**Are All Types of Discrimination Created Equal?**

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*To investigate whether all types of discrimination created equal, we used an experimental approach to disentangle the different mechanisms generating discrimination. In our study, a large random sample of Jewish Israelis played four games with partners who belonged to one of the following social groups: women, Arabs, ultra-Orthodox Jews, Mizrahi Jews, and Ashkenazi Jews. A dictator game assessed negative emotions of dislike, a trust game explored mistrust, a competence game examined beliefs about competence and intelligence, and a donation game was used to investigate beliefs about moral entitlement. The Arabs were the group most discriminated against, across all of the domains measured in the different games. Ultra-Orthodox Jews were discriminated against in the dictator game, but were favored in the trust game, suggesting that they are disliked but viewed as trustworthy. Women were generally favored, compared to men, across all games. Mizrahi Jews were not discriminated against in the dictator game, but were given less money by Jewish men in the trust game. This suggests that Mizrahi Jews are not disliked, but are viewed as not trustworthy by Jewish men. Our project makes two important contributions to the empirical study of anti-discrimination law: First, we offer an innovative methodology to disentangle the different mechanisms generating discrimination. Second, we document differences in the types of discrimination targeted at different social groups in Israel – a poster child for a heterogeneous and segmented society.*

**I. Introduction**

In many countries, anti-discrimination laws apply a relatively uniform approach to eliminating all forms of ethnic, gender, and religious-based discrimination. This article questions the effectiveness of this uniform approach by suggesting that different forms of discrimination have different sources and different expressions. It uses an experimental approach to disentangle the different mechanisms generating discrimination in Israel against four social groups – women, Arabs, ultra-Orthodox Jews and Mizrahi Jews – which represent discrimination based on gender, race, religion, and ethnicity, respectively.

Four forms of discrimination have been identified in the theoretical and empirical literature on discrimination. *Taste discrimination* is generated by discriminators’ likes and dislikes of certain social groups. Taste discriminators are willing to forego material gain in order to satisfy their tastes (Becker, 1957; Neumark, 1999). Two other forms of discrimination are *statistical discrimination* (Arrow, 1971; Budig & England, 2001, 208–210; Phelps, 1972) and *mistaken-stereotypes discrimination*, both of which arise from cultural beliefs about social groups.[[2]](#footnote-2) These beliefs tend to be shaped by perceptions of others’ ability and performance, with members of certain social groups seen as more capable than members of other groups in particular contexts. When these cultural beliefs are statistically supported by data on group averages, people who rely on those beliefs to assess an individual (without testing him or her individually) engage in statistical discrimination. However when cultural beliefs are not supported by group averages, people who still adhere to those beliefs practice mistaken-stereotypes discrimination. The effect of stereotypes on discriminatory behavior is very difficult to determine and then regulate because stereotypes are based on implicit attitudes, which operate under only partial awareness. The fourth form of discrimination is *normative discrimination*, which occurs when people act in accordance with their normative evaluations and moral judgments. In this form of discrimination, people are discriminated against not because it is perceived to be costly to interact with them, but because their actions are perceived as normatively wrong.

Research has shown that conscious and unconscious cognitive processes interact without individuals being aware that they are engaging in discrimination.[[3]](#footnote-3) Crandall and Eshleman (2003) propose that a “suppression-justification model” results in either the expression or the suppression of discrimination. In this model, discrimination is generated by a two-stage cognitive process. In the first stage an automatic, genuine primary prejudice is generated in which an individual evaluates others based on their membership in a certain social group. In the second stage, the expression of the individual’s genuine prejudice in the form of discriminatory behavior is either suppressed or justified by beliefs, values, and social norms.

Often, certain social groups are the target of more than one form of discrimination, and empirically disentangling the four forms is very difficult (Benard & Correll, 2010; Neumark, 1999). Our study assessed the occurrence of four types of discrimination – taste discrimination, stereotypical/statistical discrimination generated by beliefs about trustworthiness, stereotypical/statistical discrimination generated by beliefs about competence, and normative discrimination – in relation to the four main disadvantaged groups in Israel: women, Arabs, ultra-Orthodox Jews, and Mizrahi Jews. The discrimination experienced by these four disadvantaged groups also corresponds with dominant types of discrimination across the globe – gender, racial, religious, and ethnic discrimination.[[4]](#footnote-4) It should be noted that often people are penalized for being members of more than one devalued group; for example, black or Hispanic women in the United States. In this article, however, we focus only on discrimination on the basis of one salient feature of group membership and leave questions of intersectionality for future research. We hypothesized that different groups suffer from different forms of discrimination that are generated by different behavioral mechanisms, which the experiment disentangles. Comparing the four types of disadvantaged groups generates a more comprehensive picture of the complexity of discrimination and its variations across contexts.

In our experiment each participant played four games with fictitious partners who varied by their traits. We used a dictator game to assess negative emotions of dislike, a trust game to explore mistrust, a competence game to examine beliefs about competence and intelligence, and a donation game to investigate beliefs about moral entitlement. All these are endowment games, meaning that participants were paid according to the games’ outcomes, after being informed about the payment system in advance; therefore they had strong incentives to behave according to their true emotions and beliefs. Thus, the results of the experiments provide direct evidence for the various mechanisms generating discrimination within Israeli society. Given its large sample size and innovative experimental design, this study offers both the internal validity that characterizes experiments conducted in controlled settings and the external validity accruing to studies using large random samples.

