GENDER AND RACE IN THE LABOR MARKET

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Course Material Developed by Department of Economics,
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GENDER AND RACE IN THE LABOR MARKET

Syllabus

General information

- Course instructor: Lovász Anna (MTA KTI)
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- Department: ELTE TáTK, Department of Economics
- Department coordinator: North Block, 3.59

This is a follow-up course to the Labor Economics with Applications course (János Köllő), covering some topics that were not included (for example, wage differentials, discrimination, segregation) in detail.

Course description

During the course we will examine the labor market inequalities between different groups, as well as their causes and effects, along with labor market discrimination. As a starting point, we will look at statistically observable labor market differences based on Hungarian and international data. Since the integration of disadvantages groups is a main goal of employment policy and equal opportunity legislature worldwide, it is very important to clearly define discrimination and the other causes of the differences. These concepts are often mixed in public discourse, it is difficult to separate them and determine the true extent of labor market discrimination. Successful policies depend on
an understanding of what type of differences we are dealing with, where and how they arose, and how we can help those affected.

In the first part of the course, we will study the main models of discrimination, their assumptions and implications, which are the basis of empirical analyses. Although the concept of discrimination may seem simple, in reality it is very difficult to determine its extent, and the topic often leads to heated debates. Objective statistical analysis is very important, so we will discuss all available methods, their empirical difficulties and limitations, because of which the true level of discrimination will always remain an estimate. We will implement the measurement methods during an empirical project using well-known statistical programs.

After a general overview of the theory and methodology, we will focus on the minority groups most relevant in Hungary: women, roma, and immigrants. We will also discuss pre-labor market discrimination, which is an important determinant of labor market differences.

Schedule

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<th>Week</th>
<th>Topic</th>
<th>Literature (recommended)</th>
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<tr>
<td>1</td>
<td>Introduction</td>
<td>Borjas 10.1 Lovász-Telegdy 2010 HLM</td>
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<td></td>
<td>- Observable labor market differences – statistics and trends</td>
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<td>- Definition of labor market discrimination</td>
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<td>- Public opinion, policy goals</td>
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<td>2</td>
<td>Models of discrimination I: taste discrimination</td>
<td>Borjas 10.2-10.5 (Becker 1971)</td>
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<td>- Model, implications</td>
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<td>- Employer, coworker, customer discrimination</td>
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<td>- Models, tests, evaluation</td>
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<td>- Wage equation, decomposition</td>
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<td>- Data and empirical issues</td>
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<td>- Individual productivity</td>
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<td>- Indirect tests</td>
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<td>- Group-level relative productivity</td>
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<td>- Audit studies</td>
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<td>- CV tests</td>
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<td>7</td>
<td>Measuring discrimination IV: tests in Hungary and</td>
<td>Sik-Simonovits 2010 HLM</td>
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<td>Page</td>
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| 8    | Empirical side notes on wage differentials  
-quantile regression  
-cohorts  
-Other causes of labor market differences  
-compensating wage differentials, hedonic wage equations  
-differences in preferences, effort, biological traits | Borjas 6.  
Rao et al 2003 |
| 9    | Women in the labor market  
-labor market situation and trends  
-policies  
-psychological traits | Braakman 2009  
Weichselbaumer 2004  
Booth 2009 |
| 10   | Roma in the labor market I: employment and wages  
-long term trends  
Empirical project discussion | Kertesi-Kézdi 2011 ET |
| 11   | Roma in the labor market II: schooling  
-pre-labor market differences  
-school segregation | Kertesi-Kézdi 2010 BWP  
Kertesi-Kézdi 2010 HLM  
Kertesi-Kézdi 2011 AER (Kertesi 2005)  
(Kertesi-Kézdi 2006) |
| 12   | Employment policies for Roma integration  
-evaluation and future goals  
Empirical project discussion | Fleck-Messing 2010 HLM  
Ringold et al. 2005 |
| 13   | Other groups in the labor market, newest topics and methods | Hamermesh-Biddle 1994 |

**Literature**

**Books**


*Further recommended reading:*


**Book Chapters**

(Articles from this chapter are marked HLM in the table below.)

**Articles**


Braakman N. (2009): The role of psychological traits for the gender gap in full-time employment and wages: Evidence from Germany, SOEP Papers 162.


