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Gender Gaps and Family Policies in Latin America

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Resumen

La igualdad de género en el mercado laboral sigue siendo un desafío difícil en América Latina. La literatura reciente encuentra que la penalidad por maternidad juega un papel importante en la explicación de las brechas entre varones y mujeres. Si bien en las últimas décadas se introdujeron políticas para abordar las brechas relacionadas con el nacimiento de hijos, la evidencia de sus efectos aún es escasa. Una mejor comprensión de las características de las diversas políticas adoptadas en la región y sus efectos sobre la igualdad de género en el mercado laboral es esencial para un debate de políticas más rico e informado. Este artículo presenta evidencia comparable sobre la adopción de políticas de licencia para cuidados y asistencia preescolar en 15 países de América Latina y discute su relación con la evolución de las brechas laborales de género y las normas de género imperantes. Documentamos que, entre 2000 y 2019 casi todos los países incrementaron la extensión de las licencias de maternidad, paternidad y parentales. Siguiendo un enfoque similar al de Olivetti y Petrongolo (2017), explotando las variaciones en el tiempo y controlando por efectos fijos de país y año, encontramos que el número de semanas cubiertas por estas licencias tiene un efecto positivo en el empleo femenino y contribuye a reducir las brechas de género en el empleo, en particular en aquellos países que partían de una peor situación en términos de cobertura de políticas familiares y que tienen percepciones más tradicionales de los roles de género. Por otro lado, los resultados sugieren que, en países con percepciones de género más igualitarias, la extensión de la cobertura de licencias por cuidado contribuye a reducir las brechas de ingresos.

Palabras clave: licencias por maternidad y paternidad, brechas de género, políticas públicas

Código JEL: J13, J16, H53

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Abstract

Gender equality in the labor market remains a difficult challenge in Latin America and recent literature shows that child penalties play an important role in explaining these gaps. While policies to address gaps related to parenthood were introduced in recent decades, evidence of its effects is still scarce. This paper presents comparable evidence on the adoption of family legislation in 15 Latin American countries and discusses its relationship with the evolution of the gender labor gaps and the prevailing gender norms. We document that from 2000 to 2019 almost all countries increased the weeks covered by family leaves. Following a similar approach to that of Olivetti and Petrongolo (2017), exploiting the variations over time and controlling for country and year-fixed effects, we find that the extension of maternity and paternity leaves has a positive effect on female employment and contributes to reduce employment gaps, in particular in those countries which departed from a worse situation in terms of family policies coverage and which have more traditional perceptions of gender roles. On the other hand, our results suggest that in countries with more gender egalitarian perceptions, the extension of family leaves contributes to reduce the income gaps.

Key words: maternity and paternity leaves, gender gaps, public policies

JEL Classification: J13, J16, H53

1 Introduction

The strong increase in female labor force participation (LFP) is among the most salient socioeconomic changes in Latin America in the last half-century. However, after decades of progress, there are signs of a significant deceleration in the entry of women into the labor markets since the 2000s and substantial gender gaps remain in most labor variables, such as wages, employment and labor force participation (Gasparini and Marchionni, 2015; Marchionni et al., 2018).¹ While the reduction in the disparities between men and women in education and experience have played an important role in the narrowing of the gender gaps in past decades, the human capital part of the wage difference has been squeezed out as women are now more educated than men and the experience gaps have largely reduced (Blau and Kahn, 2017). In this context, recent literature has provided evidence that the child penalty is one of the largest remaining explicative factors of the gender gap in both, developed countries (Berniell et al., 2020; Kleven et al., 2019; Angelov et al., 2016; Kuziemko et al., 2018) and in Latin America (Berniell et al., 2021a; Querejeta and Bucheli, 2021; Aguilar-Gomez et al., 2019).

Almost all high-income countries have a century of implementing parental leave policies and family benefits, with the multiple goals of gender equity, higher fertility and child development. They have also an extensive literature based both on cross-country and case studies that have evaluated its effects. On contrast, while most Latin American countries have now in place some form of family policies, evidence of its effects on the labor market is still scarce. This paper contributes to the understanding of the effects of Family Policies in Latin America by documenting the changes that took place in the leave schemes and formal childcare over the last decades and discussing the relationship with the evolution of labor market outcomes and perceptions on gender roles.

While for high-income countries the findings about the effectiveness of extending maternal and paternal leave entitlements in reducing gender gaps are not promising (Olivetti and Petrongolo, 2017; Kleven et al., 2021), different conclusions could be drawn from the Latin American experience due to the incipient expansion of family policies and the larger magnitudes of the gender gaps. Moreover, the Latin American context requires to consider the role played by the informality and weaker labor market institutions which could lead to different effects of policies to those found in high-income contexts.

Using comparable data from 15 Latin American countries, we start by documenting that from 2000 to 2019 almost all the countries have implemented reforms that increased the weeks

¹Latin America experienced the largest decline in gender employment gaps in the last three decades, yet the female labor force participation is still 9 pp below the average of Europe and Central Asia (ILO, 2019).

covered by maternal leave, paternal leave, or formal childcare. These policies were accompanied by decreasing trends in the gender gaps in employment and earnings in the labor market and also with more progressive perceptions relative to the role of women at home and the labor market. Then, following a similar approach to that of Olivetti and Petrongolo (2017), we analyze the effects of parental leave schemes and formal childcare on labor market outcomes and fertility, exploiting the variations over time and controlling for country and year fixed effects. As in their study, we consider as outcomes: female employment, gender gaps in earnings and in employment, and fertility rate. Additionally, given the relevance of informal employment in the Latin American context, we add this indicator to those included for high-income countries.

Our results show that there are relevant heterogeneities in place among countries which depart from different stages in the adoption of family policies in the initial period and according to prevailing gender attitudes. Leave policies play a stronger role in increasing female employment and reducing employment gaps for those countries with more limited initial coverage and with more traditional perceptions on gender roles. On the contrary, for those countries with more egalitarian perceptions on gender roles there are no significant effects on employment, but we find an effect of leave policies on reducing income gaps. These results show that the starting point is relevant, and suggest also a possible explanation for the strongest effect of the weeks covered by maternal and paternal leaves on female employment found for Latin America in comparison with European countries (Olivetti and Petrongolo, 2017), where the margins left for improvement are smaller. Moreover, for both traditional and egalitarian countries, increasing the number of weeks covered by family policies is positive and significant related with the fertility rate.

