

## Title

The Demand for Discrimination

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## Abstract

Discrimination in the workplace based on personal characteristics like race, ethnicity and gender is illegal in developed countries but hard to detect. We use a controlled field experiment – in which workers are not aware that they participate in an experiment – to measure the extent of “taste-based” discrimination based on ethnic stereotypes in Denmark. We identify “taste-based”, as opposed to “statistical”, discrimination by measuring workers’ productivities and by controlling information about productivities. We find substantial willingness to pay for ethnic discrimination and show that discrimination is less likely if its cost is high. That is, we find that the demand for “taste-based” discrimination is downward-sloping.