International Migration Outlook 2013

Chapter 4

Discrimination against immigrants – measurement, incidence and policy instruments[1]

Discrimination is a key obstacle to the full integration of immigrants and their offspring into the labour market and the society as a whole. This chapter provides an overview of discrimination against immigrants and their children in OECD countries – its measurement, incidence and policy solutions – on the basis of the empirical literature and policy practices.

The actual prevalence of discrimination is difficult to assess, since the disadvantage of immigrants and their offspring in many domains of public life may be attributable to many other factors – both observed and non-observed – than ethnic origin itself. Testing studies which try to isolate the effect of discrimination in hiring suggest that it is not uncommon for immigrants and their offspring to have to send more than twice as many applications to get invited to a job interview than persons without a migration background who have an otherwise equivalent CV.

Most OECD countries have taken measures to combat discrimination, although the scale and scope of the measures varies widely. Much of the effect of most policy measures against discrimination appears to stem rather from raising awareness about the issue than from any direct influence which they may have on preventing discrimination.

Introduction

In many integration domains, the outcomes of immigrants lag behind those of the native-born. For example, on average in OECD countries, immigrants' labour market outcomes are below those of the native-born of similar age and education levels. Immigrants also find themselves more often living in sub-standard housing conditions (OECD, 2012a).

Yet, there are many potential explanations why immigrants face particular difficulties in integrating into the labour market and the host-country society at large. Regarding labour market integration, some of these are linked with the fact that immigrants have often acquired their qualifications and work experience in a very different context and often also in a different language. These obstacles should, however, not persist for children of immigrants raised and educated in the host country. Nevertheless, recent OECD work has shown that even children of immigrants have poorer labour market performance than comparable offspring of native-born – even when the former have good qualifications (OECD, 2010). Such persisting disadvantages may still be partly attributable to other factors, such as differences in social and professional networks, soft skills, concentration in certain geographical areas or fields of study or other un-observed characteristics and personal traits such as motivation. However, this is not the whole story because of the possibility of discrimination which is often advanced as one of the main obstacles that hamper integration. This issue is of particular pertinence now in the context of large and growing immigrant populations and the global economic crisis, which left many immigrants looking for work and subject to potential discrimination in the hiring process.

This chapter provides an overview of discrimination against immigrants and their children in OECD countries – its measurement, incidence and policy solutions – on the basis of the empirical literature and policy practices. The remainder of this chapter is structured as follows. The first section briefly outlines why discrimination is an issue for integration policy, along with some theoretical considerations. The second section provides an overview of the different approaches to measure discrimination, and analyses the findings from the literature regarding its incidence. The chapter concludes with some implications for policy.

Main findings

- Discrimination is a key obstacle to the full integration of immigrants and their offspring into the labour market and the society as a whole. It may not only negatively impact on social cohesion and immigrants' incentives to invest in education and training, but can also represent an economic loss to the host country.
- The actual prevalence of discrimination is difficult to assess, since the disadvantage of immigrants and their offspring in many domains of public life may be attributable to many other factors – both observed and non-observed – than ethnic origin itself, and these also differ across countries. One rather unambiguous measure that has been applied in a growing number of OECD countries is *testing studies in recruitment processes in*

which fictitious CVs are submitted to hiring companies in which only the name, nationality or country of birth indicates an immigrant background. These testing studies suggest that it is not uncommon for immigrants and their offspring to have to send more than twice as many applications to get invited to a job interview than persons without a migration background who have an otherwise equivalent CV.

- Although it is difficult to compare levels of discrimination across groups or countries, one rather robust finding is that on average, men tend to be more affected by discriminatory practices than women. This notably concerns native-born offspring of "visible" immigrant groups in European OECD countries for whom the evidence suggests a high incidence of discrimination compared with other groups, whatever measure is taken.
- Most of the research on discrimination, and also on measures to combat it, has concentrated on the labour market. In the labour market, discrimination both affects access to employment and subsequent career advancement and wages. One would expect discrimination to be lower after the hiring as possible employer uncertainty about immigrants' productivity gives way to personal experiences. Indeed, discrimination during hiring is best documented, although this may in part be due to the fact that it is more difficult to firmly establish discrimination during the employment relationship and its potential termination. There is also evidence of discrimination in other markets, notably the housing market, as well as in the education system.
- Most OECD countries have taken measures to combat discrimination, although the scale and scope of the measures vary widely. Most common are legal remedies against discrimination. A number of OECD countries have also applied affirmative-action type policies on the basis of targets and other instruments such as anonymous CVs, although hard quotas are rare. The evidence to date suggests that these tools can be effective in combating discrimination, if carefully designed and monitored.
- In recent years, *diversity policy instruments* have been tested in a growing number of OECD countries. While these are promising tools, it is difficult to assess their effectiveness, since it is generally those employers who are most interested in diversity who participate. More generally, it seems that much of the effect of policy measures against discrimination – in particular regarding legal constraints – stems more from raising awareness about the issue than through any direct influence which they may have on preventing discrimination.
- Such awareness-raising seems particularly important since there is growing evidence that discriminatory behaviour does not necessarily stem from individual preferences but often from *negative stereotypes* about immigrants and their children. For example, employers seem to value certain characteristics that tend to be associated with better integration. This suggests that a balanced public discourse on immigrants and their integration outcomes would also contribute to reducing stereotypes and thus combating discrimination.

Definition and measure

Discrimination against immigrants – definition, causes and consequences

In the context of this chapter, discrimination is understood as unequal or differential treatment that disfavours an individual or a group and that is based on origin, ethnicity, race or nationality.[2] Becker (1957), in his seminal work on the economics of discrimination, distinguishes two types of discrimination – *taste-based* and *statistical*. The former occurs when economic agents (e.g. employers, home owners, banks, etc.) have a preference or

taste for persons of a particular origin instead of others. "Statistical" discrimination occurs, for example, when employers lack information about a candidate's productivity or landlords or banks have doubts about the credit worthiness of a potential tenant or credit taker, respectively. Easily observable characteristics, such as ethnic origin, are seen as conveying additional information, based on the expected ability or trustworthiness of the group they belong to.[3] This form of discrimination is thus – in contrast to taste-based discrimination – in principle a rational response to uncertainty.[4] In practice, however, it is difficult to distinguish between the two types since statistical discrimination tends to be based on prejudices against persons with a migrant background.

Another distinction that is often made is that between *direct* and *indirect* discrimination against immigrants. Direct discrimination occurs if a person or a group is treated unfavourably because of their immigrant background. The second refers to a situation where formally equal treatment has, or is likely to have, the effect of disadvantaging immigrants, and that cannot be justified on other grounds. One example is a situation where a test asks for very specific knowledge about the host country that immigrants will typically not have, albeit such knowledge is not associated with the nature of the job.

Discrimination is an important issue for integration policy, for a number of reasons.[5] It violates the fundamental human right of equal treatment, established – among others – by the Universal Declaration of Human Rights in 1948. By introducing unequal treatment, discrimination is also a threat to social cohesion and may lead to alienation of immigrants and their offspring with the host-country society, with potential negative repercussions regarding their social and civic integration. Heath et al. (forthcoming), for example, find that the feeling to belong to a group that is discriminated against is associated with dissatisfaction with democracy and distrust of host-country institutions such as the police. Since discrimination tends to reduce the pay-off to formal qualifications, it may also result in lower investment by immigrants into education and training and prevent qualified potential migrants from abroad to make the move. As a result of these processes, negative stereotypes that lead to discrimination against immigrants may thus become self-fulfilling prophesies.

Such lower investments also represent an economic loss for the host country. But discrimination may also potentially represent a loss for discriminating employers in terms of lost opportunities. Here, however, one has to distinguish between taste-based and statistical discrimination. Whereas the former imposes a cost on prejudiced employers, the latter may be a rational strategy under imperfect information. As a result, competitive pressure will tend to reduce taste-based discrimination, but not statistical discrimination. Indeed, there is evidence that more competitive product markets are generally associated with lower levels of discrimination (OECD, 2008a).[6]

Finally, there is some evidence that discrimination lowers immigrants' wellbeing and is associated with adverse psychological and physiological outcomes, for example greater stress and a higher incidence of cardio diseases (e.g. Williams and Mohammed, 2009; Krieger et al., 2005). However, findings in this area are still mixed and cannot be generalised (see, for example, the meta-analysis of Pieterse et al., 2012).

Discrimination can be present in virtually all domains involving interactions with migrants. Most attention, both on the research and the policy side, has been paid to the labour market, in particular regarding the hiring stage. Of course, labour market discrimination can also occur with respect to wages, promotions and lay-offs, but – as will be seen below – these forms of discrimination are more difficult to establish.

But the labour market is not the only market where discrimination is an issue. For example, immigrants can be discriminated against with respect to access to housing and rent payments (see Box 4.2 below). Another example is the credit market, where immigrants may have to pay higher interest rates or are less likely to get a credit in the first place.[7] Similar arguments can be made with respect to certain consumption goods or services, in particular where supply is constrained. Anti-discrimination bodies also report frequent complaints about discrimination in access to night clubs and in legal proceedings. Another important domain where there is growing evidence of discrimination is in the education system, such as in grading and teacher's track recommendations – in countries where the latter is an issue (see Holzer and Ludwig, 2003 for a discussion).

Finally, there is the issue of so-called "institutional discrimination", that is, when discriminatory treatment is attributable to an institution as a result of the rules and practices of that institution (for a discussion, see e.g. Sampson, 2008). Institutional discrimination is generally indirect, i.e. not overtly or intentionally discriminatory, but will have the same effect in practice.

The above list is far from complete, but highlights the breath of discriminatory situations which immigrants and their offspring may face. To limit the discussion to manageable proportions, this chapter will mainly deal with labour market discrimination.

Measurement, incidence, and implications of labour market discrimination

The measurement of discrimination in the labour market is by no means straightforward. It is useful to begin by distinguishing methods which demonstrate whether or not discrimination occurs, and against which groups, and methods which are able to provide estimates of discrimination. These alternative methods include field experiments, self-report surveys, and statistical analyses of labour market outcomes for minorities. Each of these will be analysed in turn after briefly reviewing data from legal cases.

Legal cases

As will be discussed in further detail in the next section, there is a growing spread of anti-discrimination legislation. Such legislation typically covers discrimination in different spheres such as employment and housing and includes various mechanisms for enforcement such as the legal possibility for complainants who believe they have experienced discrimination to take their case to a court or tribunal. If the case is upheld, the complainant may receive compensation. Judgments may have further implications such as, for example, reputational damage for employers or additional obstacles when bidding for government contracts.

At the tribunal, the case is heard according to national principles of what counts as admissible evidence, which may not necessarily be the same as social scientific criteria and which may vary from country to country. Who counts as being a member of a racial or ethnic group will also be a matter for each jurisdiction to decide and may differ from country to country (see Box 4.1).[8] The motives of the discriminating actor are not held to be relevant. Therefore, "statistical discrimination" is no defence in a legal case. It is against the law in just the same way as "taste-based discrimination" is unlawful.

While it is possible to count the number of successful complaints within a given jurisdiction and to measure trends over time (see, for example, Heath and Li, 2010), this number does not give straightforward evidence of the incidence or prevalence of unlawful

Box 4.1. **Target groups and the question of "ethnic statistics"**

Measuring discrimination requires first of all an identification of the target groups. "Ethnic" and "racial" are rarely defined precisely in legal texts. They generally refer to a list of characteristics linked to this type of discrimination, such as the *International Convention for the Elimination of Racial Discrimination* which defines its scope as discrimination based on "race, colour, descent and national or ethnic origin". Anti-discrimination and equity laws frequently provide the list of their recipients and set methods and standards to collect data on them. Categories and terminologies vary across countries according to their history, political context and ethnic and racial composition. For example, there are the terms "visible minorities" and Aboriginals in Canada, "ethnic and racial" groups in the United States, "non-Western", "*allochtonen*" in the Netherlands, "non-Western immigrants" in the Nordic countries; "Non English-Speaking Background" (NESB) or "Culturally and Linguistically Diverse" (CALD) groups in Australia, national minorities in Central and Eastern European Countries, "ethnic groups" in the United Kingdom, "people with a migration background" in Germany – the list is extensive and the perspective to adopt any international standard in this matter is probably neither feasible nor appropriate.

Collecting data on ethnicity and race is a contentious issue. It raises political controversies and methodological problems. A significant number of countries around the world have decided not to collect data on ethnicity or race in their official statistics, like censuses, population registers, or administrative files. An overview of the censuses that took place around 2000 shows that 65% of countries have collected data on ethnicity and/or race (Morning, 2008). This global level varies greatly across continents, with only 44% of European countries (i.e. 16 out of 36) implementing ethnic enumeration, to be compared with 64% in Asia, 44% in Africa and more than 80% in North and South America and Oceania.

Being overwhelmingly considered as subjective, data on ethnicity and race are mostly collected through self-identification, in an open-ended question or, in other cases, with a pre-coded list of the main categories relevant for the country. Echoing the concerns of human rights organisations and data protection provisions, the recommendations for census taking published by the United Nations before each census round (2009-13 being the most recent) insist that ethnicity or race should be collected through self-identification with multiple answers. Self-identification data may change across time and surveys for the same individual, and they may not necessarily match the perception by others (i.e. it is possible that someone identifying him/herself as "White" or "American Indian" in the United States will be perceived as "Black" or "White", respectively).

discrimination in that jurisdiction. In most jurisdictions, a complainant who believes that he or she has been the subject of discriminatory behaviour needs to make a complaint through formal legal channels – in the case of employment, often also with the support of his or her trade union – and this process involves overcoming a number of hurdles.[9] In effect, then, there is a major issue of selection bias in the kinds of cases that come to court. As a result, the number of successful cases are generally low and merely represent the "tip of the iceberg".

A first barrier is whether potential complainants will be aware of their right to take the matter to court and their awareness of the formal procedures to be followed.[10] There are also issues about the accessibility and effectiveness of the complaints procedure, and the availability of legal assistance, while the relatively low average level of the compensation that courts or tribunals award may also be a disincentive to proceed with a case.

Furthermore, many cases may be settled out of court before the case is formally heard and adjudicated. In addition, in the case of wage or other job-related forms of discrimination, labour migrants whose permit is linked with a specific employer may be afraid of risking their residence permit if filing a complaint or, for migrants in an irregular situation, of risking deportation.

Cross-nationally there is considerable variation in the frequency and size of sanctions and awards made in ethnic or racial discrimination cases, as shown by OECD (2008a) which provides an overview of employer incentives to comply with anti-discrimination legislation and to follow an equality policy. The power of the sanctions and in particular the likelihood and magnitude of awards for claimants will influence the incentives of the latter to pursue a complaint. The variation in the number of legal proceedings across countries thus clearly has more to do with institutional differences in procedures and bodies available to help complainants, and their incentives, rather than with differences in underlying rates of discrimination. For example, an overview by the European Union Agency for Fundamental Rights (FRA, 2008) among EU member countries in 2007 showed that twelve countries applied no sanctions while among the others, sanctions ranged from one successful case in the Netherlands, where the employer was fined EUR 500 and the complainant was awarded EUR 250, to the United Kingdom, where there were 95 successful cases, with a maximum award to the complainant of GBP 128 898 and a median award of GBP 7 000.