This paper contributes to a broad literature that analyzes the effects of different family policies on gender inequalities in the labor market and demographic outcomes. This literature has been mainly based on impact evaluation methodologies that exploit the exogenous variation caused by policy changes. Although the results are not conclusive, the evidence warns about some undesired effects of long maternity leave policies in penalizing the female employment and wages (Kleven et al., 2021; Baker and Milligan, 2008). Regarding cross-sectional studies, for high-income countries, a strand of literature involving mainly European countries has shown that maternal leave entitlements have a positive effect on female labor force participation but with an inverted U-shape relationship. That is, while positive for short-period leaves, for long-period maternity leaves, the effect on labor force participation turns negative (Del Rey et al., 2021; Olivetti and Petrongolo, 2017; Thévenon and Solaz, 2013; Ruhm, 1996).

On the other hand, the evidence on the effects of the paternal leave is less conclusive. Using data from the European Labour Force Survey, Bacheron (2021) shows that the paternal

leave entitled in Europe increased mother's employment by 17% in the long run, but there are substantial heterogeneities across countries, due in part to the lower take-up. Moreover, Farré and González (2019) show that the introduction of two weeks of paid paternity leave in Spain led to delays in subsequent fertility. On the other hand, Farré et al. (2022) provide causal evidence that the introduction of this paternity leave policy has the power to change gender norms for the next generation. They find that at age 12, children whose fathers were eligible for paternity leave exhibit more egalitarian attitudes towards gender roles, are more supportive of mothers and fathers being equally engaged in the labor market and in the home, and engage more in counter-stereotypical day-to-day behaviors. Moreover, Unterhofer and Wrohlich (2017) show that the introduction of father's quota in Germany had indirect effects on non-treated individuals through social interaction and can thus meet the goal of changing attitudes towards gender roles in a society as a whole.

Summing up, the evidence for high-income countries suggests that favoring family policies that promote changes in traditional gender roles and female attachment to the labor market might be more efficient for reducing the gender wage gaps than simply extending the maternity leave. Also, although there are some exceptions, cross-country studies tend to find more positive effects on female outcomes than micro-level studies for relative short leave duration and more negative effects for long period leaves (Olivetti and Petrongolo, 2017).

For developing contexts, and in particular for Latin America, the evidence regarding the effect of family policies on the labor market is mostly based on evaluations of leave entitles extensions. Machado and Pinho Neto (2018) showed that extending the maternal leave in Brazil has no effect on the formal margin of employment, and it leads to adverse re-distributive effects. In the same line, Uribe et al. (2019) found that the extension in maternity leave period from 12 to 14 weeks in Colombia increases the probability of unemployment, informality and self-employment and decreases wages of women compared with men. Etcheverry (2020) studied a parental leave scheme implemented in Uruguay in 2014 that allows parents to work half-time while receiving full-time pay for four months after maternity leave ends, and found an increase in female labor force participation without negative effects on income.

This paper also relates to the large body of literature studying the effects of childcare services on mothers' labor outcomes. Previous evidence about the effectiveness of these policies is not conclusive and depends on the specific context (see Cattan (2016); Morrisey (2017) for a review). There is broad evidence of the importance of childcare services on maternal employment (Berlinski and Galiani, 2007; Baker et al., 2008; Lefebvre et al., 2009; Haan and Wrohlich, 2011; Nollenberger and Rodríguez-Planas, 2015; Boussein, 2021) but also evidence of modest or even null average effects (Blau and Currie, 2006; Givord and Marbot, 2015).

Moreover, some studies find positive effects only on some specific population subgroups such as lone mothers (Goux and Maurin, 2010; Fitzpatrick, 2012), less educated mothers (Lefebvre et al., 2009), or mothers out of the labor market (CEPAL, 2018). Evidence for developing countries is scarcer, but shows consistent positive effects of the availability of childcare services on mothers' employment. That is the case for evidence studying Latin American experiences, suggesting that limited childcare challenges women's labor opportunities (Berlinski and Galiani, 2007; Mateo-Diaz and Rodriguez-Chamussy, 2161; Martínez A. and Perticará, 2017).

In sum, most of existing work for Latin America is based on case studies, and the evidence is not conclusive about the effects of maternal and paternal leave on labor market outcomes. To the best of our knowledge, this is the first cross-country study to provide comparable evidence on the evolution of various family policies and its effects on labor market outcomes and fertility in Latin American countries. Moreover, we contribute to this literature by discussing the relationship between these policies and the evolution of different gender gaps in the labor market as well as the prevailing gender norms.

The rest of this paper is organized as follows. In the next section we present the data and indicators used in this study. Section 3 compares the family policies in place for the 15 Latin American countries considered in this study and discusses the evolution of labor market outcomes and perceptions on gender traditional norms. Section 4 analyzes the effect of family legislation and gender norms on the evolution of the gender gaps on labor market outcomes and fertility. Lastly, Section 5 concludes.

2 Data

This paper combines data from different sources containing information on family-policies, gender gaps in labor market outcomes, and gender norms for 15 Latin American countries between the years 2000 and 2019: Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Mexico, Nicaragua, Panama, Paraguay, Peru and Uruguay. In this section we provide a brief description and source of each indicator used in this paper.

Family Policies. We consider the weeks of paid maternal, paternal and parental leave, and preschool attendance. Information on leave duration was taken from the WORLD Policy Analysis Center and McGill University's PROSPERED Policy Databases from 2000 until 2016, and from IPC-IG and UNICEF (2020) for more recent data. Preschool attendance is defined as the ratio between total preschool matriculation and total population among 3 and 5 years old. This information was taken from ECLAC statistics.

