

Unintended Effects of a Family Friendly Law in a Segmented Labor Market

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Introduction

- In the light of the low fertility trends in many industrialized countries, and
- Given the increased relevance of women's labor force participation and their weight in the economic support of their families
- The introduction of family-friendly practices have recently received much attention from policy makers, practitioners and researchers.

Objective of family-friendly policies

- To promote gender equality in the workplace, and greater quality care for children and dependents.
- **However, these policies may backfire** if not all workers with access to them use them.
- Because these policies are costly to the employer, hiring practices may change at the detrimental of the potential eligible population who may end up using the policy.
- We find evidence that these unintended effects may indeed emerge.

Outline

- Economic and Institutional background and the family-friendly law
- Data
- Was the Law effective on the eligible population?
- Are there any unintended effects of the Law on the non-eligible population?
- Conclusion

Economic and institutional background

Spain is a traditional country...

- Despite a change in attitudes, reflected by females entrance into the labor force (female employment share has soared from 36% in 1990 to 63% in 2010), child care is still a woman's main responsibility in Spain.
- Asymmetry in the share of childbearing responsibilities across gender: on average 8.4 hours per day with their children, while fathers spend 5.7 hours (Marí-Klose *et al.*, 2010).

...but not family-friendly one

- ***Lowest female employment rates in the OECD.*** In 2002, 45% compared to 66% of the US and the UK, 67% of Canada, and 73% of Sweden.
- ***Shorter maternity leave.*** 9 weeks shorter than in most of the European countries (OECD, 2001).
- ***Below average use of formal child-care arrangements for children under 3.*** In 2001 only 9% in Spain, in sharp contrast with the European average of 25%.
- ***Non-participation of childbearing age women due to family responsibilities is high.*** In 2004, as many as 65% of women aged 45 and younger reported family responsibilities as their main reason for not participating in the labor market (LFS).
- ***Lowest fertility rate among the OECD countries.***
- ***Women delay marriage and fertility to securing a good job (with permanent contract).*** Ahn and Mira, 2001; Baizan, 2004; de la Rica and Iza, 2005; Gutierrez-Domenech, 2005; García Ferreira and Villanueva, 2007.

With a highly segmented labor market and low use of PT work

	Incidence of female PT employment	Incidence of female temporary employment
Australia	37.7%	5.9%
Belgium	33.8%	9.7%
Germany	38.6%	14.9%
The Netherlands	59.9%	20%
Norway	30.8%	11.1%
Spain	21.1%	31.2%
The United Kingdom	37.7%	6%
The United States	17.8%	4.2%

Law 39/1999 (November 5th)

- Workers with children under 7 years have the right to ask for a reduction of $\frac{1}{3}$ to $\frac{1}{2}$ of the usual full-time schedule, with an equivalent reduction in their salary.
- The law declared a layoff invalid if the worker had previously asked for a work-week reduction due to family responsibilities.
- *De facto*, it only protected workers with permanent contracts, since employers who did not want to offer reduced work hours to workers with fixed-term contracts only had to wait for their contract to expire to terminate the employment relationship.
- This implies that the law gave rights to reduced work arrangements only to workers with permanent contracts.

Potential effects of the law on the eligible population

- ***Increase in the rate of PT work*** among mothers with children under 7 working with a permanent contract, but not for the other eligible groups (mothers with children under 7 years working with a fixed-term contract, and fathers with children under 7 years, regardless of their contract type).
- ***Increase permanent employment*** for eligible mothers, because this policy:
 - Protects them against any layoff, and
 - Allows them to keep their old job and work PT (before many had to quit if they wanted a PT job)
- ***Unclear effects on overall employment.***

Potential effects of the law on the *ineligible* population

- ***Reduce permanent employment*** among non-eligible childbearing-aged women (as the policy did not protect them from a layoff but there is a threat of them getting pregnant AND requesting work-week reduction) relative to childbearing-aged men (as eligible fathers did not access the new policy rights) or to older women (as there was no danger of them getting pregnant and potentially becoming eligible).
- ***Increase in employment*** as new workers need to cover the work-week time reductions taken by mothers of young children. ***Unclear which demographic group shall benefit, and whether it will be PT work or full-time work (or the contract type).***

The data

1993-2003 Labor Force Survey

- We exclude the year of implementation (the year 2000) to guarantee a clear cut before and after the law.
- Sample restrictions:
 - Private sector wage and salary workers
 - Men and women to be between 23 and 64 years old (exclude PT work by students)
 - Exclude individuals cohabitating with a grandparent
 - Exclude women who are NOT eligible at the time of the law but may have been

**Pooled cross-sectional data set with
642,291 observations**

Was the law effective on the
eligible population?