Field experiments

Field experiments, or audit studies as they are sometimes termed, are generally regarded as the most rigorous and valid ways for identifying the existence of discrimination and they avoid some of the main problems involved with using legal cases to establish the presence of discrimination. In the case of labour market discrimination, the standard approach is to submit applications to real job offers with *otherwise identical CVs* by applicants from the majority group and a minority. The applications are made to actual employers who have advertised vacancies, and are matched in all relevant respects except the name of the applicant, one application having a recognizably minority name and the matched one a name typical of the majority group, everything else being equal. Firms' responses to these applications are then monitored and the relative number of cases where minorities and members of the majority group receive positive responses or "call-backs" can be calculated.

Two somewhat different methodologies have been used. One, which was first applied by Daniel (1968) in the United Kingdom and since has become the standard ILO methodology, uses actors who are able to follow through the whole application process, including attendance at interview (see Bovenkerk, 1992 for details). This method has been criticised because of the possibility that the actors, who necessarily know which group they are representing, may tailor their behaviour in ways that might affect the call-back rate. The second approach, termed "correspondence testing", a method pioneered by Jowell and Prescott-Clarke (1970) in the United Kingdom, avoids this problem by using matched written applications, sent by post or online. However, correspondence testing is able to look at discrimination only at the first stage of the application process. If a fictitious applicant receives an invitation to attend for interview, for example, the invitation is politely turned down.

However, the studies using the ILO methodology (e.g. Bovenkerk et al., 1994) have often found that most of the discrimination occurs at these early stages in the application process. Among candidates who have been called for interview, discrimination rates are typically

much lower than they are at the earlier stages. Another limitation of correspondence testing is that it can only be used in cases where written applications are expected from applicants. In other words, the method cannot be used for those kinds of jobs where applications are expected to be made "in person". In essence, such testing studies thus cover only a part of the labour market, often the same as the public employment services. It may well be that it is in the other parts of the labour market – namely those where informal, in-person recruitment methods are used – that the highest levels of discrimination occur.

There are then several different ways of calculating the extent of discrimination. The approach used in this chapter is to calculate the ratio of positive call-backs received by majority applicants to those received by minority applicants. This ratio shows how many more applications the minority applicant has to make in order to receive the same number of positive responses as the majority applicant. Thus, if the majority applicants receive one positive call-back for every four made (that is, a success rate of 25%) whereas the minority applicants receive one positive call-back for every eight applications made (a success rate of 12.5%), the minority applicant has to make twice as many applications as the majority applicant in order to get a positive call-back.

Unlike legal cases, field experiments identify only direct discrimination rather than indirect discrimination. For example if an employer specifies selection criteria that ethnic minority applicants are less able to satisfy, this might constitute indirect discrimination under the terms of many countries' legislation. However, the typical field experiment will tailor the application to the requirements specified in the job advertisement.[11] In addition, standard methods of correspondence testing cannot be applied to promotion, pay or layoffs, domains which will typically be covered in law. Like the legal cases, however, audit studies look at the outcome, not the motivation or rationale for the discrimination. They therefore do not adjudicate between taste-based and statistical discrimination.

Field experiments also generally do not measure possibly varying degrees of discrimination. For example, employers may take more time to respond to applications of persons with a foreign-sounding name. In the design of the Swiss field experiment by Fibbi et al. (2006), for example, candidates who were invited to a job interview declined the offer subsequently and in many cases, the immigrant candidate was only invited after the native Swiss candidate had refused the offer. If these cases are also seen as discriminatory treatment, the measured levels of discrimination would be about twice as high for all groups (see OECD, 2012b). Some more recent studies tried to explicitly include the time dimension. For example, Kaas and Manger (2012) found, in their field experiment in Germany, that invitations to job interviews were sent later to persons with an immigrant-sounding name, while the reverse was the case for rejections.[12]

In spite of its limitations, audit testing is a powerful technique that can rigorously demonstrate direct discrimination at the point of application. The use of rigorous matching techniques in real-world settings means that one can be confident (assuming that tests of significance are reported) whether discrimination occurs at this stage of the application process. Since vacancies can be sampled in a systematic way, the issues of selection bias which are involved with court cases can also be removed.

The number of field experiments has grown a lot in recent years and they have to date been implemented in 15 OECD countries. Table 4.1 shows the headline results for field experiments in a range of OECD countries conducted over the past twenty years. As can be seen, in almost every case, significant levels of discrimination were found in these studies

Table 4.1. **Field experiments investigating discrimination**

Country and authors	Ethnic group	Qualification/job level	Relative call-back rate
Australia			
Booth et al. (2010)	Italian	Entry-level jobs (i.e. not requiring post-school qualifications)	1.1
	Chinese	As above	1.7[1]
	Middle Eastern	As above	1.6[1]
Belgium			
Arrijn et al. (1998)	Moroccan	Medium and low-skilled	1.9[1]
Baert et al. (2013)	Turkish (compared with Flemish)	Jobs open to school-leavers with no work experience	2.1 (Bottleneck jobs)
			1.0[1] (Non-bottleneck)
Canada (Toronto)			
Oreopoulos (2009)	Chinese	Jobs posted that accepted applications via direct email and generally required three to seven years of experience and a short-cycle tertiary education degree	1.5[1]
	Indian	As above	1.3[1]
	Pakistani	Applicants with Canadian education and experience	1.4[1]
Canada (Montreal)			
Eid (2012)	African	Marketing, HR, communications, secretarial, customer services	1.8[1]
	Arab	As above	1.6[1]
	Latin-American	As above	1.6[1]
France			
Cediey and Foroni (2007)	North African and Sub-Saharan African (native-born offspring)	Medium and low-skilled	2.0[1]
Germany			
Goldberg et al. (1990)	Second-generation with Turkish nationality	Medium-skilled	1.2[1]
Kaas and Manger (2012)	Turkish background with German nationality and German mother tongue (native-born offspring)	Internships for students in economics and business	1.1[1]
Greece			
Drydakis and Vlassis (2007)	Albanian	Low-skilled (office, factory, cafe and shop sales)	1.8[1]
Ireland			
McGinnity and Lunn (2011)	African	Medium-skilled (lower administration, accountancy, sales)	2.4[1]
	Asian	As above	1.8[1]
	German	As above	2.1[1]
Italy			
Allasino et al. (2006)	Moroccan (foreign-born)	Low-skilled in construction, catering, services	1.4[1]
Netherlands			
Andriessen et al. (2012)	Moroccan	Range covering all skill levels	1.1[1]
	Turkish	As above	1.2[1]
	Surinamese	As above	1.2[1]
	Antillean	As above	1.2[1]
Bovenkerk et al. (1994)	Surinamese	Teacher, lab assistant, administrator/financial manager, personnel manager (Surinamese correspondence test)	1.3[1]
	Moroccan (men only)	Service sector and retail (Moroccan audit study)	1.3[1]
Norway			
Midtbøen (2012)	Pakistani (native-born offspring)	Medium and low-skilled jobs	1.3[1]
Spain			
De Prada et al. (1995)	Moroccans (foreign-born)	Medium-skilled	1.3[1]

Table 4.1. **Field experiments investigating discrimination** *(cont.)*

Country and authors	Ethnic group	Qualification/job level	Relative call-back rate
Sweden			
Attstrom (2008)	Young native Swedes of Middle-Eastern background	Hotel and restaurant, retail and trade, office and clerical, healthcare services, manufacturing, transportation and warehousing	2.5[1]
Carlsson and Rooth (2007)	Middle Eastern (men)	Medium and low-skilled	1.5[1]
Bursell (2007)	Arabic/African	Range of skilled and low-skilled positions, ranging from high school teachers to cleaners	1.8[1]
Switzerland			
Fibbi et al. (2006)	Portuguese (in French-speaking areas)	Medium and low-skilled (vocational certificate)	1.1
	Turkish (in German-speaking areas)	As above	1.4[1]
	Albanian speakers from former Yugoslavia (in French-speaking areas)	As above	1.3[1]
	Albanian speakers from former Yugoslavia (in German-speaking areas) (foreign-born men)	As above	2.5[1]
United Kingdom			
Wood et al. (2009)	Black African	Medium and low-skilled (e.g. care assistant)	1.7[1]
	Black Caribbean	As above	1.9[1]
	Chinese	As above	1.9[1]
	Indian	As above	1.9[1]
	Pakistani/Bangladeshi	As above	1.5[1]
United States			
Bertrand and Mullainathan (2004)	African American	Sales, administrative support, clerical and customer services	1.5[1]
Pager et al. (2009)	Latinos	Entry-level jobs requiring no more than college degree	1.2
	Blacks	As above	2.0[1]

1. Significantly different from 1.0.

StatLink http://dx.doi.org/10.1787/888932823757

except against applicants of Italian background in Australia, Turkish applicants in Flanders applying for shortage occupations (so-called "bottleneck" jobs), Portuguese in French-speaking areas of Switzerland, and against Latino applicants in the United States. In many cases, the relative call-back rates are around two, indicating that minorities have to make around twice as many applications as members of the majority group in order to obtain a positive response.

There is also some variation in relative call-back rates between countries. However, because of differing designs, it is not possible to make comparisons of discrimination rates *between countries* on the basis of these field studies. First, the field experiments often target rather different ranges of occupations and types of firms. There is accumulating evidence that discrimination rates tend to be higher in lower-skilled jobs than in more skilled ones, with a study in Sweden, for example, showing relative call-back rates reaching 3.0 for cleaners but being close to 1.0 and not significant for high school teachers (Bursell, 2007; see also Andriessen et al., 2012). The within-country comparisons in the United Kingdom, the Netherlands, Norway and Sweden have all found this pattern, although it has not been replicated in some other countries.[13] It is important therefore not to generalise from such occupationally-specific studies to the labour market as a whole.

There is also evidence from both the United Kingdom and Norway that discrimination is higher in the private sector than it is in the public sector. Indeed in the United Kingdom, the evidence for discrimination in the public sector did not reach standard levels of statistical significance (Wood et al., 2009). In addition, one Swedish study found that discrimination

was greater in smaller firms (Carlsson and Rooth, 2007). A further complicating factor is that the studies have taken place over a considerable period of time, and labour market conditions varied. In the Netherlands, there is some evidence that discrimination tends to be greater in economic downturns when more applicants are chasing each job (see OECD, 2008b) and a study by Baert et al. (2013) in Belgium shows that discrimination is lower (and not statistically significant) for occupations which are difficult to fill. This is also corroborated by evidence from the downturn of the early 1990s in Sweden, which suggests that there have been selective lay-offs of non-European immigrants during that period (le Grand, 2000; Arai and Vilhelmsson, 2004).

Finally, the studies, in particular the one from Germany regarding hiring for internships, suggest that discrimination may tend to be relatively low if the risk is also low for the employer – he/she does not make a long-term commitment in hiring, e.g. for a traineeship period. It also seems that discrimination is low if persons with a migrant background provide what appears to be interpreted by employers as some sort of positive "signal" for integration, in this case by stating that German is their "mother tongue" although their parents were supposedly born in Turkey. Likewise, a study on name-changes in Sweden (Arai and Skogman Thoursie, 2009) found large increases in salary levels for those who changed their name compared with their peers who did not. Similar longitudinal evidence exists for a number of OECD countries regarding the impact of naturalisation (OECD, 2011).

Although the testing studies summarised in Table 4.1 do not allow for cross-country comparisons of the incidence of discrimination, it is, however, probably safe to make within-country comparisons in the discrimination rates experienced by different ethnic minority groups within a particular study since many of the complicating factors will be held constant. Thus, there is some evidence from Australia and Switzerland that minorities from high-income OECD countries experience lower rates of discrimination.[14] In other countries, such as the United Kingdom (Wood et al., 2009), there was not sufficient statistical power to test effectively for differences between ethnic minorities. An important complication is that names from some ethnic backgrounds, notably Black Caribbean in the United Kingdom, may be much less distinctive than those e.g. from South Asia. This introduces a source of "noise" in the measurement which might be expected to lead to underestimating the level of discrimination experienced. In other words, one can only use these methods to compare rates of discrimination between minorities if the names used to identify minority backgrounds are equally recognizable.

A further complication is that some studies – often reflecting the social profile of the ethnic minorities in the relevant country – explicitly identify the applicants as persons having being born abroad, although usually with destination-country qualifications, while other studies explicitly identify the minorities as native-born offspring of immigrants. It is possible that employers may use birth abroad as a signal e.g. of lower levels of mastery of the host-country language and thus use this as a cue for statistical discrimination in favour of the applicant from the majority group. However, the one study that explicitly compared immigrants with native-born offspring of immigrants from the same countries found no difference in the rates of discrimination they experienced (Carlsson, 2010).

Despite these problems in making comparisons between minority groups or between countries, field experiments are a powerful tool to identify whether discrimination is taking place, against which groups, and for what types of jobs. As will be seen below, they

have a validity that alternative measures simply do not have. Just as double-blind experiments are the gold-standard in medical research, albeit not without limitations and caveats, field experiments are considered to be the "gold standard" in research on discrimination in the labour market. However, just as experiments in medicine cannot be used to establish the prevalence of a condition, so current audit studies should not be used to measure the prevalence of discrimination in a particular country. A particular issue here is that minorities may well adapt their behaviour to their expectations of discrimination, avoiding firms that might discriminate and applying to employers who have a better reputation, or instead opting for self-employment. For example, in the United Kingdom, minorities are over-represented in the public sector, where the evidence suggests discrimination is much lower than in the private sector (Heath and Cheung, 2006). It is thus logically possible that employers might be highly discriminatory, as shown by the call-back rates for fictitious candidates in field studies, and yet experiences of discrimination by genuine applicants might be rare as they selectively apply to non-discriminatory employers.

Field experiments have also been used extensively to measure discrimination in other domains than discrimination in hiring, in particular in the housing market. Box 4.2 provides an overview of the research and results in this latter market.

Self-report studies

To attempt to measure discrimination experienced by actual job applicants, one possible method, which has become well-established in studies of crime, is to use a representative survey of the population at risk, often termed "victim survey". This approach can in principle be made representative within a country and comparable across countries, although there are practical difficulties.

"Victim" studies are widely regarded as being preferable to official statistics on reported crime, which share many of the problems that apply to administrative data on discrimination derived from court cases. In addition to coverage and representativeness, the method also has the advantage that it can in principle be applied to a broader range of outcomes, such as promotion or layoffs and can cover the whole of the application process, not being restricted to a particular stage or type of application. It can also be applied in a systematic way to make comparisons between different ethnic groups or with other disadvantaged groups.

Essentially, the method asks respondents whether they have personally experienced discrimination over a specified period of time in different spheres of life, including job applications, on the grounds of race or ethnicity. However, there are a number of fundamental problems with self-report studies. The most intractable problem is that of *validity*: can one be sure that the respondents' reports are accurate judgements about discrimination? In the case of job applications, on the one hand, respondents may not always know why they were refused a job – they might have been refused on the grounds of lack of fluency in the relevant language which might well be needed to perform the job satisfactorily. These cases would not be grounds for a successful legal complaint and do not fall under the definition of discrimination used in this chapter. On the other hand, respondents might not always be aware of cases where they were discriminated against. For example, they may attribute their failure to secure a job to their own lack of qualifications since they might not know what qualifications other applicants had. In addition, self-report studies are unlikely to pick up indirect discrimination. It is thus *a priori* unclear whether self-reports will be biased upwards or downwards.