This project’s methodological approach was inspired by that of an earlier study (Fershtman & Gneezy, 2001), which used endowment games to study ethnic discrimination between Mizrahi and Ashkenazi Jews in Israel, where their experimental group was Israeli students. While we build on the work of Fershtman and Gneezy, our study adds to it in three significant ways. First, whereas Fershtman and Gneezy focused solely on ethnic discrimination (with some comments made regarding sex discrimination), our study also explored sex, racial, and religious-based discrimination. This more comprehensive approach allowed us to assess the relative effects of the different mechanisms on each and every type. Fershtman and Gneezy’s study of only one type of discrimination did not allow for a comparison across types of discrimination – and it is only such a comparison that can provide evidence for the need for differentiated regulation of discrimination against different social groups. Second, Fershtman and Gneezy's study used the well-known dictator, trust and ultimatum games, whereas we used the first two and added two additional games: the competence and the donation games. The addition of those games enabled us to investigate whether discrimination against different social groups is driven by beliefs about competence and about moral entitlement. Finally, we improve on Fershtman and Gneezy by using a large representative sample of the Jewish population in Israel, and not only a group of students. Thus, our study offers both external and internal validity for our results.

Our study contributes to the existing literature on discrimination by offering an innovative methodology to disentangle the different mechanisms generating discrimination in general, by documenting differences in the types of discrimination targeted at different social groups in particular, and by offering both internal and external validity to our findings. We show that discrimination against different social groups in society is generated by different mechanisms so that no one policy can fit all types of discrimination. The anti-discrimination laws of many countries, however, fail to address these differences across types of discrimination.

### II. Devalued Social Groups in Israel

**A. Arabs**

Arab Israelis comprise about 21% of the Israeli population,[[5]](#footnote-5) and discrimination against Arab-Israelis is considered to be one of the most common types of workforce discrimination. On average, a 40% pay gap prevails between Arab and Jewish employees nationwide.[[6]](#footnote-6) This gap can only be partly explained by differences in education and socioeconomic backgrounds. Indeed, this gap is almost identical to the black-white wage gap in the United States (Proctor, Semega, & Kollar, 2016). Notably, however, discrimination against Arabs in Israel has unique, nonracial characteristics as well: most prominently, Arabs are stereotypically thought to impose a greater workplace safety risk, presumably due to the ongoing Israeli-Palestinian conflict (Bar & Zussman, 2017).

In a 2015 survey conducted by the Israeli Ministry of Economy and Industry, 39% of Arabs reported feeling discriminated against,[[7]](#footnote-7) and 42% of employers reported that they would prefer not to (or are less eager to) employ Arabs. In high-skilled occupations, where beliefs about skill and talent tend to become highly relevant, the disparities are more striking: only 20% of Arab scientists and engineers and 51% of Arab lawyers and economists managed to procure employment in their fields, significantly lower proportions than their Jewish counterparts (Soen, 2012). Indeed, Jewish lawyers were found to be four times more likely to be invited to a job interview than Arab lawyers (Ariel et al., 2015). Yet even though by all measures, discrimination against Arabs is the most pervasive form of labor force discrimination in Israel, only 8% of the cases brought to the Equal Employment Opportunity Commission involve Arabs. This low level of recourse to an official anti-discrimination agency may indicate the Arab population’s lack of trust in the government.

### B. Women

Israeli women experience a gender wage gap of about 20%, which is similar in magnitude to that in the United States. The fact that women and men tend to work in different occupations contributes significantly to the gender wage gap. In a 2013 survey conducted by the Israeli Ministry of Economy and Industry, only 11% of women reported having been discriminated against during the process of looking for a job. Nonetheless, 23% of mothers of young children under six reported experiencing discrimination in the workplace.[[8]](#footnote-8)About 60% of all cases brought to the Israeli Equal Employment Opportunity Commission are related to gender discrimination.

**C. Mizrahi Jews**

Jews who immigrated to Israel from North African and Middle Eastern countries (known as Mizrahi Jews) consistently experience greater employment discrimination than Jews who immigrated from Europe and North America (“Ashkenazi” Jews). It was commonly believed that as Israeli Jews increasingly married across ethnic origins and became more acculturated to Israeli society, this form of discrimination would disappear. To some extent this has occurred. Population surveys reveal that, in the early 1990s, the annual wage of Mizrahi men was 67.7% of that of Ashkenazi men. In the late 1990s, the wage gap stood at approximately 12% after controlling for education, experience, and non-ethnic demographic characteristics. Current studies show that Mizrahi Jews continue to be discriminated against in both hiring and wages, especially in high-status occupations (Ariel et al., 2015; Rubinstein & Brenner, 2014; Sasson, 2006). A 2014 survey found that the average wage of Mizrahi Jews was only 78.2% of that of Ashkenazi Jews.[[9]](#footnote-9) In their examination of the salaries earned by those born to interethnic (Mizrahi and Ashkenazi) couples, Rubinstein and Brenner (2014) found that people bearing a stereotypically Mizrahi surname received significantly lower wages, implying a causal impact of perceived ethnicity.

**D. Ultra-Orthodox Jews**

Ultra-Orthodox (or “Haredi”) Jews make up about 10% of the Israeli population. Although for many years ultra-Orthodox men did not participate in the Israeli labor force, their workplace involvement has been on the rise recently. Yet given this group’s relatively low labor force participation rate, most Israelis report that that they have never worked with ultra-Orthodox person.[[10]](#footnote-10) In a 2014 survey, more than 30% of employers reported that they did not want or were not eager to work with ultra-Orthodox co-workers.[[11]](#footnote-11) Moreover, 25% of the participants believed that because ultra-Orthodox individuals do not study math and English in school, they do not possess the necessary qualifications for employment. Indeed, a recent study shows that the average monthly wage of ultra-Orthodox Jews was 72% of that of the average monthly wage in the general population, though this finding could be explained partly by the fact that ultra-Orthodox Jews tend to hold part-time jobs.[[12]](#footnote-12)