Difference-in-differences methodology

- Analysis done separately by sex and type of contract
- **Treatment group:** parents 23 to 45 years old with children under 7 years old
- **Control group:** parents 23 to 45 years old with children 7 to 12 years old (for men, we expanded 7 to 16 years old, but results robust).
- Estimate the following linear probability model:

$$\begin{aligned} PART - TIME_{it} = & \alpha_0 + \alpha_1 CHILD_{0-6i} + \alpha_2 AFTER_t + \alpha_3 (CHILD_{0-6i} * AFTER_t) \\ & + \alpha_4 t + \alpha_5 t * CHILD_{0-6it} + X'_{it} \beta \end{aligned}$$

Policy interactions

- The 1999 tax reform increased the subsidies associated with the birth of a new child.
- Regional subsidies to promote permanent contracts.
- Regional preschool enrollment rates for 0 to 3 years old.

Descriptives statistics (1)

Descriptive Statistics of Mothers Prior to the Law , 1994-1999 LFS

	<i>TREATMENT</i>		<i>CONTROL</i>	
	<i>With children less than 7 years old</i>		<i>With children 7 to 12 years old^a</i>	
	<i>Women</i>	<i>Men</i>	<i>Women</i>	<i>Men</i>
Employed pre-Law	24.46 (42.98)	81.11 (39.14)	27.73 (44.77)	74.35 (43.67)
Employed post-Law	36.61 (48.18)	89.77 (30.31)	39.68 (48.93)	82.54 (37.96)
<i>Difference</i>	12.16*** (0.54)	8.66*** (0.41)	11.95*** (0.81)	8.19*** (0.58)
Permanent contract pre-Law	16.08 (36.73)	54.72 (49.78)	17.50 (38.00)	51.69 (49.97)
Permanent contract post-Law	25.68 (43.69)	64.84 (47.74)	24.63 (43.09)	57.43 (49.45)
<i>Difference</i>	9.60***††† (0.49)	10.12***††† (0.62)	7.13*** (0.72)	5.74*** (0.74)
PT rate in primary labor market pre-Law	16.84 (37.42)	0.74 (8.59)	17.73 (38.19)	0.68 (8.20)
PT rate in primary labor market post-Law	19.35 (39.51)	0.44 (6.61)	18.59 (38.91)	0.75 (8.64)
<i>Difference</i>	2.52*** (0.91)	-0.30***† (0.12)	0.86 (1.30)	0.08 (0.19)
PT rate in secondary labor market pre-Law	33.01 (47.03)	2.93 (16.85)	35.02 (47.71)	4.03 (19.65)
PT rate in secondary labor market post-Law	39.55 (48.91)	2.84 (16.63)	39.16 (48.84)	3.73 (18.96)
<i>Difference</i>	6.53*** (1.75)	-0.08 (0.44)	2.31* (2.31)	-0.29 (0.59)

Descriptives statistics (2)

Age	32.67 (4.85)	34.28 (4.92)	37.10 (5.20)	36.68 (7.13)
Household head	6.29 (24.28)	91.60 (27.73)	7.45 (26.26)	74.81 (43.41)
Married	94.60 (22.60)	95.93 (19.76)	88.15 (32.32)	76.23 (42.57)
Number of children	1.84 (0.84)	1.78 (0.82)	1.84 (0.72)	1.63 (0.69)
Children younger than 6 years	100	100	0	0
High-school dropout	29.92 (45.79)	32.31 (46.77)	44.70 (49.72)	40.50 (49.09)
High-school graduate	61.35 (48.69)	59.16 (49.16)	49.05 (50.00)	51.27 (49.98)
College graduate or above	8.73 (28.23)	8.53 (27.94)	6.25 (24.22)	8.23 (27.48)
Immigrant	1.63 (12.66)	1.36 (11.58)	0.98 (9.83)	0.59 (7.64)
Province unemployment rate	21.52 (7.77)	21.50 (7.75)	21.12 (7.45)	21.07 (7.38)
Sample size	40,345	30,208	26,764	26,930

