



**Stockholm
University**

Department of Economics

Course name:	The Economics of Discrimination
Course code:	EC2107
Type of exam:	Retake
Examiner:	Mahmood Arai
Number of credits:	7.5
Date of exam:	2019 08 30
Examination time:	09:00 -12:00
Aids:	No aids are allowed

Write your identification number on each answer sheet (the number stated in the upper right-hand corner on your exam cover).

Start each new question on a new answer sheet.

Explain notions/concepts and symbols. Only legible exams will be marked.

The exam consists of 5 questions. Each question is worth 20 points, 100 points in total. For the grade E 45 points are required, for D 50 points, C 60 points, B 75 points and A 90 points.

Your results will be made available on your Ladok account (www.student.ladok.se) within 15 working days from the date of the examination.

Good luck!



The following studies aim at identifying the effects of perceived gender, ethnicity etc. on some outcomes. Discuss the methods used and the limitations discussed in the study that the authors try to deal with. Be clear about the method and the variation in the data that are used to examine these effects. Please do not repeat what is in the abstract.

1- Neumark, D: Bank R J. and Van Nort Kyle D. Sex Discrimination in Restaurant Hiring: An Audit Study, *The Quarterly Journal of Economics*, 1996.

Abstract: In an audit study of sex discrimination in hiring, comparably matched pairs of men and women applied for jobs as waiters and waitresses at restaurants in Philadelphia. In high-price restaurants (where earnings are higher), job applications from women had an estimated probability of receiving a job offer that was lower by about 0.4, and an estimated probability of receiving an interview that was lower by about 0.35. Both estimated differentials are statistically significant. Additional evidence suggests that customer discrimination partly underlies the hiring discrimination.

20 points

2- Goldin, C. and Rouse, C. Orchestrating Impartiality: The Impact of "Blind" Auditions on Female Musicians, *The American Economic Review*, 2000.

Abstract: A change in the audition procedures of symphony orchestras-adoption of "blind" auditions with a "screen" to conceal the candidate's identity from the jury-provides a test for sex-biased hiring. Using data from actual auditions, in an individual fixed-effects framework, we find that the screen increases the probability a woman will be advanced and hired. Although some of our estimates have large standard errors and there is one persistent effect in the opposite direction, the weight of the evidence suggests that the blind audition procedure fostered impartiality in hiring and increased the proportion women in symphony orchestras.

20 points

3- Bertrand M. and Mullainathan, S. Are Emily and Greg More Employable than Lakisha and Jamal? A Field Experiment on Labor, *The American Economic Review*, 2004.

Abstract: We study race in the labor market by sending fictitious resumes to help-wanted ads in Boston and Chicago newspapers. To manipulate perceived race, resumes are randomly assigned African-American- or White-sounding names. White names receive 50 percent more callbacks for interviews. Callbacks are also more responsive to resume quality or White names than for African-American ones. The racial gap is uniform across occupation, industry, and employer size. We also find little evidence that employers are inferring social class from the names. Differential treatment by race still appears to still be prominent in the U.S. labor market.

20 points



4- Arai, M, M. Bursell and L. Nekby, The Reverse Gender Gap in Ethnic Discrimination: Employer Stereotypes of Men and Women with Arabic Names, *International Migration Review*, 2016.

Abstract: We examine differences in the intensity of employer stereotypes of men and women with Arabic names in Sweden by testing how much work experience is needed to eliminate the disadvantage of having an Arabic name on job applications. Employers are first sent curriculum vitae (CVs) of equal merit in a field experiment setup. Arabic-named CVs are thereafter enhanced with more relevant work experience than Swedish-named CVs. The results indicate a reverse gender gap in employer stereotypes because initial differences in the number of call-backs disappear for female applicants when Arabic-named CVs are enhanced but remain strong and significant for male applicants. Thus, contrary to what is often assumed about the interaction of gender and ethnicity, we find that Arabic men face stronger discrimination in the labor market than Arabic women.

20 points

5- Doris Weichselbaumer, *Discrimination against Female Migrants Wearing Head- scarves*, 2016.

Abstract: Germany is currently experiencing a high influx of Muslim migrants. From a policy perspective, integration of migrants into the labor market is crucial. Hence, a field experiment was conducted that examined the employment chances of females with backgrounds of migration from Muslim countries, and especially of those wearing headscarves. It focused on Turkish migrants, who have constituted a large demographic group in Germany since the 1970s. In the field experiment presented here, job applications for three fictitious female characters with identical qualifications were sent out in response to job advertisements: one applicant had a German name, one a Turkish name, and one had a Turkish name and was wearing a headscarf in the photograph included in the application material. Germany was the ideal location for the experiment as job seekers typically attach their picture to their résumé. High levels of discrimination were found particularly against the migrant wearing a headscarf.

20 points