Fairness Judgments of Earnings and Sex Discrimination: Experimental Evidence

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Introduction

- Empirical research on earnings in Switzerland: remaining unexplained gap between earnings of men and women (discrimination)
- At the same time: statutory norm of equal pay for equivalent work

Bundesverfassung (Federal Constitution of Switzerland) Art. 8 Abs. 3: "Mann und Frau sind gleichberechtigt. Das Gesetz sorgt für ihre rechtliche und tatsächliche Gleichstellung, vor allem in Familie, Ausbildung und Arbeit. **Mann und Frau haben Anspruch auf gleichen Lohn für gleichwertige Arbeit.**" (accentuation not in original)

[Man and woman are equal. The law provides for their legal and actual equalization, particularly in family, education and work. Man and woman have right to equal pay for equivalent work.]

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Question:

Is there a discrepancy between the empirical situation and a social norm?

Three answers:

- No! Empirical models are not sophisticated enough to fully account for differences in productivity (see, e.g., Becker's "work effort"-approach, 1985)
- Yes! Contradictory to the social norm, women are, in effect, paid less for equivalent work.
- No! Although women are paid less for equivalent work, there's no "real" discrepancy, i.e., the statutory norm is not (or only partially) supported by the members of society.

Can we find empirical evidence supporting the last answer?

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Design and Data

Measurement of norms:

- Vignette analysis/factorial survey approach (Rossi 1979, Rossi and Nock 1982, Beck and Opp 2001)
 - respondents are asked to make judgments on a set of vignettes with randomly varying characteristics
 - given the effects of the vignette variables one may derive properties of the operative norms
- Problem: socially desirable response behavior
 If the respondents are aware of the variations, their responses may reflect social desirability (or political correctness).
- **Solution:** one vignette each respondent

Our Vignette: (example)

Frau Meier, 32 jährig, ist kaufmännische Angestellte. Sie ist allein erziehende Mutter von zwei Kindern. Finanziell kommt Sie nur knapp über die Runden. Sie arbeitet engagiert und ihre Aufgaben und Pflichten erfüllt Sie zur vollen Zufriedenheit ihres Arbeitgebers. Ihr monatliches Bruttoeinkommen beträgt SFr. 4000.–.

Wie stufen Sie das Einkommen der beschriebenen Person ein?



[Ms. Meier, 32 years old, works as commercial clerk. She is single mother of two children. Financially, she barely makes ends meet. She works with great commitment and accomplishes her tasks and duties to perfect satisfaction of her employer. Her monthly gross income amounts to SFr. 4000.–.

How do you classify the income of the described person?]

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Vignette variables:

- sex: female vs. male
- need: low (married, no kids) vs. high (single parent, two kids)
- merit: low (insufficient work effort, bad performance) vs. high (pronounced work effort, excellent performance)
- \Rightarrow 8 possible combinations

Survey:

- "Justice and Inequality 2001" (Ungleichheit und Gerechtigkeit 2001) (mail survey by the Institute for Sociology, University of Bern)
- random sample of German speaking Swiss inhabitants (N = 531, response rate: 34%)
- random assignment of vignettes (8 experimental groups)

Results

	mean	sd	Ν	diff.
total	-1.05	2.10	529	
sex = female	-0.68	2.15	271	0.76***
sex = male	-1.43	1.98	258	
need = low	-0.42	2.08	263	1.25***
need = high	-1.67	1.93	266	
merit = low	-0.19	1.97	280	1.81***
merit = high	-2.00	1.81	249	

 ^{+}p < 0.1, $^{*}p$ < 0.05, $^{**}p$ < 0.01, $^{***}p$ < 0.001 (two tailed)

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		mea	ans		
need	merit	female	male	Ν	diff.
low high low high	low low high high	1.04 0.47 0.96 2.26	-0.01 -1.38 -1.95 -2.80	142 138 121 128	1.06 ^{***} 0.92 ^{**} 0.99 ^{**} 0.54 ⁺

 $p^{*} < 0.1, p^{*} < 0.05, p^{**} < 0.01, p^{***} < 0.001$ (two tailed)

	Ordered Logit	M 1	M 2	M 3	M 4		
	Vignette variables: – sex (male) – need (high) – merit (high)	-0.96*** -1.35*** -2.00***	-0.99** -1.45*** -2.11***	-0.97*** -1.37*** -2.06***	-0.81** -1.37*** -2.06***		
	Interactions: – sex*need – sex*merit – need*merit – sex*need*merit		-0.06 -0.07 0.09 0.41				
	Respondent (male)			0.05	0.17		
	Resp.*sex of vign.				-0.25		
	LR chi ²	217***	218***	222***	223***		
	Ν	529	529	525	525		
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Conclusions and open questions:

- The sex of the described person has an effect.
- The given income is judged less appropriate if the described person is male, i.e., the mean judgments would be equal if the income was lower in the female vignette.
- Despite the statutory norm of equality, women actually should earn less than men, i.e., the norm does not seem to be fully adopted.
- Even women them self think that women should earn less!
- What would be the rationale behind such a discriminatory norm?
- Is the norm related to variables like age, birth cohort, values of tradition, political orientation, ...?

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