Effect on PT work (for women)

Table 3.A. Part-Time Employment Effect of the Family Friendly Law on Eligible Women, LFS 1994-2003

VARIABLES	Working with a Permanent contract			Working with a fixed-term contract		
Child <7	0.0283 (0.0184)	0.0268 (0.0185)	0.0203 (0.0186)	-0.0132 (0.0319)	-0.0132 (0.0318)	-0.0106 (0.0319)
Post 1999	-0.0666*** (0.0228)	-0.0657*** (0.0237)	-0.0742*** (0.0241)	0.0378 (0.0385)	0.0291 (0.0418)	0.0432 (0.0424)
Post 1999 * child < 7	0.0688** (0.0287)	0.0672** (0.0287)	0.0635** (0.0287)	0.00325 (0.0511)	0.00353 (0.0510)	0.00603 (0.0511)
Trend	0.0230*** (0.00404)	0.0244*** (0.00440)	0.0262*** (0.00454)	0.0134** (0.00643)	0.00653 (0.00764)	0.00282 (0.00795)
Trend* child<7	-0.0108** (0.00458)	-0.0104** (0.00458)	-0.00866* (0.00461)	0.00183 (0.00795)	0.00154 (0.00792)	0.000847 (0.00794)
One child			-0.312 (0.215)			-0.366 (0.327)
Two children			-0.232 (0.154)			-0.271 (0.235)
Three children			-0.0898 (0.101)			-0.134 (0.152)
Post 2002			-0.0272* (0.0161)			0.0346 (0.0299)
Deduction 1 child			-2.83e-05* (1.51e-05)			-8.53e-06 (3.44e-05)
Deduction 2 Children			9.21e-06 (1.64e-05)			6.17e-05* (3.16e-05)
Deduction 3 Children			-6.15e-05** (2.43e-05)			-2.60e-05 (3.73e-05)
Deduction 4 children or more			-3.15e-05 (4.43e-05)			1.59e-05 (6.49e-05)
Permanent Subsidy		1.96e-07 (6.99e-07)	1.04e-06 (7.53e-07)		-8.38e-07 (1.32e-06)	-1.81e-06 (1.38e-06)
Enrollment children <2		-0.0175** (0.00756)	-0.00827 (0.00788)		0.0292* (0.0164)	0.0216 (0.0163)
Enrollment children = 2		0.00955*** (0.00368)	0.00540 (0.00382)		-0.0106 (0.00789)	-0.00729 (0.00786)
Enrollment children = 3		-0.000434 (0.000444)	-0.000593 (0.000452)		0.000685 (0.000812)	0.000945 (0.000831)
Observations	16077	16077	16077	8698	8698	8698

Effect on PT work (for men)

Table 3 B. Part-Time Employment Effect of the Family Friendly Law on Eligible Men, LFS 1994-2003

