

Ethnicity and Gender in the labour market in Central and South East Europe

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Presentation

- **Motivation**
- **Data**
- **Basic description of the situation of Roma (men &) women in CSEE**
- **A few words on previous work**
- **Some analysis**
- **Some concluding observations**

Motivation

- Roma (largest ethnic minority in CSEE) hardest hit by transition from the market in CSEE – have unemployment rates far above, and employment rates and wages far below – those of majority populations;
- Roma women doubly disadvantaged – in contrast to e.g. African American women in the USA – Roma/non-Roma gap larger for women than for men; and,
- Very little work on this area – particularly as regards **Roma women**

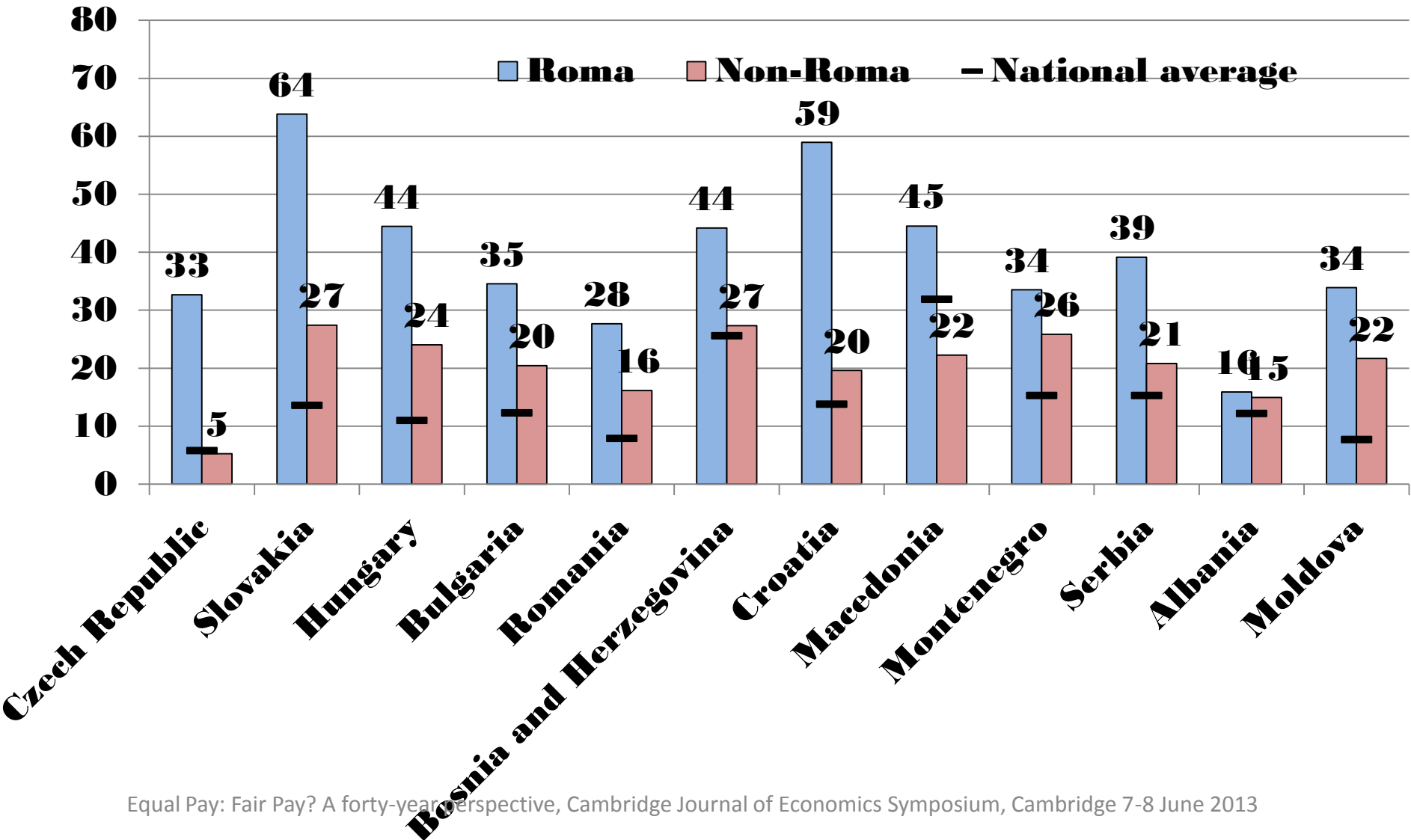
UNDP/WB survey on Roma

- 12 countries (Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Hungary, Macedonia, Montenegro, Moldova, Romania, Serbia, and Slovakia)
- c. 3500 Roma & c. 1000 Non-Roma living in close proximity in each country
- April/May 2011
- Similar (countries and approach) to a UNDP regional survey undertaken in December 2004

Disadvantage (1): Unemployment

- **In CSEE, unemployment rates of Roma men are much higher than for non-Roma men;**

