

Evaluating the ethnic employment gap during the early stages of COVID-19

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Labor market condition and ethnic inequality

Inconclusive previous findings:

- *Baert et al. (2015)*

Method: Field experiment in Flemish labor market / Public Employment Service data

Finding: Ethnic employment gap decreases with increasing labor market tightness.

- *Carlsson et al. (2018)*

Method: Field experiment in Swedish labor market / Swedish Employment Agency data

Finding: Level of ethnic discrimination is higher if labor market is tighter.

- *Boulware and Kuttner (2019)*

Method: EEOC (U.S. Equal Employment Opportunity Commission), Local Area Unemployment Statistics (Bureau of Labor Statistics) data

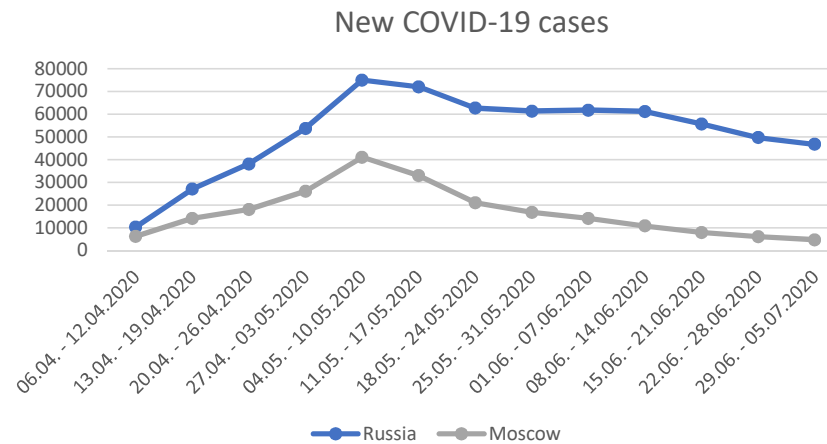
Finding: Race-based discrimination increases in slack labor market.

Research question of this study:

What is the relationship between labor market conditions and the ethnic employment gap during the early stages of COVID-19?

The spread of COVID-19 in Russia and Moscow

The spread of COVID-19		
	Moscow	Russia
Population	12.5 mln	146 mln
Cumulative COVID-19 cases as of 30.06.2020	221,598	647,849
Beginning of the outbreak	02.03.2020	02.03.2020
Imposition of lockdown	30.03.2020	28.03.2020

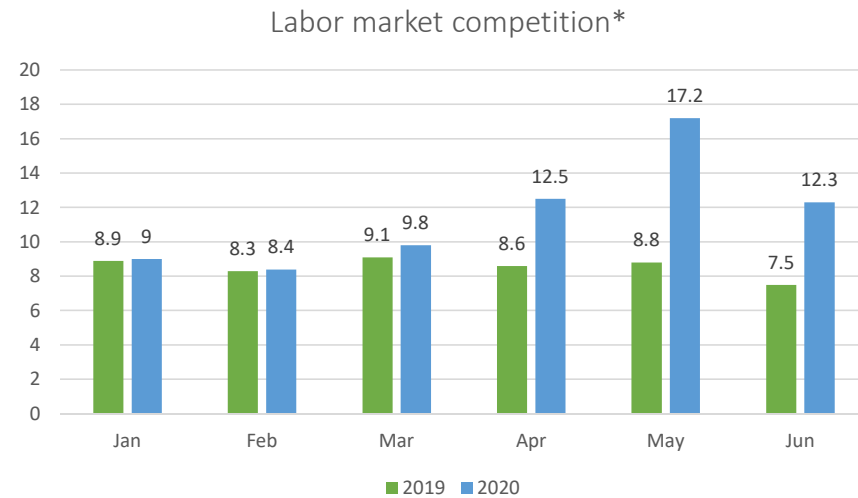
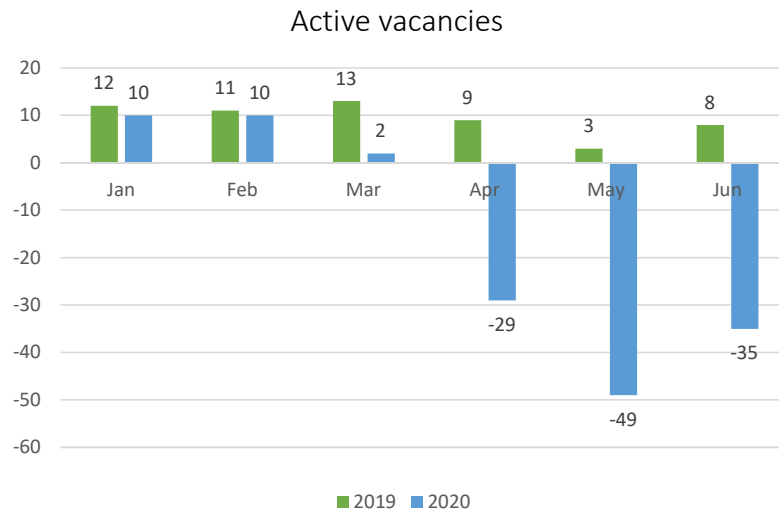


