Can Parents' Right to Work Part-Time Hurt Childbearing-Aged Women?
A Natural Experiment with Administrative Data

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Using a differences-in-differences approach and controlling for individual unobserved heterogeneity, we evaluate the impact of a 1999 Spanish law that granted all workers with children younger than 7 years old protection against a layoff if the worker had previously asked for a work-week reduction due to family responsibilities. As only mothers took advantage of these arrangements, we find that after the law, employers were: (i) more likely to let childbearing-aged working women "go" relative to their male counterparts; (ii) less likely to promote childbearing-aged women into good jobs; and (iii) less likely to hire childbearing-aged women. In addition, employers were able to pass at least part of the cost to childbearing-aged women through lower wages, and the amount passed to workers increased with the precariousness of the job. Heterogeneity analysis reveals that the effect on employment transitions is mainly driven by lowskilled workers and those in blue-collar jobs, while the effect on wages holds across all groups. Evidence that the substitution away from (good) jobs widens over time suggests employer learning. These results hold if instead of men, we use older women as the comparison group. Results are also robust to the use of different specifications and placebo tests.