

# Parents' Reducing Working Hours: Employment Decisions after Childbirth in Spain

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## Extended abstract

Parents are entitled to working time reduction to take care of children under-3 according to Spanish Labour Law. How many do really take advantage of this family policy? The aim of this paper is to analyse the transition from occupation to working time reduction after childbirth controlling for the fact that some parents may leave occupation (i.e. unemployment or inactivity) or remain with the same working schedule. Recent longitudinal micro-data allow us to investigate parents' employment decisions after childbirth in a prospective manner. The research is based in a subsample of 44,719 individuals (parents who had a child between January of 2005 and June of 2007) from the Spanish Workers' Social Security Files. I use an event history approach with a competing risk model whereby a person can make a transition to three different destinations: employment with time reduction; employment without time reduction or withdrawal from paid work.

### *Hypotheses*

I theorise that the mechanisms prompting mothers and fathers to choose different transitions vary according to the individual and institutional characteristics:

*Hypothesis 1: Opportunity Costs.* This hypothesis is based on the economic theory, which predicts that individuals always evaluate the costs and the time spent at home (Becker, 1981). Educational credentials and labour experience affect opportunity costs that must be weighed up at the moment of deciding whether to leave or remain in the labour market with full or reduced working hours after childbirth. These variables are related to workers' human capital, more concisely, to their income and chances for promotion at work. In the Spanish context those with greater human capital (level of education and longer labour experience) will as a consequence be less likely to leave the labour market and to reduce the working schedule.

*Hypothesis 2: Gender Socialisation.* In the Spanish context, which a highest level of with a gender inequality in regards to the division of family responsibilities (Fuwa, 2004), I predict that men will be more prone to continue

working in full time basis. Different studies have shown nevertheless that certain individual characteristics such as age or educational achievement are associated with more equality in terms of gender role behaviour that is reflected more particularly in the greater involvement of men in childcare responsibilities (Shelton and John, 1996). As a result, young men with a higher level of education will be more likely to reduce working hours.

Hypothesis 3: *Institutional context*. The third hypothesis refers to the fact that individual decisions are influenced by conditions at the regional context. In this sense, the flat rate benefits that different Autonomous Communities offer to parents who reduce their working hours will increase the use of this family policy. On the contrary, those parents living in Autonomous Communities with higher child care rates will be less likely to leave the labour market and to reduce the working timetable.

### *Data and Method*

The research is based on a unique register data consisting of a sample from the Workers' Social Security Files (Muestra Continua de Vidas Laborales; MCVL) which is available in Spain since 2005. It allows to reconstruct retrospectively individual employment histories of all those who were making contributions to or receiving contributory benefits from the Social Security System at some in 2005 and, what is more interesting, to analyse in a prospective manner their career breaks and employment transitions from 2005 until 2007. In this paper I work with a subsample of 44,719 individuals who had a child between January of 2005 and June of 2007. The data have, however, some drawbacks such as the fact that we cannot trace the partners' characteristics (this is an individual register data).

I use an event history approach with a competing risk model whereby a person can make a transition to three different destinations: employment with time reduction; employment without time reduction or withdrawal from paid work. Separate models are applied to men and women and childbirth order.

### *Some descriptive statistics of the sample*

**Table 1: Sample size by gender, Spanish Social Security Files, 2006.**

<b>Parents with at least one child under 3 years</b>	Abs.	%
Male	23860	53,4
Female	20859	46,6
Total	44719	100,0

**Table 2: Parents' educational attainment, Spanish Social Security Files, 2006.**

<b>Educational attainment</b>	<b>Abs.</b>	<b>%</b>
Illiterate	493	1,1
Uncompleted primary education	7467	16,7
Primary education	16161	36,1
Secondary education	15585	34,9
Other degrees at the secondary level	365	0,8
Post-secondary degree (not within the collage)	85	0,2
Collage education (3 years)	1624	3,6
Collage education (more than 3 years)	2480	5,5
PhD and post-graduate studies	260	0,6
Missing	199	0,4
<b>Total</b>	<b>44719</b>	<b>100,0</b>

**Table 3: Household composition, Spanish Social Security Files, 2006.**

<b>Household composition</b>	<b>Abs.</b>	<b>%</b>
One adult with one child	2306	5,2
One adult with two children	1172	2,6
One adult with three or more children	858	1,9
Two adults with one child	18525	41,4
Two adults with two children	12498	27,9
Two adults with three or more children	4886	10,9
Three or more adults with one child	2646	5,9
Three or more adults with two children	1272	2,8
Three or more adults with three or more children	556	1,2
<b>Total</b>	<b>44719</b>	<b>100,0</b>

## References

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