

Unexplored Dimensions of Discrimination in Europe: Religion, Homosexuality and Physical Appearance

Discussion by Jan C. van Ours

Trani – fRDB Conference

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Set-up of the discussion

- Discrimination research
- Brief interpretation of the main findings of the study
 - Cross-country analysis: Religion, Homosexuality, Obesity
 - Field Experiment: Homosexuality, Beauty
- Interpretation of findings
- Concluding remarks

Discrimination – research problem

- To what extent are economic outcomes the result of non-productivity related characteristics?
- Frequent approach in discrimination research: what we cannot “explain” = discrimination
- Usually research on effect of institutions on performance; quasi-experimental
 - Regression discontinuity: discontinuity in otherwise smooth relationship (age & maximum benefit duration)
 - Difference-in-differences: before-after, treatment and control (policy change for specific groups only)
- Discrimination research: quasi-experimental research is limited
- Almost exclusively through fake applications

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This paper “Unexplored dimensions of discrimination”

- 1 Nice overview of previous studies
 - 2 Cross-country analysis – use of MIPEX discrimination index
 - 1 Religion – 30 estimates
 - 2 Homosexuality – 6 estimates
 - 3 Obesity – 42 estimates
 - 3 Field experiment – 33 estimates
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- 111 estimates
 - Baseline results?

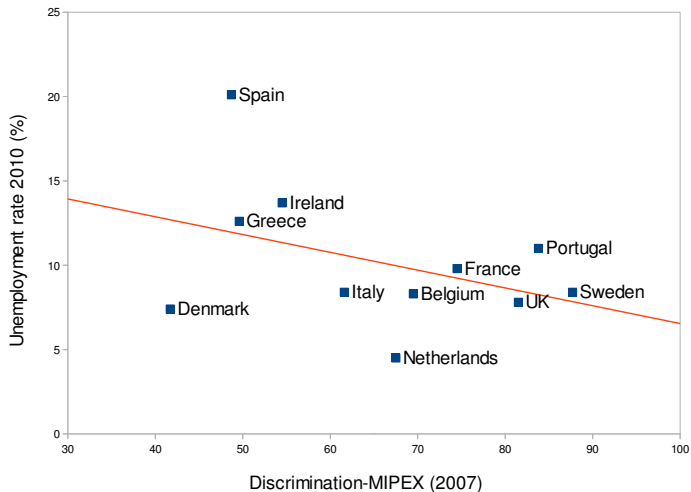
Anti-discrimination policy – D-MIPEX index

- 1 Anti-discrimination component of Migrant Integration Policy Index
- 2 D-MIPEX – score on 34 items:
 - 1 Definitions and concepts (7): race & ethnicity, religion & belief, nationality
 - 2 Fields of application (6): training, education, social protection etcetera
 - 3 Enforcement mechanisms (12): procedures judicial, criminal, administrative
 - 4 Equality policies (9): specialized equality agency

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1a. Religion

- International Social Survey Program – ISSP
- ISSP data on labor market outcomes and religion
- Muslims do poorly in employment and labor force participation
- Quotes:
 - 1 “Penalty that accrues to Muslims”
 - 2 “Seems to suggest that discrimination might be at work against this group in Southern Europe, in particular against Muslim females”
- Question: is it really discrimination?
 - Language skills – education (below primary school)
 - Problem = interaction between policy & Muslim sometimes positive – sometimes negative

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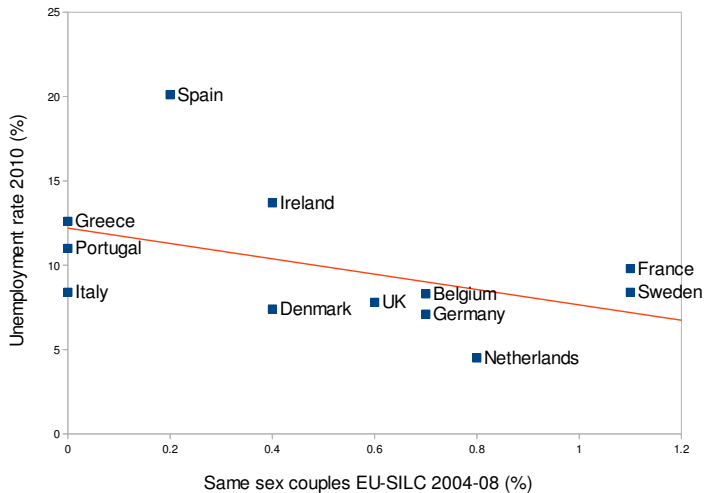
1b. Homosexuality