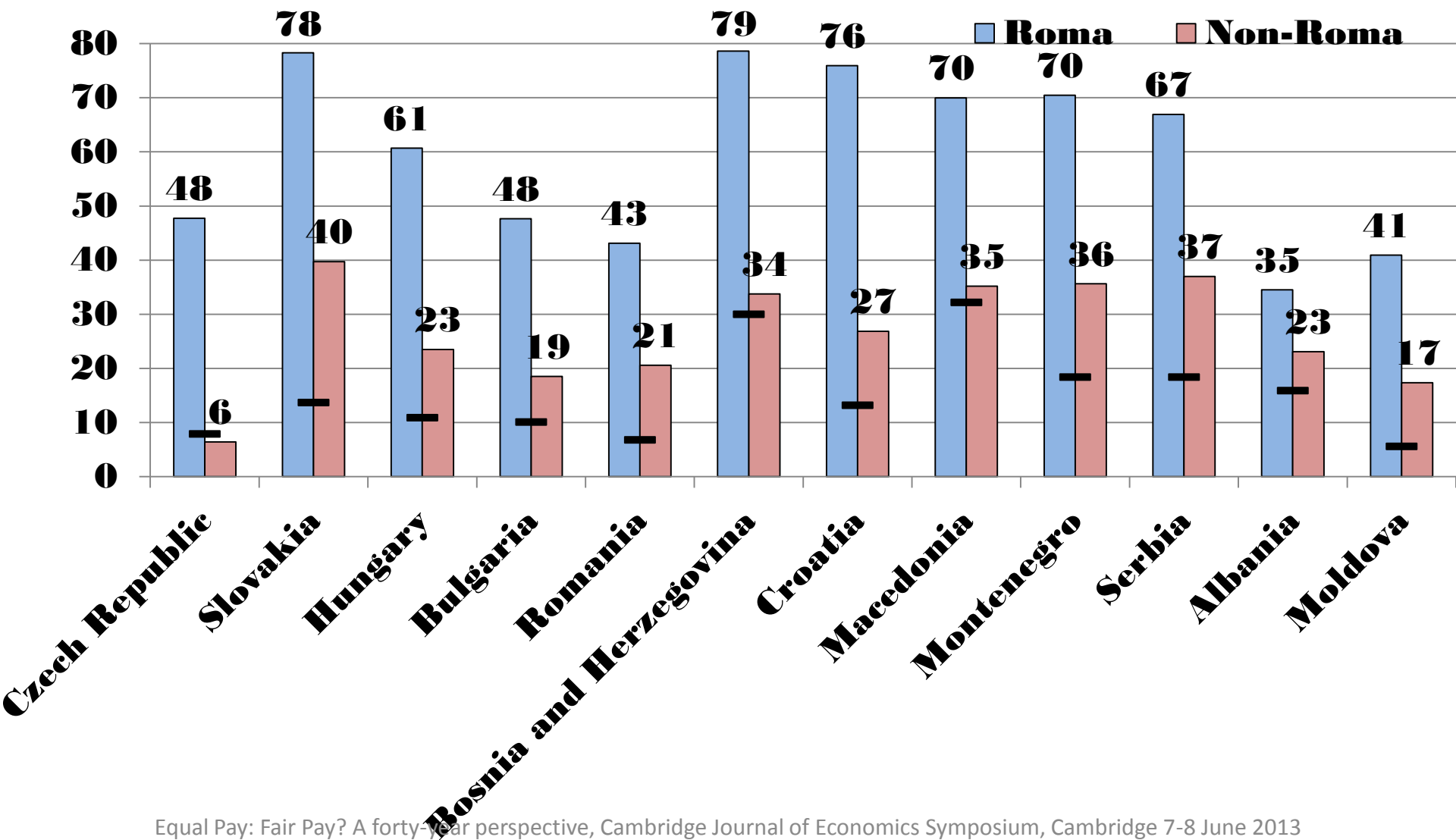
Disadvantage (1): Unemployment rates of male Roma and non-Roma in CSEE, 2011 (%)



Disadvantage (1): Unemployment

- In CSEE, unemployment rates of Roma men are much higher than for non-Roma men;
- **Amongst Roma women unemployment rates are: a) much higher than for non-Roma women AND Roma men;**
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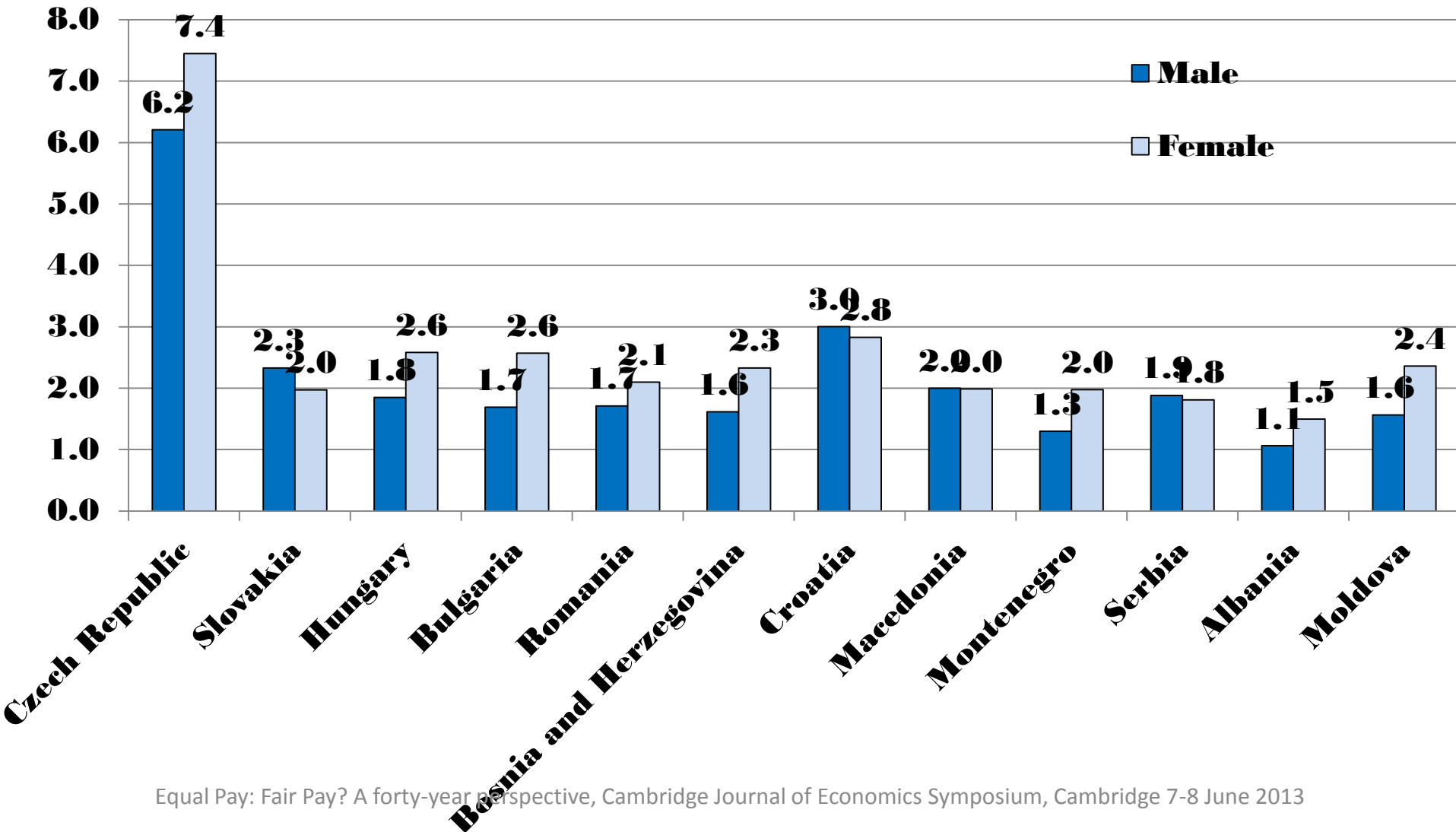
Disadvantage (1): Unemployment rates of female Roma and non-Roma in CSEE, 2011



Disadvantage (1): Unemployment

- In CSEE, unemployment rates of Roma men are much higher than for non-Roma men;
- Amongst Roma women unemployment rates are: a) much higher than for non-Roma women AND Roma men; **and,**
- **b) the ethnic ‘gap’ is greater for women than men** (n.b. equivalent to saying that the gender gap is larger for Roma than non-Roma)

