



## Paternalistic discrimination

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- This brief describes two field experiments studying obstacles to female labour force participation in Dhaka, Bangladesh.
- The experiments show *paternalistic discrimination*, or preferential hiring of men to protect women from jobs considered dangerous or harmful. When employers are concerned for worker safety, safety measures can increase women's wages and employment rates at the same time.
- In the experiments, informing employers about a safe ride home for workers at the end of a shift increases demand for female labour by 22%, and increases female labour supply by 15%.
- Policies that aim to improve worker safety — e.g., regulating occupational hazards, improving public transportation, reducing crime — may have dual benefits, increasing both female labour supply and demand.

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## Policy motivation

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Women in Bangladesh struggle to access the labour 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 DataBank, 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 labour market discrimination fail to account for gender norms, such as the global norm to protect women. We propose a new explanation for labour market discrimination, which we call *paternalistic discrimination*: the preferential hiring of men to protect women from dangerous or unpleasant tasks.

### Paternalism and policy

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

***Paternalistic discrimination* — the preferential hiring of men to protect women from dangerous or unpleasant tasks — may explain some labour market discrimination.**

## Hiring experiments with applicants and employers

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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 labour responds to employers' perceptions of safety; in the second experiment, we examine how labour supply responds to applicants' perceptions of safety.

### Experiment 1: Employer Experiment

We recruit 495 employers, individuals with recent hiring experience, from the manufacturing, retail/wholesale and services, and education industries in Dhaka. We also advertise the job on university campuses, recruiting 990 job applicants. Employers act as hiring consultants, choosing applicants to hire for the job.

The key variation in the experiment changes employers' perceptions of worker safety, by randomizing employers into one of two transport treatment arms:

- **Transport:** Employers are informed about the free safe transport home.
- **No Transport:** Employers are not informed about the transport.

By withholding information about the transport from half of the employers, we can observe if perceptions of safety change hiring decisions.

In addition to varying information about the transport in the employer experiment, we also vary whether we offer a wage subsidy, paid either to employers or workers by cross-randomizing employers into one of the following four subsidy treatments:

- **No subsidy:** Male and female workers receive BDT 1,500 for completing the shift. Employers receive BDT 500 for hiring any worker.
- **Male Worker subsidy:** Male workers receive BDT 2,500 and female workers BDT 1,500 for completing the shift. Employers receive BDT 500 for hiring any worker.
- **Female Worker subsidy:** Male workers receive BDT 1,500 and female workers BDT 2,500 for completing the shift. Employers receive BDT 500 for hiring any worker.
- **Employer subsidy:** Male and female workers receive BDT 1,500 for completing the shift. Employers receive BDT 500 if their hired worker is a man and BDT 1,500 if their hired worker is a woman.

The amount of the subsidy would allow workers to purchase a safe ride home for themselves. As a result, employers who trust applicants to judge danger for themselves should hire more women with the *Female Worker* subsidy than with the ride. Only employers who wish to control women's behaviour should more hire women in the ride treatment than in the Female Worker subsidy treatment.

## Holding worker selection and productivity constant

The heart of the experiment is holding all reasons for discrimination constant across the treatment conditions, aside from the perceived well-being of the worker. To ensure that information about the transport affects neither the perception of worker selection nor productivity, we inform employers that the job was advertised without transport and that workers will only learn about it after the shift. Similarly, we inform employers that the workers know nothing about the subsidies, which will be paid as a surprise bonus at the end of the shift.

This ensures that the same applicants form the applicant pool in all treatment conditions. In other words, any changes in hiring between treatments can only be due to employers' concerns for worker welfare.

