

Could the Child Benefit Enhance Female Employment?:

Evidence from the Re-Arrangement of Child Benefit Policy in Japan

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Abstract

We verified policy impacts from the re-arrangement in Child Benefit Policy after fiscal 2010 on female labor market participation both for intensive and extensive margins by using “Longitudinal Survey of Newborns in the 21st Century”.

Here, we adopt the Fixed Effect Model including the individual fixed effect and directly control many child’s and respondents’ characteristics and found that parents adjusted the labor hours and earned income along with the change in Child Benefits.

This suggests the CB has only income effect, and hence, there are few spill-over effects from the childcare subsidies to the use of childcare services in Japan. This is consistent with the fact that the low accessibility in childcare service in Japan. Hence, this paper has an implication that the official childcare subsidies might enhance female employment if the childcare accessibility also increases.

Key Words: Female Labor Market Participation, Child Benefit Policy, Policy Evaluation

JEL Codes: J16, J21, J38,

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