# The Effects of Workplace Norms on Female Labor Supply and Childbirth in Japan

(企業内の職場規範が女性の就業・出産に与える影響)

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#### 1 Introduction

> This study investigates the effects of "workplace norms" on female labor supply and childbirth in Japan.

The maternity and parental leave system in Japan provides full-time Japanese employees with a longer period of leave compared to some industrialized countries.

#### Table 1 Childcare Leave Schemes

	Japan	U.S.A	UK	Germany	France
Child Care Leave Period	1 year	12 weeks	13 weeks	3 years	3 years

Source: JILPT (2012) "Databook of International Labour Statistics"

Notes: If a child cannot enroll at a nursery school, the mother can take childcare leave of one year and six months in Japan.

➤ Why are Japanese female workers unable to continue working after marriage and childbirth in spite of the introduction of various WLB systems?

➤ Work-Life Balance (WLB) systems are still targeted at full-time workers only.

➤ I examined the correlation between access to various WLB systems, and female labor supply and childbirth.

This is based on the concept of "Social Norms" defined by *Akerlof and Kranton* (2010).

#### Originality of This Research

- 1. Based on the concept of "Social Norms," I attempt to employ various social institutional factors that function as proxy variables of "Identity Utilities" to analyze Japanese women's work and childbirth situations.
- 2. The effect of not only the presence or absence of WLB systems in their firms, but also the accessibility of WLB systems is examined.

#### 2 Previous Research

Recent Research → Focuses on the "availability" of support systems to balance work and family in the fields of economics and sociology.



Discusses the potential difficulty in using WLB systems in Japanese firms.

### Identity Utility

➤ Usually, traditional labor supply analysis uses variables such as labor hours, wages, and human capital. We therefore do not use these as social variables (*Killingworth and Heckman* (1986)).



- ➤ How do we include these social factors in individual utility function?
- "Identity Utility" and "Social Norms" are defined by Akerlof and Kranton (2010).

- This idea is inspired by sociology.
- Identity utility, which is the gain when actions conform to norms and ideals, and the loss insofar as they do not.
- For example, Some tasks are labeled appropriate for men for men's job. Other tasks are labeled women's job.
- Women lose (identity) utility from working in a man's job. And men lose utility from working in a woman's job (Akerlof and Kranton(2010)).

This gender segregation of work is based on "social norms".

- > We add our utility model to "social norms".
- The evaluation of this model depends on social norms, but not individual preference and availability.

- Fortin(2005), Clark(2003), Tolciu and Zierahn(2010), and Contreras and Plaza(2010)
- Two dominant previous research studies in Japan were conducted by *The ministry of Health, labour and welfare* (2013) *Noguchi* (2013)
- > Others

E.g., Yasuda(2013),Toda(2011),Wakisaka(2011),Ikeda(2013) Sakamoto(2011)

# 3 Data "Longitudinal Survey of Adults in 21st Century"

- Conducted by the Ministry of Health, Labour and Welfare
- Panel data was collected between 2002 to 2010, WLB systems were collected between 2003 to 2010
- > Targeted at males and females (and their spouses) aged between 20 to 34 years at the end of October 2002.
- > Our sample only included females.

### 4 Descriptive Analysis

- Focused on two questions regarding the presence or absence of WLB systems.
- Examples of WLB systems include Childcare leave, Leave for nursing care, and Short hour option.



These questionnaires indicate the following about Japanese firms: "Workplace Norms = Social Norms"

#### We focus on the questionnaire below,

Q1: "In your company, is the WLB system available for use for your employment status?"

