

The effect of work-family balance policy on childbirth and women's work

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Abstract

This paper examines the effect of the 2005 *Law for Measures to Support the Development of the Next-Generation* on childbirth and women's work in Japan. This law forces firms to support their employees in bearing and rearing children. Therefore, it particularly aids working women with children to pursue their careers by reducing the cost of having children and increasing childbirth. Although this law compels large firms to support their employees' child bearing and rearing, it only recommends small and medium firms to implement the law. In consequence, this law has greater impact on employees of large firms than those of small and medium firms. Using this quasi-experimental condition, we can confirm the law's effect on childbirth and women's work by comparing the data before and after its enactment for employees in firms of various sizes. The difference-in-differences (DID) estimation results show that the law has a significant positive effect on the probability of childbirth, and the magnitude of the effect is 1.25%. However, its effect on the probability of women's retention is not observed.

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