Reducing ethnic discrimination: Evidence from the new platform economy in Hungary

Panel 6 – Experimental research on drivers and moderators of discrimination

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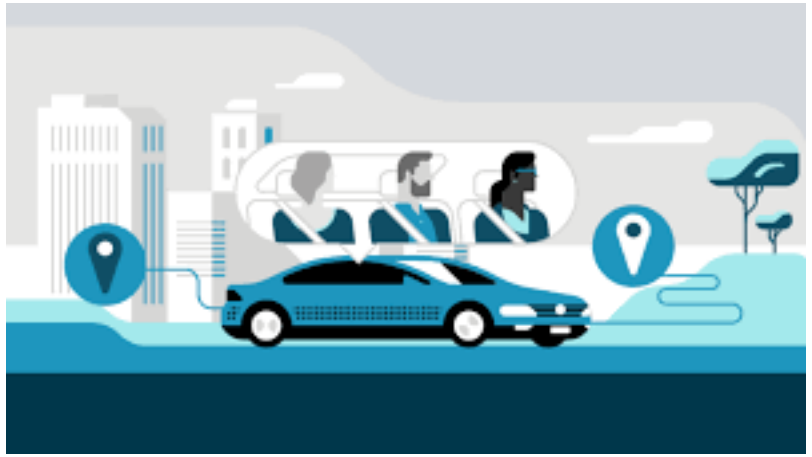
Structure of the presentation:

1. Research context
2. The conceptual overview and the intervention we used
3. Research question
4. Methods
5. Results
6. Conclusions

1. The research context #1: 2 parallel research projects:

Both projects were implemented in close co-operation with the platfrom owners (2020-2023)

- **Ridesharing platorm (2020-2022)**
- Most popular ride-sharing platform in Hungary (since 2007).



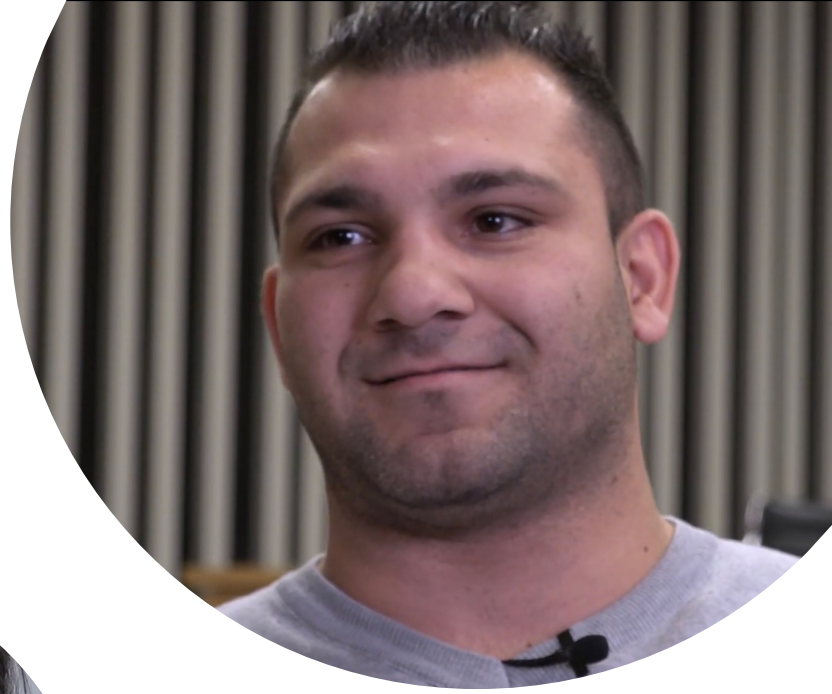
- **The KeyToHome Project (2022-2023):** A small, relatively new start-up platform for long-term home rentals

1. The research context #2: Roma people in Hungary

- Largest minority group: 6 – 10% of the total population
- Highly segregated: housing, education, labour market (e.g. FRA, 2022 report on Roma in 10 EU countries)
- Prejudice against Roma **as a dominant social norm** (Váradi, 2014; Kende et al., 2017)
- **Discrimination is widespread**– systematic studies missing, sporadic experimental (Miller et al., 2008; FRA, 2018; Simonovits et al, 2021; Simonovits et al, 2023.) and qualitative research are available (Váradi et al., 2023.)

