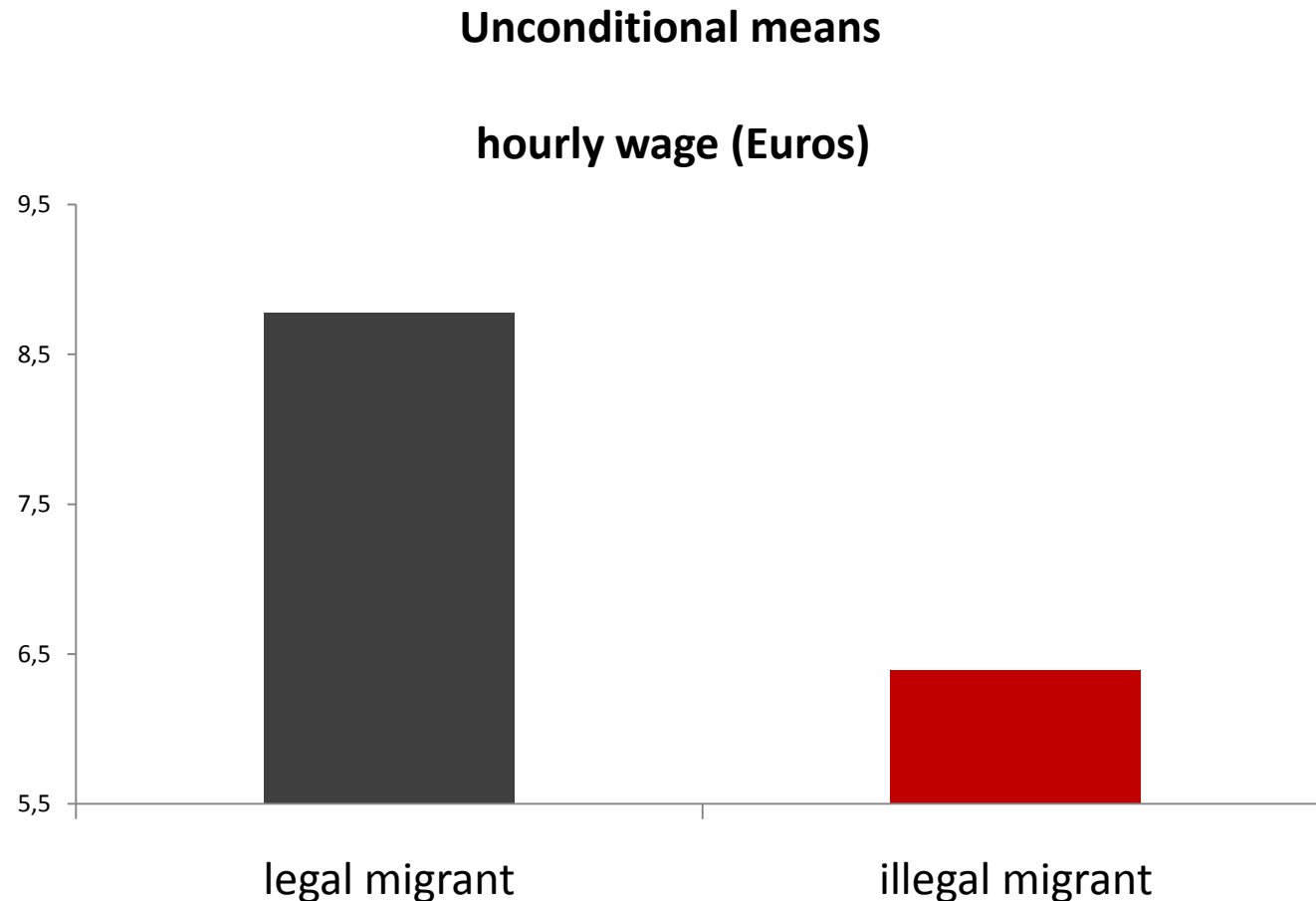
Controls include PISA score, gender, number of siblings, parental education and school fixed-effects.