Women’s outcomes. We consider four indicators to describe labor market outcomes. First, the female employment rate, defined as the proportion of women aged between 25 and 64 that are employed. Second, the informality rate, defined as the proportion of workers between 25 and 64, in wage-earning jobs with no right to a pension when retiring, self-employers or unpaid workers. Third, the employment gender gap, defined as the difference between the male employment rate and the female employment rate in percentage points. Fourth, the income gender gap, defined as the ratio between male and female mean monthly labor income, for individuals between 25 and 64 years old with positive income and hours worked. Thus, both employment and income gender gaps are computed so that higher values indicate higher gender inequality. Labor indicators are analyzed for the total population as well as by parenthood status. Lastly, we also consider the total fertility rate, defined as the average number of children that a hypothetical cohort of women would have at the end of the reproductive period (15 to 49 years old) subject to the age-specific fertility rates during the whole life (not subject to mortality). Data of employment, labor income and informality rates are from CEDLAS (2021) and data of fertility rates was taken from ECLAC.

Gender norms. We use information collected by the World Values Survey about the level of agreement with four statements: (i) "If a woman earns more money than her husband it's almost sure to cause problems"; (ii) "Preschool child suffers with working mother"; (iii) "Being a housewife just as fulfilling as working for pay"; and (iv) "If jobs are scarce men should have more right to a job than women". Using these data we construct binary variables taking the value of 1 when the respondent agrees or strongly agrees with each statement, which reflects traditional gender norms. Thus, higher values of these indicators represent more traditional perceptions regarding gender roles.²

Data is reported in five-years period: 2000-2004, 2005-2009, 2010-2014 and 2015-2019. We compute the maximum value for each indicator in the corresponding period for the case of family-policies, and the average for women’s outcomes. The data coming from the World Value Survey combines surveys completed in different years for waves 1990-1992, 1995-1998, 2000-2004, 2005-2008, 2010-2014 and 2017-2020.

²See Inglehart et al. (2020) for more details on WVS data.

3 Evolution of Family Policies and Gender Gaps

3.1 Family-Friendly Policies

All Latin American countries have in place some form of family policies. Table 1 shows the state-of-the-art in terms of maternal, paternal and parental leaves, as well as preschool attendance for the 15 countries considered in this study.

An important characteristic of leave policies is that coverage is limited to formal workers. That is, workers that contribute to the social security system for their job. In the next section we present evidence on the evolution of informality rates in Latin America and we will argue this is an important aspect to consider when comparing to developed countries.

In terms of maternal leave, column (1) in Table 1 shows that most countries have at least 14 weeks of paid leave for mothers, following ILO Maternity Protection Convention of the year 2000 (No. 183). Moreover, in Chile, Paraguay, and Colombia mothers are entitled to 18 or more weeks of paid leave following ILO Maternity Protection Recommendation (No. 191). The lowest maternal leave is of 12 weeks in Ecuador, Guatemala, and Nicaragua, and the highest of 24 weeks in Chile. Interestingly, for all countries the payment rate for the maternity benefit is 100% of previous earnings. In most of the cases the payment of the benefit is in charge of the social security system of the country, with the exception of Costa Rica (employer pays 50% of the benefit), Nicaragua (40%), and Ecuador (25%) (IPC-IG and UNICEF, 2020).

Leaves entitlements for fathers are in general less generous and there is no international convention nor recommendations in this regard. As shown in column (2) Costa Rica does not have such benefits for fathers. Then, the lowest paternal leave is of 2-3 days in Argentina, Guatemala, and Panama, and the highest of 15 days, in Ecuador and Paraguay. As with the maternity leave, for all countries the payment rate of the paternity leave is 100% of previous earnings, but paid mostly by the employer.

Finally, column (3) provides details on parental leave and shows that only three countries have that kind of entitlements: Chile (12 weeks), Uruguay (14), and Ecuador (39). If both mother and father are formal workers, they can choose who is entitled for the benefit. Contrary to what happens for some developed countries, these parental leaves in Latin America do not have quotas reserved to be used only by fathers.³ Despite the intention of the policy to promote shared parental leaves and care responsibilities, the take-up is mostly by mothers.⁴ The payment

³Some examples of countries that have introduced daddy-quotas are Island, Norway and Sweden (3 months). Also countries such as Austria have implemented extended parental leaves if the usage is shared between father and mother. Those countries have been more efficient in achieving a greater share of parental leave between fathers and mothers (Salvador, 2013).

⁴In countries where parents can choose who is entitled for the benefit, usually only few fathers make use of

is covered by the social security system of each country (with the exception of Ecuador’s benefit that is unpaid). In this context, it is evident that these family policies in Latin America fail to promote care co-responsibility among genders due to insufficient paternal leave and lack of parental leave in most countries. Despite great progress, leave benefits continue to focus on mothers explicitly assigning them the caring responsibilities.

Finally, column (4) in the table shows the percentage of preschool attendance. On average, 69% of children between 3 and 5 attend school. However variation is considerable, with a minimum of 43.8% in Paraguay and almost universalization in Peru and Uruguay.