Box 4.2. **Empirical studies on ethnic discrimination in the housing market**

Since the 1970s, a growing body of research has been devoted to the issue of ethnic discrimination in housing markets. Discrimination in this context can take various forms. First, it can hamper the *access* to housing where landlords (including professional housing agents, agents offering housing for rental as well as for sale) deny specific ethnic groups access to information or invitations to property showings. Second, it can be associated with disadvantages in *housing conditions*, including higher rental prices and segregation into less privileged neighbourhoods.

Most empirical analyses of discrimination in the housing market examine administrative or survey data for differences in rental prices, housing conditions, housing mobility, or neighbourhood composition. Discrepancies among groups of different ethnic backgrounds that remain after controlling for observable socio-economic differences are then usually ascribed to discrimination. A recent econometric examination of rental contracts in Norway, for example, suggests that immigrants and their children pay, on average, a rent premium of 8%, compared with Norwegians and their offspring, and as much as 14% if they come from an African country (Beatty and Sommervoll, 2012), even after controlling for a comprehensive set of apartment, individual and contract-specific covariates.

While such studies are helpful at shedding light on inequalities and changes in housing conditions over time, they cannot actually single out discrimination as the main driving factor, as differences might also stem from other unobservable factors. Differences in the rent paid by immigrants/ethnic minorities and the majority population, for instance, are likely to be overstated if the ethnic composition of the neighbourhood is not taken into account. In the United States, housing prices were found to be generally lower in neighbourhoods that are close to the tipping point of becoming predominantly inhabited by African Americans, whereas housing units in predominantly white neighbourhoods tended to be more expensive (Chambers, 1992; Kiel and Zabel, 1996).

As in the domain of labour market discrimination, quasi-experimental audit or correspondence testing studies have gained prominence over the past two decades. Over the 1980s and 1990s, classic audit studies sent matched pairs of trained actors who differed significantly only in their ethnicity to personal auditions with landlords. They then recorded differences in treatment such as "opportunity denying" (i.e. landlords withholding information, refusing showings or not calling back) and "opportunity diminishing" (i.e. landlords showing minority clients fewer or different units or providing less useful information) (Yinger, 1995). The vast majority of such studies were conducted in the United States and focused on the treatment of African Americans compared with white Americans. They all found significant and persistent levels of unequal treatment in both sales and rental markets (Riach and Rich, 2002). More recent studies have also found significant levels of discrimination against Hispanics, albeit at a lower level than for African Americans (e.g. Galster, 1990a; Page, 1994; Roychoudhury and Goodman, 1992; Turner and Mikelsons, 1992; Yinger, 1998).

Observed levels of discrimination against African Americans and Hispanics tended to be higher in predominantly white neighbourhoods than in so-called "transitional" neighbourhoods where the composition of the population is gradually shifting towards predominantly non-white (Yinger, 1986; Ondrich et al., 1999). One reason for this may be *customer-based discrimination*, that is, landlords may factor in presumed preferences of their white clients by steering African Americans away from predominantly white neighbourhoods (Yinger, 1986). Recent evidence for this mechanism has been provided by a correspondence-testing study, suggesting that landlords are particularly likely to discriminate if they own several apartments in a larger housing unit and thus may factor in the ethnic preferences of other renters (Hanson and Hawley, 2011). However, it is also possible that these landlords are more likely to factor in a potentially negative effect on the overall housing prices in the area arising from a shifting neighbourhood composition.

Landlords' practice of "steering" ethnic groups into distinctive neighbourhoods has been explored further by Galster (1990b), McIntosh and Smith (1974), and Turner and Mikelsons (1992). They provide evidence that testers of different ethnicity are shown an equal number of housing units but in systematically different neighbourhoods. Ondrich et al. (2003) suggest that real estate agents display reduced marketing efforts when advertising housing units in mixed and transitional areas.

Box 4.2. **Empirical studies on ethnic discrimination in the housing market** *(cont.)*

Over the course of the 1990s, concerns about the methodological rigour of classical face-to-face audit studies grew and Heckman (1998) pointed to the risk that unobservable characteristics of the testers might influence landlords' reactions and thus bias measurement outcomes. Indeed, in contrast to labour market discrimination in hiring, such testers are necessary since the first stage of contact is often via telephone calls or direct visits. Later US studies on housing discrimination tried to overcome such shortcomings in field experiments by introducing controls for testers' actual characteristics such as education, income, or birth place. Indeed, the incidence of discrimination against African Americans measured in these latter studies was lower than in previous ones which was partly ascribed to the reduction of bias through more precise measurement (Choi, Ondrich and Yinger, 2005; Zhao, 2006).

In one of the first telephone audits conducted on discrimination in housing, Massey and Lundy (2001) show that discrimination occurs well before actual face-to-face contact is established, as landlords identify ethnic background based on accents and other distinctive speech patterns of potential clients. They find significant discrimination against clients with an African American accent (see also Purnell, Idsardi and Baugh, 1999). Likewise, Drydakis (2011) found for Greece that women with an Albanian accent receive fewer invitations for property showings, are systematically proposed higher rental prices and are asked more frequently about their employment and financial situation than women without an accent.

With the emergence of the Internet as a virtual market place, face-to-face audits have been replaced by testing studies that maintain the logic of matched pairs but replace personal audits with e-mail inquiries. Hanson,, Hawley and Taylor (2011), for instance, provide evidence for subtle discrimination by showing that housing agents in the United States favour white clients by responding faster, writing longer e-mails and using more positive language (e.g. praising qualities of the unit) than when responding to African Americans.

While early studies have usually focused on discrimination against African Americans in the United States, recent testing studies from Europe and the United States have often focused on discrimination against Arab clients in the housing market. Carpusor and Loges (2006) find that applicants with Arab-sounding names are three times more likely than applicants with American sounding names to be discouraged from visiting an apartment in Los Angeles. Comparable incidences of "opportunity denying" against men with an Arab-sounding name were recorded in Sweden (Ahmed and Hammarstedt, 2008), Spain (Bosch, Carnero and Farre, 2010), Canada (Hogan and Brent, 2011), Italy (Baldini and Federici, 2011) and Norway (Andersson et al., 2012).

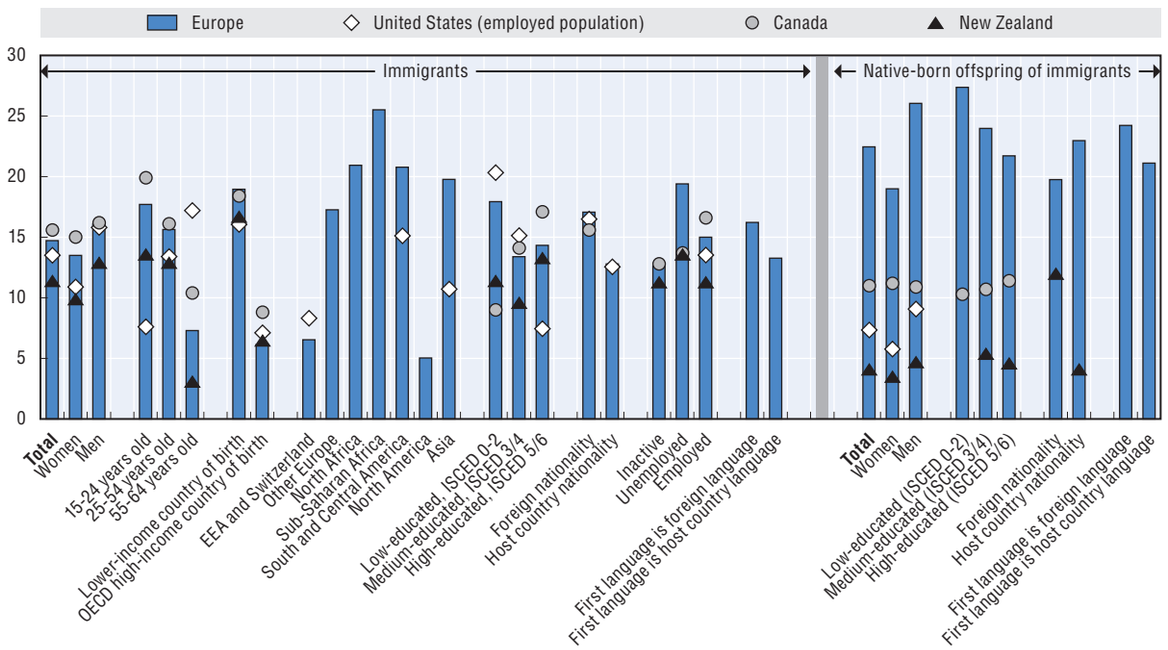
To measure interaction effects between ethnicity and other socio-economic characteristics such as gender or class, several recent testing studies have included multiple sets of mixed pairs. For Norway, Andersson et al. (2012) show that men with Arab-sounding names are 16 percentage points less likely to receive a positive response from a landlord than women with Norwegian names. The gap widens when accounting for class background, with Arab blue-collar applicant men being 25 percentage points less likely to receive a positive response than Norwegian women with white-collar jobs. Likewise, native-born women are the group most favoured by landlords in Sweden, while women with Arab-sounding names enjoy only a small gender premium (Bengtsson, Iverman and Hinnerich, 2012; Ahmed and Hammarstedt, 2008). Advantages of women over applicant men from the same ethnic background have also been found in Italy (Baldini and Federici, 2011).

Ondrich et al. (2003) show that landlords are less likely to respond to inquiries about higher-priced units when the applicant is African. Carpusor and Loges (2006), in contrast, find that candidates with Arab-sounding names receive more positive responses when applying for higher-priced units, implying statistical discrimination as landlords seem to use the capacity to pay more as an indicator for higher social status. African Americans, however, are found to be most successful when inquiring about units in the lowest price category. It also seems that enclosing additional personal information about family status, employment or education increases the chances for an inquiry to yield a positive response but does not make discrimination disappear entirely (Ahmed,, Andersson and Hammarstedt, 2010; Bosch, Carnero and Farre, 2010; Baldini and Federici, 2011).

In surveys, the self-report question is often posed in abstract terms, that is, immigrants are asked whether they consider themselves as a member of a group that is discriminated against. This question is notably asked in the European Social Survey. Similar surveys are available for Canada and New Zealand, but ask about personal experiences of discrimination. The General Social Survey in the United States asks employed persons whether they feel discriminated in their job because of their ethnic origin. Figure 4.1 summarises the results from these surveys and shows how the self-reported discrimination differs among socio-demographic characteristics and between immigrants and their native-born offspring. Because of the different concepts involved and definitions used, Figure 4.1 should not be used to compare self-reported incidence levels *across* countries, but rather to compare such levels *within* the respective country/region for groups with common characteristics.

The first and salient result from Figure 4.1 is that awareness of, or sensitivity to, discrimination varies significantly with immigrants' characteristics. In all countries, immigrants from high-income OECD countries rarely report incidences of discrimination – in

Figure 4.1. **Share of immigrants who consider themselves members of a group that is discriminated against (OECD-Europe), have been discriminated against (Canada, New Zealand), or feel discriminated against in their job (United States) by characteristics, around 2008**



Notes: The immigrant population refers to the foreign-born aged 15-64; the offspring to the native-born children of immigrants aged 15-34. The data from the European Social Survey (ESS) refer to the perception of generally belonging to a group that is discriminated against on the grounds of race, ethnicity or nationality. Canadian data refer to respondents who, in the past five years, report that they have experienced discrimination or being treated unfairly by others in Canada because of their ethnicity or culture, race or colour. Data for New Zealand refer to persons who report to have been treated unfairly or to have had "something nasty" done to them within the prior 12 months because they belong to a certain ethnic/racial group or nationality. Data for the United States refer to employed respondents who feel "in any way discriminated against" in their job because of their race or ethnic origin.

Sources: European OECD countries: European Social Survey, 2002-10; Canadian General Social Survey, Cycle 23, 2009; New Zealand General Social Survey 2008; United States 2004-12 General Social Surveys.

StatLink http://dx.doi.org/10.1787/888932823263

line with the results from the field studies in Table 4.1. Likewise, men are more likely to feel discriminated against than women, and younger immigrants more often than older ones (with the exception of the United States). In European OECD countries, native-born offspring of immigrants, and again particularly men, claim much more often to be discriminated against than persons who have themselves immigrated. This finding has also been reported in country-specific surveys such as in France (Beauchemin et al., 2010).[15] A possible explanation for this pattern is that persons who have themselves immigrated have frames of reference more oriented to the origin country, while the native-born offspring of immigrants have been socialised into host-country norms and standards of equal treatment and are thus more aware of and sensitive to infractions of these standards. However, the pattern is the reverse in Canada, New Zealand and the United States, where native-born offspring of immigrants claim less frequently to be discriminated against than their peers who are born abroad.[16] This reflects the differences in the outcomes of the native-born children of immigrants between European OECD countries and countries such as Canada, New Zealand and the United States (see OECD, 2012a).

A further interesting result is that in Canada and New Zealand, immigrants with higher qualification levels report more often to be discriminated against than their low-educated peers, whereas the reverse is true in OECD Europe and the United States. This might at least in part be due to the fact that most high-educated immigrants in Canada and New Zealand are labour migrants that have been selected by the host country, and who thus have high expectations whereas in OECD Europe, most highly-educated immigrants are either from other high-income countries – for whom discrimination tends to be lower – or tend to have arrived as humanitarian migrants who may have lower expectations.[17]

There have been occasional studies that have attempted to check on the validity of individual reports. In fact, the first field experiment conducted in the United Kingdom was designed as an exercise to check the validity of respondents' reports that particular employers had discriminated against them when applying for a job. The investigators then sent actors to apply for jobs with the firms against which allegations of discrimination had been levelled. The results corroborated the respondents' claims (Daniel, 1968).

More practicable are checks at aggregate levels. Thus, one can compare rates of self-reported discrimination by particular ethnic groups (or ethnic/gender combinations) against other evidence such as the results of audit studies or against other forms of statistical evidence on ethnic penalties (see below). Other sources of aggregate-level validation are surveys of the majority group. The British Citizenship survey, for example, asks all respondents, including those from the majority group, whether they think they would be treated the same, better, or worse than other groups in various domains (such as in a hospital, school, the courts, the police, etc.). The results for the majority and minorities are often mirror images of each other.[18] This suggests that minorities' and majority perceptions are reflecting the same reality.

Because of the problems of validity and of selective reporting, self-report studies of discrimination have not as yet attained the authority of victim studies of crime. Nevertheless, subjective reports of discrimination may be of some interest in their own right in the same way that surveys of consumer satisfaction are valuable. They may not tell what the actual quality of the service was, but they nonetheless indicate areas where citizens are unhappy with their experience and where their concerns need to be addressed.

Indeed, some countries, such as Denmark, use the percentage of immigrants who feel discriminated against as one indicator of the success of their integration policy and conduct annual surveys to measure variations in this percentage.

More generally, contrasting evolutions of the self-reported incidence may convey important information about the underlying processes. An interesting example that also contrasts the two main concepts of self-report – i.e. feeling to be personally discriminated against versus feeling to be part of a group that is discriminated against – is provided by Entzinger and Dourleijn (2008). The authors interviewed a representative sample of young people (18-30 years old) of Turkish, Moroccan and native-Dutch background in Rotterdam, replicating a virtually identical survey in 1999. In 1999, 27% of the Turkish respondents and 36% of the Moroccans said that they never had a feeling that they were discriminated against. In 2006, these percentages had gone up to 39% and 52%, respectively. However, when asked whether people of their ethnic group in general experience discrimination in the Dutch society, the trend was reversed. In 1999, just over 20% of the Turks and 26% of the Moroccans felt (very) strongly that their community was being discriminated against. In 2006, these percentages had increased to around 36% for the Turks and 38% for the Moroccans. This finding reflects a view that could be described as "discrimination is something that happens to others in my community, but not to me". According to the authors, one possible explanation for this intriguing finding may be that, for obvious reasons, people do not like being discriminated against. The youngsters therefore either deny that discrimination occurs or avoid situations in which they are likely to experience discrimination. Such forms of adaptive behaviour may imply, for example, that they no longer apply to employers who are known not to recruit immigrants, or they avoid discos where they know that they will be refused entry.