Source: www.gks.ru, www.coronavirus-monitor.info, www.rospotrebnadzor.ru, www.coronavirus.jhu.edu, www.sobyanin.ru

The timeline of COVID-19 measures in Moscow

Date	Measures
02.03.2020	First registered case
16.03.2020	State of emergency is imposed Mayor of Moscow, S.Sobyanin, recommends switching to working from home if possible Mass Events (>50 persons) are banned
21.03.2020	Schools and kindergartens are closed
30.03.2020	Imposition of lockdown
28.04.2020	Lockdown is extended
12.05.2020	1st step of lockdown easing
27.05.2020	Lockdown is extended
01.06.2020	2nd step of lockdown easing
09.06.2020	Requirement of electronic authorisation for necessary travel is cancelled
22.06.2020	3rd step of lockdown easing

Labor market condition during the early stages of COVID-19 (Moscow)



*Ratio: Number of posted resumes/Number of active vacancies

Decrease in active vacancies (in comparison with 2019)

	April	May	June
Russia	-7 %	-17 %	-2 %
Moscow	-29 %	-49 %	-35 %

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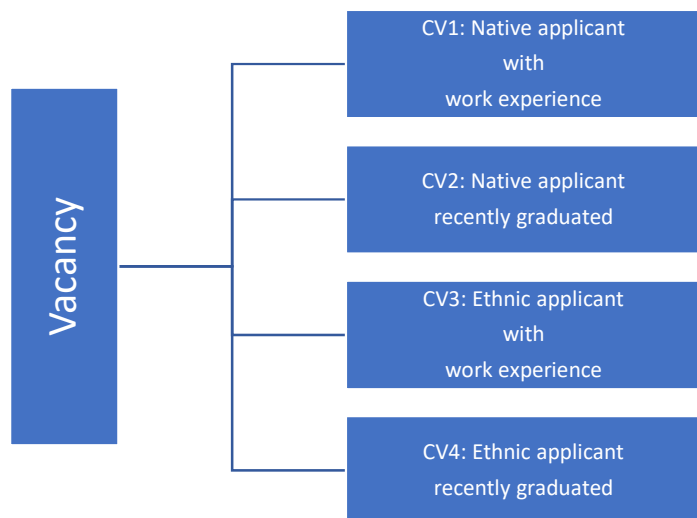
Method: Correspondence study in the labor market

- Experimental design: replication of a field experiment conducted in the same labor market in 2017¹
- Moscow
- 08.04.2020 – 30.06.2020
- 1440 resumes / 360 job openings
- Applicants with native / ethnic sounding names
- Full randomisation: name, gender and experience/skills descriptions for every section of resume are chosen randomly from the data base³
- Callback: invitation to an interview / request for additional information / test assignment received via phone or email
- All calls/emails/sms are answered, and the invitations are rejected

¹ Asanov, I. and Mavlikeeva, M., 2020. "Is Self-employment a Career Trap? Large-Scale Field Experiment in the Labor market. (Initial title: Discrimination Against the Entrepreneurs and Ethnic Minorities: Field Experiment in Russia) ." AEA RCT Registry. July 14. <https://doi.org/10.1257/rct.1308-22.200000000000003>.

