Would you hire a female mechanic? Experimental evidence from motor-mechanics managers in Uganda

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Abstract

Gender segregation in labor markets is a prevalent issue in poor countries, resulting in significant wage gaps and misallocation of talent. Efforts have been made to address this segregation by promoting female labor supply, but the effectiveness of such interventions depends on the level of discrimination faced by women upon entry. Our study tests for gender discrimination within Uganda's motor mechanics industry, a male-dominated sector characterized by severe asymmetric information problems. Partnering with a vocational training center, we conduct an experiment with garage managers to examine the interplay between bias, skills, and trustworthiness in hiring decisions for trainees. At baseline, women and men have comparable hiring outcomes, although women exhibit a trust premium. Improving monitoring induces gender discrimination, revealing the presence of previously hidden discrimination against women. Training interventions improve hiring outcomes for both genders but lead to increased discrimination. While training improves the skills of both genders, it diminishes the comparative advantage that women have in trustworthiness without compensating for it with enhanced skills.

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