- EU-Statistics on Income and Living Conditions – EU-SILC
- EU-SILC data: self-declared same-sex relationship
- No same-sex relationships in Italy, Greece or Portugal
- Same-sex relationship & homosexual couples – lesbians & gay males
- Very small sample size of homosexuals & very coarse measure of homosexuality
- “Any analysis on the effects of policies on the relationship between homosexuality and labor market outcomes using these data would be extremely unreliable

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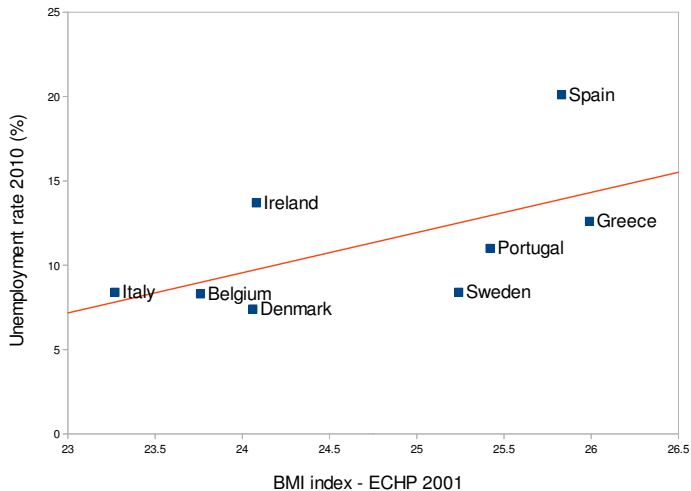
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1c. Obesity

- European Community Household Panel – ECHP
- ECHP data on BMI (kilograms for 180 cm height)
 - ① Underweight: <18.5 (<60 kilograms)
 - ② Overweight: 25-30 (81-97)
 - ③ Obesity I: 30-35 (97-113)
 - ④ Obesity II: >35 (>113 kilograms)
- Overweight man do best (causality?), underweight men do poorest (interpretation?)
- Normal weight women do best, obese II women do worst
- Interactions with policies difficult to interpret

Could not resist the temptation



Studies using fake applications

- Real vacancies – Fake application letters of different types
 - Randomized allocation of stereotypical names to letters
 - Real response from employers (if any)
- 1 Male-female – Booth & Leigh (2010):
 - 3365 applications in Brisbane, Melbourne and Sydney
 - Call-back rates: Females – 32%, Males – 28%
 - 2 Black-white – Bertrand & Mullainathan (2004):
 - 2435 applications in Boston and Chicago
 - Call-back rates: White names – 10%, African-American – 6%
 - 3 Native-immigrant – Carlsson & Rooth (2007):
 - 1552 applications in Stockholm and Gothenburg
 - Call-back rates: Swedish names – 29%, Middle-Eastern – 20%

2. Field experiment in Rome and Milan

Fake applications 7 occupations

- Results
 - Homosexual preferences: periods of internship in pro-gay advocacy groups
 - Physical appearance: photo
 - Average call-back rates about 11 percent
 - Homosexual men: -3.1 percent; even less if they are highly skilled
 - Beautiful women: +1.8 percent; much lower if they are skilled
- How to interpret:
 - Call-back rates are low; many applications have to be made
 - How serious is the difference between 9 applications and 12 applications for 1 call-back?
 - First step in a chain a events
 - Does it matter if some employers discriminate?

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Conclusions on “Unexplored dimensions”

- Interesting study in a difficult domain
- Not so happy with the cross-country comparisons – too many results & variety of interpretations
- Not clear what relevant variables (Muslim, obesity, same-sex relationships) pick-up
- Field experiment is more interesting – despite its obvious limitations
- What to conclude?
 - Beauty is productive for women – part of human capital
 - Strong penalty for homosexual men – what is the signal?
 - Policy implications?

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Muddling through

- Usually approach in discrimination research: what we cannot “explain” = discrimination
- Not: decompositions – more a measure of our ignorance than a measure of discrimination
 - Wage differences \neq discrimination
 - No wage differences \neq absence of discrimination
- Psychological traits
- Cultural differences: Does culture affect unemployment? Regression discontinuity approach: Differences across the language border (German – French & Italian) in Switzerland explained 20% of the difference in unemployment duration
- Preferences

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What to conclude on discrimination?

- I'm sure discrimination exists
- Difficult to establish magnitude of the phenomenon and whether or not it is a conscious act
- Difficult to assess how relevant it is for discriminated individuals
- Differences may be due to preferences or personality traits – utility \neq wage
- Discrimination is a dark side and anti-discrimination policy is important although I'm not sure whether it is effective
- “Unexplored dimensions of discrimination”: nice contribution to the literature – much work remains to be done

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