VARIABLES	Working with a Permanent contract			Working with a fixed-term contract		
Child <7	0.000975 (0.00247)	0.00101 (0.00246)	0.000299 (0.00251)	7.27e-06 (0.00850)	-0.000168 (0.00854)	0.00162 (0.00865)
Post 1999	-0.00482 (0.00381)	-0.00460 (0.00401)	-0.00562 (0.00401)	-0.0117 (0.0107)	-0.0108 (0.0115)	-0.0100 (0.0116)
Post 1999 * child < 7	-0.000511 (0.00464)	-0.000523 (0.00465)	-0.000658 (0.00464)	0.00861 (0.0134)	0.00900 (0.0134)	0.00942 (0.0134)
Trend	0.00107* (0.000567)	0.00102* (0.000617)	0.00131** (0.000643)	0.00243 (0.00168)	0.000706 (0.00195)	0.000910 (0.00199)
Trend* child<7	-0.000470 (0.000693)	-0.000472 (0.000696)	-0.000284 (0.000706)	-0.00112 (0.00205)	-0.00110 (0.00206)	-0.00150 (0.00207)
One child			-0.00793 (0.0215)			-0.0227 (0.0420)
Two children			-0.00811 (0.0173)			0.00125 (0.0303)
Three children			-0.0109 (0.0136)			0.0239 (0.0216)
Post 2002			-0.00242 (0.00217)			-0.0102 (0.00718)
Deduction 1 child			-3.74e-06** (1.82e-06)			5.91e-06 (7.87e-06)
Deduction 2 Children			-1.02e-06 (1.54e-06)			6.53e-06 (7.64e-06)
Deduction 3 Children			-3.38e-07 (1.57e-06)			-4.93e-06 (6.59e-06)
Deduction 4 children or more			-5.49e-06 (4.59e-06)			4.66e-05** (2.35e-05)
Permanent Subsidy		8.65e-09 (8.71e-08)	9.07e-08 (9.53e-08)		-2.89e-07 (3.26e-07)	-1.42e-07 (3.32e-07)
Enrollment children <2		-0.000295 (0.000673)	0.000518 (0.000791)		0.000325 (0.00373)	0.00137 (0.00390)
Enrollment children = 2		0.000139 (0.000306)	-0.000229 (0.000364)		0.000622 (0.00181)	0.000136 (0.00188)
Enrollment children = 3		2.13e-05 (5.96e-05)	-8.43e-06 (6.22e-05)		0.000300 (0.000211)	0.000218 (0.000204)
Observations	42963	42963	42963	19802	19802	19802

Effect on employment and type of contract

Table 4. Employment and Permanent Employment Effect of the Family-Friendly Law on Eligible Parents, LFS 1994-2003

VARIABLES	Women			Men		
	<i>Employment</i>	<i>Permanent Unconditional on employment</i>	<i>Contract Conditional on employment</i>	<i>Employment</i>	<i>Permanent Unconditional on employment</i>	<i>Contract Conditional on employment</i>
Child <7	-0.00197 (0.00639)	0.0345*** (0.00591)	0.0924*** (0.0183)	0.0286*** (0.00771)	-0.0126 (0.00925)	-0.0170 (0.0106)
Post 1999	0.0449*** (0.00926)	0.0127 (0.00888)	-0.0419* (0.0218)	-0.00731 (0.00886)	0.0109 (0.0112)	0.0123 (0.0125)
Post 1999 * child <7	-0.00996 (0.0109)	0.0285*** (0.0103)	0.0782*** (0.0263)	-0.00874 (0.0109)	-0.0150 (0.0143)	-0.00882 (0.0157)
Trend	-0.00680*** (0.00175)	-0.000328 (0.00166)	0.0121*** (0.00422)	-0.00174 (0.00168)	0.000217 (0.00220)	-0.000727 (0.00247)
Trend* child<7	-0.00434*** (0.00161)	-0.00568*** (0.00150)	-0.00939** (0.00431)	-0.00355** (0.00180)	0.00380* (0.00225)	0.00470* (0.00252)
Observations	91238	91238	24775	78551	78551	62765

Multinomial logit: Relative Risk Ratios (for women)

Table 5. Labor Force Status Effect of the Family-Friendly Law on Eligible Mothers, LFS 1994-2003
Multinomial Logit: Relative Risk Ratios. (Baseline outcome is Working PT with a Fixed-Term Contract)

<i>VARIABLES</i>	<i>Out of LF</i>	<i>Unemp.</i>	<i>FT fixed-term</i>	<i>PT permanent</i>	<i>FT permanent</i>
Child <7	0.433*** (0.118)	0.180 (0.123)	0.0705 (0.141)	0.660*** (0.174)	0.533*** (0.136)
Post 1999	-0.600*** (0.155)	-0.782*** (0.166)	-0.196 (0.179)	-0.720*** (0.208)	-0.237 (0.170)
Post 1999 * child < 7	0.285 (0.185)	0.241 (0.196)	-0.0317 (0.216)	0.705*** (0.249)	0.294 (0.205)
Trend	0.0986*** (0.0301)	0.108*** (0.0314)	-0.00862 (0.0353)	0.180*** (0.0410)	0.00926 (0.0325)
Trend* child<7	0.0114 (0.0286)	0.0165 (0.0300)	-0.00520 (0.0340)	-0.0929** (0.0409)	-0.0388 (0.0325)
Observations	91238	91238	91238	91238	91238

