

**Metropolis Conference, Bonn**

2008-10-28

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# **Comparative situation testing on ethnic discrimi- nation in labour markets**

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# The basic set up

Situation testing consists in conducting an experiment, but not in a laboratory

- Select respondents
- Deliver a stimulus to respondents and observe their reactions
- Analyse the observations to yield information on the prevalence of discrimination

# Two basic approaches

- Like in a laboratory, fix the conditions beforehand and watch the outcome
  - Comparability through equivalence of fixed conditions
- Measure instead of fixing and achieve comparability by way of data analysis
  - Comparability through controlling conditions in the data analysis

# Lab approach: precautions

- Sampling: fixed quotas
- Choice of stimulus: accent or name, Muslim, young, male, low education
- Delivery: guidelines on successive steps, on tester appearance, training and supervision
- Observation and analysis: simple arithmetic, basically counting yes and no

# Lab approach: problems

- Over time set industry quotas become untenable as the labour market changes
- Stimulus varies with local plausibilities and political necessities
- Considerable variation in the succession of steps of the application procedure
- Problems in counting non-response, inconclusive and discontinued cases

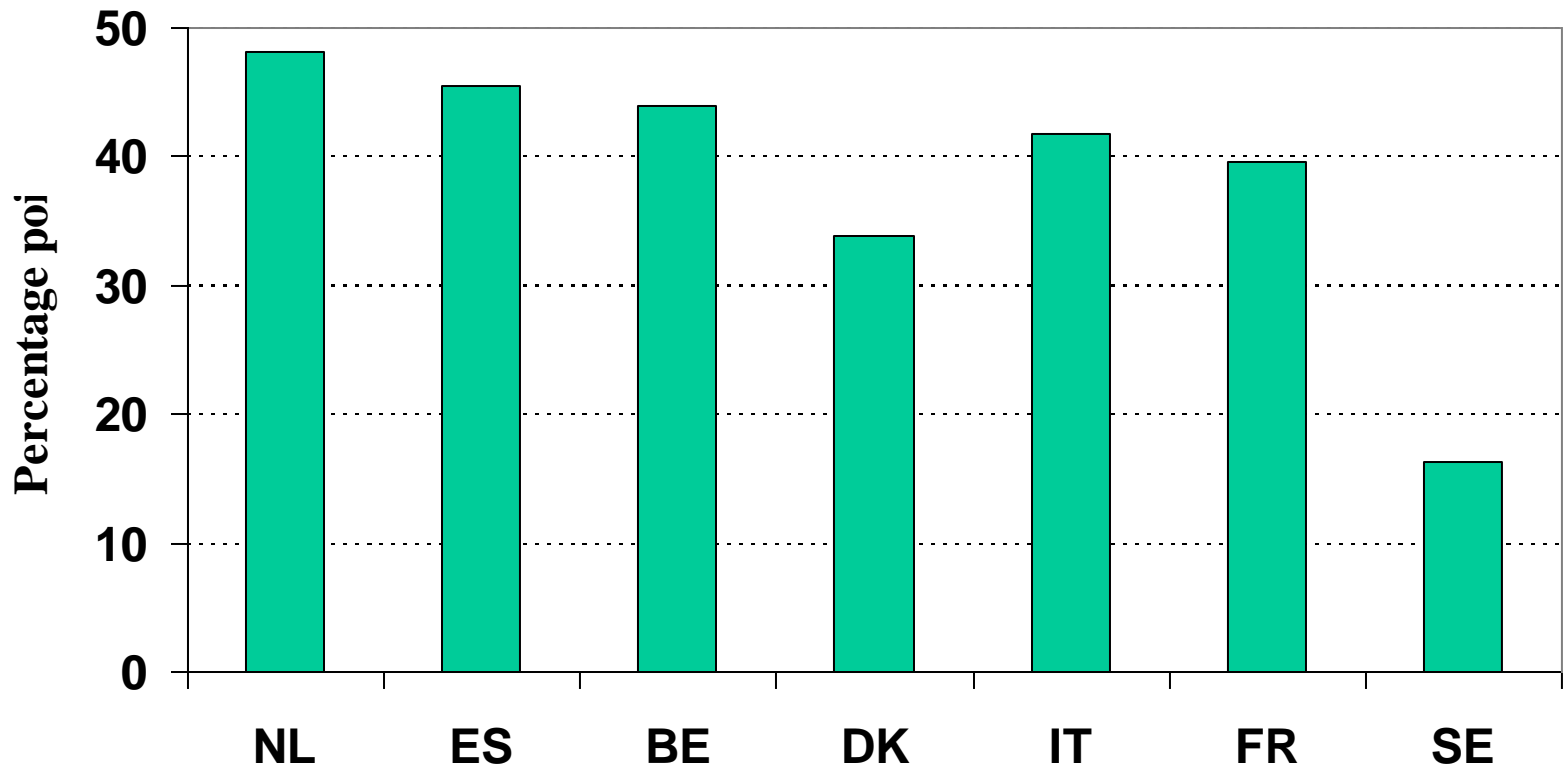
# Lab approach: problems

- Some conditions under the experimenter's control were not kept constant:
  - Time of year, time of day ...
- No observation of conditions outside the experimenter's control
  - Stage in the business cycle (of an industry), weather, supply & demand in the market ...
  - Firm and employer characteristics ...