Everyday Obstacles: Apartment Search (intervention in the home rental context)

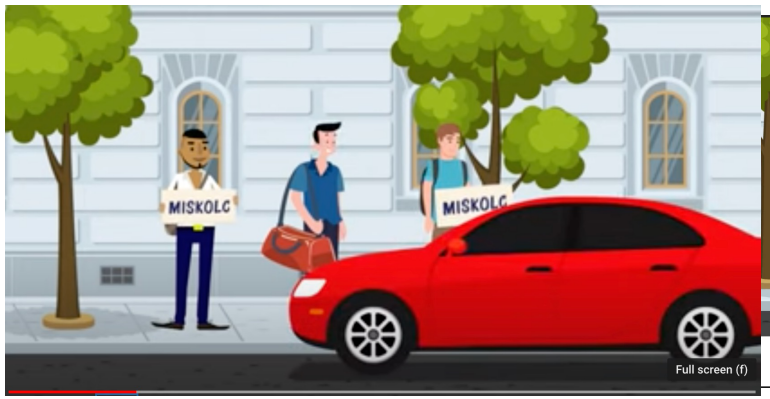
https://www.youtube.com/watch?v=WgI98QCtqJo

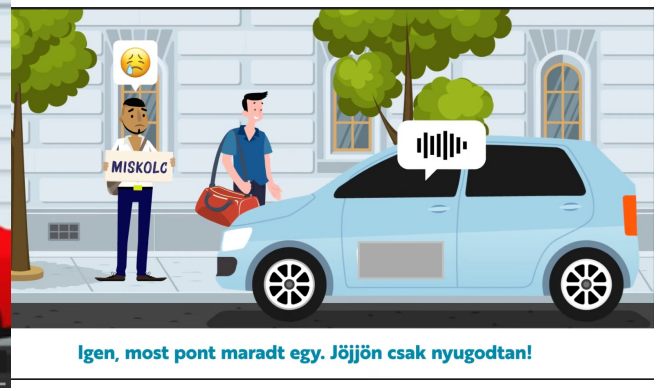


Mindennapi akadályok: albérlet

Everyday Obstacles: Apartment Search

“Everyone has a place with us, except prejudice”





The basic scheme of the intervention in the ridesharing context

2.Conceptual background: Perspective taking

(i) We used the concept of **perspective taking**–an approach highlighting the importance of members of the majority group's seeing the experiences of minorities from the minorities' perspective.

(ii) we sought to explicitly highlight injunctive norms against discrimination. (following Fang, Guess and Humphreys 2019).

3. Research questions:

What is the **baseline level of discrimination against Roma** in the different contexts of the platform economy in HU?

Can we ***design*** and ***test*** meaningful interventions against discrimination in the hostile normative context of Hungary?

Weather and how can interventions be successfully implemented **in hostile normative contexts**?

3. The core idea: using interventions to test behavioral change based on experimental research

- We aimed:
  - **to map discrimination of Roma people** in the Hungarian context;
  - To develop and test effective tools of intervention with behavioural outcomes (Paluck, 2021.);

- We designed two interventions whose purpose was **to reduce anti-Roma discrimination (based on perspective taking)**, and tested them via a survey experiment.

4. Methods #2: field- and survey experiment

Ridesharing platorm

- Field experiment (between subject design) to assess baseline discrimination (N=684)

- An intervention was embedded into an online survey of Hungarian adults that reported to own and regularly use a car (N=814)

The KeyToHome Project

- Field experiment (within subject design) to assess baseline discrimination (N=264)

- We recruited participants among the advertisers of the rental platform (n=210) who set their homes as available for rent

NOTE: Both projects were implemented in close co-operation with the platfrom owners.