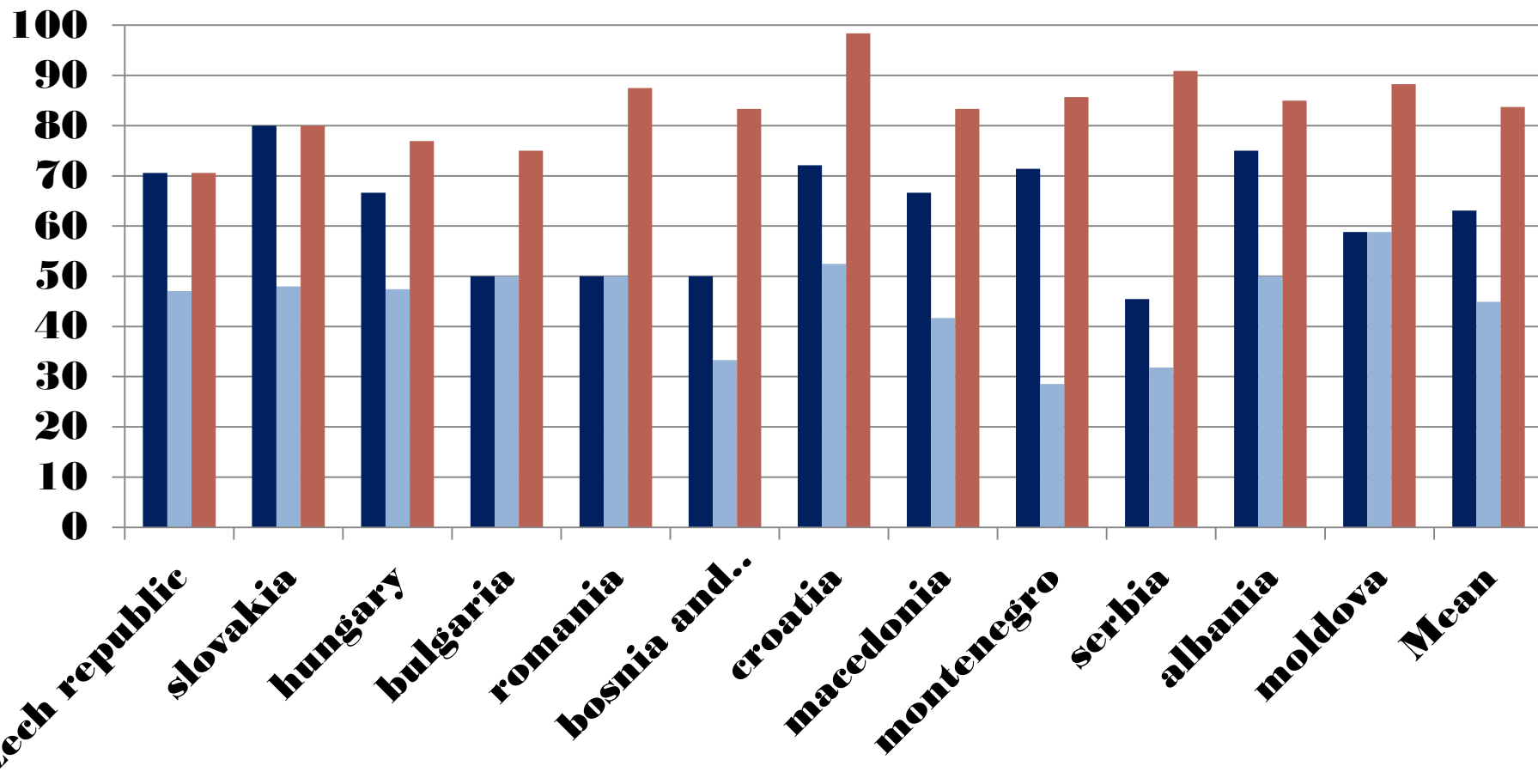
Disadvantage (1): Ratio of Roma to non-Roma unemployment rates, 2011



Disadvantage (2): Wages

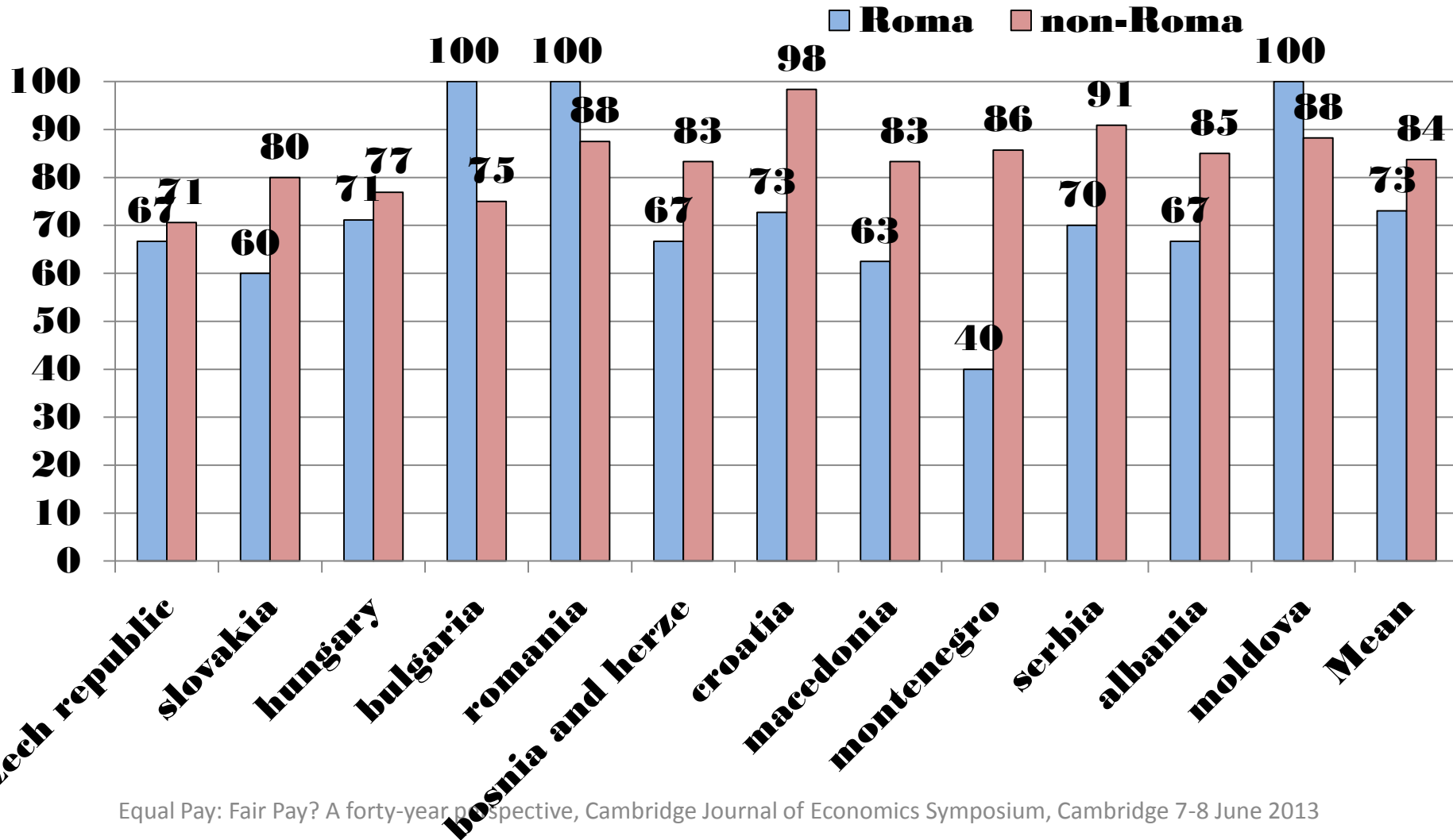
(median wages as % of median wages of N-R men)

