

Spain has seen a huge influx of women into the workplace in recent decades, but their experiences of work remain very different from those of men. As **Claudia Hupkau** and **Jenifer Ruiz-Valenzuela** explain, there is scope for new family-friendly policies to help to close gender gaps in the labour market and to boost fertility rates.

The motherhood penalty for working women in Spain



Over the past 25 years, Spain has undergone a striking convergence in women and men’s participation in the labour market. While in the early 1990s, only 50 women were active in the labour market for every 100 men, this had risen to 88 active women for every 100 active men by 2019. The rapid incorporation of women into the workforce has meant that the participation rate of women in Spain has now overtaken that in the European Union as a whole.

But despite this rapid convergence, women are still behind men in other key job market dimensions. Figure 1 shows that by the end of the 2010s, women are over 27% more likely to be unemployed, 10% more likely to hold temporary (fixed-term)

contracts and over three times more likely to work part-time.

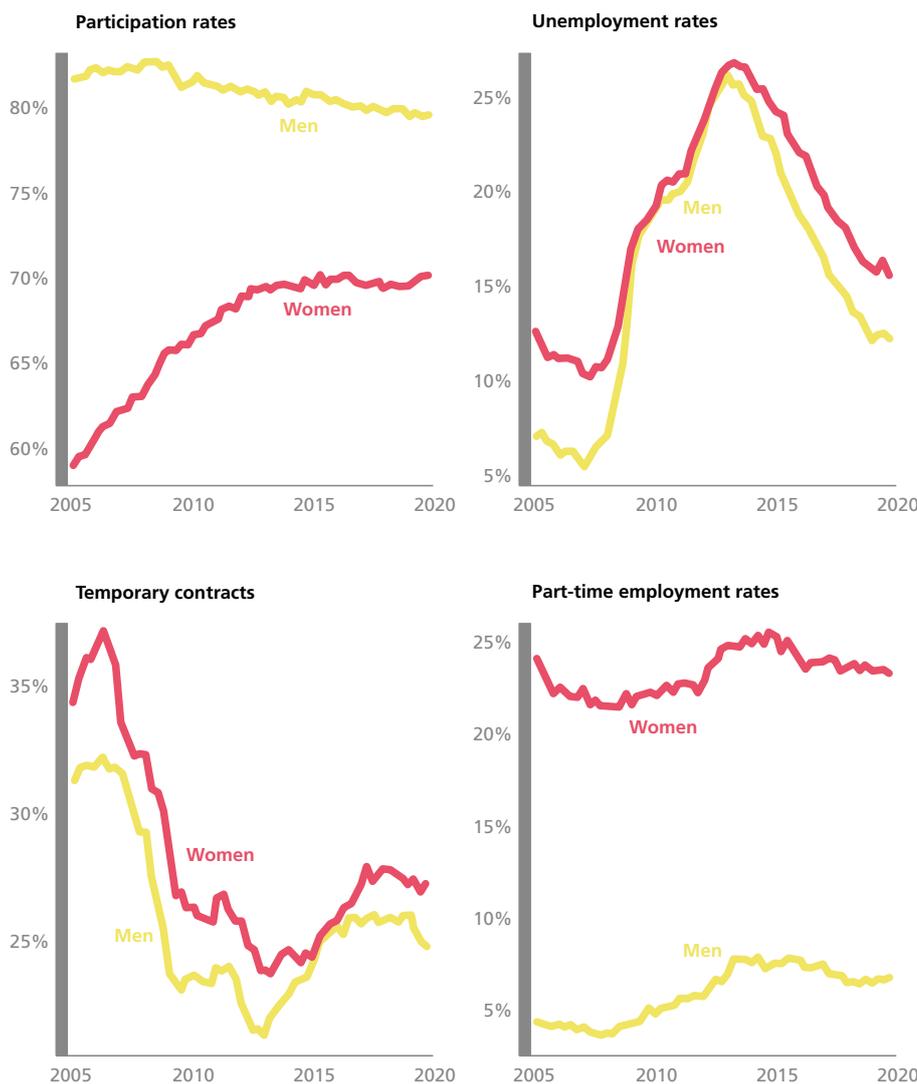
Not only do women fare worse, but the gender gap in these measures has barely improved over the past 15 years. In the aftermath of the Great Recession, which hit jobs dominated by men disproportionately hard (for example, in construction), there were some years in which gender gaps narrowed. But once the economy picked up, the gender gaps in these indicators started rising once more.