Experimental variable(s): Roma ethnicity and reviews

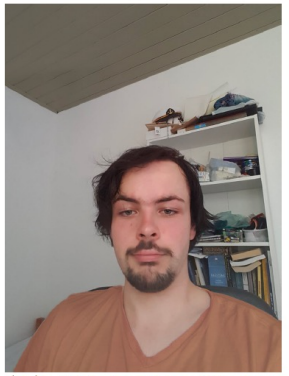
Ethnicity was cued through the same (pre-tested) names and photos in both studies:

+ review scores were altered as well (high vs low scores) to signal trustworthiness (in the ridesharing context)

Figure OA1: Passenger photos and information

(A): Gáspár Kevin, 27 years old, Roma, no reviews, warehouse clerk

(B): Orsós Márió 26 years old, Roma, positive reviews, postman

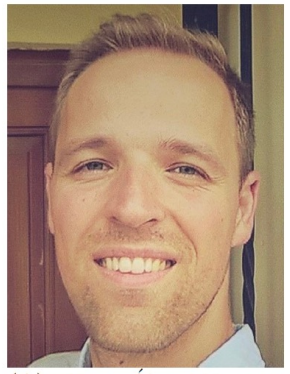


(A): Molnár Péter, 26 years old, non-Roma, no reviews, electrician

(B): Kovács Bence, 26 years old, non-Roma, positive reviews, security guard

(A): Oláh Szebasztián, 27 years old, Roma, no reviews, parking attendant

(B): Kolompár Richárd, 29 years old, Roma, positive reviews, factory worker



(A): Nagy Ákos, 28 years old, non-Roma, positive reviews assistant at Tesco

(B): Varga Máté, 30 years old, non-Roma, no reviews, janitor

5. Results: Discrimination of roma clients (approval rates in percentages) –**real behavior**

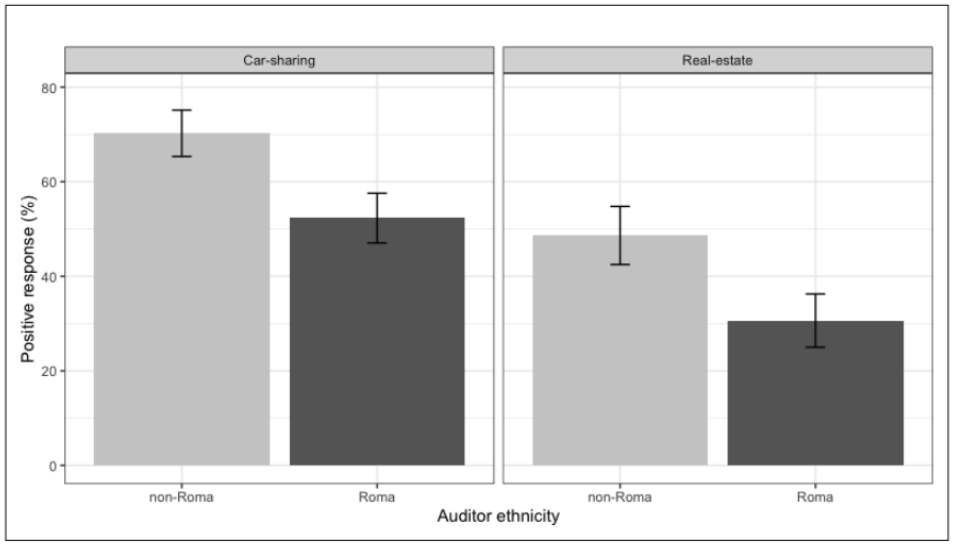
Ridesharing:

52% acceptance rate of Roma (vs. 70% rate for the non-Roma)

Long-term rental platform:

30% to receive a positive response (vs. 48% for the non-Roma)

Figure 1: Roma are discriminated in both settings



Bars are average response rates by experimental conditions. Error bars are 95% confidence intervals.

In both settings 18% points smaller acceptance rate in case of Roma clients

5. Results: Survey experiment— *intended discrimination* (potential behavior)

Ridesharing:

- Survey respondents (subjects) that were exposed to the video clip ***before*** choosing between fictional passengers (1 Roma and 3 non-Roma)

Long-term rental platform:

- After a series of distractors, we measured discriminatory intentions by asking respondents if they would rent out their properties to people belonging to various groups (e.g. Roma, single parents, students etc.)