### Experiment 2: Applicant Experiment

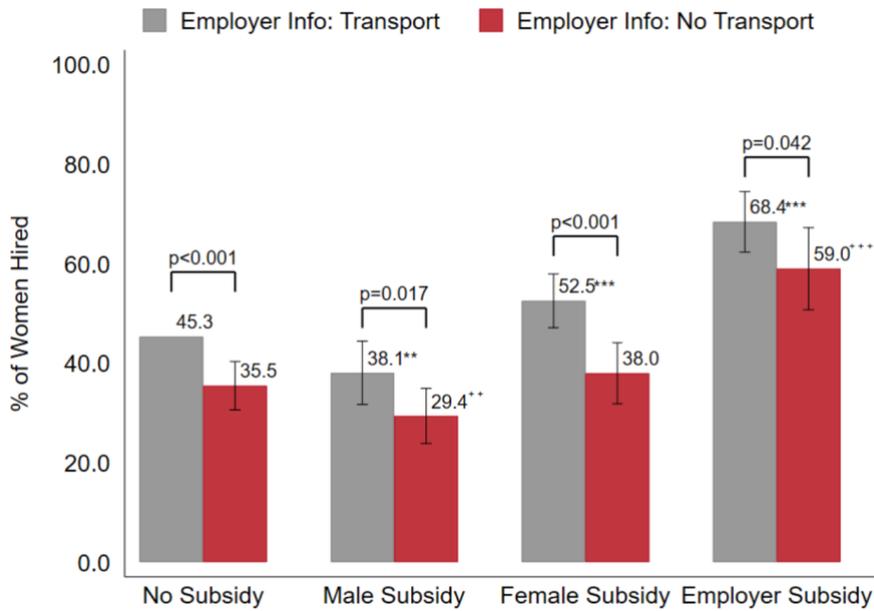
We complement the demand-side experiment with a supply-side experiment. We elicit the reservation wages of 770 applicants, distinct from those in the hiring experiment, who responded to recruitment for the workshop and job on the nightshift. We exogenously vary the perceived job costs by randomizing whether we inform applicants that free and safe transport will be provided at the end of the shift.

## Key findings

**The research shows that increasing perceptions of safety increase female labour supply and demand for female labour.**

**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 (see Figure 1).

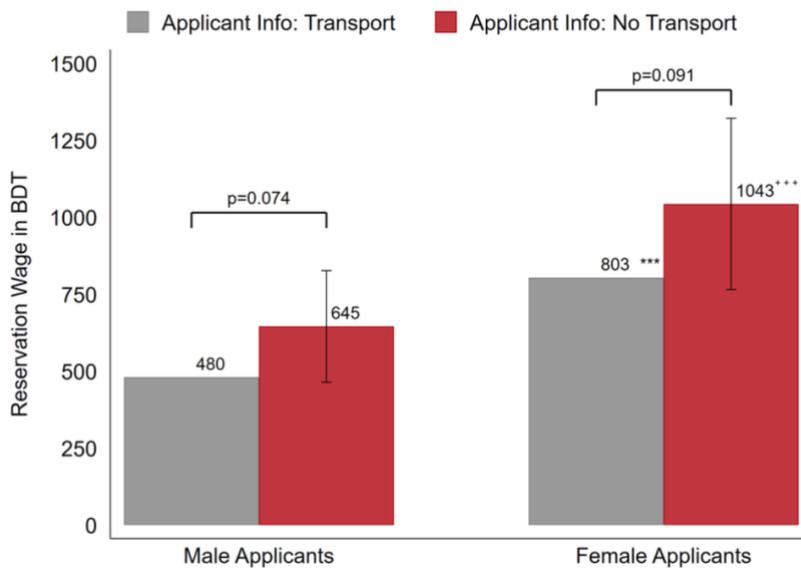
FIGURE 1: Female hiring rate by treatment



Notes: The figure shows the share of women hired in each treatment condition. Spiked lines represent 95% confidence intervals. Asterisks compare hiring rates between *No subsidy* and each of the subsidies with transport,  $p < 0.10^*$ ,  $p < 0.05^{**}$ ,  $p < 0.01^{***}$  (on the grey *Transport* bars, only), and pluses compare hiring rates between *No subsidy* and each of the subsidies without transport,  $p < 0.10^+$ ,  $p < 0.05^{++}$ ,  $p < 0.01^{+++}$  (on the red *No Transport* bars, only).  $p$ -values between bars compare hiring rates with and without transport within subsidy treatment.

**Applicants value the ride, but less than employers do.** Applicants who are informed about the ride are willing to work for about BDT 200 less than applicants who don't know about the ride (see Figure 2). At a wage of BDT 1,500, this leads to a drop in female applications of 15%.

FIGURE 2: Labour supply by ride treatment



## Policy implications

Paternalistic discrimination suggests a set of policy tools to increase female labour 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 labour market outcomes. For one, increasing the security of workers (both in the workplace and during the commute) may increase in both the supply of and demand for labour. 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.

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