**III. The Experiments**

**A. Sample**

We designed a series of internet-based experiments to disentangle the different mechanisms generating discrimination in Israel. The experiments were conducted online by the Dialogue Research Institute. The participants were 1,078 Jewish Israelis (i.e., there were no Muslims or Christians among them).[[13]](#footnote-13) This constituted a representative sample of the Israeli Jewish adult population, thus granting the experiment a grounded external validity with regard to the discrimination patterns that exist within Israeli Jewish society. Table 1 presents some relevant personal and demographic characteristics of the participants.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Table 1**  **Participants’ Personal and Demographic Characteristics** | | | | |
|  | | | Rate (Mean) |
| *Gender* | | Women | 52% |
| *Ethnicity* | Mizrahi Jews[[14]](#footnote-14) | | 22% |
| Ashkenazi Jews[[15]](#footnote-15) | | 33% |
| Mixed / Other | | 45% |
| *Religiosity* | Secular | | 30% |
| Traditional | | 26% |
| Religious | | 29% |
| Ultra-Orthodox | | 15% |
| Age | | | (39.45 yrs) |
| College graduate or higher[[16]](#footnote-16) | | | 31% |
|  |  | | N = 1,078 |

**B. Methodology**

Each participant first played three games with three randomly chosen different computerized partners that were presented as real people playing from distant computers. In reality, the partners were computer algorithms, programmed to react in a consistent manner independent of the participant’s choice of action.[[17]](#footnote-17) The computerized partners bore one of five different first and last names, as well as a city of residence. The names chosen were culturally associated with five social groups: Ashkenazi secular Jewish men, Ashkenazi Jewish women, Arab men, ultra-Orthodox Jewish men, and Mizrahi Jewish men.[[18]](#footnote-18) The Ashkenazi secular Jewish men were the baseline group, assumed to be less prone to being discriminated against, and the other four groups each represented a single deviation from the baseline regarding the dimensions of gender, race, religiosity, or ethnicity.

After completing the three games, the participants played a fourth game where they were given the option to donate some of the money they earned in the first three games to a social cause, which they had to select from among five possibilities: four were presented as having the mission of reducing workplace discrimination with respect to one of the four groups in this study, and the aim of the fifth group was to increase entrepreneurship. Thereafter, participants were asked to evaluate their game partners on several dimensions and to report their perceptions of the prevalence of discrimination in Israel. Ultimately each one was paid the net amount of money he or she accumulated throughout the various stages of the experiment (minus the donation, if one was made).

**C. Taste Discrimination: The Dictator Game**

The first game participants played was the dictator game, which was designed to investigate Jewish Israelis’ dislike of different groups in Israeli society (taste discrimination). Dictator games were first used to investigate fairness, and later Fershtman and Gneezy (2001) used this method to explore ethnic discrimination. In this one-stage game, each research participant received 10 NIS[[19]](#footnote-19) and was asked to allocate the money between herself and her randomly chosen partner, a fictitious person who was given one of the types of first and last names and residence, as discussed earlier. The gains in this game did not depend on the partner’s behavior; in fact, the partner played no role in this game.

At the beginning of the game, participants were informed that their partners were passive (i.e., they could not affect the outcome in any way) and that the players’ decision whether to give away some of the money to their partners, on altruistic grounds, would conclude that game. Therefore, stereotypes about trust and competence were irrelevant. Differences in the money allocated to partners with different names would provide evidence for *taste discrimination* generated by feelings such as dislike, pity, admiration, disgust, and jealousy, toward members of social groups.

Table 2 shows the amount of money (out of 10 NIS) that participants chose to transfer to their fictitious partners according to the group membership of the partner. Figure 1 compares the average amount of money received by each group of fictitious partners. The overall average amount transferred was 3.3 NIS, which is roughly consistent with the high-end averages of previous studies conducted in a similar fashion (Forsythe, Horowitz, Savin, & Sefton, 1994; List, 2007).

**Table 2: Mean and Standard Deviations of the Amount Transferred to Partners in the Dictator Game, by Partners’ Group Membership**

|  |  |
| --- | --- |
|  | Amount Transferred |
| Ashkenazi Men | 3.24  (1.94) |
| Women | 3.52  (1.85) |
| Mizrahi Men | 3.45  (2.01) |
| Ultra-Orthodox Jews | 3.17  (2.01) |
| Arabs | 3.1  (2.14) |



**Figure 1: Transfers to Partners in the Dictator Game**

In Table 3 we present the results of OLS regression models predicting the amount given to partners in the dictator game. In both models the omitted fictitious partner is a female partner. Model 2 includes the demographic characteristics of the participants in the experiment: age, education, socioeconomic sector, marital status, sex, ethnicity, and nationality.

|  |  |  |
| --- | --- | --- |
| **Table 3: OLS Regression Models Predicting the Amount Given to Partners in the Dictator Game** | | |
|  |  |  |
|  | Model 1 | Model 2 |
|  |  |  |
| Ashkenazi Partner | -0.29 (0.19) | -0.26 (0.20) |
| Mizrahi Partner | -0.07 (0.19) | -0.08 (0.20) |
| Orthodox Partner | -0.35+ (0.20) | -0.41\* (0.20) |
| Arab Partner | -0.42\* (0.19) | -0.43\* (0.20) |
|  |  |  |
| Female Participant |  | 0.20 (0.13) |
| Age of Participant |  | 0.01 (0.01) |
| Ashkenazi Participant |  | 0.00 (0.20) |
| Mizrahi Participant |  | 0.11 (0.20) |
| Mixed Ethnicity Participant |  | 0.03 (0.20) |
|  |  |  |
| Other Demographic Controls Included | - | + |
|  |  |  |
| Constant | 3.52\*\* (0.13) | 3.55\*\* (0.37) |
| *R*2 | 0.007 | 0.026 |
| Observations | 1027 | 1000 |
| Standard errors in parentheses; + *p* < 0.10, \* *p* < 0.05, \*\* *p* < 0.01 | | |

In both models Arab partners received less money than did female partners (about 0.42 NIS less in Model 1 and about 0.43 less in Model 2, *p* < 0.05). Likewise, ultra-Orthodox male partners received about 0.35 NIS less than women in Model 1 (though this difference is only marginally significant) and about 0.41 NIS less in Model 2.