5. Results: Survey experiment— **outcome of interest:** offering a ride/flat to the Roma passenger/clients

Ridesharing:

- Those respondents, who watched the video were much more likely to chose a Roma passenger: 11.5% increase (vs control group, see constant in column 1)

Long-term rental platform:

- Watching the video increased the probability of an inclusive response (accepting Roma tenant)a 12.9% (column 4)

Table 1: Immediate treatment effects based on survey-experiments

	Approved Roma (%)		Rent to Roma (%)	
	(1)	(2)*	(3)	(4)*
Treatment	11.5***	1.5	6.6	12.9***
	[3.4]	[1.8]	[5.5]	[4.7]
Treatment X Roma		9.7**		
		[3.9]		
Roma paasenger		-19.8***		
		[2.8]		
Constant	46.8***	66.5***	16.5***	-6.8
	[2.5]	[1.3]	[3.7]	[5.1]
Observations	814	3,256	210	210
R-squared	0.046	0.071	0.007	0.299

6. Conclusions #1: Baseline discrimination: (field-experiment)

- Our results point to rates of discrimination very similar to those found by Cui, Li and Zhang (2020) studying anti-Black discrimination on Airbnb in the US
- Our estimates of discrimination are also in line with an audit study of Hungarian local government officials showing that requests made by Roma citizens were about 13% less likely to get a response to various requests (Simonovits et al. 2021.)

6.Conclusions #2: Effect of the intervention: (survey-experiment)

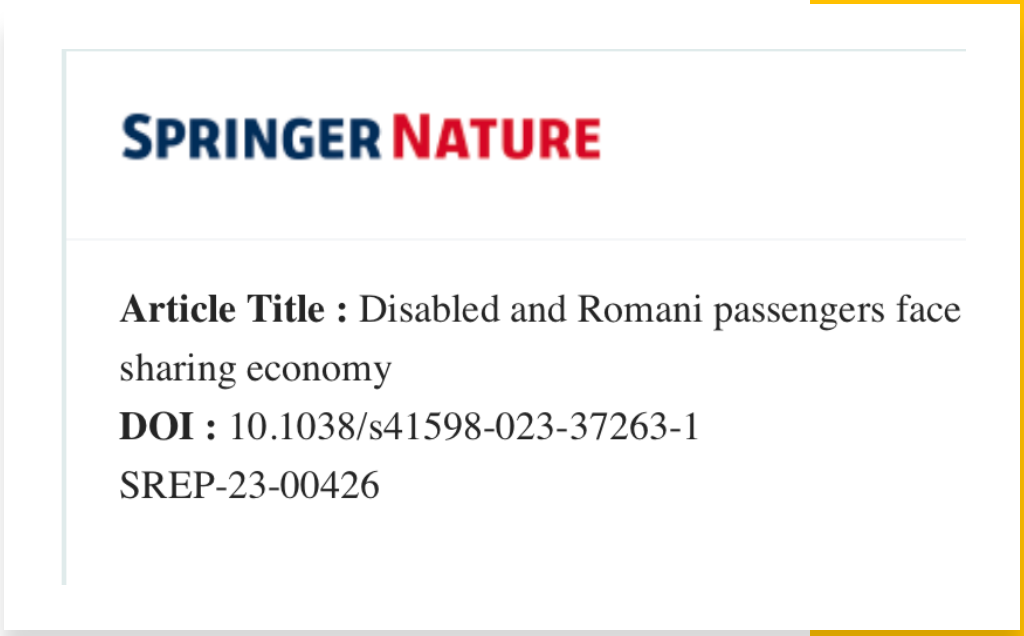
The results of these survey experiments are quite promising:

