

Risky jobs and wage differentials: an indirect test for segregation

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ABSTRACT

Social scientists have developed several indicators to address the existence of segregation processes. This paper deals with labor market segregation in risky jobs and suggests a simple “*indirect way*” to detect segregation based on battery of statistical tests in a well-established microeconomic setting: the theory of compensating wage differentials. The test is based on matching estimator and Rosenbaum bounds test and allows detecting segregation while dealing with selection bias that affect standard estimates, commonly based on OLS. We assess our test to Italian labor market and we detect a strong segmentation in risky jobs. Workers segregated in risky jobs, according to the theory, earn a lower wage.

Keywords: wage differentials; risky jobs; segregation; propensity score matching, Rosenbaum bound.

JEL Classification: C14; J31; J28; I19