The most ambitious cross-national self-report study attempted so far is the EU-MIDIS programme, which has been conducted across the member countries of the European Union using a standardised questionnaire. However, there were considerable variations between the surveys in the different countries with respect to sample selection procedures, coverage, and choice of ethnic minority group to be sampled. Given this, one should not attempt to make comparisons between countries. Restricting the sample to Denmark, Finland and Germany – the three countries where register-based sampling was used – one observes a pattern for respondents of Somali background to be more likely to report discrimination than the other groups tested, while in Germany those of Turkish background were more likely to report discrimination than respondents from the former Yugoslavia.

In other countries which used non-opportunistic methods of sampling (Austria, Belgium, France, Greece, Italy, Portugal and Spain), one also sees a tendency for respondents of North African background to be somewhat more likely than other groups in the same country to report discrimination. This finding is also corroborated by other country-specific surveys such as in France (e.g. Beauchemin et al., 2010).

Statistical measures of prevalence

The fourth major approach is to employ statistical analysis of nationally representative surveys to determine the extent to which minorities have higher unemployment rates or lower wages than do comparable members of the majority group who have the same levels of human capital (usually indexed by qualifications and experience in the labour market) and their observable characteristics such as age and gender. These methods provide an estimate of the size of the disadvantage experienced by ethnic minorities which is

unexplained by the standard human capital measures. One can thus obtain estimates of the size and prevalence of the residual disadvantage experienced by ethnic minorities, for example with respect to unemployment and wages. As with audit and self-report studies, the method can also be used to compare different ethnic minorities and men and women. Residual wage differences can also be compared for large and small firms, for different industrial sectors, and for the public and private sectors as a whole.

The major issue with this approach is that residual (or unexplained) disadvantage cannot properly be assigned solely to discrimination. Indeed, while the residual disadvantage is often termed "discrimination", it is more appropriate to call it "ethnic penalty", of which discrimination may be a component but not the sole contributor. Indeed, as already mentioned, there are many processes other than discrimination that may account for residual ethnic disadvantage. For example, immigrants and their children may lack knowledge about potential openings in the labour market, or they may lack networks and personal contacts through which many vacancies are filled, or lack of knowledge about the process, or they may simply have different preferences that lead them to apply for different types of jobs. All of these may be sources of disadvantage but they cannot properly be attributed to discrimination, hence the use of the term "ethnic penalty". On the other hand, working in the opposite direction, the standard measure of unemployment used in this method may miss some disadvantage that might properly be attributed to discrimination. The standard approach is to restrict the sample to those who are in the labour market, i.e. either employed or available for and actively looking for work. This means that "discouraged workers" who have given up looking for work because of their repeated experiences of refusals, perhaps as a result of discrimination, will be missed.[19]

A further issue is that the "ethnic residual" may be overestimated because of omitted or poorly-measured variables. In particular, and of special importance for many migrants, is the omission of variables measuring language fluency in most available datasets. Language fluency has a strong association with employment chances and earnings, and is likely to be particularly important among recent migrants. Since fluency is a relevant criterion for employment in many occupations, it would clearly be wrong to apply the term discrimination to that part of the residual disadvantage which is due to lack of fluency. Furthermore, some aspects of human capital such as education may be poorly measured, or be only a crude proxy for the relevant skills. Many of these obstacles could in principle be overcome with adequate measures of skills. The data from the OECD's Programme for the International Assessment of Adult Competences (PIAAC), which will be available in the second half of 2013, should enable a much finer measurement of the "ethnic residual". In addition, there is also a potential issue over social class background and soft skills which are not or only partly measured by surveys that provide otherwise good measures of skills. Minorities typically come from more disadvantaged backgrounds, and if this is not fully considered in the statistical analysis, disadvantage may be attributed to ethnicity that should be attributed to social class origins.

Some of the statistical problems can also be reduced by focussing on the penalties experienced by the native-born children of immigrants. Naturally, recent migrants are the most likely to lack fluency in the majority-group language, whereas this should in principle not be an issue for the native-born offspring of immigrants, particularly for those who are highly-educated. Native-born children of immigrants will also have domestic rather than foreign qualifications, and they are more likely to have bridging social capital of the destination country. Measures of social class origins will also be more meaningful for the second generation.

One comparative study which has attempted to use a standardised methodology to identify ethnic penalties for native-born offspring of immigrants in a range of OECD countries is that of Heath and Cheung (2007). Table 4.2 shows, on the basis of this study and other data, the estimated ethnic penalties for different minorities in a range of OECD countries. These penalties, or occasionally premia, show the predicted differences in unemployment rates for ethnic-minority men and women compared with those of men and women of the same age, education and marital status belonging to the majority group. To facilitate the international comparison, the unemployment rate has been standardised at 5% for the majority-group comparators. For example, the predicted unemployment rate for men of Italian background in Australia was actually 2.4 points lower than that of the Australian majority group, whereas the rate for native-born immigrant male offspring of

Table 4.2. **Estimated "ethnic penalties" in unemployment rates for native-born offspring of immigrants compared with offspring of native-born**

Percentage point differences

Ethnic group		Ethnic penalty	
		Men	Women
Australia	Italian	-2.4[1]	-0.8
	Chinese	-1.4	-0.1
	Lebanese	+4.0[1]	+4.3[1]
Austria	Turkish	+1.6	-
	Ex-Yugoslavian	+0.5	+6.3[1]
Belgium	Moroccan	+13.9[1]	+8.6[1]
	Turkish	+21.6[1]	+20.0[1]
	Italian	+2.6[1]	+4.0[1]
Canada	Italian	+0.3	+0.7
	Irish	-0.2	0
	Chinese	-0.6	+0.4
	Indian	+0.1	+0.1
	Caribbean	+2.9[1]	+2.8[1]
	African	+0.3	+1.1
France	Sub-Saharan African	+1.8[1]	+12.9[1]
	North African	+16.9[1]	+9.8[1]
Germany	Turkish	+4.5[1]	+3.8[1]
	Ex-Yugoslavian	+1.3	+2.1
Netherlands	Moroccan	+8.8[1]	+6.5[1]
	Turkish	+5.6[1]	+3.5[1]
	Surinamese	+9.1[1]	+1.2
Norway	Pakistani	+3.1[1]	+8.3[1]
	Turkish	+3.6[1]	+5.2[1]
	Indian	+9.1[1]	+1.3[1]
Sweden	African	+9.0[1]	+6.5[1]
	Asian	+3.9[1]	+1.6[1]
United Kingdom	Irish	+1.6	-0.5
	Indian	+2.5[1]	+6.1[1]
	Caribbean	+5.5[1]	+4.9[1]
	Pakistani	+8.8[1]	+9.0[1]
United States	Mexican	+2.2[1]	+4.1[1]
	Black	+5.9[1]	+8.8[1]

1. Significantly different from zero. The predicted probabilities have been derived from logistic regression models controlling for age, educational level and marital status. Results have been normalised based on an unemployment rate for the majority-group of 5%.

Sources: Calculations on the basis of data by Heath and Cheung (2007) and Hermansen (2009).

StatLink http://dx.doi.org/10.1787/888932823776

Lebanese background was predicted to be 4.0 percentage points higher, almost twice the majority-group rate. Interestingly, the median ethnic penalty was 3.0 percentage points, indicating that the predicted median male minority unemployment rate was 1.6 times as high as that of the majority group (8/5 = 1.6). This is close to the typical ratio of minority to majority call-back rates in the field experiments shown in Table 4.1.

In general, penalties seem to be largest for minorities from Sub-Saharan Africa and for minorities from North Africa and the Middle East, paralleling results from EU-MIDIS. In contrast, groups of white European heritage generally did not experience a significant ethnic penalty. Some groups, such as the Chinese in Australia and Canada, actually experienced ethnic premia rather than penalties.

Cross-nationally, ethnic penalties were largest in European countries such as Austria, Belgium and Germany and smallest in the OECD countries that were settled by migration, such as Australia, Canada and the United States, although they were also relatively low in the United Kingdom and Sweden. In some countries, ethnic penalties were cumulative, penalties occurring with respect to occupational attainment or earnings in addition to those with respect to unemployment (see Heath and Cheung, 2007). In other countries, penalties were only significant with respect to unemployment.

Just as with the EU-MIDIS, there are important problems when comparing across countries. This is partly because different minorities are present in different countries – for example, there are few Sub-Saharan Africans in Australia or Canada, so the smaller ethnic penalties in those countries might simply reflect the fact that the composition of their ethnic minority population is rather different from that found in European countries.

Another important issue when considering cross-national differences in ethnic penalties is the likelihood of varying degrees of positive selection among migrants, with likely implications for their children as well. Immigration rules differed between countries historically and these may leave legacies for the descendants.

Finally, Table 4.2 reveals a gender dimension, with men generally facing on average larger ethnic penalties than women, particularly in European OECD countries, although there are some exceptions. This pattern is also mirrored by the observed higher self-reported discrimination by native-born male offspring of immigrants in these countries and some of the testing studies that also found a higher incidence of discrimination against men. The reasons for this pattern are not entirely clear. Arai, Bursell and Nekby (2011), using the example of discrimination against persons with Arab-sounding names in Sweden, suggest that negative employer stereotypes tend to be mostly against men.[20]

There are many other variants of these statistical methods for estimating ethnic penalties (e.g. the "Blinder-Oaxaca" residual, see OECD, 2008a). There are also some informative additional kinds of statistical analysis that can be carried out, such as analyses of the duration of unemployment spells or the length of transitions from school to the labour market. But the same general problems apply to all these techniques. The key difficulty with all of them is that there will always be a range of possible mechanisms, including but not restricted to discrimination, that can plausibly be suggested as explanations for the estimated ethnic penalties.

Policy responses: What works to counter discrimination?

The focus of this section is on policies, actions and schemes that have been developed to combat discrimination. Although this chapter deals only with ethnic and racial discrimination, most of the strategies and instruments discussed below have been conceived and applied as well to discrimination based on gender, disability, sexual orientation and sexual identity, religion, age and other categories that are protected under anti-discrimination laws. Indeed, as will be seen below, there are few anti-discrimination policies that are exclusively targeted on immigrants and their children.

The focus will again be on employment and the labour market, although anti-discrimination policies cover the whole spectrum of access to rights, goods and services. Besides employment and the labour market, policies and strategies are generally mainly targeting access to higher education, housing and political representation.

There is a large variety of policies and actions that can be defined as contributing to tackle discrimination against immigrants in the labour market. They vary along a gradient of formal and soft prohibition in legal standards to coercive and direct intervention of public authorities, often in co-operation with non-governmental actors. The various policies tackle discrimination in different ways. Three main groups of measures – anti-discrimination legislation, affirmative action and equal employment policies, and tools for promoting diversity – will be discussed below.

Some policies targeting immigrants and ethnic minorities may also appear under the general heading of "integration policies", and the distinguishing lines cannot always be clearly drawn. There are obvious connections between integration and non-discrimination, since discrimination can be understood broadly as hampering integration. However, whereas anti-discrimination policies try to adapt and transform the structures of the society (institutions, laws, policies, procedures, practices and representations) to make them fair to immigrants, integration policies mainly aim at empowering immigrants and their children by enhancing their human and social capital.

Anti-discrimination legislation

The Universal Declaration of Human Rights, as the basis for the International Human Rights Charter, along with the International Covenant on Economic and Social Rights and the International Covenant on Civil and Political Rights, provides the most fundamental framework for anti-discrimination. Its principles have further been detailed in thematic conventions, some of which specifically focus on racial discrimination. The International Convention on the Elimination of all forms of Racial Discrimination adopted in 1965 and the Convention 111 of the International Labour Organization (ILO) on discrimination (employment and occupation) are the main references in this area. These international treaties are seconded by regional treaties, such as the American Convention on Human Rights (1969) and the European Convention on Human Rights (1950) and their respective protocols.

Most OECD countries have implemented specific legislation to deal with the issue of discrimination against immigrants (see the overview in OECD, 2008a). An important impetus for the OECD countries that are members of the EU has come from the EU's Racial Equality Directive 2000/43/EC, which implements the principle of equal treatment between persons irrespective of *racial* or *ethnic origin*. This complements other directives on gender and age, disability, religion and sexual orientation. Similar legislation is present in the OECD countries that have been settled by migration where it has generally been implemented at much

earlier dates – such as Australia's Racial Discrimination Act of 1975, the Canadian Human Rights Act of 1977, and Title VII of the Civil Rights Act in the United States which was enacted in 1964. Few OECD countries have not enacted specific legislation covering ethnic or racial discrimination, although basic protection against discrimination is generally granted through criminal norms and civil or administrative laws.[21]

Each anti-discrimination or equal opportunity law provides for the creation of agencies responsible for monitoring its application and for implementing its programmes. At the inception of the process, agencies tend to be specialised on a specific ground (gender, race and ethnicity, disability), but the recent trend is to merge these together into a single body. For example, the British *Commission for Racial Equality*, the *Equal Opportunity Commission* and the *Disability Rights Commission* were grouped together in the *Equality and Human Right Commission*, established by the Equality Act of 2006. The same occurred in Sweden with the new Discrimination Act enacted on the 1st January 2009, which merged together seven previous acts and created jointly an "Equality Ombudsman" and a "Board against discrimination". This partly results from the transposition of the EU Race equality directive in the 27 EU member countries, all which have more or less adopted the same structure for action (see Ammer et al., 2010). However, even in the common framework provided by the EU directives, anti-discrimination schemes and actions vary greatly among EU countries.

In addition to the national equality bodies, the European Commission has established a European Union Agency for Fundamental Rights (FRA) in 2007. Conversely to its national counterparts, the FRA does not have legal powers and has received the mission to provide independent and evidence-based advice on fundamental rights (see previous section). Similar equality bodies can be found in Canada and Australia, both at federal and provincial or state levels. The prerogatives of these agencies in combating discrimination can be far-reaching, ranging from the awareness-raising of public authorities and civil society to the co-ordination of equality policies (see below). They are responsible for all complaint-handling activities and may conduct legal actions and investigations.

Equality bodies are generally entitled to receive complaints, to assist victims in litigations and sometimes have legal power to take sanctions and make legal decisions. Mediation or conciliation are often preferred to litigation since discrimination cases often proved to be difficult to prosecute in the courts. The legal context itself produces large disparities in the outcome of the legal actions, and differences in organisational structures have an impact on the efficiency of the legal anti-discrimination framework. For example, the Swedish Equality Ombudsman has received a little more than 900 complaints on the grounds of ethnic origin or religion since its creation in 2009 and only 10 resulted in lawsuits (ECRI, 2012). A similar gap between complaints and lawsuits can be observed in France where the former equality body (HALDE) had treated 5 658 files of complaints in 2010, for which 127 legal cases were completed (in various categories), and in less than a handful of cases, condemnations actually took place, although a large number of files had been treated through mediation. The legal framework is thus generally complemented by other, more pro-active strategies, to control practices and processes without waiting for a complaint to be filed in. This is what affirmative action and equal employment policies, are aiming at.