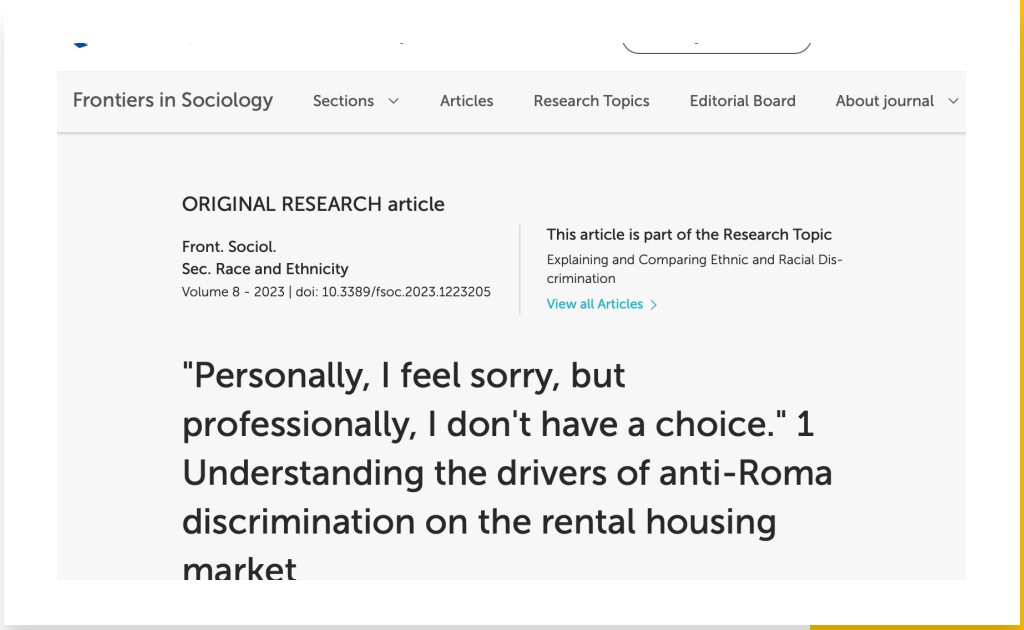
- The immediate effect of the intervention are large and comparable across settings;
- However the bottleneck in reducing discrimination in online marketplaces might not be the ***designing of effective interventions***, but rather the **difficulty of exposing users** to them:

Table 2: Roll-out of campaign

	Study 1 A	Study 1 B	Study 2
Treatment attempted	8789	541	277
Treatment received	34	37	22
Exposure (%)	0.4	6.8	7.9
Delivery	Email	Direct message	Direct message
Sampling frame	Random subset	Likely engaged	Likely users

Upcoming publications, by our research team:





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Appendix: Multivariate regression models (ridesharing)

Field experiment

Survey experiment

D Regression results for figures

Table OA3: Regression results for field experiment

	DV: Approved		
	(1)	(2)	(3)
Roma passenger	-14.6*	-21.7*	-14.6*
	[5.2]	[5.1]	[5.2]
Positive reviews			6.8
			[5.0]
Roma passenger X positive ratings			-7.1
			[7.3]
Constant	67.0*	73.9*	67.0*
	[3.5]	[3.5]	[3.5]
Ratings	No	Yes	All
Observations	345	339	684
R-squared	0.022	0.050	0.036

Note: Regressions in columns 1-3 include passenger fixed effects. Robust standard errors in brackets (clustered at the subject level for columns 1-3). * p<0.1

Table OA4: Regression results for survey experiment

	DV: Approved								
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Roma passenger	-19.8*	-10.3*	-19.8*	-19.2*	-17.9*	-19.4*	-20.0*	-4.0	-20.1*
	[2.8]	[2.9]	[2.8]	[4.0]	[4.1]	[4.0]	[3.7]	[3.7]	[3.7]
Treatment			1.8			2.0			1.7
			[1.6]			[2.4]			[2.5]
Roma passenger			9.5*			1.2			16.2*
X Treatment			[4.0]			[5.7]			[5.2]
Constant	65.8*	67.5*	65.8*	62.0*	63.9*	62.0*	69.5*	71.3*	69.5*
	[1.1]	[1.1]	[1.1]	[1.7]	[1.7]	[1.7]	[1.8]	[1.8]	[1.8]
Sample	Placebo	Treatment	All	Placebo	Treatment	All	Placebo	Treatment	All
Status	All	All	All	Low	Low	Low	High	High	High
# Subjects	413	425	835	413	425	835	413	425	835
# Observations	1,656	1,704	3,360	828	852	1,680	828	852	1,680
R-squared	0.085	0.054	0.071	0.104	0.089	0.095	0.065	0.028	0.049

Note: Regressions include passenger fixed effects. Robust standard errors in brackets clustered at the subject level. * p<0.1

Survey experiment

Table 1: Immediate treatment effects based on survey-experiments

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