Examination and sensitivity analysis of the reverse regression approach to determining discrimination

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ABSTRACT

The traditional approach to wage discrimination asks if certain individuals receive lower wages for the same productivity characteristics. The reverse regression approach examines weather these individuals are more or less productive given the same wages. This paper conducts an empirical analysis of Canadian male-female wage/productivity profiles while utilizing the reverse regression approach. This analysis is undertaken by utilizing a set of benchmark equations which are in turn checked for robustness in the presence of non-linearities.