Results on PT employment by education level (women)

Table 6. Part-Time Employment Effect of the Family Friendly Law on Eligible Women, By Education Level, LFS 1994-2003

VARIABLES	Working with a Permanent contract			Working with a fixed-term contract		
	HS dropout	HS graduate	College	HS dropout	HS graduate	College
Child <7	-0.00512 (0.0416)	0.0232 (0.0236)	-0.0164 (0.0405)	-0.00787 (0.0525)	0.0125 (0.0427)	-0.164 (0.140)
Post 1999	-0.103* (0.0566)	-0.0817*** (0.0295)	0.0342 (0.0500)	0.117 (0.0745)	-0.0144 (0.0549)	0.232 (0.169)
Post 1999 * child < 7	0.136* (0.0816)	0.0592* (0.0356)	-0.0242 (0.0574)	0.0153 (0.0931)	0.0546 (0.0647)	-0.264 (0.198)
Trend	0.0457*** (0.0107)	0.0255*** (0.00579)	-0.00691 (0.00942)	0.00793 (0.0140)	-0.000334 (0.0103)	0.0155 (0.0307)
Trend* child <7	-0.00855 (0.0113)	-0.0100* (0.00590)	0.00951 (0.00918)	0.000211 (0.0138)	-0.00553 (0.0104)	0.0318 (0.0323)
Observations	3151	10140	2786	2683	5293	722

Results on employment by education level (women)

Table 7. Employment Effects of the Family Friendly Law on Eligible Women, By Education Level, LFS 1994-2003

VARIABLES	Employment			Permanent contract					
				Unconditional employment			Conditional employment		
	HS dropout	HS graduate	College	HS dropout	HS graduate	College	HS dropout	HS graduate	College
Child <7	-0.00501 (0.00892)	-0.00590 (0.00951)	0.0351 (0.0273)	0.0210*** (0.00782)	0.0397*** (0.00874)	0.0528* (0.0289)	0.0816** (0.0343)	0.101*** (0.0246)	0.0942* (0.0493)
Post 1999	0.0270* (0.0153)	0.0559*** (0.0128)	0.0223 (0.0329)	-0.000632 (0.0147)	0.0103 (0.0120)	0.0216 (0.0356)	-0.0593 (0.0440)	-0.0504* (0.0276)	0.0152 (0.0603)
Post 1999 * child < 7	0.00482 (0.0185)	-0.0243 (0.0148)	0.0321 (0.0391)	0.0186 (0.0164)	0.0317** (0.0137)	0.0275 (0.0412)	0.0867 (0.0583)	0.0905*** (0.0334)	0.0259 (0.0680)
Trend	-0.00602* (0.00310)	-0.00784*** (0.00242)	-0.00314 (0.00670)	0.000936 (0.00275)	0.000464 (0.00230)	-0.00596 (0.00689)	0.0108 (0.00874)	0.0157*** (0.00549)	-0.00260 (0.0115)
Trend*	-0.00470* (0.00250)	-0.00301 (0.00229)	-0.0130** (0.00645)	-0.00525** (0.00216)	-0.00618*** (0.00213)	-0.00813 (0.00672)	-0.0130 (0.00869)	-0.0101* (0.00569)	-0.00843 (0.0113)
Observations	29701	53545	7992	29701	53545	7992	5834	15433	3508

Were there unintended effects for
the law on the ineligible
population?