Affirmative action and equal employment policies

Affirmative action is generally defined as a set of policies that take specific efforts to advance the economic status of minorities and women (Holzer, 2010). Affirmative action

and positive action are essentially the same kind of policies, the first concept having been originated in the United States and the second one, inspired by the experience in the United Kingdom, has been adopted by the European action plan against discrimination (see McCrudden, 1986; Sabbagh, 2011).

Equal Employment Policies (EEP) are generally understood as the application of such policies in the domain of employment. They clearly go beyond the sanctions for discriminatory acts. The rationale behind EEP is to "level the playing field" by removing barriers that hamper the access to the labour market and the professional upward mobility of members of the designated groups. Examples are the *Equal Employment Opportunity Act* passed in the United States in 1972 in the wake of the Civil Rights Act of 1964, the *Equal Opportunities Policies* developed in the United Kingdom (1984), the Canadian *Employment Equity Act* (1986 and 1996), the Dutch *SAMEN Act* (1998-2003) on equal labour market participation, and the *Equal Employment Opportunities* programmes in Australia.[22] Similar provisions exist in other OECD countries.[23] The Flemish region of Belgium, for example, proposes since 1999 so-called *diversity plans* to employers, in co-operation with the social partners (see OECD, 2008b, for a discussion). The functioning of the plans is similar to that of EEP in other countries, but an innovative and important part of the diversity plans in Belgium is that they mainly target small- and medium-sized enterprises, in contrast to policies in most other countries which generally aim at larger employers.[24] There are of course country-specific variations among the different EEP policies, but they share the same background and have many provisions in common.

Objectives and implementation

The main objective of EEP is to move from formal equality of treatment, as defined in non-discrimination principles, to effective equality. The decisive turning point is when legislation and policies go beyond the prohibition and the prosecution of intentional discrimination to take non-intentional, systemic and indirect discrimination into account. The concepts of *disparate* or *adverse impacts* and systemic discrimination account for this watershed policy strategy.

The Equal Employment Opportunity Commission in the United States defines an adverse impact in employment as "a substantially different rate of selection in hiring, promotion or other employment decision which works to the disadvantage of members of a race, sex or ethnic group". It occurs when a decision, practice, or policy has a disproportionately negative effect on a protected group even if it is unintentional.

The logic behind equal opportunities is that the apparent neutrality of hiring procedures and human resources processes should be monitored by checking the statistical representation of designated groups, both in hiring and across occupational levels. The notion of fair representation is attached to those of statistical under-representation and under-utilisation of available competencies of the active population in the job area. The equality programmes first need to identify members of the designated groups in firms and in their job area; then to collect data on their proportion at the beginning of the process (i.e. applicant pools, distribution in different occupations in the firm according to the level of qualification of the employees and experiences, wages, terminations, access to on-the-job training, etc.); and finally, to compare the statistics to a benchmark computed to identify the potential gaps which should then be addressed. The long-term objective is to relate the distribution in such a way that the protected groups fill positions in line with their skills and

qualifications. These policies thus combine the goals of improving the representation of protected groups with meritocratic criteria, since the level of qualifications and skills is still the determining factor in the appraisal representation of the target group.

The programmes developed under the EEP generally apply to firms with a minimum number of employees, typically above 50 or 100.[25] The EEP may cover companies in the private sector, but most programmes are primarily addressing institutions in the public sector or private contractors with public (federal) institutions. The ability to exert pressure on or impose sanctions against firms that fail to comply is conditional on their dependence on state funds or oversight. Most programmes involve a range of actions to raise employers and employees awareness, to organise the firm to facilitate implementation of equality plans, to ensure employment accessibility for protected groups, to review procedures and practices when barriers are identified, and to set targets for increased representation of designated groups in the firm. Most such actions require recourse to statistical data relating both to firm personnel and to comparable labour in the firm's environment.

The toolkit of effective equality policies generally comprises setting legally-binding agreements or an equality plan, emitting standards and codes of practice which define what kind of human resources process should be developed to respect non-discrimination principles and to promote diversity, monitoring practices and realisation of the plans, benchmarking the situation of each firm, and an impact assessment of the policies implemented.[26]

A second line of policies which affect directly employment and the workplace are "equal pay" laws which prohibit discrimination in wages, defined as unjustifiable wage differential between groups. Most of the equal pay acts focus only on gender, as has been the case in the United States since 1963, in Australia since 1969 and in the United Kingdom since 1970.[27]

Monitoring and reporting

The efficiency of EEP depends mostly on the monitoring and reporting systems. Because the main concern of EEP is not only that processes should be fair in their conception, but – more importantly – in their outcomes, statistical information is used at every stage of the implementation of the policies. Monitoring recruitments, promotions, access to training, wage differentials, occupational segregation and terminations helps companies to assess their commitment to non-discrimination and to identify which processes have to be revised to achieve more equality.

The notion of equality or equity under EEP is to ensure the proportional representation of the designated groups when the relevant criteria to obtain the occupation, the goods or the services have been fulfilled. The hypothesis underlying EEP is that in the absence of discrimination, and relative to their skills, qualifications and merits, the members of the protected groups would be present in employment to the same level as their potential allows.

For example, the assessment of adverse impact referred to the legislation in the United States is based on several statistical indexes. The agencies have adopted a rule of thumb under which they will generally consider a selection rate for any race, sex, or ethnic group which is less than 80% of the selection rate for the group with the highest selection rate as a substantially different rate of selection. For example, the selection rates for the race and ethnic groups are compared with the selection rate of the race or ethnic group with the highest selection rate.[28] As a consequence of the 80%-rule, if the proportion of Blacks

recruited following a test is lower than 20% of Whites, the test will be declared biased and will have to be modified. Other indicators are specified, such as the compensation analysis, which compares salary levels according to professional occupations and labour sectors. Here, statistically significant disparities are not considered to be proof of discrimination, but as an indication requiring a more in-depth examination.

The relevance of monitoring not only consists in its technical support of data essential for operating equality programmes. The involvement of the managers and agents in monitoring may help to develop consciousness of discrimination and making them accountable and responsible for eventual progress. Because of this, equality programmes generally feature precise guidelines for monitoring. The methods of data collection, their format, and the instructions for completing the statistical reports are published within voluminous guides for the use of administrations and managers. Compliance with these instructions is mandatory in the Canadian and the United States' programmes, while the mandatory provisions apply only to the public authorities in the British case and monitoring remains voluntary for the private sector.[29]

Targets, goals and quotas

Within EEP, it is important to distinguish between a *target* or *goal*, which is indicative, and a *quota*, which is compulsory. Within an *equity scheme* imposing a quota, the employer must endeavour to relate the composition of its workforce to an ideal representation, defined on the basis of the available labour force within the reference area. If this objective is not reached over the period of the scheme, sanctions are applied, except where the employer can demonstrate the lack of a satisfactory candidate to occupy the available positions. Discrimination is generally presumed if the quota is not attained.

Whereas a fixed quota generally implies a preferential treatment of the group concerned – at least as long as it is underrepresented – the *target* concept does not necessarily imply preferential treatment. The fact that a candidate belongs to one of the target groups where it is necessary to increase the representation does not confer them with any additional advantage to compensate, for example, for lower qualifications or a CV of lower quality than another candidate. The latter advantage is precisely what is defined by affirmative action programmes which consist of allocating a premium to a candidate of a minority group, by way of "unequal merit", where he/she would be recruited according to their affiliation to a protected group. While targets are generally placed within an equal opportunity scheme and thus positioned within a meritocratic framework, quota-based affirmative action intentionally deviates from this.

The legitimacy and efficiency of quotas have been extensively discussed in the United States, especially during the 1980s with the disengagement of affirmative action by the Reagan administration. Although the available reasearch suggests that affirmative action can be an effective tool (see Box 4.3), this instrument has often been poorly implemented and remains a contentious instrument that is often criticised (see e.g. Stryker, 2001). As a policy tool, hard affirmative action and quotas by race have generally been discontinued in the United States, but remain in some non-OECD countries such as Brazil and Malaysia.[30]

Box 4.3. **Affirmative action policies for ethnic minorities and their impact**

In the *United States*, much research has been conducted to estimate the effect of affirmative action on employment and education for minorities (for summaries, see e.g. Holzer and Neumark, 2000a, 2006 and Holzer, 2010). In a study on the impact of affirmative action until the late 1980s, Leonard (1990) concluded that it successfully promoted the employment of racial minorities, including in the early phase of the policy, when regulatory pressures have been inconsistent, and weak enforcement and a reluctance to apply sanctions were observed. Compliance reviews seem to be both the main and most efficient enforcement mechanism. He also finds that affirmative action has been more successful in establishments with a growing workforce, and that litigations had a positive impact on the occupational status of blacks, with a spill-over effect to firms which were not exposed to litigation for discrimination but may react preventively to reduce the legal threat. A later study, by Holzer and Neumark (2000b), also found that the organisations that have adopted affirmative action programmes have seen a clear improvement in the representation of minorities in relation to other establishments. Among the firms that used affirmative action policies, the effect was greatest for federal contractors – these are also the firms where incentives to comply tend to be particularly strong. Although the magnitude of the impact in terms of employment has not been large, the firms and positions affected by affirmative action were generally the better-paying ones, thus opening a rather attractive part of the labour market to the minorities concerned.

Affirmative action has also been used in the education sector in the United States, to promote minorities' access to colleges and universities. Kane (1998) and Long (2004) found that the effect was most pronounced in the most prestigious institutions. The effects were key from the perspective of the minorities – who often saw a doubling of their share in the most elite institutions (Bowen and Bok, 2000), but the overall minority share in enrolment remained modest.

In an assessment of the employment practices and workforce reviews of 708 private sector companies in the US from 1971 to 2002, Kalev et al. (2006) concluded that programmes pertaining to the transformation of the organisational structures by strengthening managerial responsibility and accountability with respect to equality tended to be particularly effective. In contrast, diversity training and evaluation showed no effect. Another evaluation conducted on federal agencies found mixed results of the diversity programmes regarding their effectiveness in creating a more equitable work environment for women or racial minorities (Naff and Kellough, 2003).

In the *United Kingdom*, a 1998 survey on the working conditions within companies, showed that Equality programmes were applied by 97% of public companies and 57% of companies in the private sector (CRE, 2003). Among the various actions provided for by the equality programmes, the monitoring of employees' ethnic and racial origin was only carried out by 30% of companies. This rather low level of monitoring also applied to companies from the public sector, where only 48% of companies had implemented it.

In the *Netherlands*, affirmative action was in place from 1994 until 2003 (for a discussion, see OECD, 2008b). The core of the policy was that individual companies should register the number of employed minorities and publish this information; the underlying acts specified the aim of proportional representation on the basis of the size and composition of the regional population. This policy was rather unpopular with employers who complained about the heavy administrative burden of compliance. There were no sanctions for non-compliance, a growing number of companies nevertheless responded to the obligations. In 1998, about half of all Dutch companies with more than 35 employees gave information about the number of minorities among their employees; in the following years the percentage rose to 70% (SCP, 2003). Fewer companies formulated quantitative objectives or published plans to promote employment of minorities in higher-skilled occupations (Zandvliet et al., 2003). By 2003, there had been a significant improvement of the labour market position of immigrants and their children in the previous years, although it was unclear whether or not this was attributable to the policy or to the overall favourable evolution of the economic situation in the Netherlands that occurred in parallel. According to employers, the policy boosted their awareness of the more difficult labour market position of minorities in the Netherlands, but they nevertheless perceived it as merely an "obligatory registration". Despite a marked improvement in the employment of immigrants over the period (OECD, 2008b), employers denied that the act actually contributed to increased hiring of minorities or better career prospects for them within the company, a view that was also shared by part of the labour unions (Essafi et al., 2003). As a result, the policy was abolished in 2003.

Box 4.3. **Affirmative action policies for ethnic minorities and their impact** *(cont.)*

In *Norway*, moderate affirmative action policies were implemented with a 2009 amendment of the anti-discrimination act which obliged all public employers and private employers with more than 50 employees to make active and targeted efforts to promote equality and to publish these efforts, although there are no fines for not meeting the obligation (see OECD, 2012a). Already since 2002, there has been an obligation for employers in the large public sector to interview at least one candidate with a non-western immigrant background, if they are qualified. Since 2007, public agencies have been obliged to set concrete targets for the recruitment of people with an immigrant background, and to provide plans on how this goal is to be attained. Although there has been no thorough study on the effectiveness of the various measures, OECD (2012b) found that the implementation of the measures coincided with a strong growth – of more than 11% between 2002 and 2007 – in the public sector employment of immigrants from non-OECD countries who had already been in Norway prior to their implementation. These and other measures have been supplemented since 2008 by a pilot project for moderate affirmative action for immigrants applying for positions in the state public administration. If candidates have equal or approximately equal qualifications, a candidate with an immigrant background is to be preferred. The use of the measure thus far has been limited. However, managers of the enterprises that took part in the project stated that they had become more aware of the matter of diversity.

Non-regulatory tools for promoting diversity

Diversity management

Grouped under the general heading of "diversity management", there is a range of initiatives undertaken by the business community rather than through public policy. Although at its inception, diversity management was a by-product of equal employment policies (Dobbin, 2009), it has often been implemented by companies in countries where such policies have never been developed, especially in Europe (Wrench, 2007). Indeed, the spread of diversity management seems to reflect the extension of multinational companies and the standardisation of human resources processes. Diversity management tools include so-called "cultural audits" to identify biases in the organisational processes, mentoring programmes, career guidance, diversity training, outreach activities towards underrepresented groups to diversify recruitment channels, etc.

The main idea behind these initiatives is that creating a diversity-friendly workplace by facilitating the recruitment, inclusion, promotion and retention of "diverse employees" and managing properly this diverse workforce will help to increase productivity and give a market advantage to companies both in the home market – by reaching out to immigrants and their offspring as customers – and in markets abroad. Likewise, in a context of labour shortages, developing diversity management tools has become an important means for attracting and retaining staff.[31] This becomes evident when looking at the contribution of immigration flows in terms of labour market dynamics. On average over the OECD, new immigrants already account for almost 30% of new entries into the working-age population (OECD, 2012c), and in many countries this share is expected to grow further with population ageing.

In addition to this, there may also be a value-added stemming from diversity itself because bringing together people with different backgrounds, experiences and perspectives may increase the potential and the expertise of the working unit. There has been little solid empirical research to assess to which degree this is actually the case. However, Herring (2009) found that, using data from the National Organisations Survey in the United States, greater racial diversity in businesses is associated with increased sales revenue and profits as well as more customers and greater market share. Regarding innovation activity, Ozgen, Nijkamp

and Poot (2013) find, using longitudinal firm-level data from the Netherlands, that firms which employ *fewer* foreign workers are generally more innovative, but that diversity *within* the foreign workforce is positively associated with innovation activity, corroborating similar results regarding innovation activity among European regions by the same authors (Ozgen, Nijkamp and Poot, 2011).

Developing diversity management tools and targeting a fair (i.e. proportional) representation of minority members in the workforce also helps to reduce the risks of litigations and to comply with equal employment policies where they exist. Likewise, employees may favour working environments that promote inclusion, respect, openness, collaboration and equity. Diversity management may also involve benefits in terms of better publicity, and thus be used as a reputational tool by the firm.