■ Roma Men ■ Roma women ■ N-R Women



Disadvantage (2): Wages

(median wages: Males vs. Females)



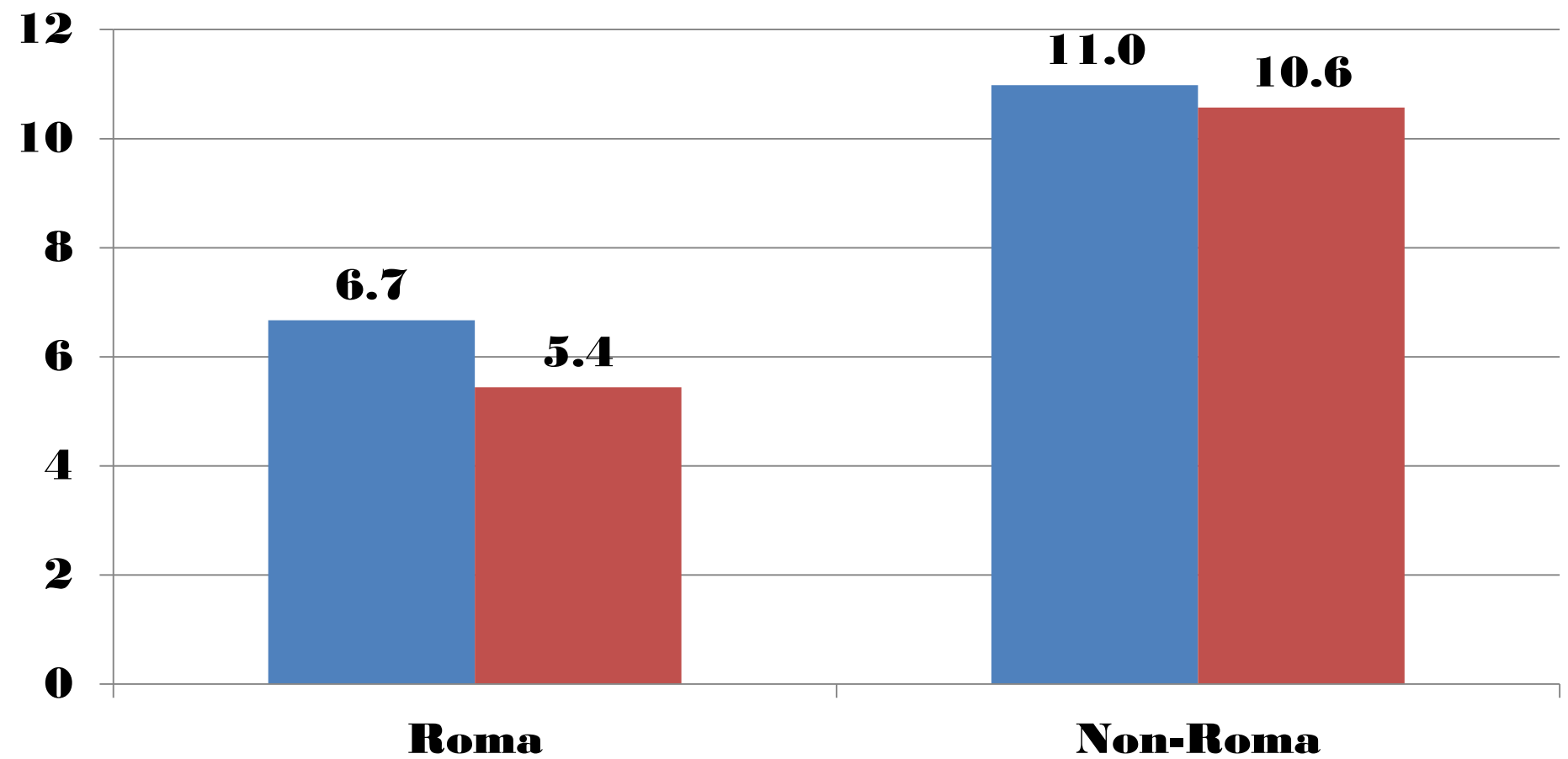
Why?

2 typical (and polarizing) explanations:

1. Low Educational Attainment amongst Roma
2. Discrimination in the Labour Market

Low Educational Attainment? Education is lower amongst Roma (Mean Years of schooling, 25-64 year olds)

