

Revision of “The Impact of Military Work Experience on Later Hiring Chances in the Civilian Labour Market. Evidence from a Field Experiment” | Detailed Answers to Referee Report #2

We sincerely thank the referee for his/her constructive comments, helping us to improve the quality of our manuscript. Below one can find systematic and detailed responses to the points raised in the referee report. The original comments of the referee are in italics and shaded in grey.

The authors conduct a correspondence test to determine the hiring opportunities of workers with military work experience relative to workers with civilian work experience in the Belgian labour market. To each of 348 vacancies they send two similar (fictitious) applications. Both applicants state two years of relevant work experience, but one applicant has worked in the civilian labour market and the other applicant in the military.

The methodology of this paper is adopted from previous studies such as Bertrand and Mullainathan (AER, 2004) and is widely used in the discrimination literature. The novelty of the study by Baert and Balcaen originates from their specific data set. Accordingly, I think it would be fruitful to provide more information regarding the differences and similarities between the two labour markets.

- I am interested in more details regarding the fictitious job experience (especially w.r.t. to the equivalence of experience in the military and in the civilian labour market) and the experience required by the firms.*
- Sorting into the military is obviously not random. The authors acknowledge that, but while they explain in detail how the military is perceived by the private sector (which is especially relevant for taste based discrimination), it would be great if the authors could provide more data regarding the actual characteristics/productivity of workers who worked in the military.*
- This previous effect may vary a lot between countries (e.g. I would expect that worker characteristics and motivations for joining the military are quite different in the USA than in Belgium). This limits the transferability of the results.*
- Does the unemployment rate of workers with military work experience differ significantly from the unemployment rate of workers with comparable civilian work experience?*

Response:

Concerning the fictitious job experience, we only mentioned the title of the function in which two years of experience was acquired in the CV. This is quite common to do in Belgium. The names of these functions were, both in the Type A and the Type B applications, the same as the names presented in Table 1 of our study (i.e. “warehouse worker”, “administrative clerk”, “laboratory technician” and “electronic technician”). These Type A and Type B applications were alternately assigned to the army and to a non-existing private company (“Metaliris”) as an employer. Therefore, the only information in this respect the employer had to base his first decision on was, by construction, the same for both applicants, except for the name of the employer. Concerning the experience required by the firm, which is of course also equal for both candidates, we based our search in the database of the Public Employment Service on the highest schooling degree the candidates hold. This degree was, by construction, the same for both candidates. All vacancies requiring more than two years of relevant work experience were dropped. In case our article is accepted for publication, we can make the CVs we sent out available at the website of Economics E-journal.

Concerning the referee’s second bullet point, it is important to notice that the fictitious profiles we used in our experiment are particular ones, i.e. profiles of young individuals who have worked only two years for the army. We reviewed the statistics of Section 2 but believe that providing the reader with further general statistics on the social-economic composition of the army would be misleading in that respect.

We agree with the referee on his third bullet point. However, the same is, to some extent, true for most of the former contributions on the later labour market outcomes of the military and, by extension, for most studies based on micro-data. Actually, this issue is one of the reasons we started this research in Belgium. All studies on the relationship between military experience and subsequent (civilian) employment chances (as opposed to wages) and also all studies using experimental data to investigate the effects of military experience on later labour market outcomes have been conducted in the United States. We provide the first evidence in these two respects for Europe. This is particularly relevant in the light of the differential confidence levels regarding the armed forces in the two regions.

Concerning the referee’s last bullet point, we agree that these unemployment rates would be good descriptives to start with since unequal treatment is one of the mechanisms behind potential unemployment rate differentials. Given our results, these differentials would be rather due the two other potential mechanisms, i.e. differences in human capital and differences in preferences and

expectations at the supply side. However, based on the contacts we had with the Public Employment Service of Flanders, these statistics are not available for the region under investigation.

The authors cannot reject the hypothesis of equal treatment. However, only 76 employers send at least one of the fictitious applicants a positive reply (112 for a wider definition of callbacks). This callback rate is in line with the literature, but a larger sample would have allowed for a deeper analysis of the data set and might have provided fruitful insights: For instance, the advantage of the candidate with civilian working experience seems to concentrate in the applications as electronic technicians (in 8 cases, only the civilian candidate receives a callback, in 4 cases only the candidate with military job experience). Due to the limited sample size, this effect is not significant. I am not quite sure why discrimination should be especially prominent in this sector, but maybe a larger sample could have shed some more light on this issue.

Response:

The sample size we present is comparable to most published correspondence tests focussing on one “treatment”. A posteriori power analysis shows that a 3.9 percentage point difference in call back rate sensu stricto could have been detected at the 10% significance level and a 5.6 percentage point difference at the 5% significance level.

The reader will agree that the statistics we report based on the total dataset are almost identical to the value of the null hypothesis of equal treatment. However, we agree that the sample size becomes quite small when the dataset is broken down by occupation level. Therefore, we do not elaborate much on these secondary results. Moreover, we believe that heterogeneity by occupation is not the focus of the paper. We added a footnote on this issue in the revised version of the article.

I would also find it worthwhile to test whether firm size has an effect on discrimination. Larger firms usually have a more standardised application process that should reduce the effect of the image of the military discussed in section 2. In general, I would appreciate a more detailed discussion of the job characteristics.

Response:

We inspected this dimension in a former study on the relation between labour market discrimination and labour market tightness (Baert et al., 2013). We did not find any heterogeneity in unequal treatment (of ethnic minorities) by this dimension. Moreover, this exercise was problematic as the

average number of workers in the firm, our proxy for firm size, was missing in the best dataset we found to capture this dimension. Therefore, we are not keen to redo this exercise in the context of this paper. However, if the editor would only accept this study conditional on the realisation of this additional analysis, we will conduct it.

Minor comments:

- It would be helpful if the authors could specify how training received in the military environment affects productivity (so what do Bryant/Wilhite (1990) and Hartley/Sandler (1995) find?).*
- The same holds for the effect of military experience on social capital (Lin 1999, Portes 1998).*

Response:

We added some intuition to the introduction of the revised manuscript.

References:

Baert S., Cockx, B., Gheyle, N., Vandamme, C., 2013. Do Employers Discriminate Less if Vacancies are Difficult to Fill? Evidence from a Field Experiment. IZA Discussion Papers 7145.