**Figure 2: Transfers to Partners in the Dictator Game (by Gender)**

Figure 2 shows the amount given to partners by the gender of the participants. Overall, women in the dictator game transferred on average 3.38 NIS of their 10 NIS, and the differences in the amounts given to the social groups of the recipients were insignificant. In contrast, men transferred 3.22 NIS on average, with the amounts varying considerably across the different social groups in an ANOVA test (F(4,489) = 2.64, *p* < 0.05). Thus, for example, on average men gave women 21.6% more than they gave Arabs and 32.4% more than they gave ultra-Orthodox Jews. Strikingly women participants did not give women more than they gave men – neither men in general nor Ashkenazi men in particular – whereas male participants gave women more than they gave to any other marginalized group; however, the difference between the amount men gave women and that given to Ashkenazi men was not statistically significant.[[20]](#footnote-20)

**D. Statistical/Stereotypical Discrimination: The Trust Game**

The second game participants played was a trust game designed to investigate the existence and magnitude of mistrust toward different social groups in the Israeli society. This two-stage game was originally used to study trust in general and later to explore ethnic discrimination (Fershtman & Gneezy, 2001). In the first stage, each research participant received 10 NIS and was asked to decide whether to allocate some of it to his partner, whom she assumed belonged to one of the five social groups of interest here. The sum selected was then tripled by the experimenter and transferred to the (fictitious) partner. In the second stage, the partner was asked to decide whether he wanted to transfer some of the money back to the participant and, if so, how much. At that point, the algorithm was executed in a way that the partner gave back half of the tripled amount. Evidently, in the subgame perfect Nash equilibrium of this single-shot game, the player in the second stage is expected to keep the entire allocated sum, and so the first player’s best response is to not give away any of the funds in the first place. Therefore, because gains for the research participant in this game are achieved through cooperation, the amount she decides to transfer to her partner would serve as an indicator of her trust in him. Thus, differences in the money transferred to partners with different names would provide evidence for the presence and level of discrimination generated by mistrust.

Table 4 presents the amount of money (out of 10 NIS) that participants chose to transfer to their fictitious partners, by the group membership of the partner.

**Table 4: Mean and Standard Deviations of the Amount Transferred to Partners in the Trust Game, by Partners’ Group Membership**

|  |  |
| --- | --- |
|  | Amount Transferred |
| Ashkenazi Men | 3.92  (2.62) |
| Women | 4  (2.73) |
| Mizrahi Men | 3.69  (2.48) |
| Ultra-Orthodox Jews | 4.25  (2.61) |
| Arabs | 3.53  (2.54) |

Figure 3 illustrates the average amount of money (out of 10 NIS) each group of fictitious partners received. Overall, the average amount of money transferred was 3.9 NIS. As in the dictator game, this figure is roughly consistent with results of earlier studies conducted under similar conditions (Berg, Dickhaut, & McCabe, 1995). However, the results demonstrate several different patterns of discrimination from those found in the dictator game.



**Figure 3: Transfers to Partners in the Trust Game**

In Table 5 we present the results of OLS regression models predicting the amount given to partners in the trust game. In both models the omitted fictitious partner is a female partner. Model 2 also includes the demographic characteristics of the participants in the experiment: age, education, socioeconomic sector, marital status, sex, ethnicity, and nationality.

|  |  |  |
| --- | --- | --- |
| **Table 5: OLS Regression Models Predicting the Amount Given to Partners in the Trust Game** | | |
|  |  |  |
|  | Model 1 | Model 2 |
|  |  |  |
| Ashkenazi Partner | -0.08 (0.25) | -0.02 (0.25) |
| Mizrahi Partner | -0.30 (0.25) | -0.38 (0.25) |
| Orthodox Partner | 0.26 (0.26) | 0.29 (0.26) |
| Arab Partner | -0.47+ (0.25) | -0.48+ (0.25) |
|  |  |  |
| Female Participant |  | -0.65\*\* (0.16) |
| Age of Participant |  | -0.01+ (0.01) |
| Ashkenazi Participant |  | -0.05 (0.26) |
| Mizrahi Participant |  | -0.24 (0.25) |
| Mixed Ethnicity Participant |  | -0.16 (0.26) |
|  |  |  |
| Other Demographic Controls included | - | + |
|  |  |  |
| Constant | 4.00\*\* (0.17) | 5.38\*\* (0.47) |
| *R*2 | 0.009 | 0.052 |
| Observations | 1025 | 998 |
| Standard errors in parentheses; + *p* < 0.10, \* *p* < 0.05, \*\* *p* < 0.01 | | |

We see that in this game, like in the dictator game, Arab partners received less money than did female partners; however, the results are only marginally significant: about 0.47 NIS less in Model 1 and about 0.48 less in Model 2 (*p* < 0.1).[[21]](#footnote-21) On average, women participants trusted their partners less compared to men participants and allocated to their partners about 0.65 NIS less than men did (*p* < 0.01). This finding implies that women are either less trusting or more risk averse, on average, than men (see Borghans, Golsteyn, Heckman, & Meijers, 2009; Schubert, Brown, Gysler, & Brachinger, 1999).

When comparing the amounts transferred to ultra-Orthodox Jews to the amount transferred to all other partners combined, we see that ultra-Orthodox men received an amount higher, on average, by 12.33% compared to all the others (p < 0.05).



**Figure 4: Transfers to Partners in the Trust Game (by Gender)**

Figure 4 illustrates that the differences between the amounts transferred by men across the social groups of partners were insignificant, while the amounts transferred by women varied significantly (F(4,528) = 3.2, *p* < 0.05). Interestingly, most of that variance seemed to be due to the small amount women gave to Arabs – 2.88 NIS on average – which was 23.07% less than the average amount they gave to the rest of the social groups jointly (*p* < 0.01). Men participants, in contrast, gave the smallest amount on average to Mizrahi Jews partners: 13.3% less than they gave on average to the rest of the groups of partners combined (*p* < 0.05).[[22]](#footnote-22), [[23]](#footnote-23)

**E. Statistical/Stereotypical Discrimination: The Competence Game**

The third game was a competence game designed to investigate the effect of perceived competence of different social groups within Israeli society. In this game, research participants were instructed to answer ten SAT-style logic questions jointly with their (fictitious) partners. For this end the participant was asked to determine how many of the 10 questions will be presented to her, the rest being given to her partner to solve separately. They would be paid on the basis of their joint performance, 2 NIS for each correct answer either of them solved; this payment would then be divided equally between the participant and partner. Participants were also told that there was a time limit of ten minutes to answer the ten questions. Here, again, partners varied by their names representing the various social groups.