■ males ■ females

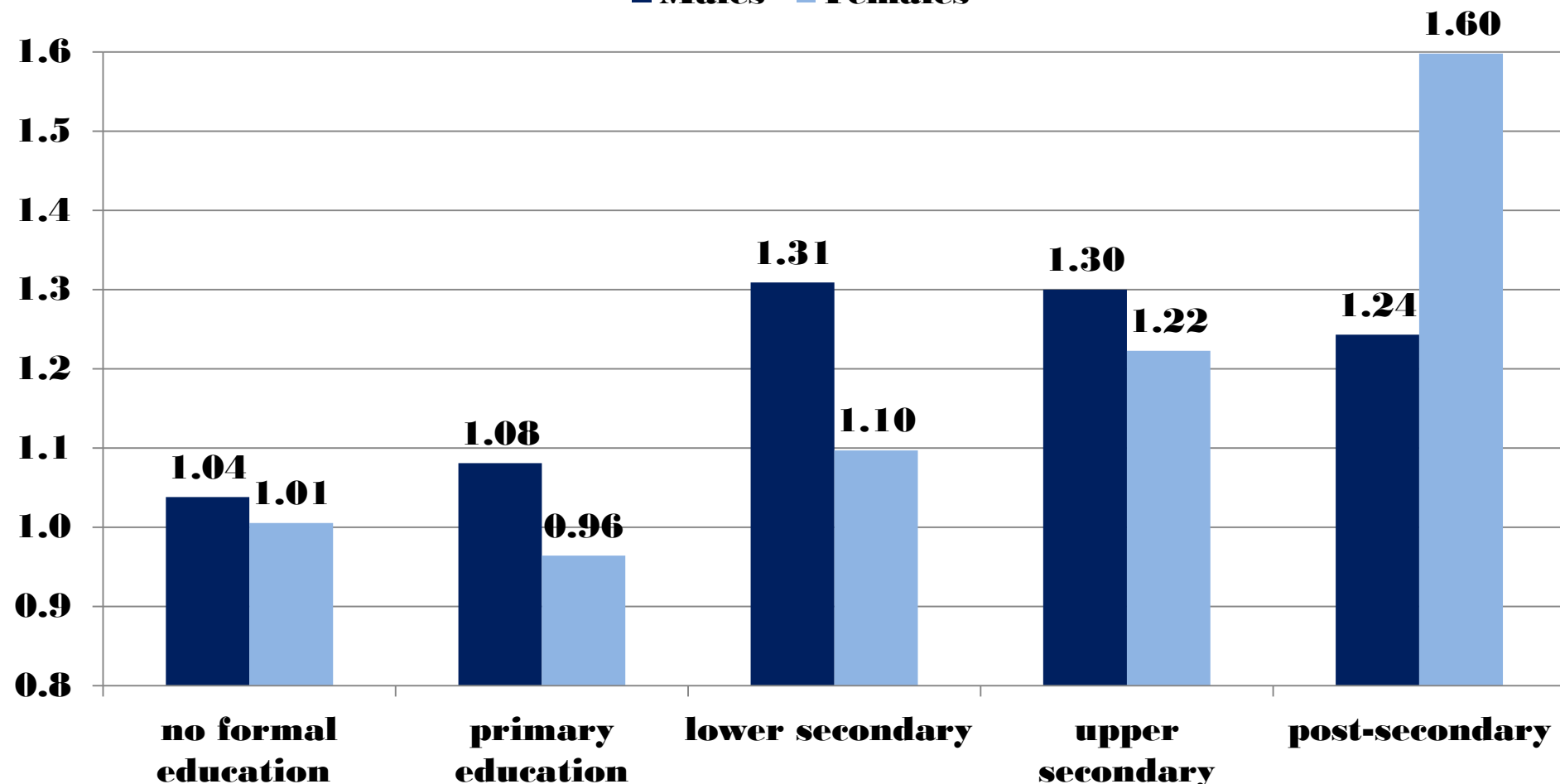


Low Educational Attainment?

But the R/N-R gap doesn't disappear as educational attainment rises

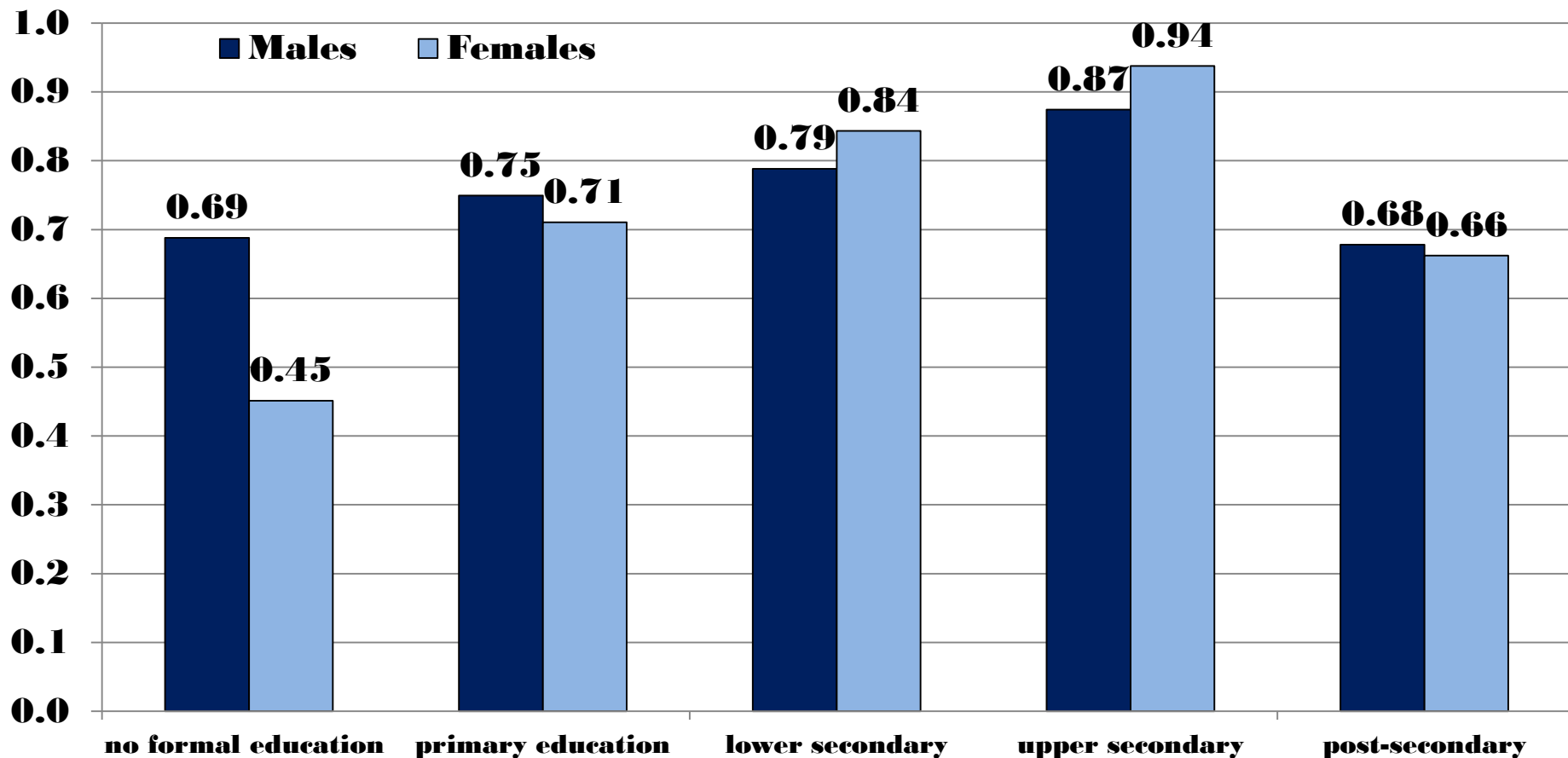
(R/N-R ratio of jobless rates by education)

■ Males ■ Females



Low Educational Attainment?

Although for wages the picture is slightly different (Roma/non-Roma ratio of median wages by educational attainment)



Serious problem with analysing this question:

Precisely, the Low Roma educational attainment – in particular, very few Roma have tertiary education and very few non-Roma have no, or little, education

Towards Explaining Disadvantage: Previous work & some indicators for the present study

On Roma & Discrimination

- Milcher & Fischer (2011): evidence of wage discrimination against the Roma in Albania and Kosovo, but not in Bulgaria, Croatia or Serbia.
- O'Higgins (2006, 2010): both (**education and discrimination**) explanations have some validity and are connected – lower (**absolute**) returns to education (due to discrimination) for Roma make it rational for them to invest in less human capital
- Trentini (2011) finds also lower **relative** rates of return in Bulgaria
- O'Higgins (2010): in Macedonia significant portion of the wage differential is explained by Roma engagement in the **informal sector**. This appears to be more important than either occupation or industrial sector per se.

