FAMILY FRIENDLY POLICIES, WOMEN'S LABOUR, MEN'S HOUSEHOLD WORK AND FERTILITY

Ochanomizu University

Prof. Nobuko Nagase, Ph.D

nagase.nobuko@ocha.ac.jp

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DIFFICULTY OF BALANCING WORK AND FAMILY

- Increased Labor Participation of Women
- Difficulty of Balancing Work and Family
- Delaying Marriage and Delaying Fertility
  → More so in industrialised countries with traditional division of labour within households.

- Which are policies that work?
- What effect does institutions, workplace norms and labor practices give?
TODAY’S TALK IS MOSTLY BASED ON TWO PAPERS AND MY PAST PROJECTS


- *The Gender Division of Labor and Second Births: Labor Market Institutions and Fertility in Japan*, by Nobuko Nagase and Mary Brinton, forthcoming on Demographic Research

- Just a bit more from… Interviews of Japanese, US and German mothers in firms and focus groups in 2009-2011 (Japan), US (2011-2013) and Germany (2016)

Gender Wage Gap for Full-time workers: 25% (Basic Wage Survey 2015)

1. Different Shares in Implicit or Explicit Employment Contract Types by Gender
2. Large Percentage of Women Quit Work at Childbirth
3. Lower Percentage of Women in Managerial Position

Gendered Society with continued low fertility (TFR 1.42 in 2015)

1. Significant marriage delay as well as non-marriage
2. Very little non-marital childbearing
PERSISTENT GENDER WAGE GAP AND PART-TIME FULL-TIME WAGE GAP

Source: MHLW Basic Wage Structure (2015)
LOW FERTILITY IN POST INDUSTRIAL JAPAN

The chart illustrates the trend of fertility rates from 1954 to 2014 in Japan. The fertility rate peaked in 1956 and has been declining steadily until 2002. The lowest fertility rate recorded was in 2005 at 1.26, the data is available for the years 1994 to 2008.
Workplace conditions and norms

- Long working hours; overtime norms
- Internal labor markets; tenure is often rewarded by promotions and wage increases
- Very weak external labor market
- Japanese Supreme Court decisions in 60s to 70s have supported employers’ authority to require employees to relocate and to work overtime in return for high job security

Regular full-time workers in large firms have few incentives to contest their firm’s working conditions
TIME LEAVING WORK ON AN AVERAGE WORK DAY: JAPANESE EMPLOYED MARRIED MEN AND WOMEN

Source: Nagase (2013a, 2013b)
LABOR MARKET AND INSTITUTIONS: MOTHERS’ WORK IN THE JAPANESE CONTEXT

Workplace conditions and norms

- Long work hours; overtime norms for full-time workers
- Internal labor markets; tenure in one firm is rewarded
- Many wives give priority to husbands’ job and quit work at marriage or at the first childbirth
- Housewives are protected within social security system, wage is not taxed nor levied social security premium below about 8000-10000 Euro per year, many firms give dependent spousal allowance on top of salaries to the household heads.

About 70-80 percent of wives were out of labor force at the first childbirth from late 80’s to early 2000s and returned to work only as low paid part-time workers. -- Marriage, however, dipped.
GOVERNMENT POLICIES 1

• Menu of polices from 1990s in Japan

  ➢ Equal Employment Opportunity Law
  ➢ Job protected parental leave and leave allowances
  ➢ Increased infant day care places
TREND IN % OF WOMEN IN AND OUT OF THE LABOR FORCE WHEN THE FIRST CHILD IS AGE ONE

Still persistence of job resignation of mothers

Family Friendly Policies in the 2000s

- Mandatory reporting of their action plan on family friendly policies and plans to the local Ministry of Health, Labor and Welfare Office 2005
  - Discussions in Human Resource Departments of firms increased
    - *Kurumin* mark can be printed on products of the firms that had good practices

- Reduced Hour Option to work six hours a day when infants are below age 3 2010
INCREASED PARTICIPATION AFTER 2009 AMONG FIRST TIME MOTHERS WHEN THEIR CHILD IS AGE ONE

- Registration Mandate of Family Friendly Policies 2005
- Leave Allowance 50 percent 2007
- Reduced hour option mandate and other leave reform to larger firms after birth of 2009
- Withheld portion of leave allowances abolished
- Reduced hour option mandate and other leave reform to all firms after birth of 2011

- At MarketWork
- Full-time permanent contract
- No work
- Fixed-Term contract
- At MarketWork (National Fertility Survey)
- No Work (National Fertility Survey)
3. DATA

• Ministry of Health, Labor and Welfare *Millennium Panel Survey of Adults 2002-2012*
  
  ➢ Annual panel survey
  
  ➢ Women and Men aged 20 to 34 in 2002 (i.e. born in 1967-1982)
  
  ➢ High response rate, over 80% every year, including the first time 14,000+ females and nearly 14,000 males
EMPIRICAL STUDY OF THE EFFECT OF TWO POLICIES

• Identification: different timing of law enforcement by firm size

• Mandatory Reporting of Family Friendly Plans → Firms with 301 or more employees
  ➢ Announcement 2003, Registration 2005

• Reduced Hour Option reform → Firms with 101 or more employees.
  ➢ Proposal mid to late 2008, Legislation 2009, in effect 2010, from 2012 to all employees
**DIFFERENCE IN DIFFERENCE**
**DID THE POLICY INCREASE FERTILITY?**

- **Linear Probability Fixed Effect Model**
  - $Y_{it}$ marriage, the first-birth hazard of working women.
  