Because of the limited time in which to complete the assignment, an incentive existed for the research participants to divide the questions equally, so that they and their partner each answered five questions – unless they believed that one of them were more competent, then it would be beneficial to allocate more question to him. Thus, differences in the allocation of questions across partners with different names would provide evidence of discrimination generated by stereotypes about competence. Finally, after completion of the game, participants were informed how many of the questions were solved correctly by their partners (who were programmed to answer correctly half of the questions allocated to them (rounded down).

The average number of questions assigned to a fictitious partner was 4.02. Fifteen percent of participants assigned their partners no questions at all; 19% assigned one to four questions; 58.6% assigned exactly five questions; and only 7.4% gave their partners more than half of the questions. Thus, there was a ratio of 1:4.5 between participants who perceived their partner as being more capable than themselves and participants who saw themselves as more capable than their partners, implying that participants may have been overly optimistic in predicting their own relative success. Perhaps surprisingly, we did not find a significant difference between men and women in the number of questions they allocated to their partners, implying that women do not evaluate their own competence differently than men do. This finding is consistent with several previous studies (see, e.g., Johnson & McCoy, 2000; Chusmir & Koberg, 1991).

Table 6 presents the number of questions (out of ten) that participants chose to allocate to their fictitious partners, by the group membership of the partner. Figure 5 shows the average number of questions (out of ten) each group of partners was given to answer.

**Table 6: Mean and Standard Deviations of the Number of Questions Allocated to Partners in the Competence Game, by Partners’ Group Membership**

|  |  |
| --- | --- |
|  | Questions Allocated to Partners |
| Ashkenazi Men | 3.99  (2.04) |
| Women | 4.12  (1.97) |
| Mizrahi Men | 4.09  (1.96) |
| Ultra-Orthodox Jews | 4.08  (2.08) |
| Arabs | 3.83  (2.02) |



**Figure 5: Questions Allocated to Partners in the Competence Game**

Table 7 presents the results of OLS regression models predicting the number of questions allocated by participants to their partners, by the demographic characteristics of partners and participants.

|  |  |  |
| --- | --- | --- |
| **Table 7: OLS Regression Models Predicting the Number of Questions Allocated to Partners in the Competence Game** | | |
|  |  |  |
|  | Model 1 | Model 2 |
|  |  |  |
| Ashkenazi Partner | -0.13 (0.20) | -0.14 (0.20) |
| Mizrahi Partner | -0.03 (0.19) | -0.05 (0.20) |
| Orthodox Partner | -0.03 (0.20) | -0.04 (0.20) |
| Arab Partner | -0.29 (0.20) | -0.32+ (0.20) |
|  |  |  |
| Female Participant |  | 0.17 (0.13) |
| Age of Participant |  | 0.01 (0.01) |
| Ashkenazi Participant |  | 0.40\* (0.20) |
| Mizrahi Participant |  | 0.44\* (0.20) |
| Mixed Ethnicity Participant |  | 0.40+ (0.24) |
|  |  |  |
| Other Demographic Controls included | - | + |
|  |  |  |
| Constant | 4.12\*\* (0.14) | 3.65\*\* (0.31) |
| *R*2 | 0.003 | 0.024 |
| Observations | 1058 | 1058 |
| Standard errors in parentheses; + *p* < 0.11, \* *p* < 0.05, \*\* *p* < 0.01 | | |

Arab partners received fewer questions than did female partners, but the results are only marginally significant – Model 2, about 0.32 fewer questions (*p* < 0.1). When compared to all other partners combined, Arabs received 5.8% fewer questions on average (*p* = 0.065). In the trust game, we found that men perceived Mizrahi men as relatively less trustworthy than women did, which is consistent with the findings of Fershtman and Gneezy. Interestingly, here, we found that women allocated to Mizrahi male partners 12.9% more questions than did men (*p* < 0.05). This suggests that men perceive Mizrahi men not only as less trustworthy but also as less competent than women perceive them to be.

We found no significant differences between the manner in which participants treated partners who belonged to their own social groups (in-group effects) and partners who did not belong to their own social groups (out-group effects).

**F. Normative Discrimination: Donations**

In the final stage of the experiment, participants were asked whether they wanted to donate any of the money they earned to one of five nonprofit organizations. The first four organizations were described as aiming to promote employment among the following four groups that suffer discrimination in Israel: women, Mizrahi Jews, Arabs, and ultra-Orthodox Jews. The purpose of the fifth organization was the promotion of business entrepreneurship in Israel in general. Participants’ selection of an organization to donate to allowed us to assess both their stated preferences among the social categories we compared and their willingness to pay for these stated preferences.

Roughly two-thirds (66.5%) of the participants kept the entire sum of money they earned to themselves. Figure 6 presents the distribution of the chosen donation targets among the remaining 33.5% of participants, all of whom decided to donate some of the money they received. As evident from the pie chart, the two nonprofits working toward the employment of women and ultra-Orthodox Jews received the highest number of donations: 33.9% of donating participants chose to donate to the nonprofit addressing gender discrimination and 25.6% to the one helping ultra-Orthodox Jews; in contrast, only 9% chose to donate to the promotion of employment among either Mizrahi Jews or Arabs.



