



AgEcon SEARCH

RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search

<http://ageconsearch.umn.edu>

aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

No endorsement of AgEcon Search or its fundraising activities by the author(s) of the following work or their employer(s) is intended or implied.

Labor market discrimination in Bangladesh: Experimental evidence from the job market of college graduates

Author 1:

Sibbir Ahmad

PhD Candidate,

Dept of Ag, Food, and Resource Economics

Michigan State University, East Lansing, MI

Email: ahmadsib@msu.edu

Author 3:

Dr. Veronique Theriault

Associate Professor

Dept of Ag, Food, and Resource Economics

Michigan State University, East Lansing, MI

Email: theria13@msu.edu

Author 2:

Dr. Songqing Jin

Associate Professor

Dept of Ag, Food, and Resource Economics

Michigan State University, East Lansing, MI

Email: jins@msu.edu

Author 4:

Dr. Klaus Deininger

Lead Economist, Development Research Group

The World Bank

Washington, DC

Email: kdeininger@worldbank.org

Selected Poster prepared for presentation at the 2023 Agricultural & Applied Economics Association Annual Meeting, Washington DC: July 23- 25, 2023

Copyright 2023 by Sibbir Ahmad. All rights reserved. Readers may make verbatim copies of this document for non-commercial purposes by any means, provided that this copyright notice appears on all such copies.

Labor Market Discrimination in Bangladesh: An Experimental Evidence

Sibbir Ahmad, Songqing Jin, Veronique Theriault (Michigan State University), and Klaus Deininger (The World Bank)

INTRODUCTION

- Labor market discrimination arises when a particular group experiences unequal treatment. It has long-lasting social and economic consequences
- This study focuses on hiring discrimination at the first stage of recruitment (primary selection).

MOTIVATION

- Bangladesh has two major streams of High Schools.
 - General high school
 - Alia Madrasah (Islamic) high school
- Job market is very competitive and there is a growing perception of Labor market discrimination based on type of high school a candidate attended, candidates' gender and religious attire preferences.

RESEARCH QUESTIONS

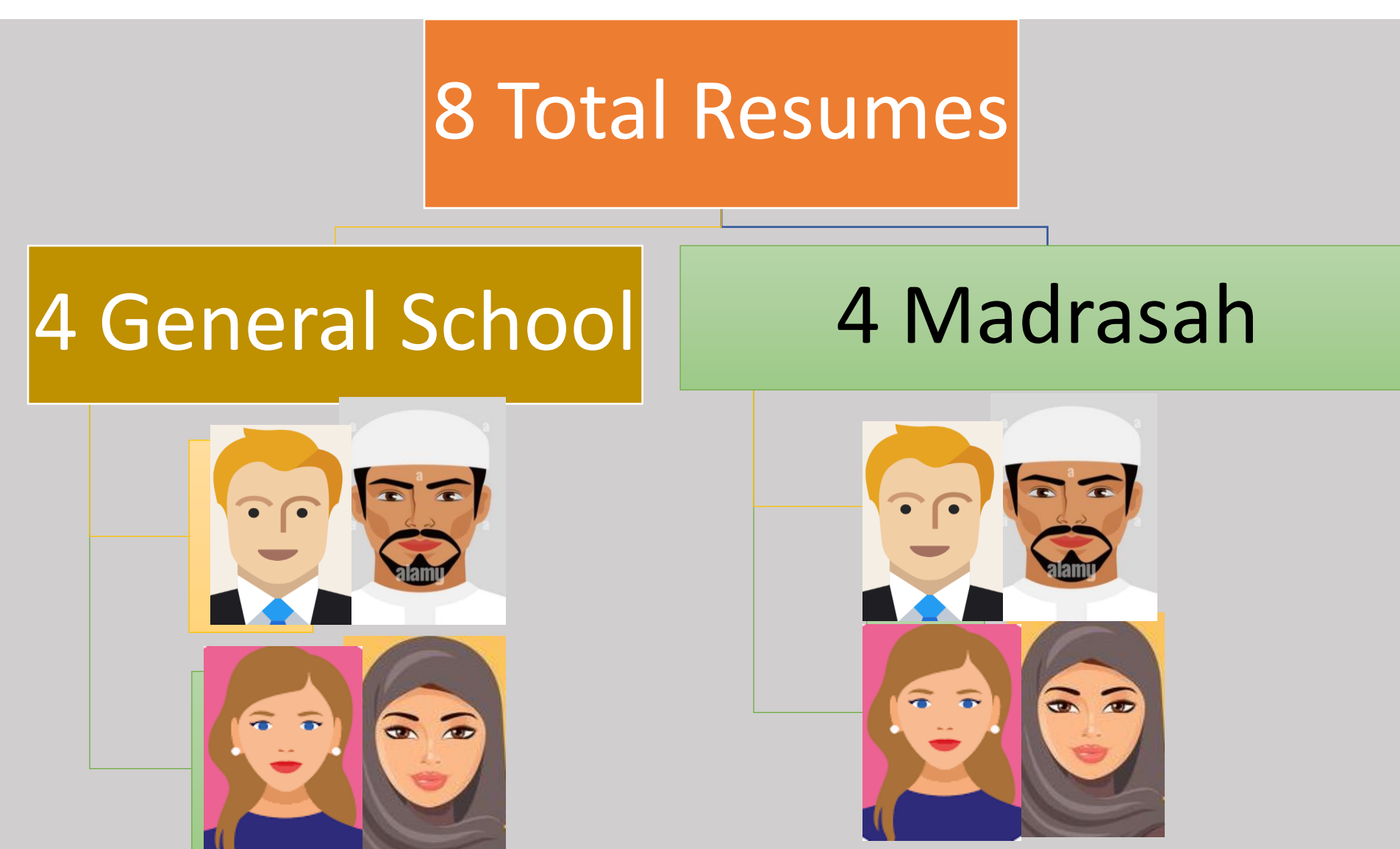
- Does labor market discrimination in the job market of college graduates exist in Bangladesh?
- If yes, what is the extent of the discrimination and how does it vary across industries?