Difference-in-differences-in-differences methodology

- Analysis done separately by education level
- We exclude eligible mothers (or women who may have been eligible at some point in time but not at the survey date)
- All individuals between 23 and 64 (pooling men and women)
- **Treatment group:** Women between 23 and 45 years old without children under seven
- **Control group:** Men between 23 and 45 years old without children under seven
- Include men and women between 46 and 64 to control for any possible changes across sex over time
- **Outcomes of interest:** Employment, employment with a permanent contract, and PT employment rate.
- Estimate the following linear probability model

$$\begin{aligned} Y_{it} = & \alpha_0 + \alpha_1 WOMAN_i + \alpha_2 AGE_{23-45i} + \alpha_3 (AGE_{23-45i} * WOMAN_i) \\ & + \alpha_4 AFTER_t + \alpha_5 (WOMAN_i * AFTER_t) + \alpha_6 (AGE_{23-45i} * AFTER_t) \\ & + \alpha_7 (AGE_{23-45i} * WOMAN * AFTER_t) \\ & + \alpha_8 t + \alpha_9 t * CHILD_{0-6it} + X'_{it} \beta \end{aligned}$$

Descriptives statistics (1)

Table 8
Descriptive Statistics of Non-Eligible Childbearing Aged Women Prior to the Law, 1994-1999 LFS

	<i>High-school dropouts</i>		<i>High-school graduates</i>		<i>College graduates</i>	
	<i>Women</i>	<i>Men</i>	<i>Women</i>	<i>Men</i>	<i>Women</i>	<i>Men</i>
Employed pre-Law	25.29 (43.47)	64.17 (47.95)	41.52 (49.76)	71.75 (45.02)	43.27 (49.55)	61.05 (48.77)
Employed post-Law	36.78 (48.22)	73.62 (44.07)	55.00 (48.75)	82.40 (38.08)	60.81 (48.82)	74.55 (43.56)
<i>Difference</i>	11.49***†† (0.66)	9.45*** (0.55)	13.48***††† (0.44)	10.64*** (0.30)	17.54***††† (0.77)	13.50*** (0.71)
Permanent contract pre-Law	14.84 (35.55)	35.89 (47.97)	24.08 (42.76)	45.14 (49.76)	23.63 (42.45)	43.99 (49.64)
Permanent contract post-Law	21.07 (40.78)	39.07 (48.79)	34.39 (47.50)	56.09 (49.63)	38.41 (48.64)	55.82 (49.66)
<i>Difference</i>	6.23***††† (0.58)	3.18*** (0.62)	10.31*** (0.42)	10.94*** (0.38)	14.78***††† (0.77)	11.83*** (0.82)
PT rate in primary labor market pre-Law	22.79 (41.95)	0.64 (8.01)	11.33 (31.70)	1.02 (10.07)	8.36 (27.68)	1.96 (13.96)
PT rate in primary labor market post-Law	21.57 (41.14)	0.84 (9.15)	11.90 (32.38)	0.95 (9.70)	7.13 (25.73)	1.99 (13.96)
<i>Difference</i>	-1.22 (1.23)	0.20 (0.18)	0.57 (0.51)	-0.07 (0.10)	-1.23 (0.82)	0.03 (0.30)
PT rate in secondary labor market pre-Law	32.70 (46.92)	3.01 (17.09)	23.12 (42.16)	4.73 (21.22)	22.25 (41.60)	12.07 (32.58)
PT rate in secondary labor market post-Law	33.53 (47.23)	2.22 (14.74)	25.16 (43.39)	4.66 (21.08)	23.72 (42.54)	11.40 (31.79)
<i>Difference</i>	0.83†† (1.78)	-0.79** (0.33)	2.03***†† (0.89)	-0.07 (0.31)	1.47 (1.48)	-0.67 (1.15)

Descriptives statistics (2)

Table 8
Descriptive Statistics of Non-Eligible Childbearing Aged Women Prior to the Law, 1994-1999 LFS