**Figure 6: Causes Selected for Donation by Donating Participants**

Note that we characterize the decision to donate as “normative discrimination” regardless of the motives of the donor. We do not know what the motives of the participants in our study were, and different motives may have influenced participants’ donation decisions. They might have donated to a particular group because they thought a group is discriminated against wrongfully, or because they pitied its members, or because of other related ideological motivations.[[24]](#footnote-24)

On average, women were less inclined to donate any of their winnings; 30.5% of women compared to 36.6% of men donated some funds, using a 2-sided Fisher’s exact test (*p* < 0.05). On the other hand, a *t*-test shows that, among those donating, women donated on average an amount higher by 34% compared to men (*p* < 0.01).[[25]](#footnote-25) Among all participants, women were 2.5 times more likely than men to donate some of the money they earned to promote women’s employment (*p* < 0.01), while men were 2.1 times more likely than women to donate some of the money they earned to promote entrepreneurship (*p* < 0.01). Similarly, ultra-Orthodox Jews were six times more likely than the rest of the groups to donate some of the money they earned to promote the employment of ultra-Orthodox Jews (*p* < 0.01). We found no significant difference between Mizrahi and non-Mizrahi Jews participants in the likelihood of donating money to promote Mizrahi Jews’ employment.

Next, we explored whether being matched in a previous game to a partner from a particular social group affected the likelihood of donating to that group. Participants who had an ultra-Orthodox Jew as a partner in the trust game were 1.5 times more likely to donate some of their money to the cause of promoting the employment of ultra-Orthodox Jews, compared to those who played the game with other partners (*p* < 0.05). There was no evidence for a similar effect among those playing the dictator game nor for those playing the competence game against an ultra-Orthodox Jewish partner, implying that the partner’s perceived fair response in the trust game (the algorithm was to give back half of the tripled amount) had a positive impact on the normative evaluation of the members of that group.

Similarly, participants who played the trust game with a female partner were 1.6 times more likely to donate to the cause of promoting women’s employment (*p* < 0.01), while playing the dictator game against a woman had an opposite effect; participants who played with a female partner were 2.1 times *less* likely to donate to the cause of promoting women’s employment (*p* < 0.01). This negative effect may be explained by the phenomenon of “moral licensing”; the generosity toward women partners in the dictator game gave participants license not to donate to the cause of promoting women’s employment in a later stage of the experiment.[[26]](#footnote-26) Playing with a female partner in the competence game had no significant effect.

Playing with an Arab partner in the trust game had a negative effect on the likelihood of donating some of the money to the promotion of Arabs’ employment (*p* < 0.05), while playing with an Arab partner in the competence game had an opposite, positive effect (*p* < 0.01). Playing against an Arab partner in the dictator game had no significant effect.

Finally, playing against a Mizrahi partner had no significant effect in any of the games.

While in some cases, participants’ donation decisions seemed to be affected by the identity of their partners, the fact that such an effect’s existence and direction were not consistent across all social categories and all games makes it difficult to formulate the nature of this influence. Indeed, our results showed that interaction with members of a disfavored social group may have an impact on the exposed agent’s biased opinions regarding that group and that this effect should be further studied.

**G. Stereotypes**

After completing the games and deciding whether and how much to donate their earnings, participants were asked to evaluate their partners along several personality trait dimensions. In an instrument built on the Stereotype Content Model (Fiske, Cuddy, Glick, & Xu, 2002), participants were asked to evaluate the degree to which each partner they played with was warm, nice, sincere, capable, confident, and talented. Additionally, participants were asked to rate their overall satisfaction with each of their game partners. Because partners in the dictator game were completely passive, it was assumed that participants’ evaluations of them would be based entirely on stereotypes attributed to each of the four social groups.

Figure 7 illustrates the average evaluation of the partners from the four social groups in the dictator game, across the six dimensions of personality traits. The differences across the social groups in the evaluation of the traits, with the exception of “confident,” were significant in an ANOVA test (*p* < 0.01). Women and Ashkenazi Jewish men were perceived as the warmest, nicest, most talented, and the like, whereas Arabs were evaluated the lowest on all of these traits. Interestingly, men perceived women partners as warmer by 11.6% than their partners in the other groups (*p* < 0.01), whereas no significant evidence emerged that women perceived women as warmer than anyone else. Finally, the differences in overall satisfaction with the partner across the social groups were significant (F(4,998) = 3.02, *p* < 0.05), and in a similar order – with women as partners receiving the highest satisfaction rate and Arab partners the lowest.



**Figure 7: Evaluation of Partners in the Dictator Game**

In Figure 8, we show the traits ascribed to members of the five social groups on a two-dimensional system, distinguishing between the traits associated with warmth and those associated with competence. The dimensions were constructed using factor analysis and in accord with the literature of stereotypes. The warmth dimension included the traits “warm,” “nice,” and “sincere.” The competence dimension included the traits “capable,” “confident,” and “talented.” As evident from this data, Arabs were viewed as the least warm and competent, whereas Ashkenazi men and women were viewed as the warmest and most competent, with Ashkenazi men being considered slightly more competent and Ashkenazi women slightly warmer.



**Figure 8: Evaluation of Partners in the Dictator Game**

Before concluding the study, participants were asked whether and to what extent each of the four social groups in Israel suffer from discrimination on a scale of 1 to 5. Surprisingly, Arabs received the lowest average score of 2.92;[[27]](#footnote-27) Mizrahi Jews received a score of 2.93; and ultra-Orthodox Jews and women were perceived as the most discriminated against groups, each given an average score of 3.21.

Our evidence showed that the level of perceived discrimination was strongly driven by the perceptions of the members of the discriminated groups themselves. Ultra-Orthodox Jews rated the discrimination against them as 37.7% higher than did other Jews (*p* < 0.01); women rated gender discrimination as 12.8% higher than men rated it (*p* < 0.01), and Mizrahi Jews rated the discrimination against them as 12.8% higher than did non-Mizrahi Jews (*p* < 0.01). These results show that the perceived discrimination against the four social groups is both inaccurate and biased, emphasizing the importance of understanding the different mechanisms driving discrimination, as discussed next.