CONTRIBUTIONS

- First experimental study to investigate labor market discrimination based on **high school background**
- First experiment in Bangladeshi labor market context!
- A very few studies use photograph to investigate differential treatment in labor market

EXPERIMENT DESIGN

- Created eight fictitious resumes with college degree randomized at high school, gender and attire
- Controlled individual characteristics



RSUME CHARACTERISTICS

- No English Medium or Business group in HS degree
- Similar College, Major Department, GPA
- Candidates were Dhaka University graduate (90%)
- Used common names, addresses, photographs to minimize potential elite or appearance biases

JOB CHARACTERISTICS

- 4 Sectors: NGO, Corporate, Media, IT
- No Public Jobs or other Service sector jobs
- Total Resumes sent: 3248 (406 jobs)
- Time Duration: 10 months
- 73% jobs are in Dhaka
- Overall Callbacks: 9.36%

CONCEPTUAL FRAMEWORK AND ESTIMATION TECHNIQUE

Discrimination: $T(P(X', F)|R = 1) \neq T(P(X', F)|R = 0)$; T=Callback, P=Productivity, R=Identity/Background
Treatment (Callback): $T = P + \gamma R$

If productivity of both group $P_1^* = P_2^*$, the γ implies discrimination $T(P_2^*, 1) - T(P_1^*, 0) = p_2^* + \gamma - P_1^*$

Empirical Estimation:

$$\text{Model I: } T_i(R) = \alpha + \gamma_1 \text{HighSchool}_i + \gamma_2 \text{Attire}_i + \gamma_3 \text{Gender}_i + u_i$$

$$\text{Model II: } T_i(R) = \alpha + \gamma_1 \text{Group}_2 + \dots + \gamma_7 \text{Group}_8 + u_i$$

MEAN CALLBACKS (HIGH SCHOOL VS. MADRASAH)

	Gen. School	Madrasah	Ratio	difference	p value
Overall Callback	0.109	0.078	1.40	0.031	0.003
Female	0.107	0.1	1.07	0.008	0.625
Male	0.111	0.057	1.96	0.054	0.00
Male with no beard	0.160	0.059	2.71	0.101	0.00
Male with Beard	0.094	0.079	1.18	0.015	0.289
Female with hijab	0.126	0.104	1.21	0.022	0.322
Female with no hijab	0.089	0.096	0.93	-0.007	.717
NGO	0.079	0.059	1.35	0.021	0.203
Corporate	0.115	0.078	1.47	0.037	0.051
Media	0.143	0.107	1.34	0.036	0.202
IT	0.115	0.083	1.39	0.032	0.142
N	1624	1624			

REGRESSION RESULTS (MODEL II)