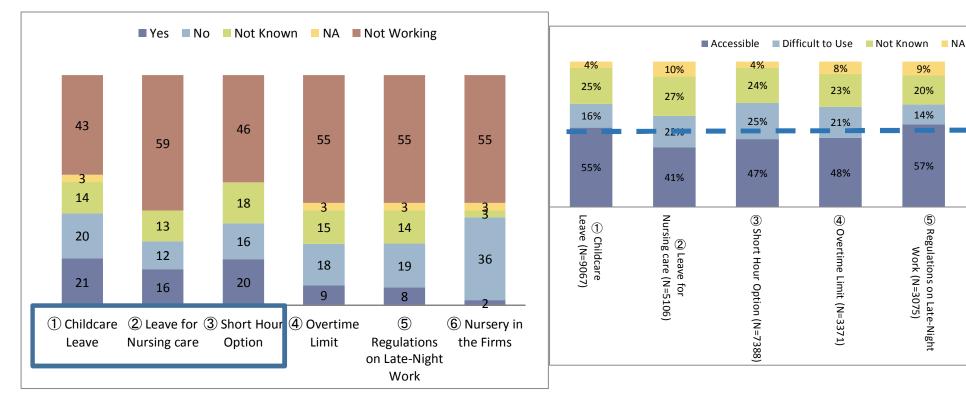
⇒ "Yes", "No", and "Not Known"

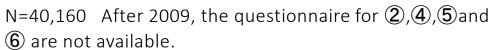
SQ1: "In your company, is the WLB system accessible for use for your employment status?"

⇒ "Accessible", "Difficult to Use", and "Not Known"

#### Fig.1 Response percentage for each WLB System and accessibility

(Fig.1.1 WLB System, Fig.1.2 accessibility (pooled))





Only respond if you answered "Yes" to Q1, unless you are 15 not working

23%

15%

7%

55%

© Nursery in the Firms (N=826)

20%

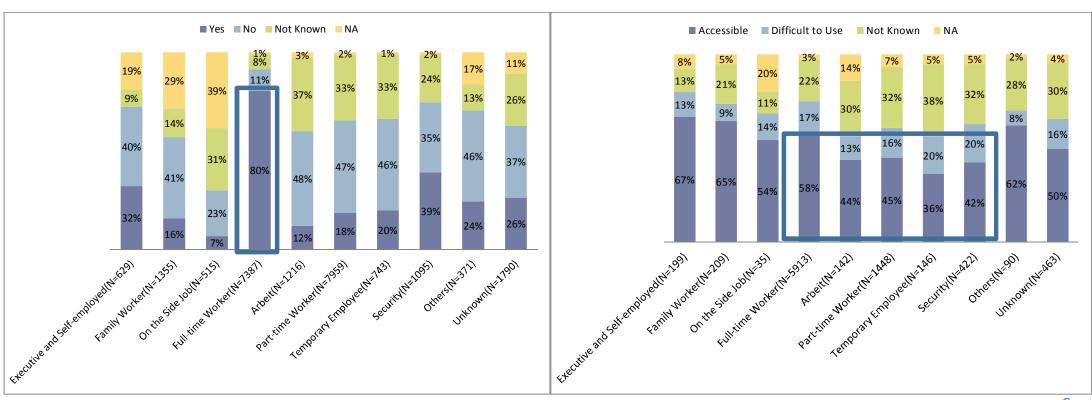
14%

57%

(G) Regulations on Late-Night Work (N=3075)

# Fig.2 Response percentage for Childcare Leave and accessibility

(Fig.2.1 Presence or Absence, Fig.2.2 Accessibility) (Responses according to employment status (pooled))



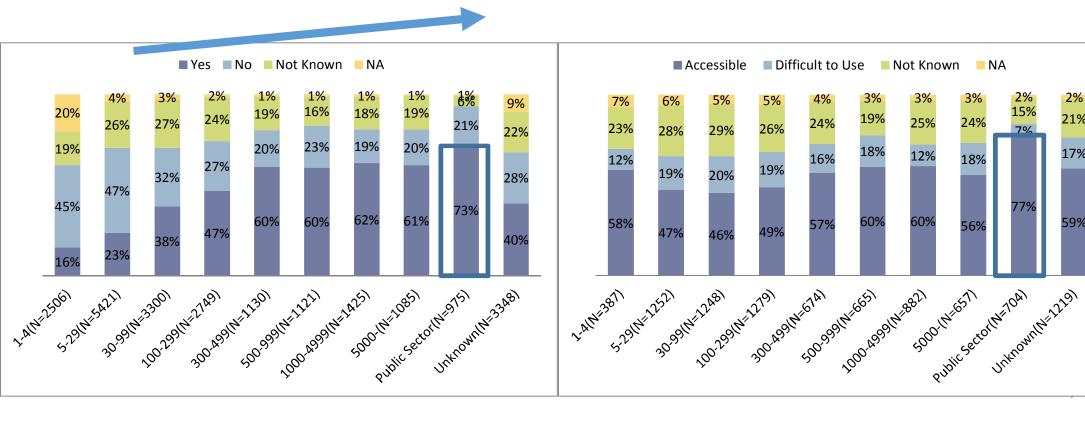
#### Fig.3 Response percentage for Childcare Leave and accessibility

