



Paternalistic Discrimination

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We conduct two field experiments in Bangladesh to identify paternalistic discrimination, the differential treatment of two groups to protect one group from harmful or unpleasant situations. We observe real hiring and application decisions for a night-shift job that provides worker transport at the end of the shift. In the first experiment, we vary employers' perceptions of job costs to women by varying information about the transport. Employers discriminate paternalistically: Not informing employers about the transport decreases demand for female labour by 22%. In the second experiment, not informing applicants about the transport reduces the female labour supply by 15%.

Introduction

Women in many low-income countries are often excluded from the labour market. 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. Do employers in Bangladesh discriminate paternalistically against women? And if so, how does this affect women's employment and wages?

Policy Context

Women in Bangladesh struggle to access the labour market, particularly in male-dominated occupations (BDHS, 2016; BBS, 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.

Restrictive gender norms and labour laws also contribute to Bangladesh's large gender employment and wage gaps. Male guardianship of females is a common feature of traditional relationships in Bangladesh, with women living under the guardianship of their fathers in childhood, their husbands and fathers-in-law in marriage, and their sons in widowhood (White, 2017). Safe transport represents a special concern for women in Dhaka. Women report high rates of physical harassment, such as groping, driver misconduct, and discomfort from overcrowding and crush loading (Rahman, 2010; Achol Foundation, 2022; Kabir and Islam, 2023). These problems have led providers to establish women-only bus service routes in recent years, though these services offer limited routes and hours (Naher, 2022).



Data and Methodology

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. After collecting job applications from real applicants, we ask local employers – individuals with recent hiring experience – to act as hiring consultants, choosing applicants to hire. 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.

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. Any changes in hiring between treatments can only be due to employers' concerns for worker welfare.

In the second experiment, we examine how labour supply responds to applicants' perceptions of safety. We exogenously vary applicants' perceptions of job costs by randomizing whether we inform applicants that free and safe transport will be provided at the end of the shift.

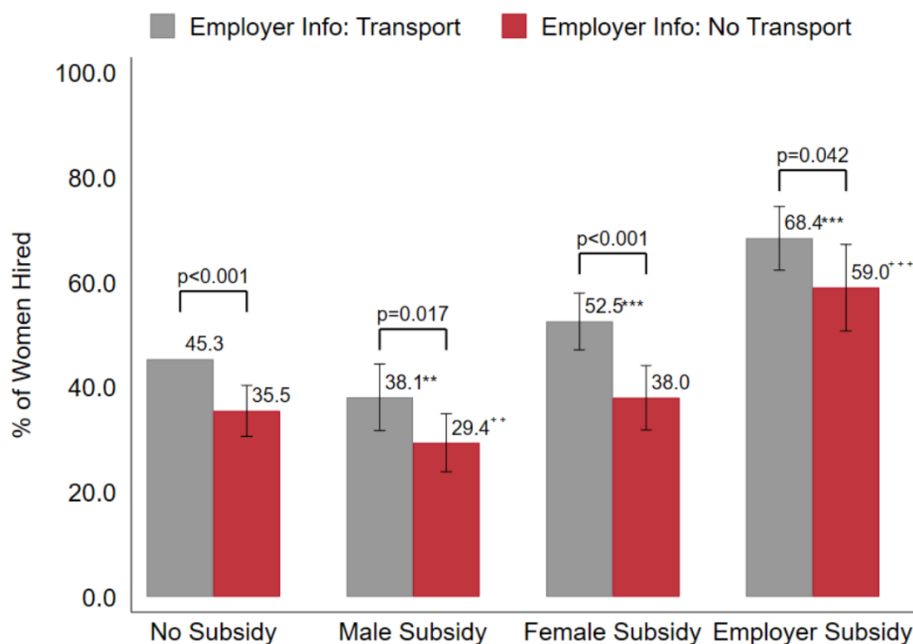
Results

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

Employers discriminate paternalistically: withholding information about the safe ride for applicants decreases 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).