Table 1: Cross-country Variation in Family-Friendly Policies

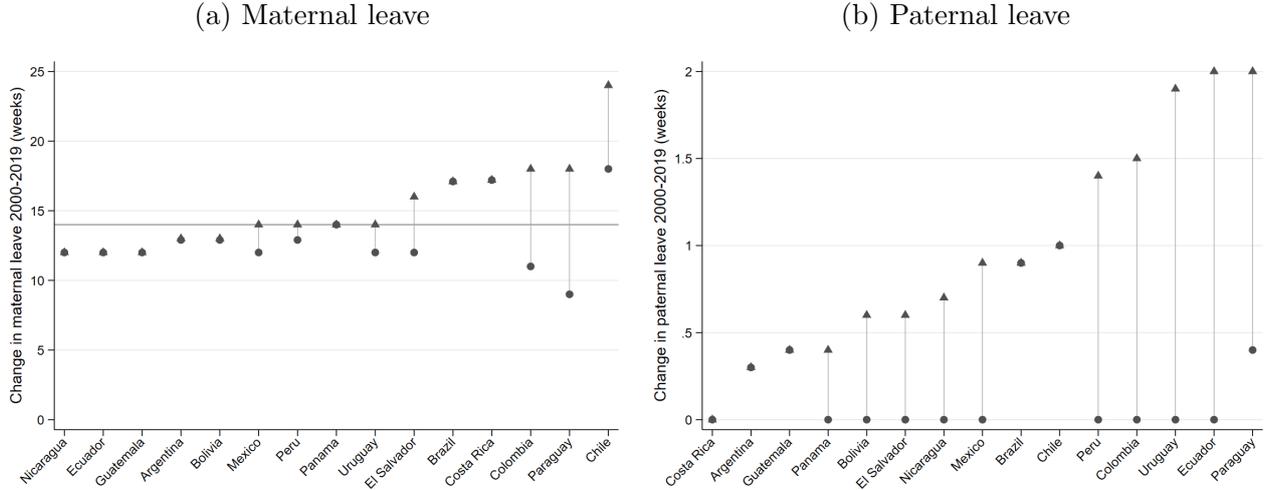
	Maternal leave (1)	Paternal leave (2)	Parental leave (3)	% Preschool attendance (4)
Argentina	13	.3	0	75.4
Bolivia	13	.6	0	73
Brazil	17.1	.9	0	.
Chile	24	1	12	82.2
Colombia	18	1.5	0	78.5
Costa Rica	17.2	0	0	86.3
Ecuador	12	2	39.1	70.6
El Salvador	16	.6	0	65.6
Guatemala	12	.4	0	48.1
Mexico	14	.9	0	72.7
Nicaragua	12	.7	0	.
Panama	14	.4	0	58
Paraguay	18	2	0	43.8
Peru	14	1.4	0	98.1
Uruguay	14	1.9	14	94.1

Notes: The Table shows the maximum number of weeks of maternal (1), paternal (2), and parental leave (3) for the period 2015-2019 based on data of the WORLD Policy Analysis Center and IPC-IG and UNICEF (2020). Column (4) shows the maximum ratio between total preschool matriculation and total population among 3 and 5 years old for the period 2015-2019 taken from ECLAC.

When analyzing the evolution over time, we observe that Latin American countries increased leave entitlements in the last two decades as happened in the rest of the world. Figure 1 shows the changes in the weeks of maternal and paternal leave between 2000 and 2019. Panel (a) of the Figure evidences the effort of many countries to reach the ILO recommendation of 14 weeks of maternal leave. However, only 7 out of 15 countries increased the benefit over the last two decades. On the other hand, Panel (b) shows that more countries increased paternal leave benefits in that period (10 out of 15). Still, the entitlements for fathers are modest compared to that for mothers.

it. That is the case of Uruguay where fathers represented only 2% of parental leave beneficiaries in 2018.

Figure 1: Changes in weeks of maternal and paternal leave, 2000 to 2019.



Notes: The Figures show the changes in weeks of maternal and paternal leave policies from the period 2000-2004 to 2015-2019 based on data of the WORLD Policy Analysis Center and IPC-IG and UNICEF (2020).

A comparison of Latin American leave policies with those of OECD countries shows no great disparities in the average duration of maternal leave (15 and 19 weeks respectively), but higher differences in parental leave. While OECD countries have on average 35.8 weeks of paid parental and home care leave available to mothers and 6.7 of paid parental and home care leave reserved for fathers, in Latin America the average parental leave is 4.3 weeks.⁵ It is worth noting that the longer OECD's leave policies are related with lower payment rates compared to those in Latin America.

Moreover, as mentioned before, in the context of developing countries, the coverage of these policies depends not only on their duration and payment rate but also on employment and formality rates, as these are policies entitled to those employed in formal jobs. Therefore, in the next section we analyze the evolution of the employment and formality rates, which indicates the proportion of men and women that are benefited by these maternity and paternity leaves.

3.2 Women's outcomes

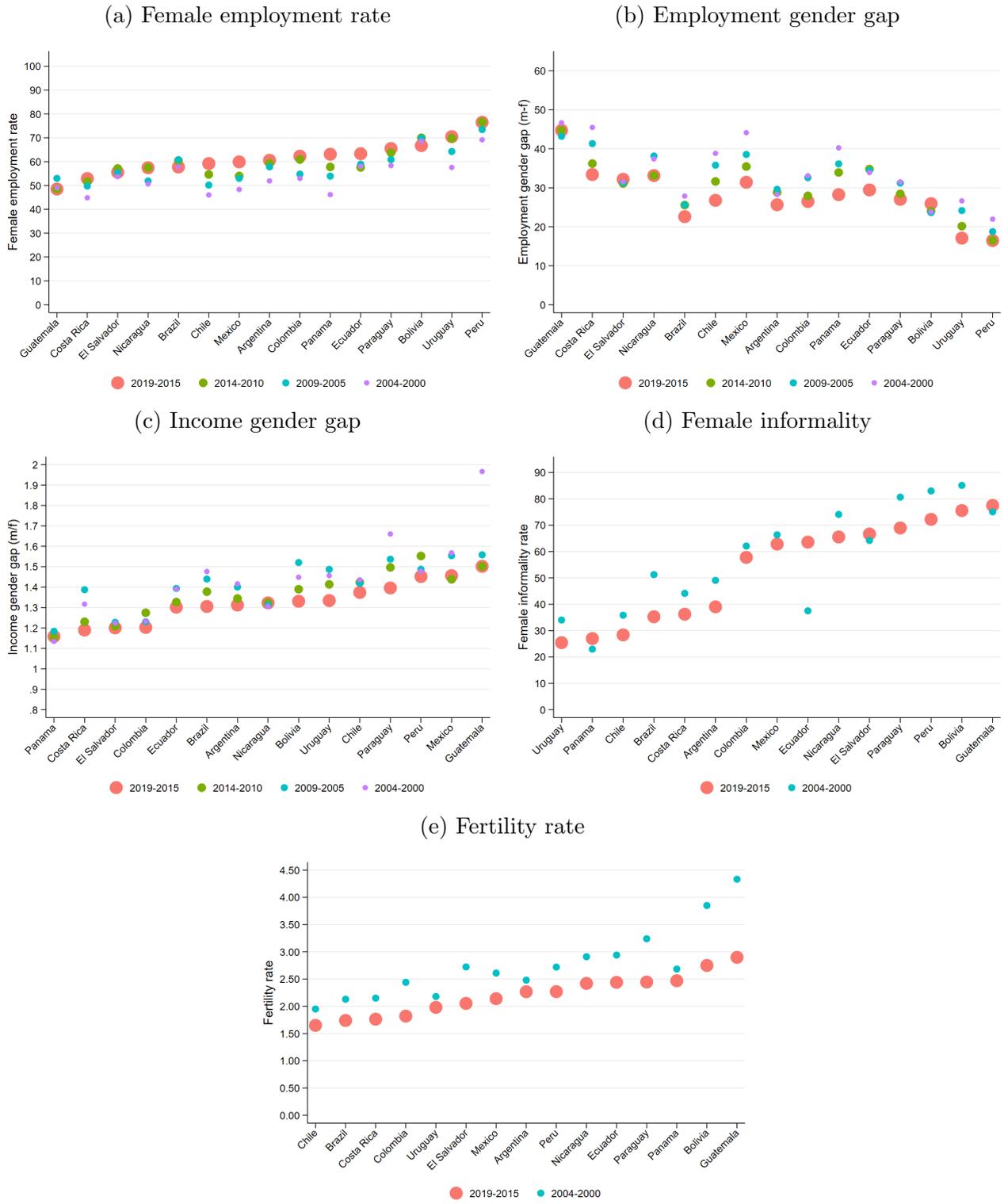
Figure 2 shows the evolution of gender labor market and fertility outcomes in Latin America between 2000 and 2019 for countries ranked in ascending order of each indicator in the last period. Panel (a) evidences that in most countries female employment rates increased substantially, with an average of 7.1 percentage points (pp). Variation is considerable, from a decrease in female employment of -1.9 pp in Bolivia to a maximum increase of 16.9 in Panama. Con-