Although the promotion of diversity management in the corporate world stems generally out of economic interest, the tools and strategies developed under this heading often resemble employment equality policies. It offers also an alternative to the non-discrimination paradigm by insisting on the positive dimension of diversity (promoting) rather than the coercive and critical perspective on management associated with the fight against discrimination.

Diversity management has its roots in the United States during the 1980s, when Equal Employment Policies were reaching their peak and a new class of "diversity managers" was created to fulfil the obligations created by the revision in 1972 of Title VII of the Civil Rights Act and the new strategy of the EEOC towards systemic discrimination rather than intentional discrimination. In 1980, diversity management was applied by less than 5% of a sample of 389 employers, but almost 50% of them had implemented it by 1997 (Kelly and Dobbin, 1998).

A survey conducted with the European Business Test Panel found in 2005 that 52% of companies in the European Union did not develop any diversity initiatives, and only 21% had well-embedded policies and practices (European Commission, 2005). The main motivations of these latter companies were: *i*) "commitment to equality and diversity as company values"; *ii*) "access to new labour pools and high quality employees"; and *iii*) "economic effectiveness, competitiveness, profitability. In contrast to the United States, compliance with the law was not a major driver for these companies, which reflects that the anti-discrimination framework in Europe tends to be less binding". The survey also showed that only 31% of the companies implementing diversity initiatives were monitoring and reporting the results and impacts of their actions.

Diversity charters and labels

Whereas equal employment policies comprise legally binding compliance to standards and codes of practices, diversity charters and labels fall under voluntary initiatives and participation is generally part of the broader diversity management of the company. In contrast to the latter, however, these tools involve public or semi-public bodies which are at least proposing the tool and – in the case of labels – certify participation and compliance.

A *diversity charter* is a document by which a company or a public institution commits itself to respect and promote diversity and equal opportunities at the workplace. More or less detailed provisions or targets can be stated in these charters. One of the first of its kind in Europe, the French diversity charter was launched in October 2004 and has been signed by more than 3 450 companies since then. By signing the Charter, the companies are endorsing the six articles by which they commit to create awareness and train their

managers in the values of non-discrimination and diversity, to reflect the diversity of the French society in their workforce, to involve employees in this endeavour and to report annually on the progress made. This example has been replicated in ten other European OECD countries (Austria, Belgium, Finland, Germany, Ireland, Italy, Luxemburg, Poland, Spain and Sweden). The country-specific charters differ by their coverage and their scope, but the commitments tend to be similar. Clearly, there is also an element of marketing involved for the signatory companies and indeed, it is often mainly the large enterprises which participated in these efforts – i.e. the companies where recruitment strategies already tend to be less discriminatory.[32]

Being voluntary, these charters do not entail specific monitoring to check if companies respect their commitments. As such, the charters testify that the companies are concerned with promoting diversity, even if this may not necessarily translate into concrete actions. Reviews of the actions implemented according to the charter are suggested, but in most cases the audits focus on the design of the programmes and not on their outcomes.

Diversity labels go one step beyond the charters by delivering a certification based on an assessment of the measures taken and their implementation. An independent body is responsible for delivering the label, which is based on an audit of the companies. A diversity label was established in France in 2008 and is delivered by a commission made up of representatives of the national administration, the social partners, the National Organisation of Human Resources Managers and experts. An audit is performed by the French national organisation for standardisation, which may grant a certification. The label is delivered for three years; more than 260 companies have received it thus far. A similar diversity label is granted by the Brussels-Capital Region in Belgium. Some countries, such as Belgium, have also established specific *diversity awards*, rewarding good practices in this domain by employers.

Standardising job applications and anonymous CVs

Among the elements that can produce discrimination, notably with respect to the crucial first stage of the recruitment process, the format and contents of the CV of job applicants have been a major concern among equal opportunity policy makers and diversity managers. The idea behind *anonymous CVs* is that the reduction of signals that are linked with categories of population exposed to discrimination, such as age, gender and ethnicity/race or nationality, will contribute to limit discrimination.

Avoiding collecting information on age and gender is straightforward, even though age can be easily deduced from details about the education history and work experience of applicants. The use of photos should also be avoided since they deliver information that clearly influences selections. Race/ethnicity, gender and age can be deducted using a photo.

Pushed to its logical conclusion, the idea to reduce the negative signals attached to stereotypes and prejudices leads to the full anonymity of the CV. Indeed, first and last names convey information on gender, ethnicity/race, and possibly also social class. The social meaning of names and their relation to discriminatory selections are highlighted in audit testing where they embody the signal used to characterise gender or race/ethnicity. Considering the compelling evidence regarding the impact of names on the chances to access to jobs, it is tempting to adopt a radical strategy to erase the signal. In the United Kingdom, a government initiative to remove the name and school details from CV

was backed by 100 major firms in January 2012. This initiative would be included in the employment equal opportunity scheme, and is deemed to reduce discrimination and increase the fairness of recruitment.

Experiments with anonymous job applications have been developed in several countries. The French law on "Equal opportunities", enacted in March 2006 in response to the riots that took place at the end of 2005, introduced an obligation in the labour law to all firms of 50 employees or more to collect anonymous CVs in their hiring procedures. However, this article of the law has never been enforced by a relevant decree. To make a decision, the French government initiated an experiment in 2009-10, involving 1 005 job offers which were used to compare the chances of call back for different categories of applicants. An evaluation found that ethnic minorities and residents from deprived neighbourhoods appeared to be penalised by the measure, in contrast to women (Behagel, Crepon and Le Barbanchon, 2011). However, participation in the experiment was voluntary, and it appears that mainly companies that were interested in diversifying their staff participated. Nevertheless, as a consequence of the study, the government took the decision to withdraw the proposal for the use of anonymous CVs.

Similar experiments have been undertaken in Germany (Krause et al., 2012), the Netherlands (Gemeente Nijmegen, 2007) and in Sweden (Aslund and Nordstrom Skans, 2012). All of these studies found that ethnic minorities benefit from anonymity since they receive higher call-backs rates when their ethnic background cannot be detected in the CV. However, they still seem to be meeting a harder selection at the stage of the job talk and the rate of job offers received by ethnic minorities remained significantly lower and could be interpreted as a proof of discriminatory selection. Krause et al. (2012) stress that although applicants with a migration background globally benefit from anonymity, there are cases where they may loose from this strategy if employers favour diversity.

The value of anonymous CVs to reduce hiring discrimination is still debated. Although some of the studies mentioned above provide evidence that standardised and anonymous applications increase significantly the likelihood for ethnic minorities to receive call backs, it is possible that minorities that pass the first stage only because of the merits of such a CV may still encounter unfair treatment at the second stage of the hiring process.[33] Anonymous CVs also raised negative reactions from stakeholders such as employer organisations, human resources managers and immigrant associations. The former claim that – in addition to practical implementation problems – reducing the information in job applications may contradict the objectives of the selection process, while the latter express concerns that the artificial removal of gender or racial/ethnic markers in the job application contributes to the stigmatisation of these markers and may also reinforce the unfair treatments at the second stage of the hiring processes.

Conclusion

Although it is not possible to fully capture the actual incidence of discrimination across OECD countries, let alone to compare levels across countries, a consistent picture emerges of ethnic disadvantage in employment showing compelling evidence of discrimination against immigrants and their children in the labour market and other domains, notably housing. The results of the field experiments are consistent with those emerging from the self-report studies and statistical analysis of ethnic penalties. Regarding employment, there is little doubt that discrimination against "visible" minorities occurs in all countries, especially at the recruitment process.

Even though there has been no study yet of the impact of the current global economic crisis on the incidence of discrimination, the available evidence suggests that discrimination tends to be more pronounced in situations of a slack labour market, and the few studies on past crises suggest that there is a risk of selective lay-off as well. Thus, the issue of discrimination is a pertinent one to-day, particularly in a context where the crisis coincides with the presence of large and growing numbers of immigrants and, increasingly, their offspring, in the labour markets of OECD countries.

Already well prior to the crisis, policy has reacted to the existence of discrimination and a broad range of measures has been applied to tackle it, many of which have existed for several decades. The most common and basic of these actions is anti-discrimination legislation, which is now found in virtually all OECD countries. It demonstrates that policy is aware of the issue and paying attention to it. For employers, such legislation essentially increases the cost of discrimination. Sanctions, however, are rare, and the incentives to comply with the rules are generally limited. The same goes for the incentives of victims of discrimination to file a complaint. Strengthening such sanctions and, more generally, the incentives to be vigilant could be an important element in a broader strategy of tackling the issue. Immigrants' awareness about the existing legal support mechanisms against discrimination should also be raised.

Other anti-discrimination measures, such as affirmative action policies and anonymous CVs, aim rather at "technically" preventing discrimination. While these policies seem to have had some effect, rigid goals and quotas may have the negative by-effect of increasing stereotypes if such measures are associated with lower standards for the groups concerned. Such tools should thus be rather seen and designed as a means of ensuring truly equal opportunities, and success in this respect needs to be monitored.

A third group of instruments is non-regulatory and aims at enhancing the benefits from non-discrimination for employers, through diversity management and more specific diversity policy tools such as diversity charters and labels. Like many regulatory tools, however, they apply mainly to larger employers. Yet, the evidence suggests that discrimination tends to be most pronounced in small- and medium-sized companies (SMEs). Two possible explanations for this, both of which are related, are that there are higher stakes for such companies involved in hiring one staff member whose productivity level is uncertain, or that SMEs have less experience with immigrants and may thus be more prone to negative stereotypes.

Indeed, combating stereotypes and diminishing uncertainty for employers seems to be an important axis for policy action. At the level of the individual candidate, any tool that helps to overcome the information deficit will tend to lower the risk of discrimination. Therefore, many broader integration measures that bring immigrants in contact with employers, such as mentoring and traineeships, will potentially also help to tackle discrimination. Employers also seem to value "signals" of integration potential on the part of immigrants applying for jobs, and immigrants should be aware of this and should be encouraged to send such signals, for example by taking up host-country citizenship where eligible. At the level of the society, combating stereotypes seems to be particularly important. Role models can help here; this is a domain where the public sector can play a leading role. An essential step in this direction would also be an attempt to measure the economic loss from discrimination, which is currently lacking. Most important, however, is a need for a balanced and fact-based public discourse, to avoid that negative stereotypes about immigrants become self-fulfilling prophecies.

Notes

1. This chapter has been written by Anthony Heath (University of Oxford, United Kingdom), Thomas Liebig (OECD Secretariat) and Patrick Simon (Institut national d'études démographiques, France). It includes a contribution from Karolin Krause.

2. Human rights treaties and anti-discrimination laws prohibit discrimination on several grounds including race and ethnic origin. Reference to "race" does not entail a belief in the existence of biological races, but is referred to as a "social construct", which is the definition used, for example, by the census and the Office of Management and Budget in the United States. In Canada, the Employment Equity Act defines visible minorities as "persons, other than Aboriginal peoples, who are non-Caucasian in race or non-white in colour". In other countries, the terminology avoids the reference to "race", but the content of the category is very close to it. The European Equality Directives retain race as a ground while specifying that "The European Union rejects theories which attempt to determine the existence of separate human races. The use of the term 'racial origin' in this Directive does not imply an acceptance of such theories". Taking sides with the EU directives and in contrast to the countries which have an explicit account of race, Sweden and Germany have decided to remove the reference to race in their anti-discrimination legislation which mentions only ethnic origin among the grounds covered. In France, there is an ongoing debate to remove "race" from the Article 1 of the constitution which states the "equality before the law of all citizens without distinction of origin, race or origin".

3. To distinguish the target group, each country has a specific denomination – such as persons with a different "ethnic origin", "immigrants and their children", "immigrant background", "visible minority" and "minority group". In spite of some differences, these terms are used synonymously in this chapter. See also Box 4.1 for an overview of the different concepts.

4. If the underlying stereotypes are true, such "statistical" discrimination will only be observed at the individual level. For example, "true" stereotypes about the average productivity of immigrants with certain characteristics would result in wage differentials that reflect the average differential of productivity. However, even in the absence of stereotypes, immigrant and non-immigrant workers with the same productivity may be treated differently if employers are better judges of the productivity of the latter (see OECD, 2008 for a discussion). In any case, as will be seen below, it should be stressed that statistical discrimination is unlawful.

5. For a recent overview of the impact of discrimination on integration outcomes, see Uslucan and Yalcin (2012).

6. In particular, Røed and Schøne (2006) find that the segregation between plants hiring natives and "non-western" migrants in Norway is stronger in the domestic sectors than in the internationally open sectors. In addition, there seems to be a positive causal relationship between the employment of non-OECD migrants and profits in the domestic market.

7. For example, Albaretto and Mistrulli (2011) show for Italy that persons with an immigrant background pay, on average, almost 70 basis points more for a credit for setting up a business than the native-born. However, it is not clear to which degree this represents discrimination since the default risk of immigrants – in particular those with a foreign nationality – could also be higher either because their businesses' survival rates are lower (see OECD, 2009) or because they may be more likely to "disappear" (e.g. if they return to origin countries), with difficult enforcement. Indeed, Albaretto and Mistrulli (2011) find not only that the differential is lower for native-born offspring of immigrants, but also that a longer credit history reduces the interest-rate differential between the two types of entrepreneurs. They also find that increases in the size of the migrant community are associated with a narrowing of the interest-rate differential between migrant and Italian entrepreneurs.

8. For example, there was a long legal battle in the United Kingdom, ending up in the House of Lords, over the issue of whether Sikhs counted as a racial group for the purposes of the 1976 Race Discrimination Act.

9. Trade unions also frequently provide advice on the legal framework for anti-discrimination.

10. Indeed, survey data for the European OECD countries suggests that many immigrants are not aware of the complaints mechanisms available to them (see FRA, 2010b; and European Commission, 2012).

11. For example, in the Swiss experiment (Fibbi et al., 2006), job offers were not considered which explicitly demanded "Swiss nationality" or "Swiss German". Indeed, in contrast to most other OECD countries, such practices are not unlawful in Switzerland as it has no specific legislation covering discrimination against immigrants.

12. With respect to the housing market, Hanson, Hawley and Taylor (2011) found that landlords take longer to respond to persons with an African-American sounding name, compared with persons with a "white"-sounding name. They also tend to write emails to this group that are shorter and less polite.

13. Two British studies of applications by candidates studying for an MBA applying for managerial jobs in the top 100 companies also found no evidence of discrimination against those with an Asian name (Noon, 1993; Hoque and Noon, 1999).

14. However, this was not replicated in Ireland.

15. The French study also found a strong difference between native-born children with two and one foreign-born parent, with the former being almost twice as likely to report having been discriminated against as those with only one foreign-born parent.

16. However, Reitz and Banerjee (2007), using a different survey, found that native-born offspring from visible minorities in Canada are more likely to perceive to be discriminated against than immigrants from the origin countries of their parents.

17. Nevertheless, in some European OECD countries it seems that high-educated immigrants and their offspring report more often to be discriminated against than their low-educated peers (for France, see Beauchemin et al., 2010).

18. For example, in the case of treatment by a local council, the net rate (percentage expecting better minus percentage expecting worse treatment) was +14 for the majority group and -14 for minorities. Similar patterns were found in other domains (Heath and Cheung, 2006). Wrench (2011) gives further examples of surveys of the majority population which tend to corroborate the victim studies.

19. This also raises a bias among those in the labour force, as those who participate in the labour market may be those who have a lower tendency or fear less to be discriminated against.

20. The authors argue that although traditional gender stereotypes place women in domestic and nurturing roles, women who actively seek employment may be perceived as deviating from the stereotypical norms.