(Fig.3.1 Presence or Absence, Fig.3.2 Accessibility) (Responses according to firm size (pooled))

21%

17%

59%



#### Descriptive Analysis Findings

- 1. Is the WLB system still applied to only full-time workers in a large company?
- 2. Do we really need to expand the scope of the WLB system to include part-time workers?
- 3. While WLB systems are being introduced into society, many people still do not have access to them.

### 5 Empirical Analysis

- ➤ I perceive Dr.Akerlof's Social Norms as the accessibility of WLB systems in the various labor categories.
- If we work in an environment where we can easily access the WLB system, individual identity of workers and their behavior can be in harmony. As a result, Identity Utility can be increased.
- ightharpoonupWLB systems can be easily obtained ightharpoonup Childbirth ightharpoonup Childbirth ightharpoonup

### Definition of Explained Variable

- •Explained Variable = Childbirth to next year → t+1 Childbirth to year after next → t+2
- •Childbirth of first child dummy = "1", others are "0"
- •Our sample included only married people.
- Model 1: sample included married working women
- •Model 2 : sample included only those who do not have a child

#### Table 2 Data size

Year ———		Married		Do not h	nave a child	Have a child		
	Total	Working	Not working	Working	Not working	Working	Not working	
2003	5,365	2,539	2,826	713	429	1,826	2,397	
2004	5,134	2,558	2,576	671	375	1,887	2,201	
2005	5,096	2,779	2,317	662	303	2,117	2,014	
2006	5,016	2,898	2,118	677	271	2,221	1,847	
2007	4,942	3,144	1,798	726	168	2,418	1,630	
2008	4,942	3,218	1,724	734	146	2,484	1,578	
2009	4,962	3,256	1,706	711	132	2,545	1,574	
2010	4,703	3,105	1,598	701	118	2,404	1,480	
Total	40,160	23,497	16,663	5,595	1,942	17,902	14,721	

Model 1

Model 2

#### Model and Results

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U=Uc+Ui Uc= Traditional Utility
Ui= Identity Utility
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Uc=C(Commodity Consumption ) + /(Leisure)

Model 1: Effects of workplace norms on

Accessibility to WLB system

Model 2: Effects of workplace norms on childbirth

### Variables

	Model 1	Model 2
Explained variables	Accessible =3 No opinion=2 Difficult to use=1	t+1 and t+2 dummy Childbirth=1, others =0 (Table 4 Labor Supply=1,Others=0)
Focus on explanatory variables		WLB Systems (3 types) Accessible =3 No opinion=2 Difficult to use=1
Others	Dummy: living with parer Working hours per	cation, Firm size ( 9 types), nts, Husband's income(log), weeks( devided by 5), per weekday), Year dummy

## **Expected Sign of Estimation**

	Model 1	Model 2
Positive		types) Accessibility income(log)
Negative	·	weeks( devided by 5), (hours per weekday)

# Table 3 Estimation Results: Model 1 Childcare Leave (Ordered Probit Model (Pooled))

Ordered Probit Model	Coef.	Std.	Z
Employment Status <executive></executive>			
Self-employed Helper	-0.245	0.353	-0.69
On-the Side Job	-1.321	0.742 *	-1.78
Full-time Worker	-0.595	0.284 **	-2.09
Arbeit	-0.642	0.395	-1.62
Part-time Worker	-1.100	0.289 ***	-3.81
Security	-1.741	0.395 ***	-4.41
Temporary Employee	-1.452	0.320 ***	-4.54
Others	-0.865	0.418 **	-2.07
Working Hours	-0.096	0.017 ***	-5.60
Housework Time	0.076	0.012 ***	6.36
Age	-0.042	0.070	-0.60
Age <sup>2</sup>	0.001	0.001	0.69
Living with Parents	-0.062	0.077	-0.81
Husband's Income (log)	-0.086	0.080	-1.08
/cut1	-3.573	1.374	-6.27
<u>/cut2</u>	-2.197	1.373	-4.89
N		3228	