	<i>High-school dropouts</i>		<i>High-school graduates</i>		<i>College graduates</i>	
	<i>Women</i>	<i>Men</i>	<i>Women</i>	<i>Men</i>	<i>Women</i>	<i>Men</i>
Employed pre-Law	25.29 (43.47)	64.17 (47.95)	41.52 (49.76)	71.75 (45.02)	43.27 (49.55)	61.05 (48.77)
Employed post-Law	36.78 (48.22)	73.62 (44.07)	55.00 (48.75)	82.40 (38.08)	60.81 (48.82)	74.55 (43.56)
<i>Difference</i>	11.49***†† (0.66)	9.45*** (0.55)	13.48***††† (0.44)	10.64*** (0.30)	17.54***††† (0.77)	13.50*** (0.71)
Permanent contract pre-Law	14.84 (35.55)	35.89 (47.97)	24.08 (42.76)	45.14 (49.76)	23.63 (42.45)	43.99 (49.64)
Permanent contract post-Law	21.07 (40.78)	39.07 (48.79)	34.39 (47.50)	56.09 (49.63)	38.41 (48.64)	55.82 (49.66)
<i>Difference</i>	6.23***††† (0.58)	3.18*** (0.62)	10.31*** (0.42)	10.94*** (0.38)	14.78***††† (0.77)	11.83*** (0.82)
PT rate in primary labor market pre-Law	22.79 (41.95)	0.64 (8.01)	11.33 (31.70)	1.02 (10.07)	8.36 (27.68)	1.96 (13.96)
PT rate in primary labor market post-Law	21.57 (41.14)	0.84 (9.15)	11.90 (32.38)	0.95 (9.70)	7.13 (25.73)	1.99 (13.96)
<i>Difference</i>	-1.22 (1.23)	0.20 (0.18)	0.57 (0.51)	-0.07 (0.10)	-1.23 (0.82)	0.03 (0.30)
PT rate in secondary labor market pre-Law	32.70 (46.92)	3.01 (17.09)	23.12 (42.16)	4.73 (21.22)	22.25 (41.60)	12.07 (32.58)
PT rate in secondary labor market post-Law	33.53 (47.23)	2.22 (14.74)	25.16 (43.39)	4.66 (21.08)	23.72 (42.54)	11.40 (31.79)
<i>Difference</i>	0.83†† (1.78)	-0.79** (0.33)	2.03***†† (0.89)	-0.07 (0.31)	1.47 (1.48)	-0.67 (1.15)

Employment and permanent employment

Table 9. Employment Effects of the Family Friendly Law on Non-Eligible Childbearing-Aged Women, By Education Level, LFS 1994-2003

VARIABLES	Permanent contract								
	Employment			Unconditional on employment			Conditional on employment		
	HS dropout	HS graduate	College	HS dropout	HS graduate	College	HS dropout	HS graduate	College
woman	-0.0406*** (0.00237)	-0.107*** (0.00420)	-0.0661*** (0.00918)	-0.0273*** (0.00250)	-0.106*** (0.00467)	-0.0804*** (0.00950)	-0.000741 (0.00711)	-0.0135 (0.00928)	-0.0112 (0.0149)
age_23_45	0.0176*** (0.00383)	-0.0494*** (0.00439)	-0.0779*** (0.00840)	-0.0237*** (0.00424)	-0.0823*** (0.00520)	-0.0763*** (0.00936)	-0.00538 (0.00694)	-0.0385*** (0.00655)	0.0210** (0.0104)
age_23_45*	-0.0629*** (0.00536)	0.0196*** (0.00638)	0.00350 (0.0133)	0.0187*** (0.00538)	0.0791*** (0.00675)	0.0340** (0.0133)	-0.00190 (0.0158)	-0.00942 (0.0133)	-0.0341 (0.0225)
Post 1999	-0.00456 (0.00389)	-0.0425*** (0.00597)	-0.0346*** (0.0111)	0.00653 (0.00457)	-0.0397*** (0.00694)	-0.0202 (0.0124)	-0.00276 (0.00913)	-0.0445*** (0.00840)	-0.0345** (0.0142)
Post 1999*	-0.00903*** (0.00321)	0.0165*** (0.00584)	-0.0122 (0.0127)	-0.00696* (0.00373)	0.0237*** (0.00658)	0.0100 (0.0138)	0.0229** (0.0107)	0.0137 (0.0130)	0.0218 (0.0204)
Woman	-0.0101* (0.00524)	0.0145*** (0.00520)	0.0287*** (0.00947)	-0.0277*** (0.00625)	0.0381*** (0.00615)	0.0311*** (0.0107)	0.00373 (0.00873)	0.0561*** (0.00681)	0.0528*** (0.0108)
age_23_45*	0.00479 (0.00975)	0.00996 (0.00966)	0.0127 (0.0199)	0.00162 (0.0102)	-0.0416*** (0.0105)	0.0103 (0.0204)	-0.0863*** (0.0249)	-0.0782*** (0.0184)	0.00901 (0.0309)
Post 1999*woman	-5.69e-05 (0.000670)	0.00412*** (0.000950)	0.00184 (0.00198)	0.00414*** (0.000742)	0.00962*** (0.00109)	0.00724*** (0.00211)	-0.000741 (0.00711)	-0.0135 (0.00928)	-0.0112 (0.0149)
Trend	0.00251** (0.00122)	-0.000126 (0.00124)	0.00547** (0.00246)	0.00436*** (0.00120)	0.00160 (0.00128)	-0.000941 (0.00241)	-0.00538 (0.00694)	-0.0385*** (0.00655)	0.0210** (0.0104)
age_23_45*women	280034	241592	61911	280034	241592	61911	89891	138877	33136
Observations									

