

Do Job Applicants also Discriminate Potential Employers? Evidence from the World's Largest Online Labor Market

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Abstract

A number of papers have examined labor-market discrimination in traditional labor markets and demonstrated that employers have strong tastes over job applicants. However, so far little is known about potential discrimination in online labor markets, where personal information on gender, race, age, education, etc. is not available. Moreover, few studies have discussed another potential discrimination against employers by job applicants. This paper answers this under-investigated question by using data from the world's largest online labor market, Freelancer.com, where all transactions are publicly observable. Estimation results show that applicants have strong preference over the jobs posted by employers from English-speaking developed countries. These employers receive 23.3% higher number of applications from higher-skilled workers, which results in 17.5% lower price through competition. By demonstrating these new empirical findings, this study contributes and bridges the literature on labor-market discrimination and that on online behavior.

JEL classification: J71, J20

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