  - $Y_{1it} = a_1 + b_1 H_{it} + c_1 firmsize_{it-1} + d_1 firmsize_{it-1} \ast$
  
  (years after enactment of mandate of policies) + $e_1 year dummy + u_{it}$ (1)

  - $firmsize_{it-1}$ is a dummy variable that applies if one is employed at a firm included in the mandated policy.

  - Explanatory variables: education, log wage $t-1$ high child intention $t-1$, age category
REDUCED HOUR POLICY
AND THE FIRST CHILDBIRTH

↓ Mandated (Firms 101+)

30-35 years old women,
childless the previous year
and had first childbirth
REDUCED OUR POLICY AND THE FIRST CHILDBIRTH

30-35 years old women, childless the previous year

Mandated firms 101 +
Mandated all firms

企業規模100人以上に勤務(t-1期)
企業規模100人未満に勤務(t-1期)
PROBABILITY OF MARRIAGE INCREASED AMONG WORKING WOMEN IN FIRMS WITH REDUCED HOUR OPTION MANDATE

<table>
<thead>
<tr>
<th>Year</th>
<th>Marriage Rate</th>
<th>p-value</th>
<th>Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>0.012</td>
<td>2.52</td>
<td>**</td>
</tr>
<tr>
<td>2005</td>
<td>0.030</td>
<td>4.70</td>
<td>****</td>
</tr>
<tr>
<td>2006</td>
<td>0.043</td>
<td>6.04</td>
<td>****</td>
</tr>
<tr>
<td>2007</td>
<td>0.053</td>
<td>5.64</td>
<td>****</td>
</tr>
<tr>
<td>2008</td>
<td>0.080</td>
<td>6.67</td>
<td>****</td>
</tr>
<tr>
<td>2009</td>
<td>0.072</td>
<td>5.06</td>
<td>****</td>
</tr>
<tr>
<td>2010</td>
<td>0.087</td>
<td>5.32</td>
<td>****</td>
</tr>
<tr>
<td>2011</td>
<td>0.085</td>
<td>4.80</td>
<td>****</td>
</tr>
<tr>
<td>2012</td>
<td>0.102</td>
<td>5.46</td>
<td>****</td>
</tr>
</tbody>
</table>

- **high child intention**
- Log wage (t-1)
- firm size 300 & over (t-1)
- firm size 300 & over (t-1) *(2005 to 2008)*
- firm size 100 & over (t-1)
- firm size 100 & over (t-1) *(2009 to 2010)*

Marriage rate for the observation period 2.5 %
The reduced hour mandate option policy increased marriage substantially
PROBABILITY OF FIRST-CHILDBIRTH INCREASED IN FIRMS WITH REDUCED HOUR OPTION MANDATE

The average first-childbirth rate during the surveyed period was 2.9% so the rise was around 33%
**DIFFERENCE IN DIFFERENCE IN DIFFERENCE: DID POLICY AFFECT WORK CONTINUATION AND WORK HOURS AFTER THE FIRST-CHILDBIRTH?**

- Dependent Variable: whether one is employed as full-time permanent employee the next year
- Dependent Variable: weekly work hour after the first child birth

Examine if employment and weekly work hour change after the first childbirth in the treated firms

\[ h_{it+1} = a_1 + b_1 H_{it} + c_1 \text{firmsize}_{it-1} + c_2 \text{First child birth}_{it} + \\
+ c_3 \text{firmsize}_{it-1} \times \text{First child birth}_{it} + \\
+ c_4 \text{First child birth}_{it} \times (\text{years after enactment of policies}) + \\
+ c_5 \text{firmsize}_{it-1} \times (\text{years after enactment of policies}) + \\
+ d_2 \text{firmsize}_{it-1} \times \text{First child birth}_{it-1} \times (\text{years after enactment of policies}) \]
The work continuation after the first child was around 43 percent. The reduced hour option mandate increased work continuation by around 30%.
Work hour of mothers with first child birth decreased by 14 hours per week after the policy.