⁵OECD leave policies information based on OECD Family Database.

sidering the period 2015-2019 the average female employment rate is 61.3% with a standard deviation of 6.9 pp. Consistently, the employment gender gap decreased over this period, as shown in panel (b). Most of the countries experienced a reduction in gender gaps with an average of -6.1 pp. The exceptions are Bolivia and El Salvador that slightly increased gender gaps. For the most recent period the average employment gender gap is 28.04 pp with a standard deviation of 6.9 pp. These trends were evidenced previously by Marchionni et al. (2018) who show the strong increase in female labor force participation and decrease in gender labor gaps in Latin America. However, the authors also evidence a stagnation in the gender gaps reduction since the 2000s and point to public policies as key elements to promote further progress in the region.

Panel (c) evidences that in most countries the income gender gaps measured as the ratio between men and women earnings has decreased over the analyzed period. From a starting point of 1.43 in 2000-2004, in the most recent period men earnings are 32% higher than those of women.

Figure 2: Evolution of women's outcomes, 2000s to 2019s



Notes: Figures show the employment rate for women aged between 25 and 64 (panel a); employment gender gap (panel b) defined as the difference between male employment rate and female employment rate in percentage points; income gender gap (panel c) defined as the ratio between male and female mean monthly labor income, for people between 25 and 64 years or older with positive income and hours worked; female informality rates (panel d) measured as the proportion of workers between 25 and 64 years old, in salaried jobs with no right to a pension when retired, self-employers or unpaid workers. For Guatemala and Nicaragua most recent information corresponds to the average for the period 2010-2014; and fertility rates (panel e) defined as the average number of children a hypothetical cohort of women would have at the end of the reproductive period (15 to 49 years old) if subject to the age-specific fertility rates during the whole life and if not subject to mortality. Labor data from GenLAC (CEDLAS) and fertility rates from ECLAC.

Panel (d) shows that in most countries female informality rates decreased substantially from a starting point of 57.7% in 2000-2004 to 53.5% in 2015-2019 (-4.2 pp).⁶ As pointed out before, employment and informality rates are key factors in determining the coverage of leave policies. Compared to developed countries, Latin America faces lower female employment rates and, more importantly, it is characterized by having labor markets with a large informal sector not covered by leave policies. In this scenario, the relation between gender gaps and family policies is driven by two different forces. On the one hand, as leave policies are part of the social security protection to formal employees, then the higher the informality rate the less likely are policies to actually influence labor behavior on the aggregate. On the other hand, if generous enough, leave policies could also be an incentive to formalization. These relationships are discussed more deeply in Section 4.

Lastly, panel (e) evidences that most countries reduced the total fertility rate in the analyzed period by -0.55 on average. For the most recent period the average fertility rate is 2.2 with a standard deviation of 0.37. This is consistent with the stage of the demographic transition in which almost all Latin American countries are situated, where a reduction in the growth rate of their population is observed. However, there are some differences among them, and while countries such as Chile, Brazil, Costa Rica, and Uruguay have had low fertility rates for some years now, in Bolivia and Guatemala this phenomenon is more recent.