[N.B. all the above use **Blinder-Oaxaca** type approach]

- O'Higgins & Brüggemann (2013) find evidence of cumulative 'discrimination' (or disadvantage) with Roma children being channelled into special schools (in CZ & SK) which severely affects their educational attainment

On Gender discrimination amongst Roma

?? (practically nothing quantitative in the literature)

Towards Explaining Disadvantage:

Some simple econometrics

(Employment and wage equations)

	Employment	Wages	Wages controlling for selection into employment
	Coeff.	Coeff. (\approx % change in wages)	Coeff. (\approx % change in wages)
Roma	-.22***	-.27***	-.21**
Female	-.55***	-.21***	.04
Roma and Female	-.21***	-.02	.13***
n	23366	8422	8422
(Pseudo) R²	.16	.32	
Wald test of significance			2178.76***

Towards explaining disadvantage: Returns to education

	Employment				Wages			
	Male		Female		Male		Female	
	Roma	Non-Roma	Roma	Non-Roma	Roma	Non-Roma	Roma	Non-Roma
Experience	<i>0.028</i>	<i>0.071</i>	<i>0.066</i>	<i>0.089</i>	0.004	-0.005	<i>-0.027</i>	<i>-0.039</i>
Experience²	<i>-0.001</i>	<i>-0.002</i>	<i>-0.001</i>	<i>-0.002</i>	0.000	0.000	<i>0.001</i>	<i>0.001</i>
primary education	0.054	0.075	<i>0.167</i>	0.135	0.091	-0.057	<i>0.112</i>	0.309
lower secondary	<i>0.136</i>	0.169	<i>0.297</i>	0.310	<i>0.275</i>	0.319	<i>0.297</i>	0.182
upper secondary	<i>0.472</i>	<i>0.393</i>	<i>0.960</i>	<i>0.805</i>	<i>0.364</i>	0.489	0.203	0.060
post-secondary	<i>0.855</i>	<i>0.627</i>	<i>1.655</i>	<i>1.566</i>	<i>0.444</i>	<i>0.813</i>	-0.058	0.201
Intercept	<i>0.316</i>	0.138	<i>-1.417</i>	<i>-1.431</i>	<i>5.768</i>	<i>5.726</i>	<i>6.590</i>	<i>6.619</i>
n	8114	3341	8461	3450	3509	826	1724	1301
Pseudo-R²	0.07	0.12	0.09	0.18				
Rho					<i>-0.84</i>	0.03	<i>-0.89</i>	<i>-0.93</i>

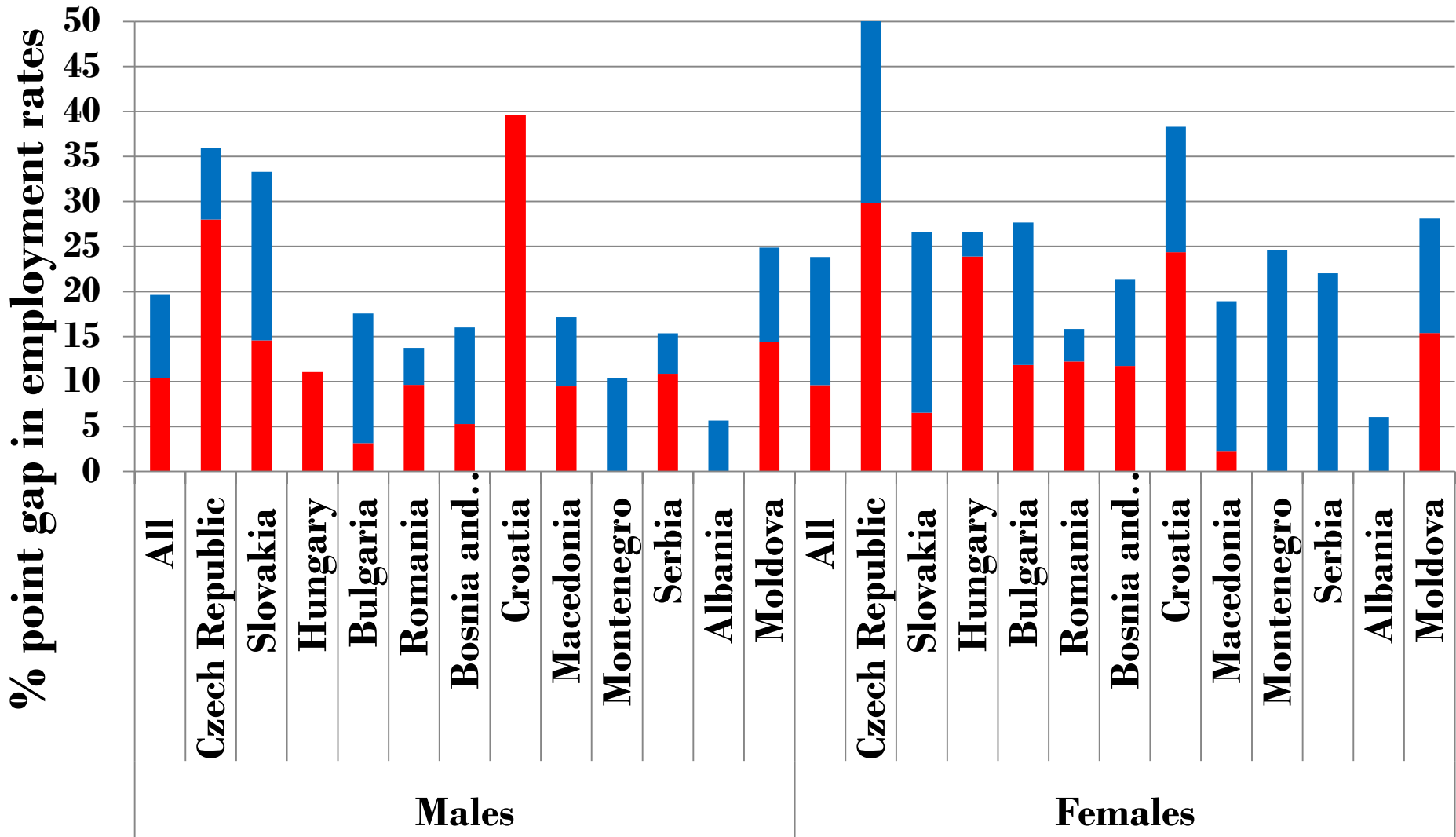
Typical approach:

- Use these types of estimates to undertake linear (wages) and/or non-linear (employment) parametric (regression based) decomposition a la Oaxaca-Blinder
- But there is a major problem of (un-) common support
- (problem also applies to other matching methodologies – e.g. propensity score matching)