The gender gap is also surprisingly stubborn when it comes to the type of jobs that women and men hold. As Figure 2 shows, women in Spain have not increased their presence in top-level occupations, such as managers and directors, since 2011.

At the same time, women continue to dominate employment in what are known as ‘elementary occupations’, such as cleaners, domestic workers and food preparation workers. This is even though women in Spain have overtaken men in terms of tertiary education: in 2018, 50% of women aged 25-34 held a university degree, compared with 38% of men. Low-skill jobs not only pay worse than higher skilled jobs, but they also tend to offer little career progression and room for growth.

Inequality between men and women is further aggravated among people with children, irrespective of the indicator used. Figure 3 plots the ratio of women to men’s rates for different labour market indicators, for people with and without

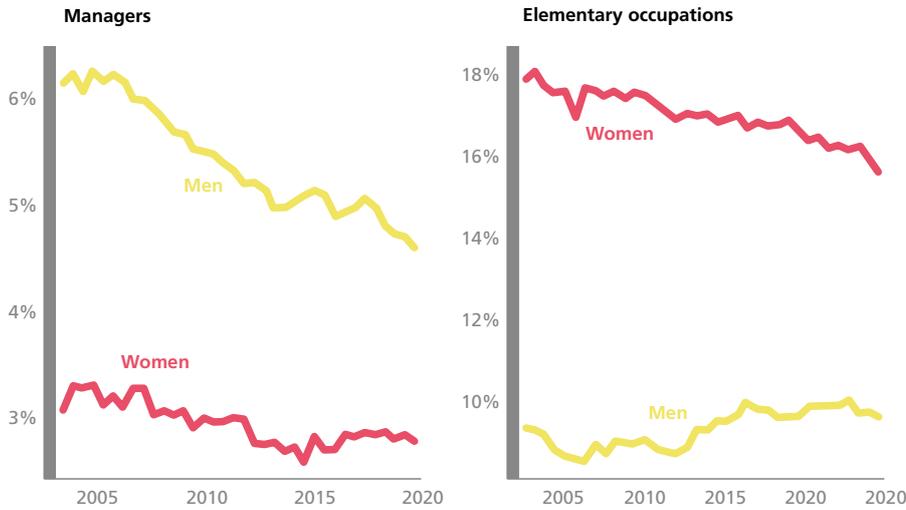
Figure 1: Labour market outcomes for men and women in Spain, 2005-19



Notes: Authors’ calculations based on the Spanish Labour Force Survey, seasonally adjusted series from Q1/2005 to Q4/2019. Sample of all individuals within the working-age population (16-64 years). Participation rates are computed as the total active population (employed and unemployed) over the total working-age population. Unemployment rates are computed as the total number of unemployed over the total active population. Temporary contracts show the share of individuals with a temporary contract among all those in employment. Part-time employment rates show the share of individuals working part-time among those in employment. All variables are derived using cross-sectional weights.