21. Mexico, for example, does not have specific legislation covering ethnic discrimination, but its Constitution provides for protection against discrimination, with a specific article (Article 123) prohibiting discrimination on the basis of race in employment. The overall framework against discrimination was significantly strengthened by a human rights reform implemented in 2011.

22. Under the new Australian multicultural policy launched in 2011, a national anti-racism strategy is implemented since 2012 and an *Agenda for Racial Equality* has set different commitments for achieving equality at the workplace.

23. In addition, EEP has also been implemented in a number of non-OECD countries.

24. This is important since, as seen above, hiring practices tend to be more discriminatory in smaller companies.

25. Indeed, in small firms such policies are often impractical, since there are only few positions available and, say, if the relevant minority population only accounts for 10% of the pool, than in many cases there will be no hirings of immigrants even under perfectly equal opportunities.

26. The genealogy of Equal Employment Policies in their pro-active framework can be traced back to a landmark ruling by the United States' Supreme Court in 1971, Griggs versus Duke. In this judgment, the Court established that the Civil Rights Act not only prohibits intentional discrimination, but also the practices which, although "impartial within their intent are discriminatory within their operation". Immediately following the validation of this interpretation of anti-discriminatory legislation, the Equal Employment Opportunity Act was updated to screen out access to employment, career advancement and termination of the employment relationship to make sure that these different processes are not biased against members of the target groups (women, racial and ethnic minorities, persons with disability, etc.). It was according to the same interpretation of equity defined as effective equality, not evaluated prior to the selection trials (neutrality of access) but following the trials (effective equality in the outcome), that Canada launched its employment equity programme in 1986.

27. Indeed, the more advanced and efficient anti-discrimination schemes are focusing on gender equality (see also the overview in OECD, 2008a).

28. The *Federal Contract Compliance Manual* (*www.dol.gov/ofccp/regs/compliance/fccm/fccmanul.htm*) explains how to assess *adverse impact* and *disparate impact*: "The disparate impact analysis consists of two steps: 1) calculating the adverse impact of the criterion and the statistical significance of that

impact; and 2) determining whether the contractor can justify use of the criterion based on job relatedness or business necessity. "Adverse impact is used to refer to the results of the statistical analysis and disparate impact is used to refer to adverse impact that the contractor has not been able to justify on the basis of business necessity or job relatedness." The complete manual covers 700 pages. It is an obligation of large companies to designate a member of staff that is responsible for the *Affirmative Action* programme. The specialisation required by such compliance with legal schemes can also be observed in the *equal opportunity* programmes in the United Kingdom and *employment equality* programmes in Canada.

29. For example, monitoring within the Canadian Equal Employment Opportunities Act is mandatory for federally regulated private sector employers with 100 employees or more, federal public sector companies and federal contractors (contracts of over CAD 200 000). Every year, companies under the EEP must provide a report consisting of a quantitative section, on recruitment, dismissals, promotions, salary ranges and professional occupations for each designated group, and a qualitative section illustrating the measures taken to improve the situation of the designated groups within the company and the results of these initiatives.

30. In Malaysia, they apply to the ethnic majority. Some hard quotas, however, still exist in some OECD countries to combat gender discrimination.

31. Indeed, the UEAPME – the employers' umbrella organisation representing the interests of European crafts, trades and SMEs at EU level – described the motivation for diversity action plans as related to the "shortage of specific skills and competences, the demographic developments which will even increase these shortages, the activities in the framework of Corporate Social Responsibility policy and an increasing number of immigrant population, which are potential employees but also potential customers and clients" (UEAMPE, 2007).

32. As part of its programme for enhancing diversity at the workplace, the European Commission is funding a platform for exchange between organisations in promoting and implementing diversity charters.

33. Indeed, as already mentioned, this seems to have been one of the drivers of the negative impact of the anonymous CV in the French experiment. Ignoring the characteristics of applicants with a migration background would then serve to reduce their chances to be called for a job interview (and later to be recruited). Some of the findings of this study support this hypothesis for women, but not for ethnic minorities who do not seem to receive specific attention by German employers.

References

Agocs, C. and B. Osborne (2009), "Comparing equity policies in Canada and Northern Ireland: Policy learning in two directions?", *Canadian Public Policy/Analyse de politiques*, Vol. 35, No. 2, pp. 237-252.

Agocs, C. (2002), "Canada's employment equity legislation and policy, 1987-2000: The gap between policy and practice", *International Journal of Manpower*, Vol. 23, No. 3, pp. 256-276.

Ahmed, A., L. Andersson and M. Hammarstedt (2010), "Can discrimination in the housing market be reduced by increasing the information about the applicants?", in *Land Economic*, Vol. 86, No. 1, pp. 79-90.

Ahmed, A. and M. Hammarstedt (2008), "Discrimination in the rental housing market: A field experiment on the Internet", in *Journal of Urban Economics*, Vol. 64, No. 2, pp. 362-372.

Albaretto, G. and P.E. Mistrulli (2011), "Bridging the gap between migrants and the banking system", *Working Paper*, No. 794, Bank of Italy.

Allasino, E., E. Reyneri, A. Venturini and G. Zincone (2006), "Labour market discrimination against migrant workers in Italy", *ILO International Migration Papers*, No. 67, ILO, Geneva.

Ammer, M., N. Crowley et al. (2010), *Study on Equality Bodies set up under Directives 2000/43/EC, 2004/113/EC and 2006/54/EC*, Human European Consultancy and Ludwig Boltzmann Institute of Human Rights.

Andersson, L., N. Jakobsson and A. Kotsadam (2012), "A Field Experiment of Discrimination in the Norwegian Housing Market: Gender, Class, and Ethnicity", in *Land Economics*, Vol. 88, pp. 233-240.

Andriessen, I., E. Nievers, J. Davegos and L. Fault (2012), "Ethnic discrimination in the Dutch labour market: its relationship with job characteristics and multiple group membership", *Work and Occupation*, Vol. 39, No. 3, pp. 237-69.

Arai, M., M. Bursell and L. Nekby (2011), "The Reverse Gender Gap in Ethnic Discrimination: Employer Priors against Men and Women with Arabic Names", *Working Paper*, No. CEB 11-027, Université Libre de Bruxelles.

Arai, M. and P. Skogman Thoursie (2009), "Renouncing Personal Names: An Empirical Examination of Surname Change and Earnings", *Journal of Labor Economics*, Vol. 27, No. 1, pp. 127-147.

Arai, M. and R. Wilhelmsson (2004), "Unemployment-risk differentials between immigrant and native workers in Sweden", *Industrial Relations*, Vol. 43, No. 3 (July), pp. 690-98.

Arrijn, P., S. Feld and A. Nayer (1998), "Discrimination in Access to Employment on Grounds of Foreign Origin: The Case of Belgium", *ILO International Migration Paper*, No. 23, ILO, Geneva.

Aslund, O. and O. Nordstrom Skans (2012), "Do anonymous job application procedures level the playing field?", *Industrial and Labor Relations Review*, Vol. 65, No. 1, pp. 82-107.

Attström, K. (2008), "Discrimination against native Swedes of immigrant origin in access to employment", *ILO International Migration Papers*, No. 86E, ILO, Geneva.

Baert, S., B. Cockx, N. Gheyle and C. Vandamme (2013), "Do Employers Discriminate Less if Vacancies Are Difficult to Fill? Evidence from a Field Experiment", *IZA Discussion Paper*, No. 7145.

Baldini, M. and M. Federici (2011), "Ethnic discrimination in the Italian rental housing market", in *Journal of Housing Economics*, Vol. 20, No. 1, pp. 1-14.

Beatty, T., M. Sommervoll and E. Dag (2012), "Discrimination in rental markets: Evidence from Norway", in *Journal of Housing Economics*, Vol. 21, No. 2, pp. 121-130.

Beauchemin, C., C. Hamel, M. Lesné and P. Simon (2010), "Les discriminations : une question de minorités visible", *Population et Sociétés*, No. 466.

Behagel, L., B. Crepon and T. le Barbanchon (2011), "Évaluation de l'impact du CV anonyme", mimeo.

Bengtsson, R., E. Lagnar, E. Iverman and B. Hinnerich Tyrefors (2012), "Gender and ethnic discrimination in the rental housing market", in *Applied Economics Letters*, Vol. 19, No. 1, pp. 1-5.

Bertrand, M. and S. Mullainathan (2004), "Are Emily and Greg More Employable Than Lakisha and Jamal? A Field Experiment on Labor Market Discrimination", *American Economic Review*, Vol. 95, No. 1, pp. 991-1013.

Booth, A., A. Leigh and E. Varganova (2010), "Does Racial and Ethnic Discrimination Vary Across Minority Groups? Evidence from a Field Experiment", *IZA Discussion Paper*, No. 4947.

Bosch, M., M. Carnero, M. Angeles and L. Farré (2010), "Information and discrimination in the rental housing market: Evidence from a field experiment", in *Regional Science and Urban Economics*, Vol. 40, No. 1, pp. 11-19.

Bovenkerk, F. (1992), *A Manual for International Comparative Research on Discrimination on the Grounds of "Race" and Ethnic Origin: Testing Discrimination in Natural Experiments*, International Labour Office (ILO), Geneva.

Bovenkerk, F., M.J.I. Gras and D. Ramsoedh (1994), "Discrimination against Migrant Workers and Ethnic Minorities in Access to Employment in the Netherlands", *ILO International Migration Paper*, No. 4, ILO, Geneva.

Bowen, W. and D. Bok (1998), *The Shape of the River*, Princeton University Press, Princeton NJ.

Bradburd, R., S. Sheppard, J. Bergeron, E. Engler and E. Gee (2005), "The distributional impact of housing discrimination in a non-Walrasian setting", in *Journal of Housing Economics*, Vol. 14, No. 2, pp. 61-91.

Bursell, M. (2007), "What's in a name? A field experiment test for the existence of ethnic discrimination in the hiring process", *Working Paper Series*, No. 7, Stockholm University Linnaeus Center for Integration Studies.

Carlsson, M. (2010), "Experimental evidence of discrimination in the hiring of first- and second-generation immigrants", *Labour*, Vol. 24, No. 3, pp. 263-278.

Carlsson, M. and D.O. Rooth (2007), "Evidence of Ethnic Discrimination in the Swedish Labor Market Using Experimental Data", *Labour Economics*, Vol. 14, pp. 716-729.

Carpusor, A. and W. Loges (2006), "Rental Discrimination and Ethnicity in Names", in *Journal of Applied Social Psychology*, Vol. 36, No. 4, pp. 934-952.

Cediey, E. and F. Foroni (2008), "Discrimination in access to employment on grounds of foreign origin in France", *ILO International Migration Papers*, No. 85E, ILO, Geneva.

Centre pour l'égalité des chances et la lutte contre le racisme (2012), "Discrimination sur le marché du logement : Réaction du Centre aux tests de situation du Minderhedenforum", 21 September 2012, Brussels.

Chambers, D.N. (1992), "The racial housing price differential and racially transitional neighbourhoods", in *Journal of Urban Economics*, Vol. 32, pp. 214-232.

Choi, S.J., J. Ondrich and J. Yinger (2005), "Do rental agents discriminate against minority customers? Evidence from the 2000 Housing Discrimination Study", in *Journal of Housing Economics*, Vol. 14, No 1, pp. 1-26.

Clark, W., P. Morrison and A. Peter (2008), "Evaluating Evidence of Discrimination in Multiethnic Housing Markets", in *Population Research and Policy Review*, Vol. 27, No. 3, pp. 353-366.

CRE (2003), *Towards Racial Equality*, Commission for Racial Equality, London.

Daniel, W. (1968), *Racial Discrimination in England*, Penguin, London.

Dex, S. and K. Purdam (2005), *Equal Opportunities and recruitment: How Census data can help employers to assess their practices*, The Joseph Rowntree Foundation, University of Manchester.

Dobbin, F. (2009), *Inventing Equal Opportunity*, Princeton, Princeton University Press.

Drever, A. and W. Clark (2002), "Gaining Access to Housing in Germany: The Foreign-minority Experience", *DIW Discussion Paper Series*, No. 283, University of California, Los Angeles, the German Institute for Economic, Berlin.

Drydakis, N. (2011), "Ethnic discrimination in the Greek housing market", in *Journal of Population Economics*, Vol. 24, No. 4, pp. 1235-1255.

Drydakis, N. and M. Vlassis (2010), "Ethnic discrimination in the Greek labour market: occupational access, insurance coverage and wage offers", *The Manchester School*, Vol. 8, pp. 201-218.

ECRI (2012), *Report on Sweden*, 4th monitoring cycle.

Eid, P. (2012), *Mesurer la discrimination à l'embauche subie par les minorités racisées : résultats d'un « testing » mené dans le grand Montréal*, Commission des droits de la personne et des droits de la jeunesse, Quebec.

Entzinger, H. and E. Dourleijn (2008), *De lat steeds hoger. De leefwereld van jongeren in een multi-etnische stad*, Royal Van Gorcum, the Netherlands.

Essafi, M. et al. (2003), "Evaluatie Wet SAMEN", KPMG Netherlands, mimeograph.

European Commission (2012), "Discrimination in the EU", *Special Eurobarometer*, No. 393.

European Commission (2008), *The fight against discrimination and the promotion of equality: How to measure progress done*, Luxembourg,

European Commission (2005), *The Business Case for diversity: Good Practices in the Workplace*, DG Employment, Social Affairs and Equal Opportunities.

European Union Agency for Fundamental Rights (FRA) (2010a), *EU-MIDIS: European Union minorities and discrimination survey: Main Results Report*.

Fibbi, R., M. Lerch and P. Wanner (2006), "Unemployment and discrimination against youth of immigrant origin in Switzerland: when the name makes the difference", *Journal of International Migration and Integration*, Vol. 7, pp. 351-366.

FRA (2010a), *EU-MIDIS European Union Minorities and Discrimination Survey: Main Results Report*.

FRA (2010b), "Rights awareness and equality bodies", *Data in Focus*, No.°3, EU-MIDIS.

FRA (2008), "Chapter 4: Racism and discrimination in areas of social life and preventive initiatives", *Annual Report 2008*, *http://fra.europa.eu/en/publication/2010/annual-report-2008-0*.

Galster, G. (1990a), "Racial Discrimination in Housing Markets during the 1980s: A Review of the Audit Evidence", in *Journal of Planning Education and Research*, Vol. 9, No. 3, pp. 165-175.

Galster, G. (1990b), "Racial steering by real estate agents: Mechanisms and motives", in *Review of Black Political Economy*, Vol. 19, pp. 39-63.

Galster, G., D. Wissoker and W. Zimmermann (2001), "Testing for Discrimination in Home Insurance: Results from New York City and Phoenix", in *Urban Studies*, Vol. 38, No. 1, pp. 141-156.

Gemeente Nijmegen (2007), *Evaluatie "anonimiseren van sollicitatiebrieven"*, mimeographed.

Goldberg, A., D. Mourinho and U. Kulke (1995), "Labour Market Discrimination against Foreign Workers in Germany", *ILO International Migration Paper*, No. 7, ILO, Geneva.

Hanson, A. and Z. Hawley (2011a), "Do landlords discriminate in the rental housing market? Evidence from an Internet field experiment in US cities", in *Journal of Urban Economics*, Vol. 70, No. 2-3, pp. 99-114.