More useful approach = Decomposition based on Matching (Nopo, 2008)

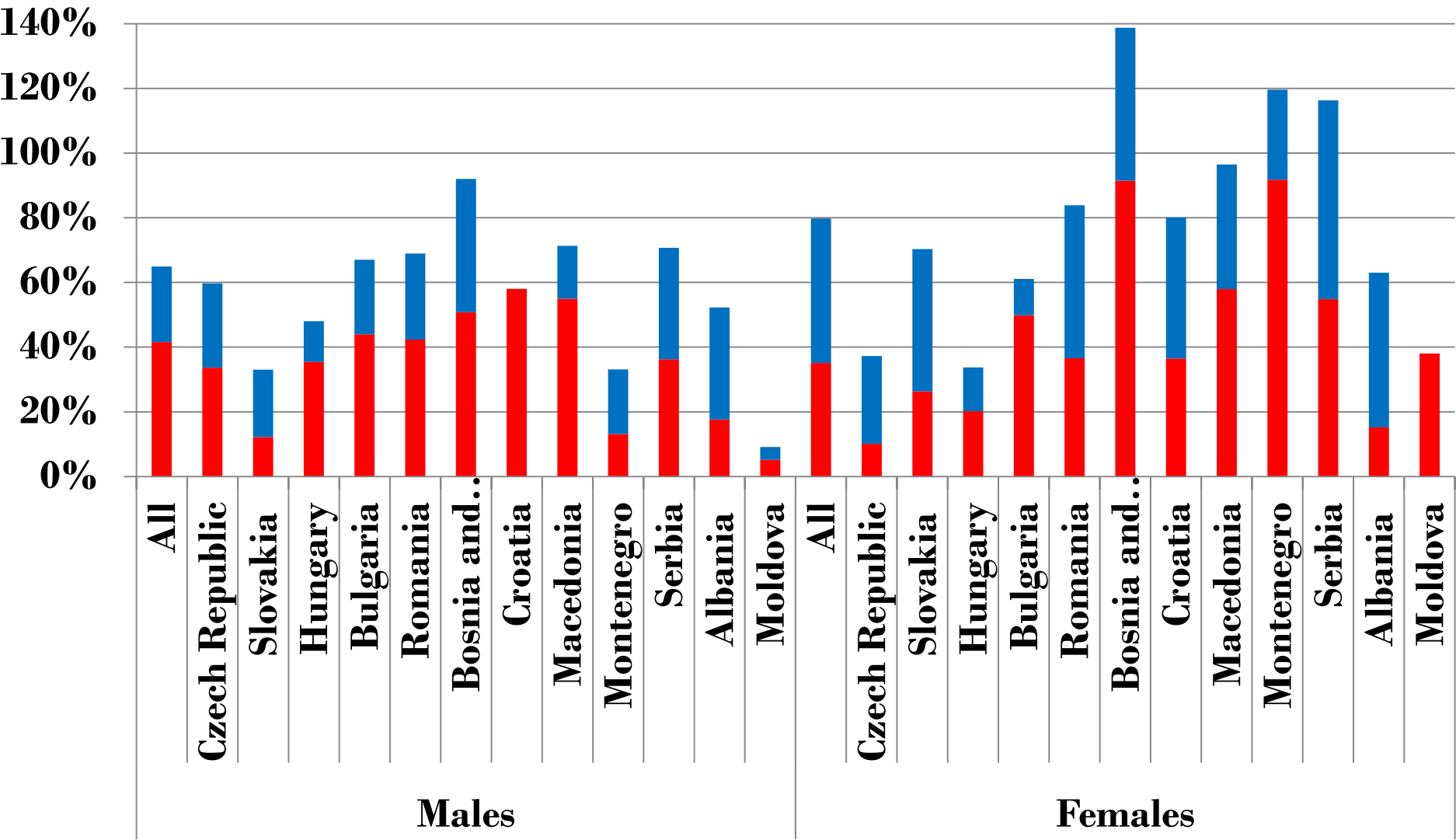
- Comparison over common support – particularly important in the present context
- One-to-Many matching
- 4-way decomposition of differences in outcome:
 - a. **Explained by**
 - i. differences between Roma outcome for those within and outside the common support
 - ii. differences between non-Roma outcome for those within and outside the common support
 - iii. differences in Roma and non-Roma characteristics
 - b. **not explained by i. – iii.**
- Main problem = ‘curse of dimensionality’ i.e. can’t control for many other factors (in practice, location, education and age-group as proxy for experience)

Estimation of unexplained differences in employment using nonparametric matching



■ Unexplained ■ Explained

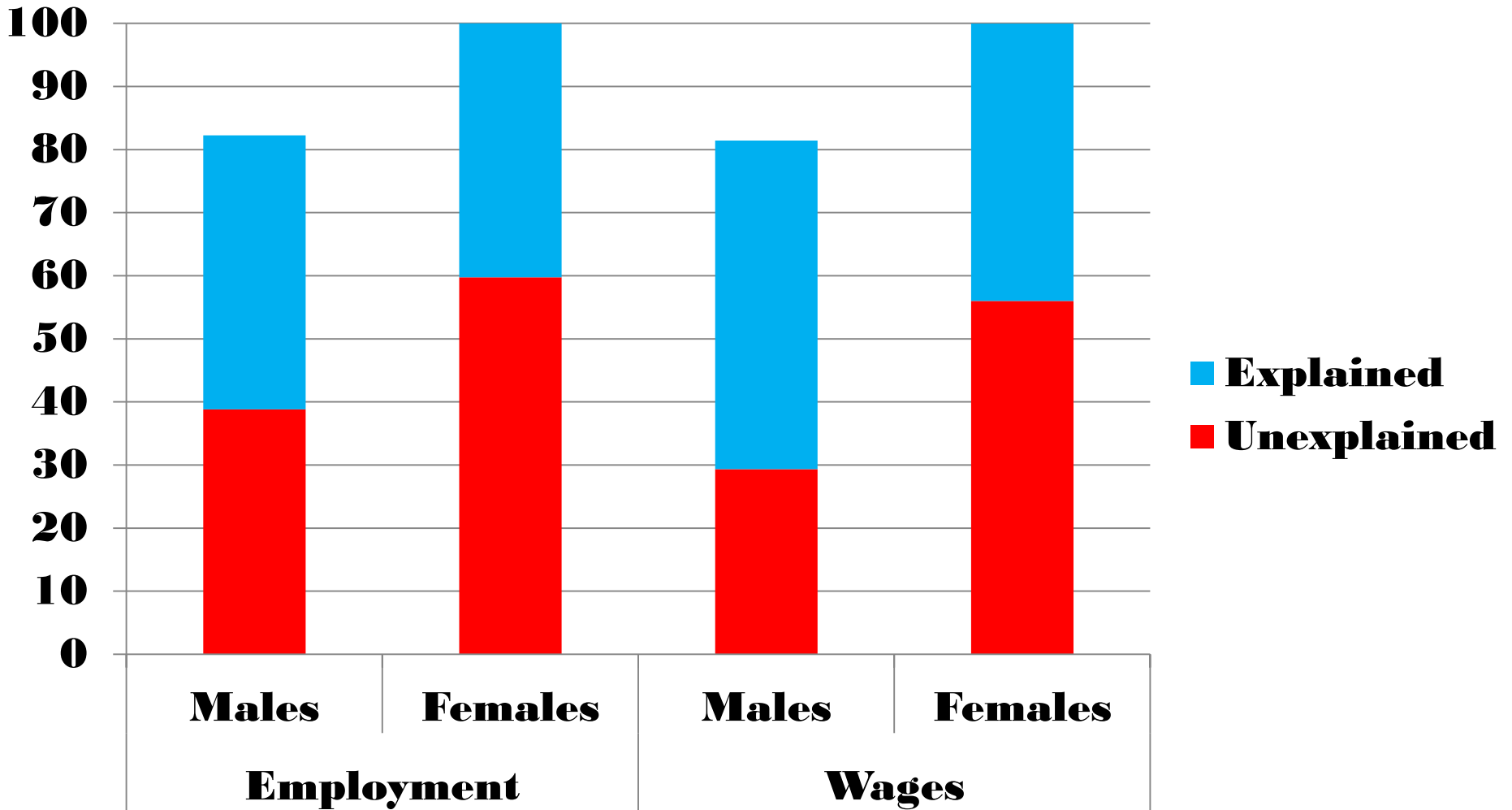
Estimation of unexplained differences in wages using nonparametric matching