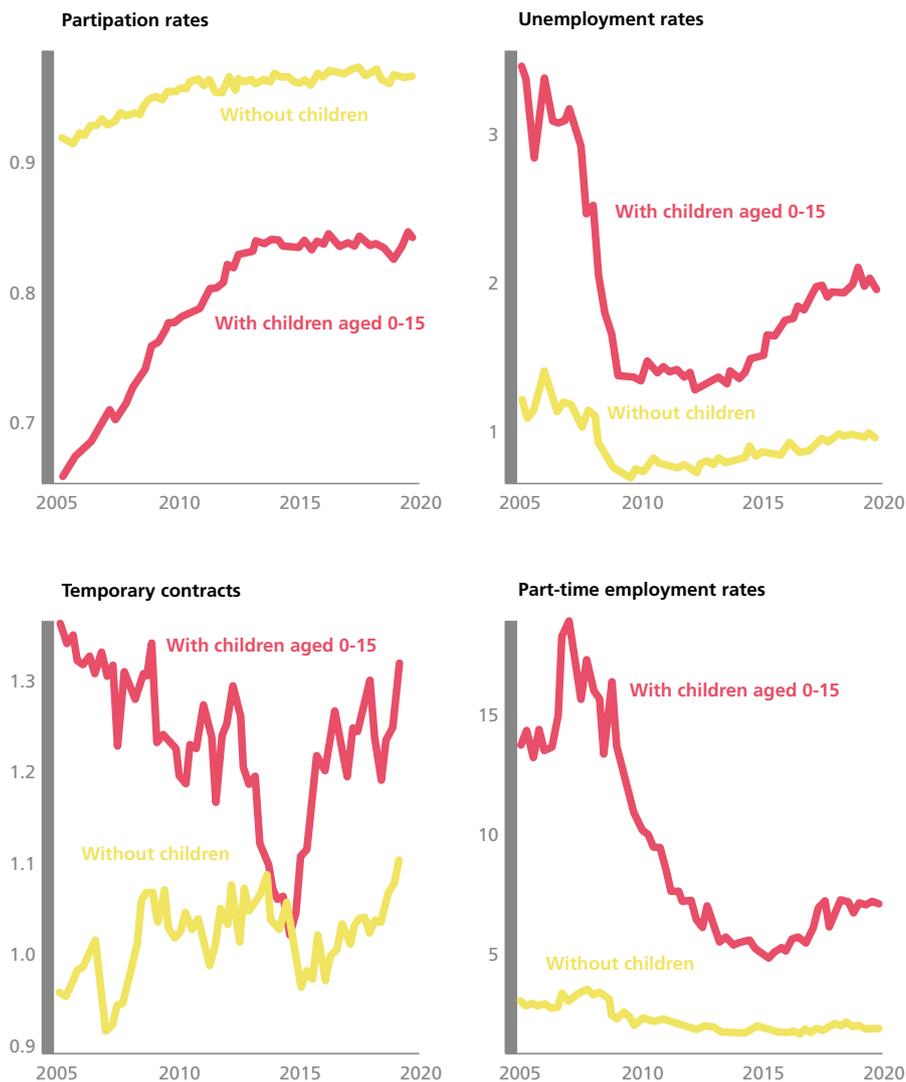
Gender gaps in Spain’s labour market are wider for people with children than among those without children

Figure 2:
Percentage of women and men employed in high-skill and low-skill occupations in Spain, 2011-19



Notes: Authors' calculations based on Spanish Labour Force Survey, seasonally adjusted series from Q1/2011 to Q4/2019. Variables show the share of individuals working in the specified occupation category over the total number of employed individuals by gender. All variables are derived using cross-sectional weights.

Figure 3:
Women/men ratios of labour market outcomes in Spain by whether they have children, 2005-19



Notes: Authors' calculations based on Spanish Labour Force Survey, seasonally adjusted series from Q1/2005-Q4/2019. Sample of individuals aged 25-54. Plotted series are computed as the ratio of the rate for men for the variable in question over the rate for women. See notes to Figure 1 for variable definitions. All variables are derived using cross-sectional weights.

Generous paternity leave entitlements can increase women's employment, working hours and earnings – as well as men's involvement in childcare

children. The vertical scale is informative of how many times more or less likely women are to be in a particular situation than men.

Convergence in labour force participation rates has stagnated for women with children aged 15 and below over the last seven years. By the end of the 2010s, women with children aged 0-15 are about 7.5 times more likely than men with children of the same age to work part-time, twice as likely to be unemployed and about 25% more likely to hold a temporary contract. Overall, all these indicators show larger gender gaps for people with children than among those without children.