<table>
<thead>
<tr>
<th>Year</th>
<th>2004 base year 2003</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>Policy (2009-2011)</th>
<th>1st childbirth(t)</th>
<th>firmsize 100 &amp; over (t-1)</th>
<th>1st childbirth(t) * firmsize 100 &amp; over (t-1)</th>
<th>1st childbirth(t) * Policy</th>
<th>firmsize 100 &amp; over (t-1) * Policy</th>
<th>firmsize 100 &amp; over (t-1) * 1st childbirth(t) * Policy</th>
<th>Log of wage (t-1)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-0.22 -0.56</td>
<td>1.37</td>
<td>-0.21</td>
<td>0.31</td>
<td>0.01</td>
<td>0.32 0.31</td>
<td>-18.52 -3.66 ***</td>
<td>2.54 4.08 ***</td>
<td>15.84 3.08 ***</td>
<td>11.74 1.67 *</td>
<td>-0.57 -0.75</td>
<td>-14.43 -2.02 **</td>
<td>1.55 6.28 ***</td>
</tr>
</tbody>
</table>

*** indicates significance at the 1% level. ** indicates significance at the 5% level.
Definitely wanting a child” comprise 32% among childless working women. Two Policies increased such strong child desire by around 4%.
• The reduced hour option mandate,
  - Increased the first-childbirth probability of working women by around 30 percent
  - Increased marriage of working women.
  - Increased work continuation by around 30 percent
  - Decreased weekly work hour of mothers with first born baby by 14 hours per week.

• It took government nearly 5 to 10 years to mandate reduced hour option

• The mandated reporting had no significant effect on childbirth nor on marriage, but may have prepared HRs mindset for the change.

• Two policies  — Child desirability increased among non-married working females.
• Child care leave alone was not enough, nor the Equal Employment Opportunity Law.

• Changing work norm was very important.

• Reduced hour option mandate gave the choice of part-time work at permanent wage rate. It increased marriage, first birth and birth desirability among working women who had been delaying their family formation.

• What about working mothers’ second birth?
THE GENDER DIVISION OF LABOR AND SECOND BIRTHS: LABOR MARKET INSTITUTIONS AND FERTILITY IN JAPAN

• Nobuko Nagase and Mary Brinton forthcoming in Demographic Research
TWO EMPIRICAL RESEARCH QUESTIONS:

1) Is there evidence linking firm labor practice and work norm among males with Japanese gender-role specialization at home (i.e. husbands' share of household work), and/or is there negative effect from the work norm at workplace and the behavior of peers?

2) Is there evidence linking husbands' low share of household work to a reduced probability of second birth (i.e. couples not able to move on to have a second child)?
HYPOTHESES AND METHOD:

1) Work norms in husband’s firm will influence his own share of household work (peer influence)

2) Husband’s lower share of household work will reduce the probability of transition to second birth
ESTIMATION OF CAUSAL EFFECT

Domestic work share is influenced by couples’ income, work hour and child number as well as children’s age.

We will see whether the average of peers domestic work hour share, calculated by firm size and education level, exert significant effect on husbands’ own domestic work share taking into account of such variables as above.

Wage prospect and labor practice is very different in Japan by firms size and educational level.
THE MAIN RESULT

Positive Peer Effect on Husband’s Household Work Share.

Lower husbands’ domestic work share depress the second birth.
Evidence from many comparative studies show that very low fertility is more likely in the postindustrial context when gender inequality in households is high ("second-shift" argument).

At the macro-level in Japan:

Labor law that gives job security in return for employers’ right to relocate and demand over time,

The income tax and social security system + dependent spouse payment for workers still favor strong gender-role specialization

Younger women, however, hope to combine work and family. The reduced hour option and work life balance policy of the government brought strong policy result to increase marriage, first childbirth and permanently employed working mothers.
At the micro-level:

Our results suggest that workplace norms influence Japanese men’s contribution to household work.

For working mothers, husbands’ higher share of household work is necessary to increase the probability of a second birth.
FUTURE OF JAPANESE FERTILITY?

Japanese employment practice, valuing long tenure in one firm and teamwork while giving job security in exchange of employers’ rights to demand over-time work and relocation, needs to be remedied.

While it may take time, the reform to support dual income family with children is a must.

This includes the tax and social security system reform, which is politically difficult, but also a must.
BITS AND PIECES FROM MY RESEARCH IN COMPARING JAPAN, US AND GERMANY

• Interviews with HRs in firms and working mothers
  Japan  Interviews and focus groups: more than 125
          Firms 27
  US     Interviews and focus groups: 35
          Firms 4
  Germany on going

Differences in job allocation, job and promotion structure heavily influencing work continuation by mothers.

Also mothers’ attitudes towards home-made dinner, children’s education, etc. are very different among countries.
• Ochanomizu University Panel Survey Beijing 25-54 2004-2007
  
  Seoul 24-44 2003-2007

➤ We found women in Seoul quit work at marriage and at first childbirth like Japanese mothers, and also that change was just as slow as change in Japan.

➤ Younger generation in Beijing was quitting work more often at childbirth than the previous generation, although they also return to work very quickly.

➤ Confucius influence --- Values were relatively shared concerning respect for the elderly

➤ Motherhood ideal was strongest in Japan.
ACKNOWLEDGEMENT

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• Some of my previous research was based on MEXT JSPS Project Work and Life Balance from Gender-Sensitive Perspectives: Designing Work Style that Enables Career Development, Family and Community Activities program (2008-2012, Principal Investigator Nobuko Nagae).


Most of my work in Japanese can be read in PDF in the following Japanese home page by clicking the third of four buttons.

http://www.soc.ocha.ac.jp/soc/teacher/nagase_nobuko.html