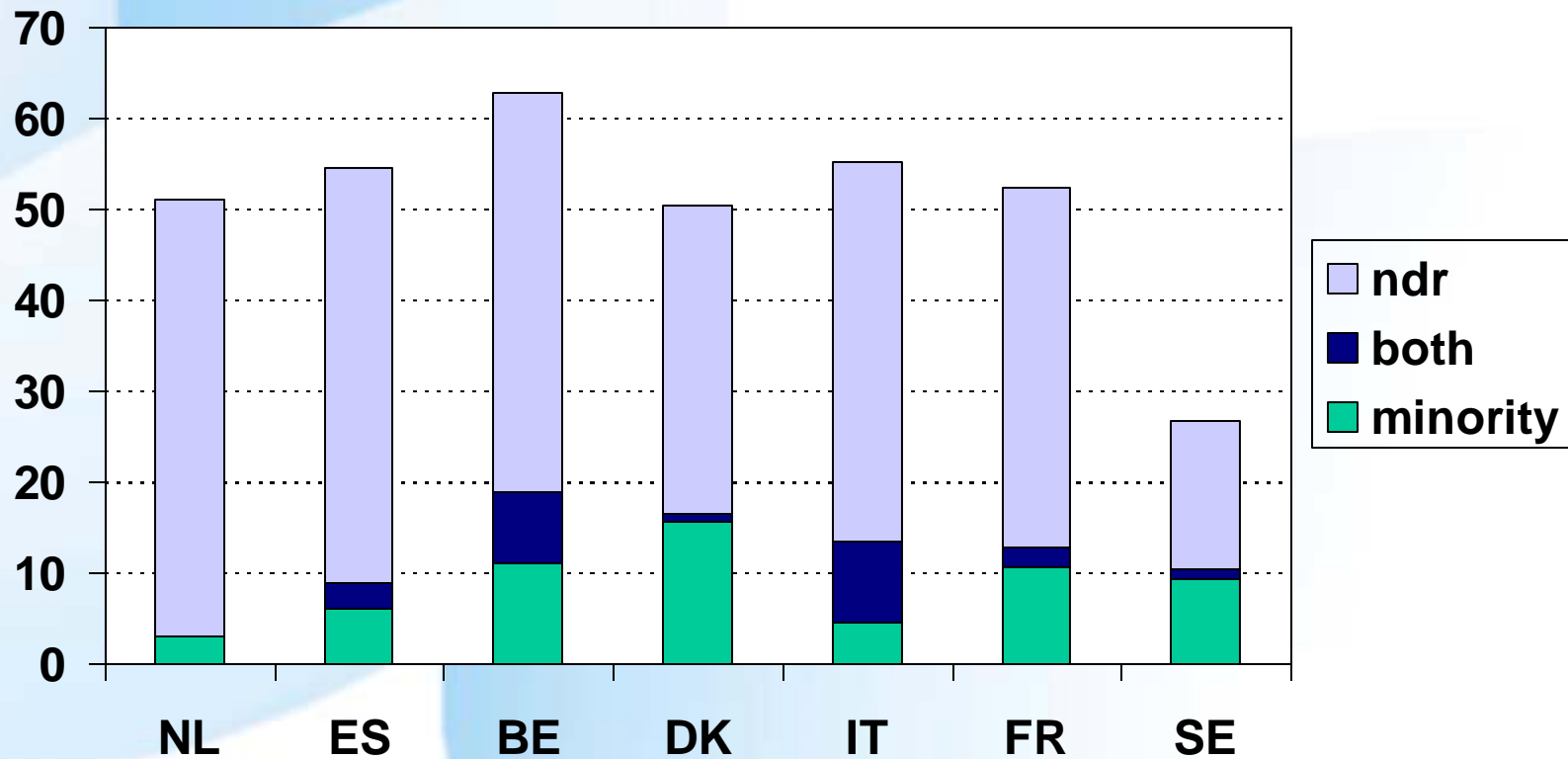
# Lab approach: results

- Presentation as “net discrimination rate”, i.e. a relative difference between two counts
- Varies more between cities than between countries
- Varies for the wrong reasons
- Apparent downward trend over time may not be due to time but to learning

