

Does Identity Affect Labor Supply?

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Identity and labour market implications

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 - Creative experiment design to isolate fixed costs of identity violations

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 - A new approach to studying identity in a literature dominated by priming experiments
 - Creative experiment design to isolate fixed costs of identity violations
- A natural next topic: economic effects of identity in equilibrium
 - Cassan, Keniston, Kleineberg (2019): a structural approach
 - My comments: distributional implications with a toy model

Types of identity violations

- Two broad types of task-based identity violations:
 - “*Keeping you down*”: I want to do my ancestral duty, nothing else
 - “*Keeping you out*”: I will not do a job associated with another caste

Types of identity violations

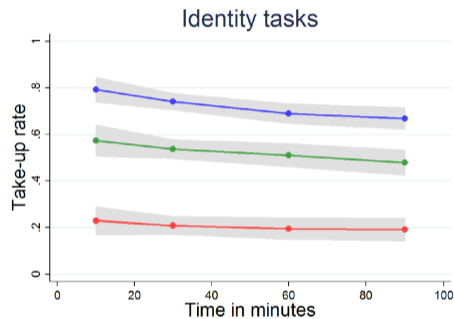
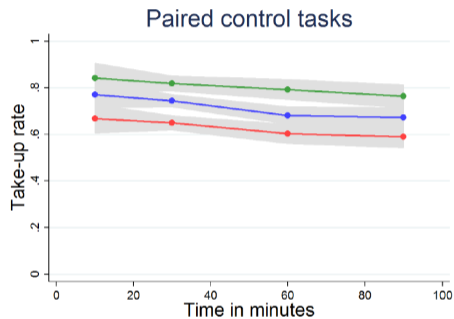
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- Not obvious which of these should matter with caste!
- May even get the opposite effect:

“There are many occupations in India which, on account of the fact that they are regarded as degraded by the Hindus, provoke those who are engaged in them to aversion. There is a constant desire to evade and escape from such occupations” – Ambedkar, 1936.

Identity doesn't keep you down, but it does keep you out



- Same-ranked tasks
- Higher tasks
- Lower tasks

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- This can matter for labour market equilibrium in villages

Identity in labour markets

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 - Dhoba vs. Others
 - Washing clothes vs. Neutral (not caste-associated)

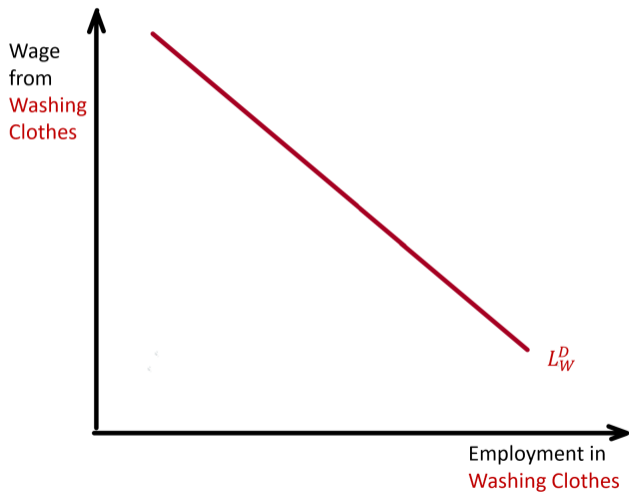
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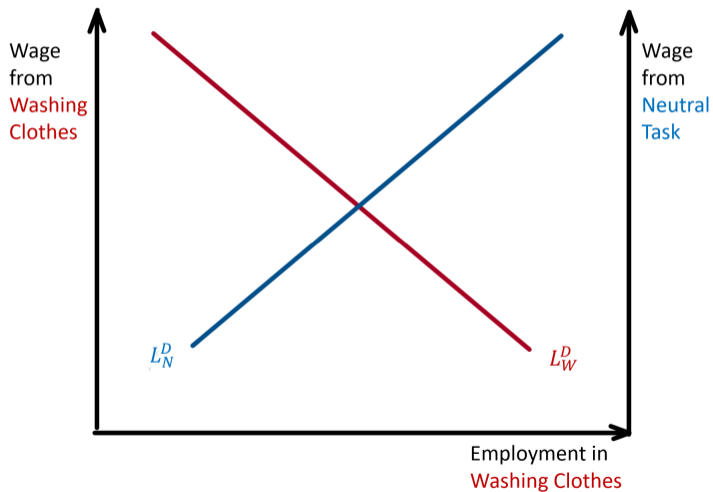
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- Other (strong) assumptions:
 - Homogeneous skill
 - Competitive labour markets

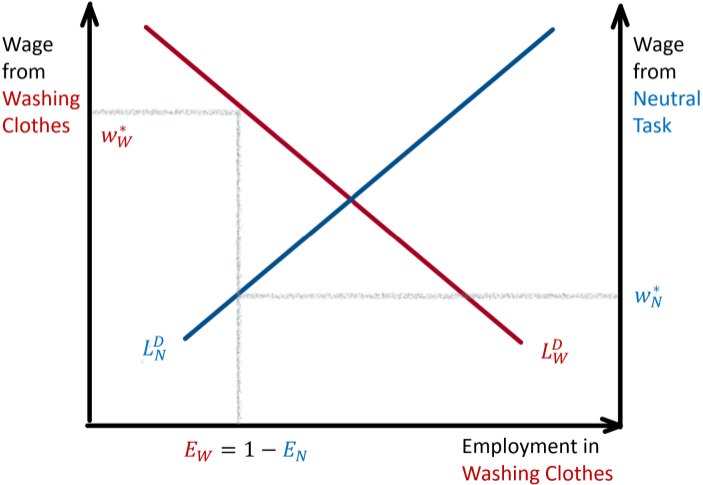
The labour market for washing clothes



The labour market for two occupations



An equilibrium with a low caste wage premium



Is such an equilibrium likely in reality?

- **Discrimination** (demand-side) may offset forces of **identity** (supply-side)
 - Dhoba may be underpaid when washing clothes (uncompetitive market)
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 - Empirical question: are caste groups ever sufficiently small relative to task demand?
- Even if likely, **static gains may be offset by dynamic losses**
 - Dhoba may invest less in education if low returns in traditional jobs

Summing up

- This is a fantastic paper
- In my opinion it needs little work before submitting
- Future work might explore distributional implications in equilibrium