**IV. Discussion**

The main contribution of our study derives from its innovative experimental survey approach to find that different mechanisms generate different forms of discrimination against different marginalized social groups: discrimination does not occur uniformly. In the context of discrimination in Israel, this methodology enabled us to better understand what generates discrimination against each of the four devalued groups we study. For example, whereas ultra-Orthodox men were penalized in the dictator game (suggesting they suffer from taste discrimination), they were favored in the trust game (suggesting they enjoy the effects of statistical/stereotypical discrimination on the basis of cultural beliefs that they are trustworthy). A large, representative sample of the Jewish population in Israel was surveyed, and participants were able to earn money based on their actions. Thus, based on our study design our findings had both internal and external validity.

Arabs were the group most discriminated against by Israeli Jews in our study. This result was consistent across all forms of discrimination. In the dictator game, Arabs were given on average the smallest amount of money, and even less by male participants, implying that Arabs are disliked by Israeli Jews. In the trust game, Arabs were also given the smallest amount of money, and even less by female participants, implying they are also the least trusted by Israeli Jews. These results strengthen the claims of earlier psychological studies that show that racial difference causes mistrust (Stanley, Sokol-Hessner, Banaji, & Phelps, 2011). In the competence game, Arabs were disfavored only marginally statistically significantly, implying Arabs are also perceived as the least competent. Not surprisingly, the nonprofit association that promoted Arab employment received the smallest number of donations. Notably, different forms of social interaction yielded different results in terms of donating to this nonprofit: playing against an Arab partner in the trust game had a negative effect on the likelihood of donating, whereas playing against an Arab partner in the competence game had a positive effect. Arab partners were rated as the least warm and competent, and participants were least satisfied with their Arab partners. Nevertheless, Israeli Jews mistakenly rated the discrimination that is prevalent against Arabs as the least severe.

The behavior toward ultra-Orthodox Jews exhibited in our study demonstrates why it is crucial to empirically disentangle the mechanisms generating discrimination against social groups. In the dictator game, ultra-Orthodox Jews were allocated lower amounts than other Jewish groups (and even more so by male participants), implying a strong dislike toward them. In contrast, in the trust game, ultra-Orthodox Jews were allocated the highest amounts of money on average, implying a high level of trust in members of this group. Interestingly, as mentioned, research participants perceived ultra-Orthodox Jews and women to be the two groups most subject to discrimination.

In the games, women and Mizrahi Jews were generally less discriminated against than Arabs and ultra-Orthodox Jews. In the dictator game, women received on average the highest amount, although not significantly more when compared only to Ashkenazi men. In the donations game, the nonprofit promoting women’s employment was the most frequently selected cause, with the percentage being higher among women participants. Women were perceived as the warmest and most competent social group, and participants were the most satisfied with women as partners. Participants also perceived gender discrimination (alongside discrimination against ultra-Orthodox Jews) as the most severe form of discrimination.

Mizrahi Jews did not receive significantly different sums in the dictator game than did other groups in the Israeli population; surprisingly, however, they were given more money from non-Mizrahi Jews than from members of their own group. In the trust game, male participants gave Mizrahi Jews less money than they did to the other partners. This finding implies that while there is no distinct dislike toward Mizrahi Jews among the Israeli Jewish population (compared to feelings toward Arabs and ultra-Orthodox Jews), men mistrust them more than members of other groups. In the competence game, there were no significant differences regarding Mizrahi Jews. In the donation game, the promotion of Mizrahi Jews’ employment was not a popular donation cause. Finally, Mizrahi Jewish partners were rated the lowest after Arabs on both the warmth and competence dimensions.

Our study has some limitations. Most notably, because of the high cost of conducting the study, we did not investigate discrimination against people who belong to more than one devalued social group; for example, Mizrahi women. Related questions of intersectionality should be explored in future research.

Our study has both theoretical and practical implications for the understanding of discrimination in general and of employment discrimination in particular, as well as of the variations across different forms of discrimination. Its findings suggest that anti-discrimination laws that apply a uniform approach to racial, ethnic, gender, and religious-based discrimination may be ineffective because each form of discrimination is generated by different mechanisms. Thus, the uniform approach taken by Israeli anti-discrimination laws and by U.S. federal and state employment anti-discrimination laws should be reconsidered and a more nuanced differentiated approach applied. Likewise, even the more nuanced approach of U.S. constitutional law should be fine-tuned to take into account differences in the mechanisms generating discrimination.[[28]](#footnote-28)