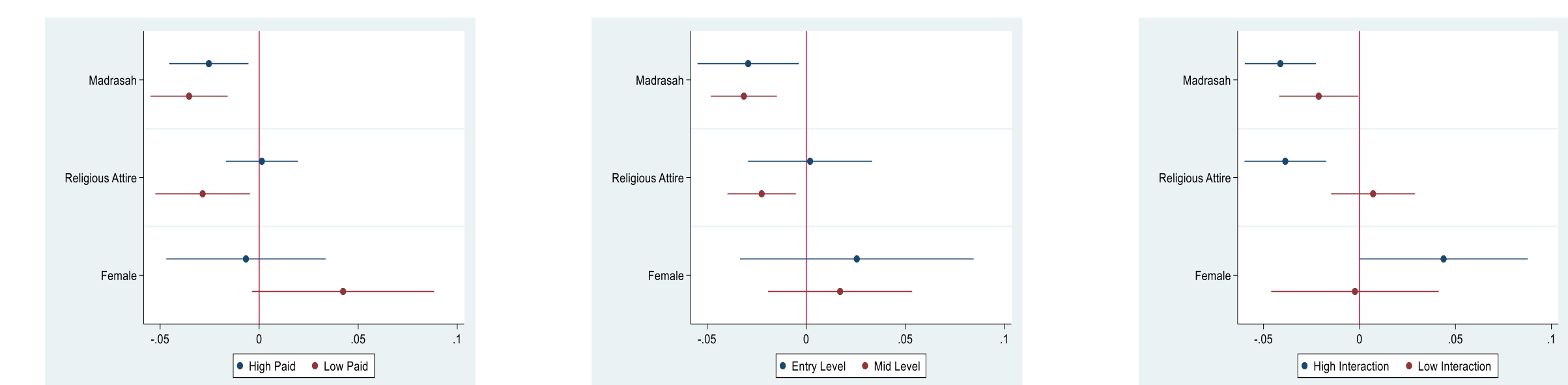
	(1) Total	(2) Corporate	(3) IT	(4) Media	(5) NGO
School Male Beard	-.099*** (.016)	-.09*** (.026)	-.064** (.03)	-.3*** (.056)	-.017 (.021)
School Female No Hijab	-.071*** (.022)	-.074* (.041)	-.085** (.042)	-.243*** (.063)	.042 (.034)
School Female Hijab	-.034 (.023)	-.066 (.042)	.011 (.047)	-.2*** (.07)	.058 (.036)
Madrasah Male No Beard	-.101*** (.015)	-.107*** (.028)	-.096*** (.031)	-.229*** (.051)	-.025* (.014)
Madrasah Male Beard	-.106*** (.016)	-.123*** (.03)	-.064** (.03)	-.271*** (.058)	-.025 (.019)
Madrasah Female No Hijab	-.064*** (.022)	-.041 (.043)	-.096** (.043)	-.214*** (.068)	.025 (.032)
Madrasah Female Hijab	-.057** (.023)	-.107*** (.037)	-.011 (.052)	-.171** (.071)	.025 (.032)
Constant	.16*** (.015)	.172*** (.026)	.149*** (.028)	.329*** (.048)	.058*** (.02)
N	3248	976	752	560	960
R-squared	.361	.407	.348	.304	.42
Job FE	Yes	Yes	Yes	Yes	Yes

Base category: General School Male No-Beard. Dependent variable- callback (binary). *, **, and *** denote statistically significant at 10%, 5%, and 1%.

REGRESSION RESULTS (MODEL I)

	(1) Full Sample	(2) Corporate	(3) IT	(4) Media	(5) NGO
Madrasah	-.031*** (.007)	-.037*** (.013)	-.032* (.018)	-.036* (.021)	-.021** (.008)
Religious Attire	-.015* (.008)	-.041*** (.012)	.037** (.018)	-.064** (.025)	0 (.01)
Female	.02 (.016)	.008 (.029)	.011 (.034)	-.007 (.04)	.054** (.027)
Constant	.107*** (.01)	.131*** (.018)	.09*** (.024)	.179*** (.032)	.052*** (.015)
N	3248	976	752	560	960
R-squared	.352	.4	.336	.249	.419
Job FE	Yes	Yes	Yes	Yes	Yes

CALLBACK VARIATION WITH JOB TYPE



CONCLUSIONS & POLICY IMPLICATIONS

- Differential treatment exists in Bangladeshi Job Market
- Madrasah background candidates receive fewer callbacks
- Discrimination based on Attire is highest in Corporate and media sector; Men experiences higher discrimination
- Women received higher callbacks in low-paid and high client interaction jobs
- This experiment may help policymakers in designing anti-discriminatory policies