Hanson, A., Z. Hawley and A. Taylor (2011b), "Subtle discrimination in the rental housing market: Evidence from e-mail correspondence with landlords", in *Journal of Housing Economics*, Vol. 20, No 4, pp. 276-284.

Harrison, M., I. Law and D. Philips (2005), *Migrants, Minorities and Housing: Exclusions, Discrimination and Anti-discrimination in 15 Member states of the European Union*, Vienna.

Heath, A.F. and S.Y. Cheung (2006), "Ethnic Penalties in the Labour Market: Employers and Discrimination, Department for Work and Pensions", *Research Report*, No. 341, published for the Department for Work and Pensions by Corporate Document Services, Leeds.

Heath, A.F. and S.Y. Cheung with S.N. Smith (eds.) (2007), "Unequal Chances: Ethnic Minorities in Western Labour Markets", *Proceedings of the British Academy*, No. 137, Oxford: OUP.

Heath, A.F., S. Fisher, G. Rosenblatt, D. Sanders and M. Sobolewska (forthcoming), *The Political Integration of Ethnic Minorities in Britain*, Oxford University Press.

Heath, A.F. and Yaojun Li (2010), "The feasibility of constructing a race equality index", *DWP, Research Report*, No. 695.

Heckman, J. (1998), "Detecting Discrimination", in *The Journal of Economic Perspectives*, Vol. 12, No. 2, pp. 101-116.

Hepple, B. (2010), "The new single equality act in Britain", *Equal Rights Review*, Vol. 5, pp. 11-24.

Hermansen, A.S. (2009), *Unmaking the Vertical Mosaic? Occupational Class Attainment among Second-generation Immigrants in Norway*, M Phil thesis, Faculty of Social Sciences, University of Oslo.

Herring, C. (2009), "Does diversity pay? Race, Gender, and the Business Case for Diversity", *American Sociological Review*, No. 74, pp. 208-224.

Hjarnø, J. and T. Jensen (1997), "Diskrimineringen af unge med undvandrerbaggrund ved jobsøgning", *Migration Paper*, No. 21, Danish Center for Migration and Ethnic Studies, Esbjerg.

Hogan, B. and B. Brent (2011), "Racial and Ethnic Biases in Rental Housing: An Audit Study of Online Apartment Listings", in *City & Community*, Vol. 10, No. 4, pp. 351-372.

Holzer, H. (2010), "Enhancing Diversity through Affirmative Action: What Other Countries Can Learn from the United States' Experience", in OECD (2010), *Equal Opportunities? The Labour Market Integration of the Children of Immigrants*, OECD Publishing, Paris, *http://dx.doi.org/10.1787/9789264086395-en*.

Holzer, H. and J. Ludwig (2003), "Measuring Discrimination in Education: Are Methodologies from Labor and Markets Useful?", *Teachers College Record*, Vol. 105, No. 6, pp. 1147-78.

Holzer, H. and D. Neumark (2006), "Affirmative Action: What Do We Know?", *Journal of Policy Analysis and Management*, Vol. 25, No. 2, pp. 463-90.

Holzer, H. and D. Neumark (2000a), "Assessing Affirmative Action", *Journal of Economic Literature* Vol. 43, pp. 483-568.

Holzer, H. and D. Neumark (2000b), "What Does Affirmative Action Do?", *Industrial and Labor Relations Review*, Vol. 53, No. 2, pp. 240-71.

Hoque, K. and M. Noon (1999), "Racial discrimination in speculative applications: new optimism six years on?", *Human Resource Management Journal*, Vol. 9, No. 3, pp. 71-82.

Jain, H. and J. Lawler (2004), "Visible minorities under the Employment Equity Act", *Relations industrielles/Industrial Relations*, Vol. 5, No. 9-3, pp. 585-611.

Jowell, R. and P. Prescott-Clarke (1970), "Racial Discrimination and White-collar Workers in Britain", *Race and Class*, Vol. 11, No. 4, pp. 397-417.

Kaas, L. and C. Manger (2012), "Ethnic Discrimination in Germany's Labour Market: A Field Experiment", *German Economic Review*, Vol. 13, pp. 1-20.

Kalev, A., F. Dobbin and E. Kelly (2006), "Best Practices or Best Guesses? Assessing the Efficacy of Corporate Affirmative Action and Diversity Policies", *American Sociological Review*, Vol. 71, pp. 589-617.

Kalonaityte, V., P. Prasad and A. Tedros (2010), "A possible Brain-Drain: Workplace diversity and equal treatment in Sweden", in A. Klarsfeld (ed.), *International Handbook on Diversity Management at Work: Country Perspectives on Diversity and Equal Treatment*, Cheltenham, Edward Elgar Publishing Ltd, pp. 244-262.

Kane, T. (1998), "Racial Preferences and Higher Education", in Jencks, C. and M. Phillips (eds.), *The Black-White Test Score Gap*, Brookings Institution, Washington, DC.

Kelly, E. and F. Dobbin (1998), "How Affirmative Action Became Diversity Management. Employer Responses to Antidiscrimination Law, 1961-1996", *American Behavioral Scientist*, Vol. 41, No. 7, pp. 960-984.

Kiel, K. and J. Zabel (1996), "House Price Differentials in US Cities: Household and Neighborhood Racial Effects", in *Journal of Housing Economics*, Vol. 5, pp. 143-165.

Kraal, K., J. Roosblad and J. Wrench (eds.) (2010), *Equal Opportunities and Ethnic Inequality in European Labour Markets*, Amsterdam University Press.

Krause, A., U. Rinne and K. Zimmermann (2012), "Anonymous job applications in Europe", IZA *Journal of European Labor Studies*, pp. 1-5.

Krieger, N., K. Smith, D. Naishadham, C. Hartman and E. Barbeau (2005), "Experiences of discrimination: validity and reliability of a self-report measure for population health research on racism and health", *Social Science and Medicine*, Vol. 61, pp. 1576-1596.

le Grand, C. (2000), "On-the-job training, firm resources and unemployment risks: an analysis of the Swedish recession 1991-1993", *IFAU Working Paper*, No. 3.

Leonard, J.S. (1990), "The impact of affirmative action regulation and equal employment law on black employment", *Journal of Economic Perspectives*, Vol. 4, No. 4, pp. 47-63.

Long, M. (2004), "Race and College Admissions: An Alternative to Affirmative Action?", *The Review of Economics and Statistics*, Vol. 86, No. 4, pp. 1020-33.

Massey, D. and G. Lundy (2001), "Use of Black English and Racial Discrimination in Urban Housing Markets: New Methods and Findings", in *Urban Affairs Review*, Vol. 36, No. 4, pp. 452-469.

McCrudden, C. (1986), "Rethinking Positive Action", *Industrial Law Journal*, Vol. 15, No. 1, pp. 219-243.

McCrudden, C., R. Muttarak, H. Hamill and A. Heath (2009), "Affirmative action without quotas in Northern Ireland", *The Equality Right Review*, Vol. 4, pp. 7-14.

McGinnity, F. and P. Lunn (2011), "Measuring discrimination facing ethnic minority job applicants: an Irish experiment", *Work Employment and Society*, Vol. 25, No. 4, pp. 693-708.

Midtbøen, A.H. (2012), "Discrimination of the Second Generation: Evidence from a Field Experiment in Norway", *Working Paper*, Institute for Social Research, Oslo.

Morning, A. (2008), "Ethnic Classification in a Global Perspective: A Cross National Survey of the 2000 Census Round", *Population Research and Policy Review*, Vol. 27, No. 2, pp. 239-272.

Naff, K. and E. Kellough (2003), "Ensuring Employment Equity: Are Federal Diversity Programs Making a Difference?", *International Journal of Public Administration*, Vol. 26, No. 12, pp. 1307-1336.

Noon, M. (1993), "Racial Discrimination in Speculative Application: Evidence from the UK's Top 100 Firms", *Human Resource Management Journal*, Vol. 3, pp. 35-47.

OECD (2012a), *Settling In: OECD Indicators of Immigrant Integration 2012*, OECD Publishing, Paris, *http://dx.doi.org/10.1787/9789264171534-en*.

OECD (2012b), *Jobs for Immigrants (Vol. 3): Labour Market Integration in Austria, Norway and Switzerland*, OECD Publishing, Paris, *http://dx.doi.org/10.1787/9789264167537-en*.

OECD (2012c), *International Migration Outlook 2012*, OECD Publishing, Paris, *http://dx.doi.org/10.1787/migr_outlook-2012-en*.

OECD (2011), *Naturalisation: A Passport for the Better Integration of Immigrants?*, OECD Publishing, Paris, *http://dx.doi.org/10.1787/9789264099104-en*.

OECD (2010), *Open for Business: Migrant Entrepreneurship in OECD Countries*, OECD Publishing, Paris. *http://dx.doi.org/10.1787/9789264095830-en*.

OECD (2008a), "The Price of Prejudice: Labour Market Discrimination on the Grounds of Gender and Ethnicity", in *OECD Employment Outlook 2008*, OECD Publishing, Paris, *http://dx.doi.org/10.1787/empl_outlook-2008-en*.

OECD (2008b), *Jobs for Immigrants (Vol. 2.): Labour Market Integration in Belgium, France, the Netherlands and Portugal*, OECD Publishing, Paris, *http://dx.doi.org/10.1787/9789264055605-en*.

OECD (2007), *Jobs for Immigrants (Vol. 1.): Labour Market Integration in Australia, Denmark, Germany and Sweden*, OECD Publishing, Paris, *http://dx.doi.org/10.1787/9789264033603-en*.

Ondrich, J., S. Ross and J. Yinger (2003), "Now You See It, Now You Don't: Why Do Real Estate Agents Withhold Available Houses From Black Customers?", in *The Review of Economics and Statistics*, Vol. 85, pp. 854-873.

Ondrich, J., S. Ross and J. Yinger (2000), "How Common is Housing Discrimination? Improving on Traditional Measures", in *Journal of Urban Economics*, Vol. 47, pp. 470-500.

Ondrich, J., A. Stricker and J. Yinger (1999), "Do Landlords Discriminate? The Incidence and Causes of Racial Discrimination in Rental Housing Markets", in *Journal of Housing Economics*, Vol. 8, No. 3, pp. 185-204.

Oreopoulos, P. (2009), "Why Do Skilled Immigrants Struggle in the Labor Market? A Field Experiment with Six Thousand Resumes", *NBER Working Paper*, No. 15036, NBER, Cambridge, MA.

Ozgen, C., P. Nijkamp and J. Poot (2013), "Measuring Cultural Diversity and its Impact on Innovation: Longitudinal Evidence from Dutch Firms", *IZA Discussion Paper*, No. 7129.

Ozgen, C., P. Nijkamp and J. Poot (2011), "Immigration and Innovation in European Regions", *IZA Discussion Paper*, No. 5676.

Page, M. (1994), "Racial and ethnic discrimination in urban housing markets", in *Journal of Urban Economics*, Vol. 38, pp. 183-206.

Pager, D., B. Western and B. Bonikowski (2009), "Discrimination in a Low Wage Labor Market: A Field Experiment", *American Sociological Review*, Vol. 74, pp. 777-799.

Pager, D. and H. Shepherd (2008), "The Sociology of Discrimination. Racial Discrimination in Employment, Housing, Credit and Consumer Markets", in *Annual Review of Sociology*, Vol. 34, pp. 181-209.

Pieterse, A., N. Todd, H. Neville and R. Carter (2012), *Journal of Counselling Psychology*, Vol. 59, No. 1, pp. 1-9.

Prada, Angel de, M., W. Actis, C. Pereda and R. Pérez Molina (1995), "Labour market discrimination against migrant workers in Spain", *ILO International Migration Papers*, No. 9, ILO, Geneva.

Purnell, T., W. Idsardi and J. Baugh (1999), "Perceptual and Phonetic Experiments on American English Dialect Identification", in *Journal of Language and Social Psychology*, Vol. 18, No. 1, pp. 10-30.

Reitz, J. and R. Banerjee (2007), "Racial Inequality, Social Cohesion, and Policy Issues in Canada", in *Belonging? Diversity, Recognition and Shared Citizenship in Canada*, by Banting, K., T. Courchene and F.L. Leslie Seidle (eds.), Institute for Research on Public Policy, Montreal , pp. 489-545.

Riach, P.A. and J. Rich (2002), "Field Experiments of Discrimination in the Market Place", in *The Economic Journal*, Vol. 112 (November), pp. 480-518.

Røed, M. and P. Schøne (2006), "Does High Product Market Competition Benefit Immigrants?", *ISF Paper*, No. 2006/37, Institute for Social Research, Oslo.

Roychoudhury, C. and A.C. Goodman (1992), "An ordered probit model for estimating racial discrimination through fair housing audits", in *Journal of Housing Economics*, Vol. 2, No. 4, pp. 358-373.

Sabbagh, D. (2011), "Affirmative Action: The US Experience in Comparative Perspective", *Daedelus*, pp. 109-120.

Sampson, W. (2008), "Institutional Discrimination", in R. Schaefer (ed.), *Encyclopedia of Race, Ethnicity, and Society*, pp. 727-730, Thousand Oaks, CA: Sage.

SCP (2003), *Rapportage Minderheden 2003* (*Report on Minorities 2003*), Social and Cultural Planning Office, The Hague.

Stryker, R. (2001), "Disparate Impact and the Quota Debates: Law, Labor Market Sociology, and Equal Employment Policies", *The Sociological Quarterly*, Vol. 42, No. 1, pp. 13-46.

Turner, M.A. and M. Mickelsons (1992), "Patterns of Racial Steering in Four Metropolitan Areas", in *Journal of Housing Economics*, Vol. 2, pp. 199-234.

UEAMPE (2007), *Compendium of good practices of diversity and non-discrimination in European Crafts, Small and Medium-Sized Entreprises and their organisations*, Bruxelles.

Uslucan, H.H. and C.S. Yalcin (2012), *Wechselwirkung zwischen Diskriminierung und Integration – Analyse bestehender Forschungsbestände*, Report of the German Anti-discrimination service, Essen.

Williams, D. and S. Mohammed (2009), "Discrimination and racial disparities in health: evidence and needed research", *J. Behav. Med.*, Vol. 32, pp. 20-47.

Wood, M., J. Hales, S. Purdon, T. Sejersen and O. Hayllar (2009), *A Test for Racial Discrimination in Recruitment Practice in British Cities*, Department for Work and Pensions Research Report, No. 607, London: DWP.

Wrench, J. (2011), "Data on discrimination in EU countries: statistics, research and the drive for comparability", *Ethnic and Racial Studies*, Vol. 34, pp. 1715-1730.

Wrench, J. (2007), *Diversity management and discrimination. Immigrants and ethnic minorities in the EU*, Aldershot, Ashgate.

Yinger, J. (1998), "Evidence on Discrimination in Consumer Markets", in *The Journal of Economic Perspectives*, Vol. 12, No. 2, pp. 23-40.

Yinger, J. (1986), "Measuring racial discrimination with fair housing audits: caught in the act", in *The American Economic Review*, Vol. 76, No. 5, pp. 881-893.

Zandvliet, C.T. et al. (2003), Evaluatie Wet Samen, The Hague.

Zhao, B. (2005), *Racial and Ethnic Discrimination in Urban Housing Markets: Evidence from Audit Studies*, Dissertation.

Zhao, B., J. Ondrich and J. Yinger (2006), "Why Do Real Estate Brokers Continue to Discriminate? Evidence from the 2000 Housing Discrimination Study", in *Journal of Urban Economics*, Vol. 59, No. 3, pp. 394-419.