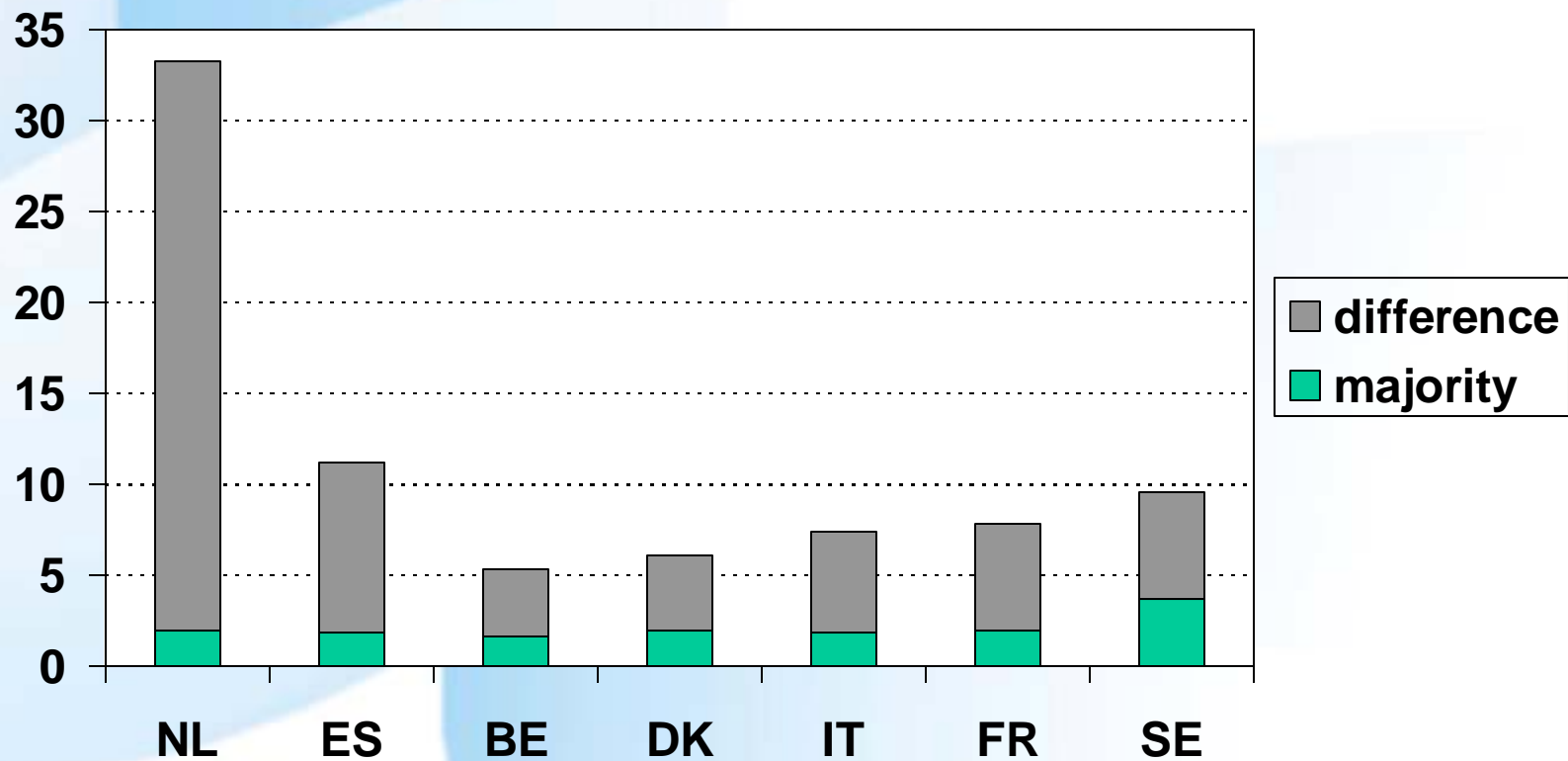
# Net discrimination rate males chronologically



# Share of cases with preference, men



# Applications per preference, men chronologically



# Alternative to lab approach

- Analytic approach
  - Requires measurement of all the variables whose influence on the results is to be assessed in the analysis
  - Allows for estimating the influence of unmeasured properties, such as “place” or “month”
  - Allows for using multiple differences in stimulus reflecting true social diversity

# Analytic approach

- Random sampling
  - because labour markets differ and
  - in order to reflect the labour markets actually faced by job seekers
  - uniform definition of the sampling universe and sampling unit must be achieved
  - information on differences in sampling frames must be documented for weighting

# Analytic approach

- Choice of stimulus
  - could vary as long as it varies not purely between locations or times and
  - sample size is sufficient to determine the difference in impact.
  - Could thus reflect the true population diversity in each locality and time

# Analytic approach

- Delivery
  - selection, training and supervision of testers remain of key importance
- Observation
  - need to collect more information on each case, each place, each point in time, each respondent, each vacancy

# Analytic approach

- Analysis
  - Production of the results through statistical procedures
  - Determines a level of discrimination and the deviations from it
  - Partly explains the deviations
  - Provides a trend over time that can actually be traced to time as the cause



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