3.3 Heterogeneities by parental status

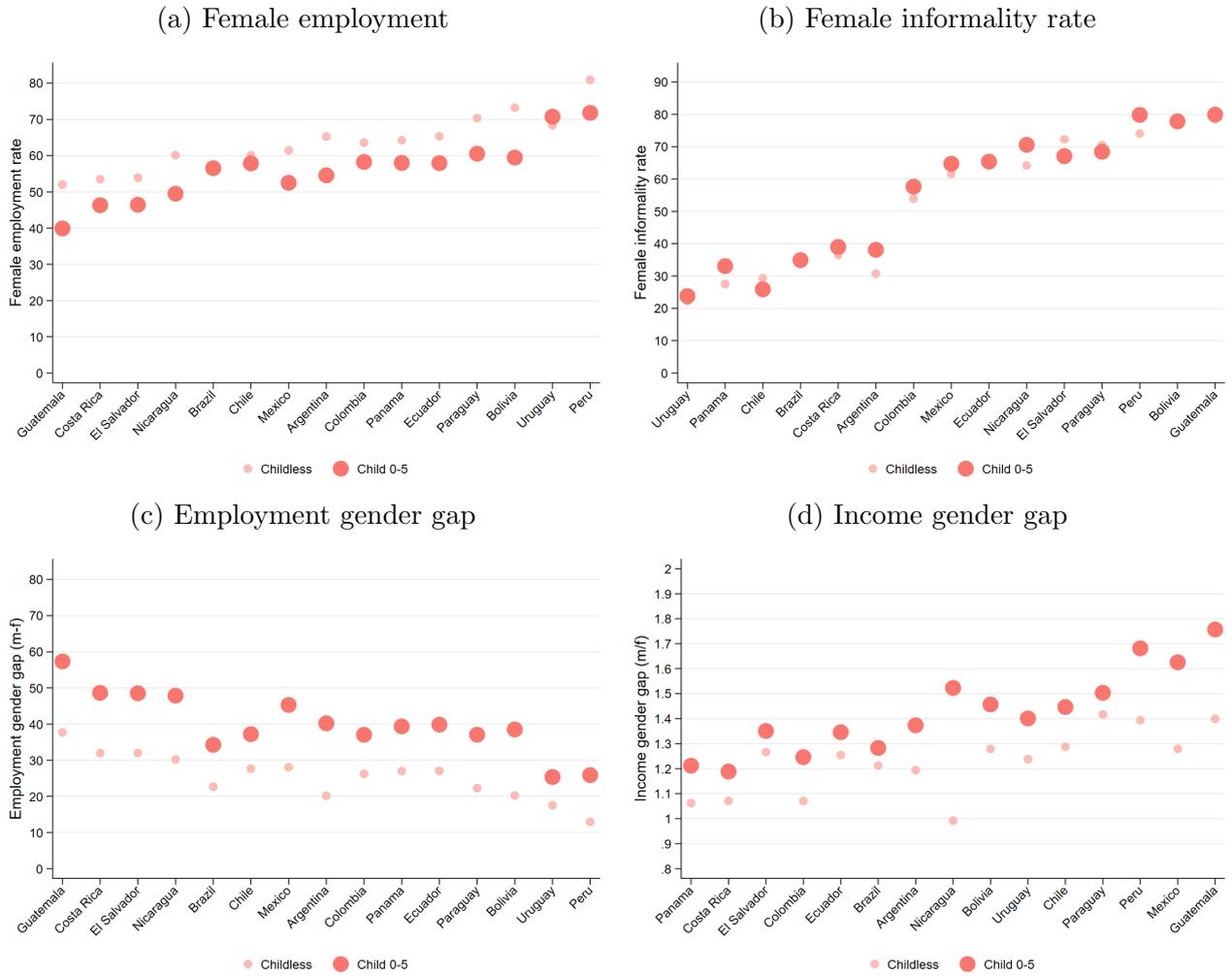
The analysis of employment behavior by parenthood status shows interesting heterogeneities. As shown in Figure 3 female employment (panel a) are systematically lower among individuals with children between 0 and 5 years old compared to childless individuals. Consistently, gender gaps in employment rate (panel c) and income (panel d) are higher for individuals with young children. That is, childless women face lower employment rates and income compared to childless men, and these gender gaps widen sharply in the presence of children.

On the other hand, female informality rates present a less clear pattern (panel b). While informality rate is slightly higher for mothers compared to childless women, gendered patterns are not systematic. In 5 out of the 15 countries the informality rate is higher among women with young children compared to childless women.⁷

⁶Similar patterns are evidenced for men, who decreased informality rates from 53.7% to 50.1% in the same period. Still in 11 out of 15 countries, female informality rate is higher than that of males.

⁷Employment gender gap is 38.2 among individuals with children between 0 and 5 years old and 24.3 among childless individuals. Income gender gap is 1.39 and 1.23; and female informality rate is 55.1 and 53.3 respectively.

Figure 3: Women’s outcomes by motherhood status, average 2015-2019



Notes: Figures show the female employment rate defined as the proportion of women aged between 25 and 64 that are employed (panel a); informality rate defined as the proportion of workers between 25 and 64, in salaried jobs with no right to a pension when retired, self-employers or unpaid workers (panel b); employment gender gap defined as the difference between male employment rate and female employment rate in percentage points (panel c); income gender gap defined as the ratio between male and female mean monthly labor income, for people between 25 and 64 years of age with positive income and hours worked (panel d). For Guatemala and Nicaragua most recent information corresponds to the average for the period 2010-2014. All statistics computed separately for individuals with children between 0 and 5 years old and childless individuals. Data from GenLAC (CEDLAS).

3.4 Gender Norms

Gender norms refer to the patterns of behavior appropriate for and expected of each gender within a social community (Bittman et al., 2003; Pearse and Connell, 2016). By shaping preferences and decisions, these norms have been shown to have large effects on economic outcomes of men and women, which may have long-last consequences (Bertrand, 2020). In fact, evidence for developed countries shows that more anti-egalitarian views are negative related

with female employment rates. Although these views seem to turn more progressive for younger generations, norms on the role of women as homemakers are among the most persistent over time (Fortin, 2005). Additionally, the introduction of parental leave rights and family related subsidies has often been accompanied by or has followed changes in gender norms (Farré et al., 2022; Olivetti and Petrongolo, 2017; Unterhofer and Wrohlich, 2017). In this section we analyze the prevalence and evolution of gender norms related to motherhood and employment in Latin America.