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2. In using the term “cultural beliefs” we refer to learned (sometimes subconscious) shared beliefs about the respect, social esteem, and honor associated with certain types or categories of people. In the United States, for example, beliefs about social esteem are also associated with beliefs about differences in ability and competence in the tasks that are valued by society. See Ridgeway (2006); Berger, Cohen, & Zelditch (1972). [↑](#footnote-ref-2)
3. See Krieger & Fiske (2006). But see Mitchell & Tetlock (2006) criticizing the idea that law needs to be used to regulate implicit discrimination. [↑](#footnote-ref-3)
4. Although the categories are universal, clearly these types of discrimination are influenced by the context in which they occur. For example, discrimination against Arabs cannot be separated from the Arab-Israeli conflict, and discrimination against the ultra-Orthodox cannot be separated from this group’s ideological decision not to participate in Israel’s mandatory military service and in the labor force. [↑](#footnote-ref-4)
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11. [http://economy.gov.il/Publications/PressReleases/Pages/2014/March/Ethnic-Discrimination.aspx](http://economy.gov.il/Publications/PressReleases/Pages/2014/March/Ethnic-Discrimination.aspx%20). [↑](#footnote-ref-11)
12. Israel Democracy Institute, *A Master Plan for the Employment of Ultra-Orthodox Jews* (2014) (Hebrew). [↑](#footnote-ref-12)
13. In reviewing the results of the third game, it was discovered that the participants did not understand its payoff structure. Therefore we repeated the experiment for the third game with more detailed instructions, using a similar sample with similar characteristics. [↑](#footnote-ref-13)
14. Both parents are Jewish immigrants or descendants of Jewish immigrants from Arab countries. [↑](#footnote-ref-14)
15. Both parents are Jewish immigrants or descendants of Jewish immigrants from European countries. [↑](#footnote-ref-15)
16. Earned at least one academic degree. [↑](#footnote-ref-16)
17. Participants were informed of the purpose of the study after the experiment ended. [↑](#footnote-ref-17)
18. The names and cities of residence were stereotypical: Aharon Baruch Fisher from Bnei-Brak (ultra-Orthodox Jewish male); Shay Biton from Jerusalem (Mizrahi Jewish male); Dana Genosar from Jerusalem (Ashkenazi Jewish female); Ahmad Hatib from Tira (Arab male); and Itai Lowenstein from Jerusalem (Ashkenazi Jewish male). [↑](#footnote-ref-18)
19. Ten NIS equaled approximately 2.60 USD at the time of the experiment. [↑](#footnote-ref-19)
20. We further explored the behavior of participants when interacting with in-group partners versus out-group partners. On average, non-ultra-Orthodox Jews gave to ultra-Orthodox Jews an amount that was 7.2% lower than that given to the other groups, though this result was only marginally significant (*p* = 0.07). However, when Arab partners were excluded from the analysis, we found that Jews who are not ultra-Orthodox gave ultra-Orthodox Jews 8.9% less than the rest of the Jewish groups received; this finding was statistically significant (*p* < 0.05). On the other hand, as expected, we did not find that ultra-Orthodox Jews themselves treated ultra-Orthodox partners differently. Interestingly, non-Mizrahi Jews gave Mizrahi Jews 10.8% *more* on average than all other social groups (*p* < 0.05), whereas Mizrahi Jews gave members of their own group 13.3% *less* compared to all other social groups; however, this difference was only marginally significant (*p* = 0.08). Finally, we found no difference between the sums that Ashkenazi Jewish participants gave Ashkenazi partners and those they gave to all other groups. [↑](#footnote-ref-20)
21. Given that there were no Israeli Arab participants, this result reflects the low level of trust given to members of the Arab group by Israeli Jews. [↑](#footnote-ref-21)
22. This is partially in line with Fershtman and Gneezy’s (2001) finding that Mizrahi men are more likely to be discriminated against by men than by women. However, we did not find a difference between the amounts that men and women participants gave to Mizrahi men. Moreover, in our data, it seems to be women, not men, who are driving the overall differences between the recipient groups. [↑](#footnote-ref-22)
23. As mentioned, ultra-Orthodox Jews received on average an amount higher by 12.33% than the average of money transferred to all of the other groups (*p* < 0.05). Even more so, ultra-Orthodox Jews received from *non-ultra-Orthodox Jews* an amount higher on average by 16.05% than the rest of the groups (*p* < 0.01). No statistically significant difference was found in the amount that ultra-Orthodox Jews gave their group members compared to all other partners. It follows that ultra-Orthodox Jews are perceived to be trustworthy by members of the other groups, but not necessarily by themselves. We found no other significant in-group or out-group effects in this game with regard to Mizrahi or Ashkenazi Jews participants and partners. [↑](#footnote-ref-23)
24. Nevertheless, for the purpose of this article, we do not and cannot disentangle the different motives that generate normative discrimination. [↑](#footnote-ref-24)
25. Notably, this result is sensitive neither to possible differences in the amounts men and women gained from the experiment nor to the possibility that the donation causes are more appealing to women than to men (given the existence of a distinct cause that promotes women, but no distinct cause that promotes men). [↑](#footnote-ref-25)
26. However, we found no significant difference in the likelihood of donating to a women’s cause across participants who gave different *amounts* of money in the dictator game (i.e., no evidence exists that giving more to women in the dictator game increases the moral licensing effect to refrain from donating to a women’s cause). [↑](#footnote-ref-26)
27. Although it may be attributed to the fact that there were no Arab participants in the sample. [↑](#footnote-ref-27)
28. In Israel, the Employment (Equal Opportunities) Law that was passed in 1988 prohibits employers from discriminating between employees (and job candidates) on the basis of gender, sexual orientation, religion, ethnicity, nationality, and additional devalued traits. It does not distinguish between these categories and thus applies a uniform approach to prohibiting discrimination. American federal and state employment discrimination laws prohibit discrimination in the private sector based on such traitsas race, gender, religion, national origin, physical disability, and age, taking a similarly uniform approach. In contrast to these federal and state statutes that provide protection from discrimination in the private sector, the U.S. Constitution prohibits governmental entities from practicing employment discrimination, and it does make distinctions among types of discrimination. The Fifth Amendment prohibits the federal government from depriving individuals of life, liberty, or property without due process, while the Fourteenth Amendment prohibits states from violating individuals’ rights to due process and guarantees equal protection under the law. Certain distinctions among people, when made by the federal or a state legislature, are defined as*suspect classifications* and, as a consequence, aresubject to strict judicial scrutiny under the equal protection clause when challenged. When classifications do not meet these criteria (when they are not “suspect”), the Supreme Court usually applies intermediate or rational basis scrutiny, rather than strict scrutiny. The level of scrutiny applied is of critical importance. Strict scrutiny tends to be a rigorousstandard of review, in contrast to rational basis scrutiny, which adheres to a more lenientstandard.

    To pass the strict scrutiny test, any such distinctionmust be narrowly tailored to further a compelling state interest. When determining which classifications require strict scrutiny, the Supreme Court has traditionally applied the following criteria: whether the trait characterizing the members of the group is immutable, whether there is a history of purposeful discrimination against members of the group, and whether the group is politically powerless. Note that these criteria do not acknowledge the different mechanisms generating different types of discrimination. Our findings show the need to acknowledge those different mechanisms when designing anti-discrimination laws. [↑](#footnote-ref-28)