³ Following the standard practice of randomised correspondence studies (Lahey and Beasley, 2016)

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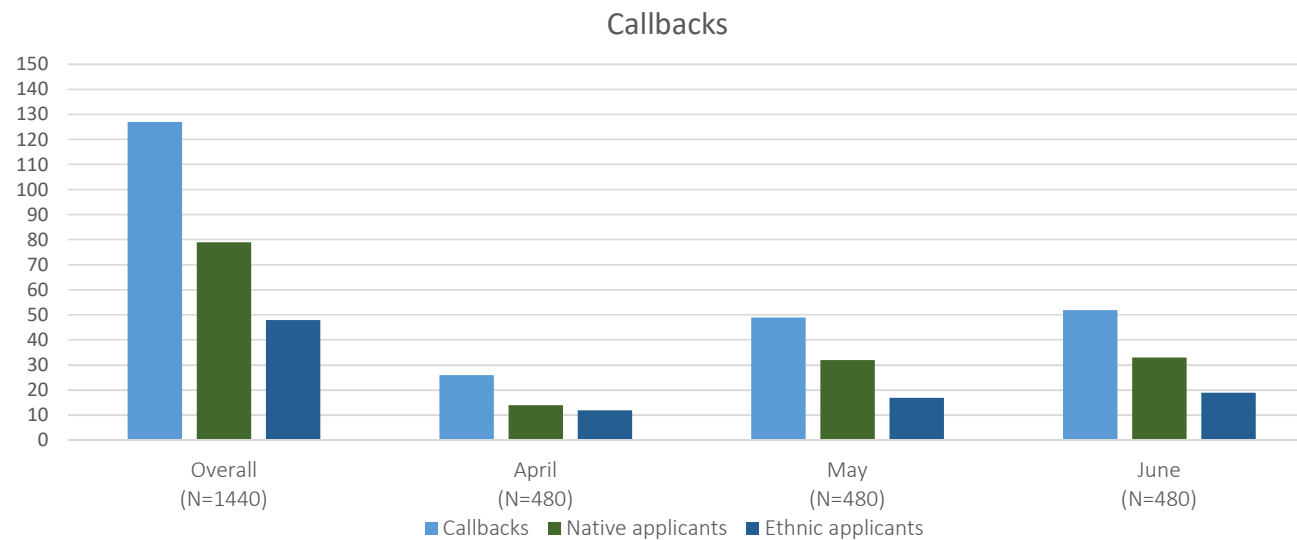


Occupations:

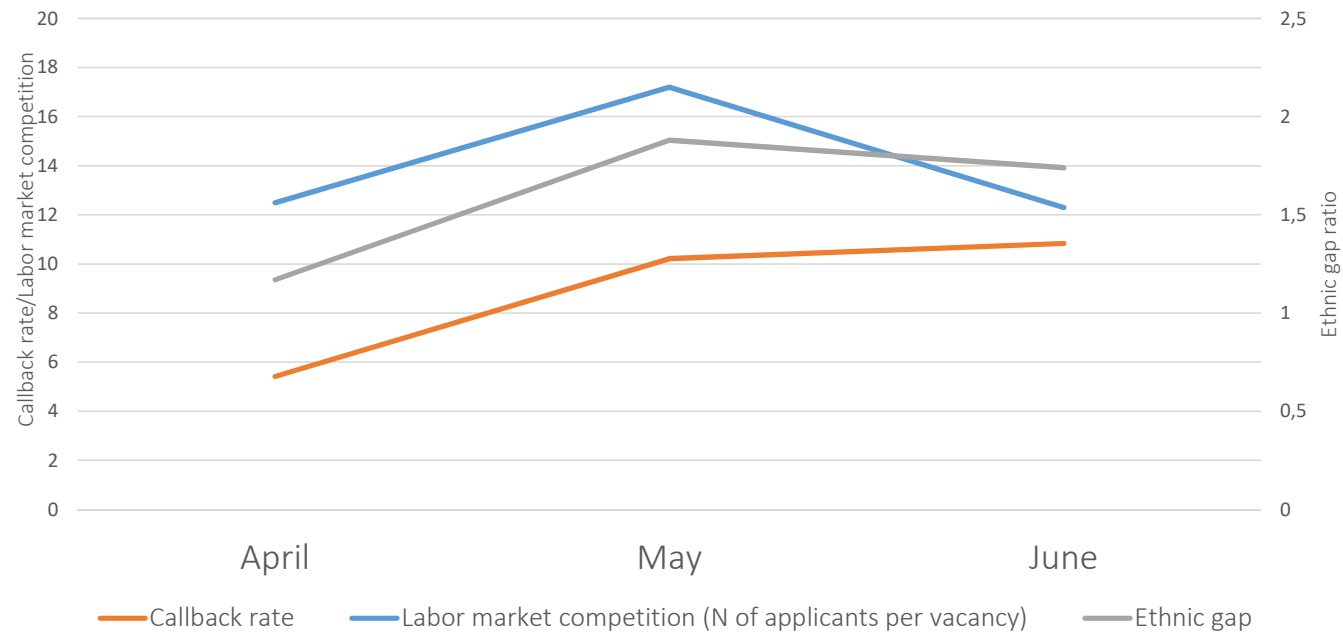
- Advertising and Marketing Professionals
- Real Estate Agents and Property Managers
- General Office Clerks
- Answering Service Operator (Call-Center Operator)
- Receptionists
- Messengers, Package Deliverers and Luggage Porters

Callback rate and ethnic employment gap during the early stages of COVID-19

	Sent resumes	Callback rate	Ethnic gap ratio
April	480	5.42	1.17
May	480	10.21	1.88
June	480	10.84	1.74
Overall	1,440	8.82	1.6



Labor market competition, callback rate and ethnic employment gap during the early stages of COVID-19



Conclusion

- Labor market faces disruption during the early stages of outbreak.
- Ethnic employment gap reacts to the destabilisation of the labor demand.
- Ethnic employment gap is high at the peak of COVID-19 outbreak when the labor market competition is high.
- Further research is needed to understand the evolution of ethnic employment gap.

The aim is to continue the experiment until the end of 2020. Results based on the whole sample will be discussed in the following paper: *"Ethnic Employment Gap During the COVID-19 Outbreak: Great Equalizer or Divider?"* (I. Asanov and M. Mavlikeeva)*

*EEA COVID Registry: PAPERS USING DATA RELATIVE TO, OR COLLECTED DURING COVID-19 EPIDEMIC

References

Baert, S., Cockx, B., Gheyle, N., & Vandamme, C. (2015), "Is there Less Discrimination in Occupations where Recruitment is Difficult?", *Industrial and Labor Relations Review*, 68(3): 467-500.