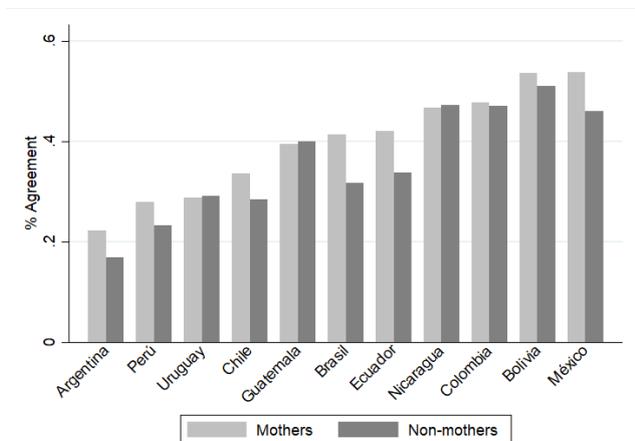
Figure A.1 shows the level of agreement with four statements relative to gender roles at home and in the labor market. The statements with higher level of agreement are “Being a housewife is just as fulfilling as working for pay” (panel c) and “Preschool child suffers with working mother” (panel b) with 57.5% and 52.3% of agreement respectively. Then, on average, 37.2% agree with the statement that “If a woman earns more money than her husband it’s almost sure to cause problems” (panel a) and 24.0% with “If jobs are scarce men should have more right to a job than women” (panel d). Beyond the averages, there is great heterogeneity among Latin American countries. We observe that Argentina is among the countries with most progressive views on gender roles for each statement, and the opposite occurs for Bolivia, which holds the most traditional perceptions. Moreover, when we compare across population groups, we observe that for most countries women, and in particular mothers, have a higher level of agreement with the statement that “If a woman earns more money than her husband it’s almost sure to cause problems” and “Preschool child suffers with working mother”. On the contrary, they are less likely to agree that “If jobs are scarce men should have more right to a job than women”. These patterns are also observed in Figure 5 where the level of agreement of fathers and mothers is compared.

These results are in line with the findings of Kuziemko et al. (2018), who using an event-study framework, show that attitudes on gender roles become more conservative once a woman has a child. They suggest that this change in attitudes is mostly explained by women underestimating the impact of motherhood on work-family balance before becoming mothers.

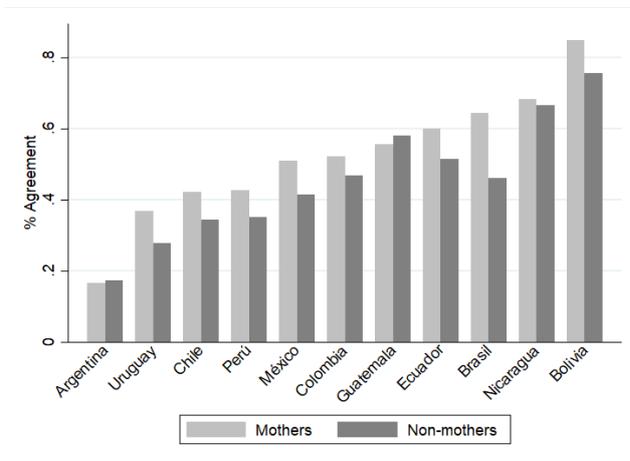
Figures 4 and A.2 in the Appendix show the prevalence of gender norms among mothers and according to level of education. Mothers have higher levels of agreement with the analyzed statements compared to non-mothers. That is, gender norms are more relevant among mothers. Additionally, more educated people seem to have more progressive perceptions about gender roles.

Figure 4: Perceptions on gender norms relative to women’s role for mothers and non-mothers

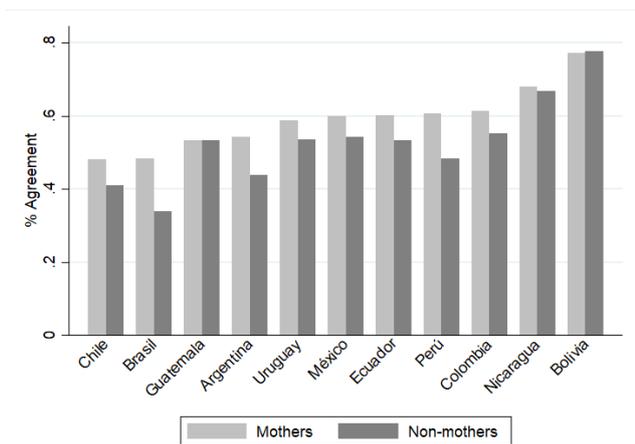
(a) “If a woman earns more money than her husband it’s almost sure to cause problems”



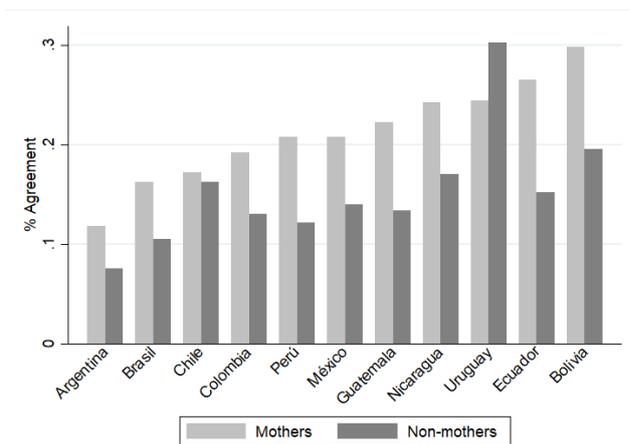
(b) “Preschool child suffers with working mother”



(c) “Being a housewife just as fulfilling as working for pay”



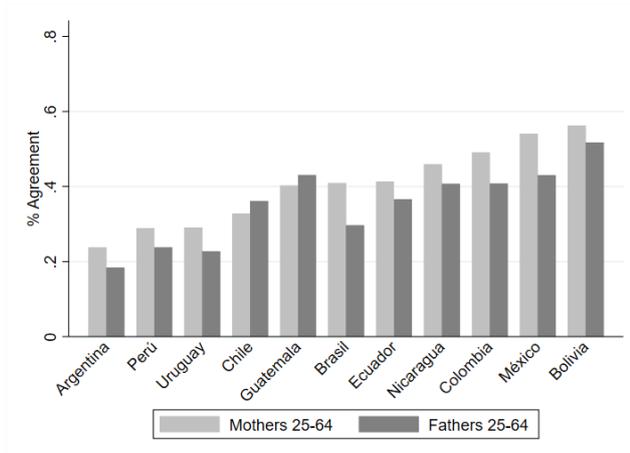
(d) “If jobs are scarce men should have more right to a job than women”



