

Introduction of parental leave policies and maternal employment in long-run*

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Abstract

Parental leave policy is one of the most popular policies to promote career continuation of mothers among developed countries. Using the Japanese Census data, we evaluated the long-run impact of job protection and paid leave policies on maternal employment, by exploiting 1992 and 1995 reforms of the parental leave policy as natural experiments. We found that the introduction of unpaid leave had null effects on maternal employment both in short-run and long-run. In contrast, we found the positive effect of the introduction of paid leave on maternal career continuation. In short-run, the paid leave policy increased the parental-leave take-up rate. In mid-run, it increased full-time employment, and this positive effect lasts 10–15 years after childbearing. The paid leave policy, therefore, seems to strengthen labor market attachment of mothers, allowing those who would otherwise engage in part-time jobs after childbirth to continue full-time jobs.

Keywords: Parental leave, Female labor supply, Child care

JEL codes: J08, J13, J21

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