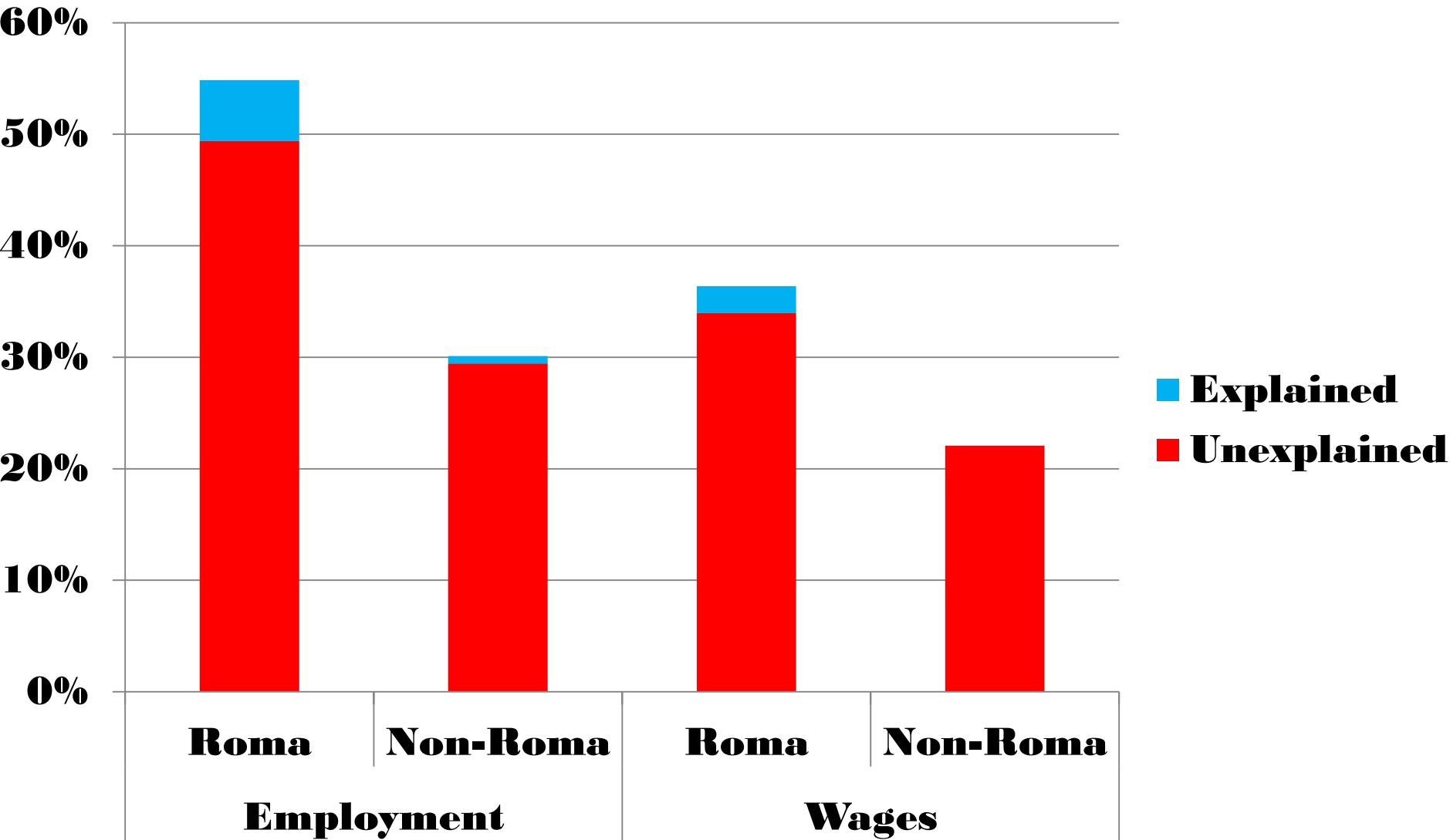
Equal Pay: Fair Pay? A forty-year perspective. Cambridge Journal of Economics Symposium, Cambridge 7-8 June 2013

■ Unexplained ■ Explained

Summary: ethnic gaps



Looking at Gender differences directly



Equal Pay: Fair Pay? A forty-year perspective, Cambridge Journal of Economics Symposium, Cambridge 7-8 June 2013

Some observations

Basic findings:

- Ethnic gaps in employment and wages larger for women than men – in other words, gender gaps are greater for Roma than non-Roma – i.e. evidence of intersectionality (or cumulative disadvantage/discrimination)
- The portion of ‘ethnic’ employment and wage gaps not attributable to differences in education and experience is smaller for women than men
- The gender gap for both Roma and non-Roma is hardly explained at all by differences in education and experience...
- (not shown) ..Nor is it attributable to (identifiable) school quality (e.g. special schools) nor – for wages – to involvement in the informal sector

Some observations (2)

- The pattern of unexplained gender differences (apparently) remarkably similar for Roma and non-Roma
- Factors underlying gender disadvantage are quite different from those driving the ethnic gaps

Likely contenders to ‘explain’ Roma gender gaps:

- ‘occupational segregation’ and similar mechanisms.
- ‘Effective’ labour market experience (thusfar controlled only for potential experience)