

Does Identity Affect Labor Supply?

Suanna Oh*

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Abstract

Although research in psychology and sociology suggests that one's sense of identity affects labor supply, this relationship is difficult to establish empirically. This project examines how caste identity affects job-specific labor supply using a field experiment in rural India. Casual laborers interested in a one-day job opportunity are presented with a set of potential job offers and asked to indicate their choices regarding whether to take up or decline each offer, one of which is randomly implemented. While all offers involve working on a default manufacturing task, they also require spending some time privately on one additional task, which changes across the offers. Using separately-collected survey information on the caste associations of the tasks and the perceived hierarchy of local caste groups, predictions are made of which worker-offer combinations would involve identity violations. Working on a task associated with another caste group lowers the offer take-up rate by 23 percentage points and by an additional 24 percentage points if the associated caste group ranks lower than the worker's own in the caste hierarchy. The effects are invariant to whether the workers' choices are publicized to their neighbors or not, suggesting that the role of identity, rather than social image, is paramount.

*Department of Economics, Columbia University (sso2118@columbia.edu). Pre-registered on the AEA RCT registry, ref. AEARCTR-0003493.