

## Comments

**Lucas Ronconi:** Alberto Chong and Hugo Ñopo present a very interesting paper in which they accomplish a number of things. First, they present findings from Latinobarómetro, showing that most Latin Americans think that there is discrimination in the region and that the poor and those with low education suffer the most. Second, they review the evidence on wage differentials by gender and race and present their own estimates using a matching comparison technique. The authors find wage differentials not explained by the usual covariates, although they argue that this is not sufficient evidence of discrimination because of unobservables. Third, they review recent experimental studies, which usually find little or no evidence of discrimination.

The most interesting contribution of the paper is to posit how the generalised perception about discrimination captured in the Latinobarómetro surveys can coexist with the lack of evidence of discriminatory behavior in the experimental studies. The question is well captured in the title: “The Mystery of Discrimination in Latin America.” Regrettably, the paper does little to answer the apparent contradiction. The authors propose two explanations. First, there is discrimination, but it is not captured by the few experimental studies. Second, there is stereotyping based on the large differences in endowments across groups, but it vanishes when information is revealed.

The answer may actually be much simpler. Opinion polls reflect the views of citizens, while the experimental evidence is analyzed by social scientists (mostly economists). The two groups may define discrimination differently. Economists usually think of discrimination in terms of unequal wages for the same productivity, but for many people, discrimination is unequal treatment. The following example is illustrative. My colleagues and I asked about 1,000 high school students in Argentina if they think there is discrimination in the labor market: 88 percent answered affirmatively.<sup>1</sup> We then asked them which

1. Elías, Elías, and Ronconi (2007).

characteristics matter for labor market success: 93 percent of those who said that there is discrimination in the labor market mentioned education as a very important factor, while only 4 percent said skin color is a very important factor, 5 percent parental wealth, 7 percent beauty, and 9 percent other factors. This suggests that most teenagers in Argentina think that employers discriminate when they treat job applicants with different education levels differently. Furthermore, this may help explain why Latin Americans think that the two groups that experience the most discrimination are the poor and those with low levels of education.

**Miguel Urquiola:** This paper provides a summary of emerging economic research on discrimination in Latin America and also presents some new results. The gist of the paper is that the region presents a puzzle. On the one hand, there seems to be a widespread perception that Latin America is rife with different forms of discrimination that affect everyday life and perhaps the possibility of achieving social and political stability. This would be consistent, for instance, with explicit pronouncements by leaders such as Bolivia's president, Evo Morales, and with a general perception that exclusion along many dimensions matters in the region. On the other hand, the paper makes the case that these perceptions are contradicted by two pieces of evidence. First, opinion surveys suggest that a surprisingly high proportion of Latin Americans feel that people receive unequal treatment because of observable "reasonable" traits like the fact that they have less education, rather than because of, say, their ethnicity. Second, studies that would seem to credibly isolate discrimination, essentially by emulating research designs used previously in the United States, find little evidence of it (in some cases even in contrast to U.S.-based findings). As the authors state, this raises the following question: "How can these generalized perceptions of discrimination coexist with the lack of evidence of discriminatory behavior?"

While these are interesting and provocative results, it may be premature to call this a full-blown puzzle, for a series of reasons. To start, it is unclear that the comparisons the paper makes are based on a single definition of discrimination. Economists generally use a relatively tidy definition of discrimination, according to which discrimination exists if two individuals who are equally productive are paid different wages for the same job due to differences in their ethnicity, for example; this is essentially the concept underlying the paper's use of Oaxaca-type decompositions. The Latinobarómetro opinion surveys that the paper uses, however, do not make this definition clear to respondents. The 2004 version, for instance, asks, "Of all the reasons

for which people are not treated equally, which one affects you more?" The possible answers include being poor, not having enough education, not having enough connections, and "the color of my skin." The authors emphasize that given these choices, people in many countries and survey rounds attach a substantially greater weight to factors like education or poverty, as opposed to factors like race. They argue that this points to "the existence of discrimination on the basis of economic characteristics, rather than biological or sociological characteristics."

This is an interesting finding, but it does not necessarily mean that people believe there is no discrimination. It might be consistent, for instance, with the bulk of respondents' believing that their race per se affects their wages, but that education affects them more. In other words, an Aymara man in Argentina or Bolivia might believe that one reason he is not treated equally is that he has less schooling, but he might also believe that he would receive lower wages even if he had the same schooling and productivity as a non-Aymara individual. Furthermore, in answering education, people may be expressing that they believe there is some type of exclusion in terms of who can get a quality education, even if it is simply in terms of who can get admitted into a "good" school. For instance, people of certain backgrounds might simply feel unwelcome in certain schools in a highly stratified school system like Chile's, and choosing education as an answer might be a way to express frustration with that. Additionally, a large number of people cite poverty as a reason for discrimination, which has perhaps even greater potential for different interpretations than education.

A final related issue is that the paper uses some of the Latinobarómetro rounds to track changes in attitudes over time. For instance, the authors mention that the results of the 2001 survey "are not entirely consistent with the answers to a similarly worded question asked only a few years later." Yet the wording of the questions in the two surveys used for comparison varies in ways that could affect responses. In 2001 the relevant question was as follows: "From what you have heard, which groups do you think suffer the most discrimination, or do you think that there is no discrimination?" In 2004 the question was reworded: "Of all the reasons for which people are not treated equally, which one affects you more?" The simple fact that one of these questions is about "people" while the other is about "you" could affect the way people respond. The interpretation of the survey evidence is thus somewhat delicate, although the patterns the authors present are surprising and certainly merit further work.

The paper also presents evidence on wage gaps for multiple countries. The authors' main innovation is to use matching methods rather than the standard OLS Mincer and Oaxaca decompositions. This presumably introduces greater flexibility in the specifications, allowing observables to better explain gaps, and is an interesting and innovative exercise. I only have two comments in this regard. First, the exercise does not necessarily move any closer to estimating underlying discrimination, since it still does not account for unobservables. Second, it would be useful to see OLS results as well, for comparison with multiple earlier studies in the countries covered. This would help maximize the usefulness of these results (which already contribute quite a bit by bringing data on so many countries together). I hope these estimates can be made available, if only online.

Finally, I have less to say on the discussion of studies that use quasi-experimental designs, to some extent emulating methodologies developed in the United States. These studies represent an interesting body of work, and taken together they further the authors' claim that the region seems to produce less evidence of discrimination than one might expect. By their very nature, however, these analyses are implemented in very specific settings, which at least partially limits their usefulness for formulating more general statements.

In short, Chong and Ñopo are onto an interesting area of work, and I hope they and others will continue to contribute to it.

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