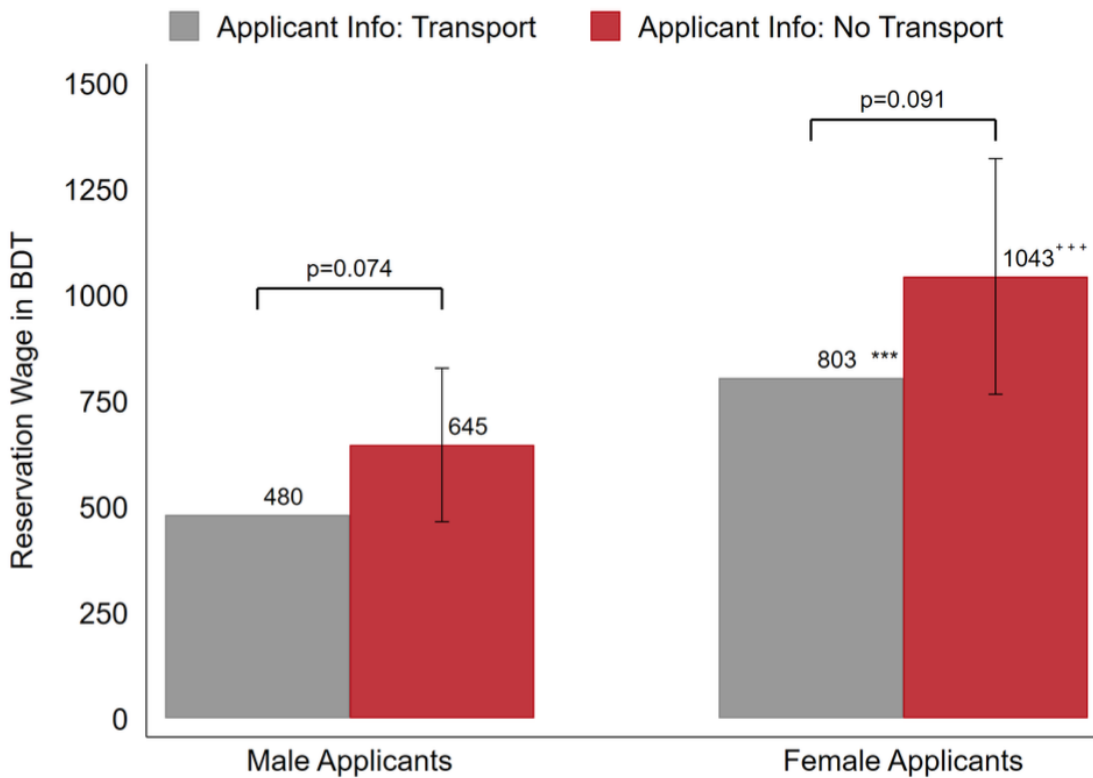
Applicants value the ride, but less than employers do. Applicants who are informed about the ride are willing to work for about BDT 200 less than applicants who don't know about the ride (see Figure 2). At a wage of BDT 1,500, this leads to a drop in female applications of 16%.

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.

Figure 2: Female hiring rate by treatment



Policy Impact

Paternalistic discrimination suggests a set of policy tools to increase female labour force participation. Wage laws and worker subsidies may change employers’ assessments of the jobs that are worthwhile for women. Workplace safety initiatives, crime reduction efforts, and investment in public transportation may make work safer for women, reducing the need for employers to protect them against their will. More generally, our findings suggest that ignoring the effects of policies on the demand for female labour alone may understate the total benefits of these 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. Programmes 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. Our simulations based on the results of the experiment suggest that both worker subsidies for women and improving transportation safety can increase profits for firms while increasing employment for women.

While our experiment focuses on Bangladesh, the forces that drive paternalistic discrimination in Bangladesh — strong gender norms, weak or non-existent anti-discrimination laws, and firms that display biased decision making — are shared by many low-income countries. We suspect that paternalistic discrimination may limit women’s opportunities around the world. Since early-career workers are often willing to undertake unpleasant tasks in order to gain experience, paternalism may be most limiting for women in early stages of their careers, keeping them off the first rung of the career ladder and restricting later opportunities.

Moving Forward

Future research should explore how paternalism affects women's career trajectories or preferences over the long term, thus contributing to systemic discrimination. Our data suggest that those who suffer the most from paternalistic discrimination are women with little experience. Obstacles to early-career employment may keep these applicants off the career ladder, slowing human capital accumulation and eliminating some future opportunities. While we focus on hiring decisions, other-regarding preferences may also lead to differential treatment in task assignment, promotion, or layoff decisions. Moreover, paternalistic discrimination might occur not only in the labour market but also inside the household (towards daughters) or in school (towards female students), thus differentially shaping the preferences of girls and boys during their most formative stages. The fact that many hiring managers describe “culture” and “fit” as factors in their hiring decisions suggest the importance of paternalism in these other dimensions. Understanding these issues can enhance our understanding of gender gaps and our assessment of available policies.

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