# Table 4 Estimation Results: Model 2 Childcare Leave (Random Effect Model(Panel/Pooled))

	t+1Dummy			t+2Dummy			
	Coef.	Std.	Z	Coef.	Std.	Z	
Childcare Leave System (Absence)							
System: Not Known	0.165	0.097 *	1.69	0.125	0.117	1.07	
System: NA	0.522	0.205 **	2.54	-0.833	0.474 *	-1.76	
Presence: Difficult to Use	0.096	0.131	0.73	0.061	0.155	0.39	
Presence: Not Known	0.220	0.125 *	1.76	0.189	0.149	1.27	
Presence: Accessible	0.264	0.108 **	2.44	-0.131	0.140	-0.94	
Presence: NA	-0.131	0.292	-0.45	-0.053	0.320	-0.17	
Working Hours	-0.003	0.014	-0.24	0.013	0.018	0.74	
Housework Time	-0.028	0.019	-1.5	0.006	0.023	0.26	
Age	0.047	0.133	0.35	0.206	0.179	1.15	
Age <sup>2</sup>	-0.002	0.002	-0.91	-0.004	0.003	-1.48	
Living with Parents	-0.199	0.096	-2.08	-0.214	0.118 *	-1.81	
Husband's Income (log)	0.206	0.079 ***	2.61	-0.131	0.088	-1.49	
_cons	-2.294	2.123	-1.08	-2.936	2.783	-1.05	
N		2364			1975		

Notes: Sample included only those who do not have a child. Year dummy and Firm size were included as control variables.

<sup>\*:10% \*\*:5% \*\*\*:1%</sup> 

# Table 5 Estimation Results: Model2 Childcare Leave (Bivariate Probit Model(Pooled))

	t+1Dummy				t+2 Dummy							
	Labor Supply			Childbirth		Labor Supply			Childbirth			
	Coef.	Std.	Z	Coef.	Std.	Z	Coef.	Std.	Z	Coef.	Std.	Z
Childcare Leave System (Absence)												
System: Not Known	-0.063	0.081	-0.78	0.155	0.096	1.61	-0.158	0.084 *	-1.87	0.134	0.116	1.16
System: NA	0.074	0.184	0.40	0.419	0.194 **	2.16	0.062	0.193	0.32	-0.740	0.458	-1.62
Presence: Difficult to Use	0.172	0.120	1.44	0.089	0.130	0.69	0.104	0.119	0.87	0.069	0.152	0.45
Presence: Not Known	0.175	0.116	1.50	0.216	0.123 *	1.76	0.167	0.117	1.43	0.173	0.147	1.17
Presence: Accessible	0.492	0.106 ***	4.63	0.241	0.107 **	2.26	0.551	0.108 ***	5.08	-0.115	0.138	-0.84
Presence: NA	-0.252	0.215	-1.17	-0.066	0.281	-0.23	-0.168	0.225	-0.74	-0.057	0.318	-0.18
Working Hours	0.047	0.013 ***	3.63	-0.002	0.014	-0.15	0.037	0.013 ***	2.88	0.014	0.018	0.77
Housework Time	-0.003	0.015	-0.19	-0.035	0.018 *	-1.91	-0.013	0.016	-0.81	0.006	0.022	0.25
Age	0.043	0.122	0.35	0.000	0.132	0.00	0.112	0.130	0.86	0.197	0.176	1.12
Age <sup>2</sup>	0.001	0.002	0.32	-0.001	0.002	-0.54	-0.001	0.002	-0.25	-0.004	0.003	-1.44
Living with Parents	0.040	0.082	0.49	-0.223	0.094 **	-2.38	0.113	0.083	1.37	-0.223	0.116 *	-1.92
Husband's Income (log)	-0.099	0.069	-1.43	0.205	0.078 ***	2.61	-0.066	0.069	-0.95	-0.133	0.087	-1.54
_cons	-0.932	1.924	-0.48	-1.233	2.078	-0.59	-2.289	2.032	-1.13	-2.852	2.716	-1.05
N			236	4					197	5		
/athrho			-0.187	7***		!			-0.00	06		

Notes: Sample included only those who do not have a child. Year dummy and Firm size were included as control variables.