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https://www.ilo.org/wcmsp5/groups/public/@dgreports/@dcomm/documents/briefingnote/wcms_749399.pdf

Lahey, J. and Beasley, R. A., (2016), "Technical Aspects of Correspondence Studies", NBER Working Paper No. w22818, Available at SSRN: <https://ssrn.com/abstract=2868916>

The rate of unemployment during the early stages of COVID-19

According to the **International Labour Organisation:**

Worldwide decline in working hours

1st quarter 2020 **5,4 % (Eastern Europe 1,7 %)**

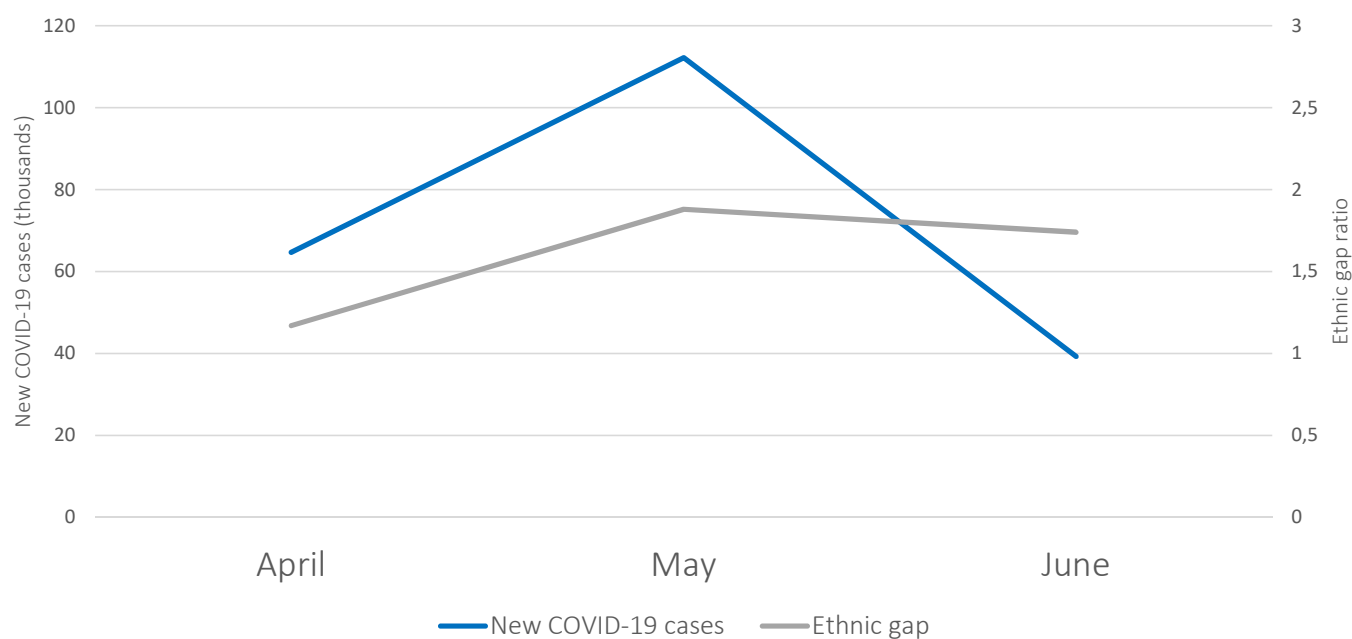
2nd quarter 2020 **14 % (Eastern Europe 11,6 %)**

Date	Number of officially registered unemployed citizens	Weekly number of unemployed citizens officially registered in the National Employment Office in Russia	The unemployment rate* in Russia according to ILO
End 2019	665,000		
April 2020	735,000	200,000-250,000	4,3 mln (March 3,5 mln)
May 2020	1,9 mln	200,000-250,000	4,5 mln
June 2020	2,4 mln	140,000	4,6 mln

*Persons, who are not hired or self-employed, have no income and are available for work (not only officially registered in the Employment Office)

Source: www.ilo.org (ILO Monitor: COVID-19 and the world of work. Fifth edition 30.06.2020), www.mintrud.gov.ru, www.gks.ru

The spread of COVID-19 and changes in the ethnic employment gap



Source: www.gks.ru, www.coronavirus-monitor.info, www.rosпотребнадзор.ru, www.coronavirus.jhu.edu