

Paternalistic Discrimination

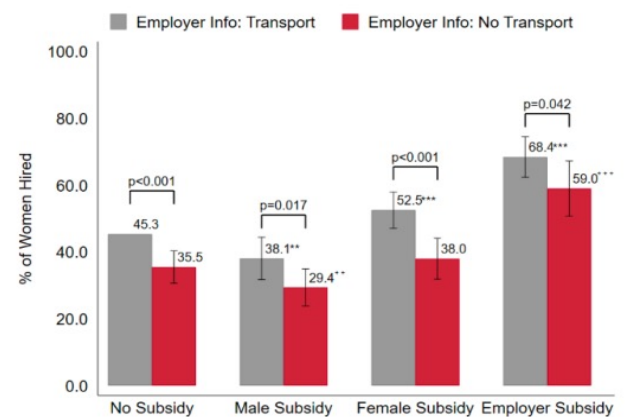
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Employers in Bangladesh discriminate against women “paternalistically”: They protect women from dangerous jobs against their will.

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Topic at a Glance

We combine two field experiments in Bangladesh with a structural labor model to define and test for paternalistic discrimination, the differential treatment of two groups to protect one group from harmful or unpleasant situations. We observe real hiring and application decisions for a night-shift job that provides safe worker transport home at the end of the shift. In the first experiment, we vary employers’ perceptions of job costs to women by experimentally varying information about the transport while holding taste-based and statistical discrimination constant. We find that employers discriminate paternalistically: Not informing employers about transport decreases demand for female labor by 22%. Informing employers that workers receive a surprise cash payment large enough to purchase safe transport themselves does not increase hiring. In the second experiment, not informing applicants about the transport reduces the female labor supply by 15%.



Caption: Employers discriminate paternalistically: providing a safe ride for applicants increases female hiring by 22%, and employers prefer for women to receive a ride home than to receive a bonus payment of greater value.

New Insights

Women in Bangladesh struggle to access the labor market, particularly in male-dominated occupations (NIPORT, 2016; Bangladesh Bureau of Statistics, 2021). Only 40% of women have jobs (compared with 80% of men) and working women earn less than their male counterparts, especially in urban areas (World Bank Data, 2023; Bangladesh Bureau of Statistics, 2018). Bangladesh’s gender segregation is exacerbated by restrictive gender norms and gender laws, which permit gender discrimination in hiring and restrict women from operating some machinery or carrying heavy items.

Standard explanations for labor market discrimination fail to account for gender norms, such as the global norm to protect women. We propose a new explanation for labor market discrimination, which we call paternalistic discrimination: the preferential hiring of men to protect women from dangerous or unpleasant tasks.

Understanding the barriers to employment can help shape policy. If employers are paternalistic, certain policies to reduce discrimination may increase both female labor supply and labor demand, simultaneously bringing more women into the labor force and increasing female wages.

We conduct two field experiments with real job applicants and employers in Dhaka, Bangladesh. We examine application and hiring decisions for a job specially created by the research team: a one-time Excel workshop and office job on the night shift (7 p.m. to midnight) that provides free safe transport home to all workers. In the first experiment, we examine how demand for female labor responds to employers’ perceptions of safety; in the second experiment, we examine how labor supply responds to applicants’ perceptions of safety. We vary perceptions of safety through information: some employers and applicants are informed about the free safe transport home, while others are not.

Employers discriminate paternalistically: providing a safe ride for applicants increases female hiring by 22%. Information about the

safe ride makes women more attractive applicants for the job, suggesting that employers do care about the well-being of the applicants. Moreover, employers prefer for women to receive a ride home than to receive a bonus payment of greater value.

Applicants value the ride, but less than employers do. Applicants who are informed about the ride are willing to work for about 200 Bangladesh Taka (BDT) less than applicants who don't know about the ride. At a wage of BDT 1,500, this leads to a drop in female applications of 15%.

Policy Recommendations

Paternalistic discrimination suggests a set of policy tools to increase female labor force participation directly (e.g., information campaigns, wage laws, and worker subsidies) or indirectly (e.g., safety programs, and crime reduction). Our findings suggest that examining supply-side effects alone may understate the total benefits of safety and subsidy interventions.

Studying paternalistic discrimination offers valuable insights for policymakers aiming to affect labor market outcomes. For one, increasing the security of workers (both in the workplace and during the commute) may increase both the supply of and demand for labor. Programs of this sort have the potential to benefit both employers and workers, resulting in higher female employment rates and overall firm productivity. At a minimum, policymakers should be aware that policies targeting worker supply through workplace conditions and job amenities may also affect employment through unintended demand-side channels. Ignoring the demand-side effects likely understates the benefits of some policies, leading to mistaken priorities.

Limitations

We study paternalistic discrimination in a field experiment that captures realistic aspects of the hiring process for a night shift job in Dhaka. It is difficult to know the extent to which paternalism plays a role in other hiring settings. We believe that the magnitude of paternalism in our setting is likely similar to other settings in which safety is a salient factor. However, in more natural settings, employers directly interact with workers, which may increase paternalism if employers feel a greater responsibility for their workers or decrease paternalism if employers update their beliefs about job costs to workers. In addition, paternalism is likely a larger factor in hiring settings where the information gap between employers and applicants is large.

Similarly, paternalistic discrimination is likely important in other labor market decisions. For example, employers may choose women

over men for female-stereotyped jobs to protect the men's reputations; they may avoid promoting recent mothers to reduce workloads; or they may fire single workers over workers with families. Outside of the labor market, parents may be more protective of their daughters than their sons or educate them differently about sex. Women may receive different advice from teachers or advisors about educational tracks, careers, or investments. These forms of paternalistic discrimination are likely prevalent in many settings, but are beyond the scope of our paper.

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