\*:10% \*\*:5% \*\*\*:1%

# Table 6 Estimation Results: Model 2 Leave for Nursing Care (Random Effect Model(Panel/Pooled))

	7	_	t+2Dummy			
	Coef.	Std.	Z	Coef.	Std.	Z
Childcare Leave System (Absence)						
System: Not Known	-0.090	0.080	-1.13	-0.117	0.097	-1.21
System: NA	0.145	0.151	0.96	-0.133	0.192	-0.69
Presence: Difficult to Use	-0.009	0.132	-0.07	-0.029	0.158	-0.18
Presence: Not Known	0.178	0.120	1.49	-0.199	0.164	-1.21
Presence: Accessible	-0.088	0.297	-0.3	-0.445	0.460	-0.97
Presence: NA	0.310	0.204	1.52	-0.963	0.468 **	-2.06
Working Hours	-0.002	0.014	-0.12	0.013	0.018	0.72
Housework Time	-0.029	0.019	-1.54	0.005	0.023	0.21
Age	0.062	0.133	0.46	0.192	0.178	1.08
Age <sup>2</sup>	-0.002	0.002	-1.01	-0.004	0.003	-1.4
Living with Parents	-0.194	0.096 **	-2.03	-0.197	0.118 *	-1.68
Husband's Income (log)	0.208	0.079 ***	2.63	-0.129	0.087	-1.48
_cons	-2.383	2.126	-1.12	-2.599	2.780	-0.93
N		2364			1975	

Notes: Sample included only those who do not have a child. Year dummy and Firm size were included as control variables.

\*:10% \*\*:5% \*\*\*:1%

# Table 7 Estimation Results: Model 2 Short Hour Option (Random Effect Model(Panel/Pooled))

·						
		t+1Dummy			t+2Dummy	
	Coef.	Std.	Z	Coef.	Std.	Z
Childcare Leave System (Absence)						_
System: Not Known	-0.052	0.084	-0.62	-0.229	0.102 **	-2.25
System: NA	0.071	0.132	0.54	-0.109	0.162	-0.67
Presence: Difficult to Use	0.021	0.124	0.17	0.025	0.145	0.17
Presence: Not Known	-0.010	0.110	-0.09	-0.418	0.152 ***	-2.75
Presence: Accessible	0.800	0.442 *	1.81	0.145	0.644	0.23
Presence: NA	0.284	0.202	1.41	-1.052	0.467 **	-2.25
Working Hours	0.000	0.014	0.03	0.012	0.018	0.67
Housework Time	-0.028	0.019	-1.53	0.007	0.023	0.29
Age	0.039	0.133	0.29	0.189	0.179	1.05
Age <sup>2</sup>	-0.002	0.002	-0.85	-0.004	0.003	-1.38
Living with Parents	-0.192	0.095 **	-2.02	-0.202	0.118 *	-1.71
Husband's Income (log)	0.217	0.079 ***	2.74	-0.133	0.088	-1.51
_cons	-2.102	2.115	-0.99	-2.450	2.794	-0.88
N		2364			1975	

Notes: Sample included only those who do not have a child. Year dummy and Firm size were included as control variables.

<sup>\*:10% \*\*:5% \*\*\*:1%</sup> 

#### 6 Conclusions

- Employees tends to have less access to the childcare leave system than self-employed workers, especially non-regular workers.
- ➤ Housework time has a positive effect on access to the childcare leave system, while working hours has a negative effect.
- Employment status and working hours are the primary determinants of access to WLB systems.

- The positive correlation between accessibility to WLB systems and childbirth rate indicates that a clear relationship exists between the two.
- In terms of the "Bivariate Probit Model", I found that accessibility to WLB systems has the greatest effect on continuation of work.

#### Future Research

- > Sample selection bias
- > Theoretical framework and empirical analysis
- An elaborate analysis(E.g., Propensity score matching methods)

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Achieving Work and Family Life Balance in Japan: Importance of Interdisciplinary Approach

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