Recent evidence shows that the motherhood penalty might be driven by the fact that women choose jobs with family-friendly characteristics after the arrival of children, such as flexible hours (Goldin, 2014), being in the public sector or in lower-level occupations (Kleven et al, 2019). Thus, family-friendly policies, like flexible or shorter hours or long periods of parental leave might reinforce gender inequality if they are only taken up by women, by fomenting employers' beliefs about women's comparative advantage in childcare and reinforcing traditional gender roles (Olivetti and Petrongolo, 2016).

A striking example is the introduction of a law in Spain granting employment protection to workers with young children who had asked for a shorter working week due to family responsibilities. Fernández-Kranz and Rodríguez-Planas (2021) show that employers were less likely to hire women of childbearing age after the law, as well as being less likely to promote them to permanent contracts.

Breaking up traditional gender roles thus seems crucial for enhancing equality in the labour market. Indeed, over a third of women with children under 5, and more than half of women with children aged 5-15 working part-time would like to work more hours, according to the Spanish Labour Force data. One in two women with very young children name childcare responsibilities as the main reason why they do not work more hours.

A review of the research evidence on family policies suggests that there is scope for well-designed measures to help narrow gender inequalities in the labour market. Spain has recently implemented

generous paternity leave entitlements for fathers. These have been shown not only to increase women's employment, working hours and earnings – but also to increase men's involvement in childcare, meaning they have the potential to reduce gender gaps at work and in the home (Patnaik, 2019).

Policies that make it easier to combine family and work, such as financial incentives in the form of tax credits for working mothers and subsidised or free childcare for very young children, have also been shown to have a positive effect on job market outcomes (Olivetti and Petrongolo, 2017). But it is important to keep in mind that family policies alone are unlikely to be sufficient to close the remaining gender gap, especially in contexts where traditional gender roles are very engrained (Kleven et al, 2020).

These policies would also help to tackle a related issue: Spain is among the countries with the lowest fertility rates and the highest age of women at first birth. At the same time, Spain spends only about half of what the average EU country spends on family and child benefits. Increased spending on such policies would thus be likely to reduce the motherhood penalty at the same time as raising fertility.

The overall effect of such policies will depend on whether the gains in terms of tax revenues and economic output from increased women's labour supply outweigh the cost of providing more affordable childcare or in-work benefits. Even if not all the increased expenditure on childcare provision or tax credits is covered by the increases in income, social security and payroll taxes generated from increased maternal employment, this does not necessarily mean that such policies would be inefficient.

Such policies may well bring other benefits, such as increases in fertility and, in the case of provision of free or affordable, high quality childcare, improvements in children's educational outcomes in primary and secondary school (Felfe et al, 2015).

This article summarises 'Work and Children in Spain: Challenges and Opportunities for Equality between Men and Women', published in March 2021 by EsadeEcPol (<https://www.esade.edu/ecpol/en/publications/challenges-opportunities-work-equality/>).

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Further reading

Christina Felfe, Natalia Nollenberger and Núria Rodríguez-Planas (2015) 'Can't Buy Mommy's Love? Universal Childcare and Children's Long-term Cognitive Development', *Journal of Population Economics*, 28: 393-422.

Daniel Fernández-Kranz and Núria Rodríguez-Planas (2021) 'Too Family Friendly? The Consequences of Parent Part-time Working Rights', *Journal of Public Economics* 197: 104407.

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Henrik Kleven, Camille Landais, Johanna Posch, Andreas Steinhauer and Josef Zweimüller (2019) 'Child Penalties Across Countries: Evidence and Explanations', *AEA Papers & Proceedings* 109: 122-26.

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Claudia Olivetti and Barbara Petrongolo (2016) 'The Evolution of Gender Gaps in Industrialized Countries', *Annual Review of Economics* 8: 405-34.

Claudia Olivetti and Barbara Petrongolo (2017) 'The Economic Consequences of Family Policies: Lessons from a Century of Legislation in High-income Countries', *Journal of Economic Perspectives* 31(1): 205-30.

Ankita Patnaik (2019) 'Reserving Time for Daddy: The Consequences of Fathers' Quotas', *Journal of Labor Economics* 37(4): 1009-59.