Robust standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1

Part-time employment rate

Table 10. Part-Time Employment Effect of the Family Friendly Law on Non-Eligible Childbearing-Aged Women, By Education Level, LFS 1994-2003

VARIABLES	Working with a Permanent contract			Working with a fixed-term contract		
	HS dropout	HS graduate	College	HS dropout	HS graduate	College
woman	0.245*** (0.00697)	0.110*** (0.00851)	0.0946*** (0.0145)	0.368*** (0.0130)	0.357*** (0.0296)	0.256*** (0.0861)
age_23_45	0.0100*** (0.00346)	0.00411 (0.00329)	0.0143** (0.00636)	0.0518*** (0.00723)	0.0864*** (0.0154)	-0.00217 (0.0654)
age_23_45*	-0.0914*** (0.0164)	-0.0298*** (0.0111)	-0.0462** (0.0197)	-0.0727*** (0.0242)	-0.231*** (0.0320)	-0.164* (0.0907)
Woman Post 1999	-0.00846* (0.00468)	-0.0138*** (0.00308)	-0.000706 (0.00688)	-0.00918 (0.00902)	-0.00451 (0.0127)	-0.0535 (0.0654)
Post 1999* Woman	-0.00413 (0.0113)	0.0129 (0.0119)	-0.0421** (0.0186)	0.0650*** (0.0220)	0.0219 (0.0415)	-0.148 (0.125)
age_23_45* Post 1999	0.00655*** (0.00253)	0.00134 (0.00231)	-0.00133 (0.00504)	0.00191 (0.00564)	0.00115 (0.0111)	0.0279 (0.0606)
age_23_45* Post 1999*woman	-0.0825*** (0.0277)	-0.0274* (0.0161)	0.0256 (0.0264)	-0.0143 (0.0411)	-0.0696 (0.0452)	0.160 (0.130)
Trend	0.00366*** (0.00105)	0.00318*** (0.000671)	0.000173 (0.00158)	0.00304 (0.00211)	0.00339** (0.00171)	0.00865* (0.00525)
Trend* age_23_45*women	0.0146*** (0.00393)	0.00383** (0.00177)	0.00107 (0.00315)	-0.00602 (0.00535)	0.0127*** (0.00295)	0.00146 (0.00629)
Observations	59385	92083	23246	30506	46794	9890

Robust standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1

Conclusion

Was the law effective?

- The law was successful in that it increased the rate of PT work among eligible mothers working with a permanent contract—that is, those with children under seven—by 39%.
- No effect on eligible fathers or eligible mothers working with a fixed-term contract.
- Heterogeneity analysis reveals that this effect is driven by less-educated women.

Where there any unintended effects among the non-eligible population?

- We find evidence that, after the law, employers avoided hiring childbearing-aged women under permanent contracts:
- The law significantly decreased by 17% the likelihood of being employed with a permanent contract, while increasing their likelihood of having a fixed-term contract job by 30%.
- This is particularly concerning as more than half (55%) of women between 23 and 45 years in Spain are high-school graduates.

Increasing flexibility in the labor market: Boon or Bane?

- Our paper highlights the importance of institutions when policies aiming at adding flexibility in the labor market
- Overall, it shows that well intended policies may be perverse
- Problem is the duality of the labor market
- And that not *all* access it...