# fRDB Survey in Northern Italy: what's new

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- Survey carried on by fRDB in **8 cities** (1037 interviews) in Northern Italy with high density of migrants. October to November 2009.
- **Innovative Sampling Method sampling blocks**: covers all immigrants, regular and **irregular**. First survey representing illegal migrants ever carried on in Italy

# Legal vs Illegal status of migrants <sup>f</sup> **R** **D** **B**

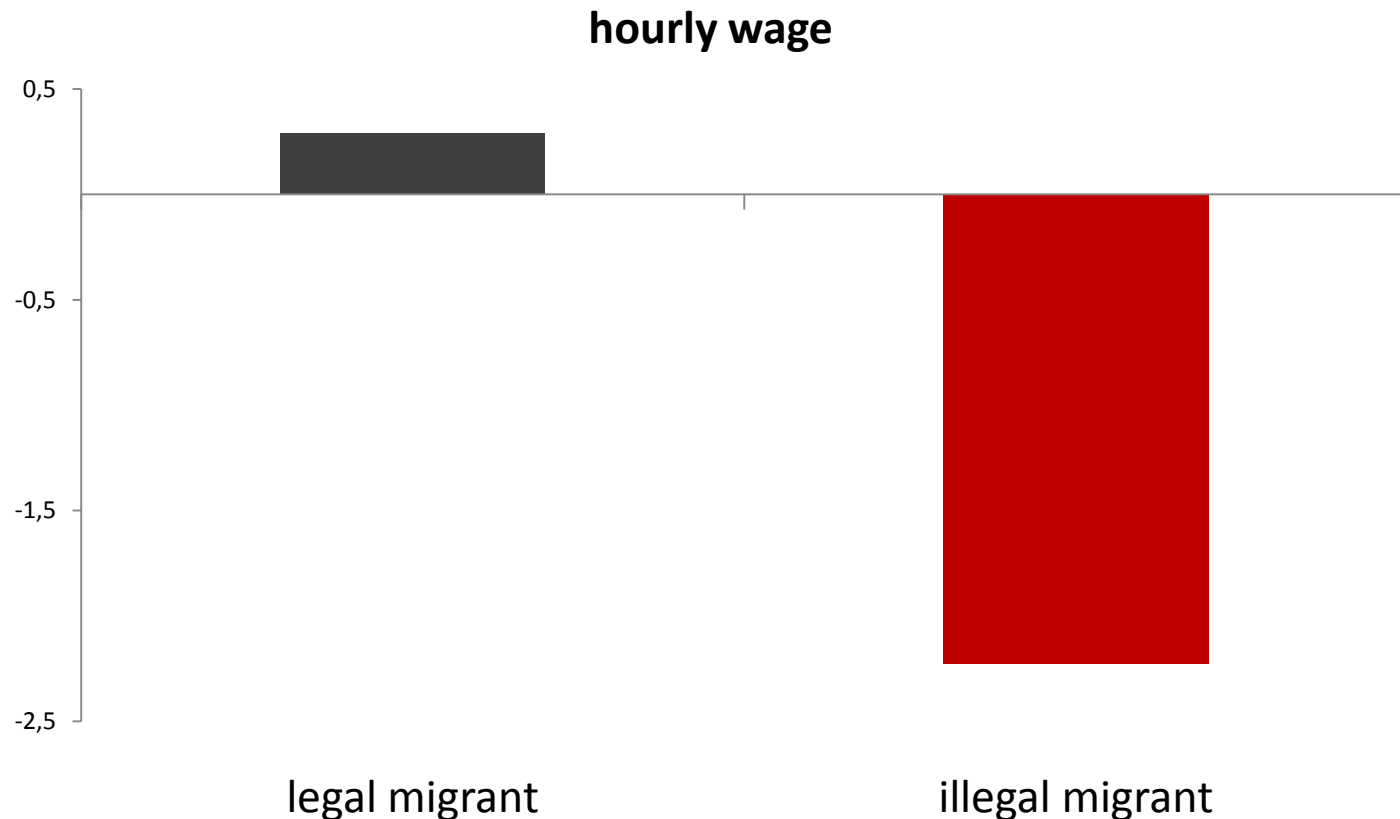


Source: EBRD

Note: Illegal migrants report not to have a working permit, or do not have access to health services. Controls include gender, age, working experience and education.

# Residuals (at comparable characteristics)

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Source: EBRD

Note: Illegal migrants report not to have a working permit, or do not have access to health services. Controls include gender, age, working experience and education.

# Plan of the day

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## Morning

- Presentation and discussion of the 1<sup>st</sup> report
- Remarks by Elsa Fornero, Minister of Labor and Equal Opportunity

## Afternoon

- Presentation and discussion of the 2<sup>nd</sup> report
- Panel on “What we learned and lessons for policy” .... and finally



# Evening

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