

[DOI: 10.20472/IAC.2015.015.087](https://doi.org/10.20472/IAC.2015.015.087)

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WEIGHT DISCRIMINATION IN THE GERMAN LABOR MARKET

Abstract:

Several papers have looked into the effect of obesity on wage and employment, mainly using data for the US. However, none has looked into the effect of obesity on upward mobility and unemployment duration. Using biannual data from the German Socio-Economic Panel data (GSOEP), covering 2002-2012, we investigate whether and how obesity might affect i) the likelihood of getting promoted, ii) the duration of unemployment, iii) wage and iv) the likelihood of employment. After addressing the issue of endogeneity, we find a penalty on obese and higher BMI females in terms of lower wages, lower chance of getting employed, lower likelihood of being promoted and higher unemployment duration. After we manage to locate such penalties towards females we try to decompose the effect into what is commonly referred to in the literature as explained and unexplained difference. Statistically significant unexplained differences could be hinting to discrimination (or differences in unobservable characteristics). Although the penalty in wage and unemployment duration can be explained by the productivity differences captured by our control variables, differences in promotion prospects and employment across genders could be attributable to discrimination.

Keywords:

Obesity; Wage discrimination; Labor discrimination; Weight discrimination

JEL Classification: J01, I19