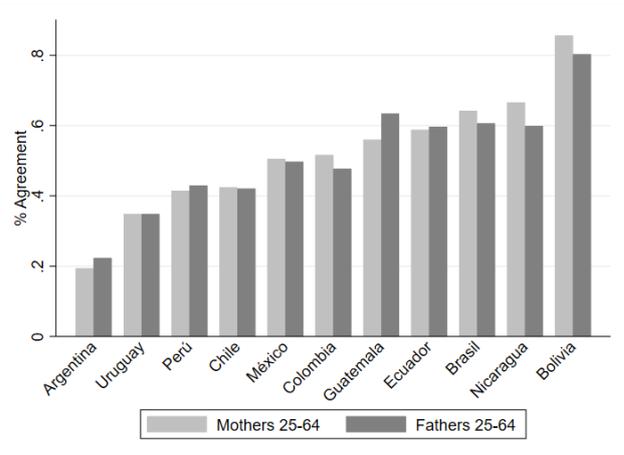
Notes: Data refers to the last wave available, which for most of the countries is 2017-2020 except for Uruguay for which we use wave 2010-2014. **Source:** World Value Survey.

Figure 5: Perceptions on gender norms relative to women’s role

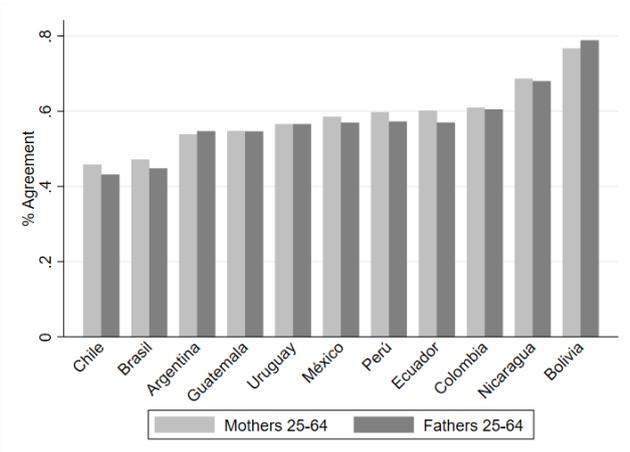
(a) “If a woman earns more money than her husband it’s almost sure to cause problems”



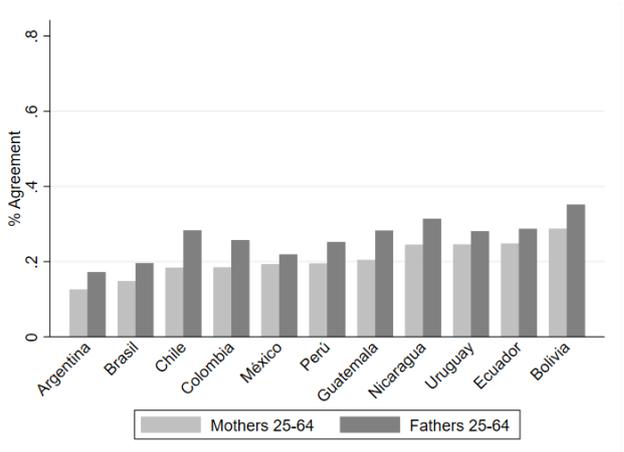
(b) “Preschool child suffers with working mother”



(c) “Being a housewife just as fulfilling as working for pay”



(d) “If jobs are scarce men should have more right to a job than women”



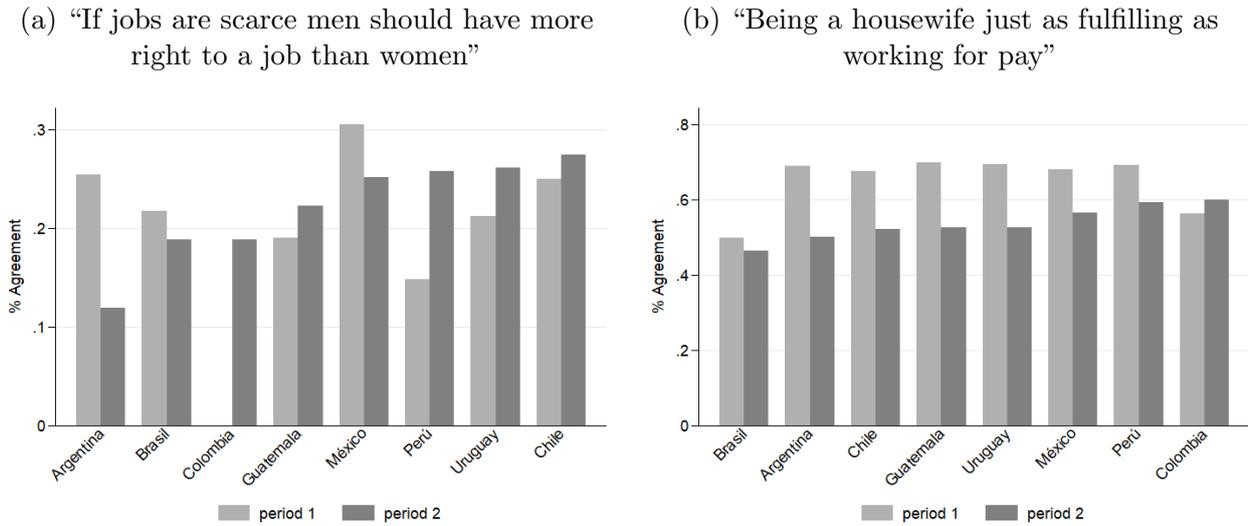
Notes: Data refers to the last wave available, which for most of the countries is 2017-2020 except for Uruguay for which we use wave 2010-2014. Data drawn from World Value Survey.

Lastly, Figure 6 shows the evolution on the level of agreement with two of those statements for which we have comparable evidence over time. Consistent with the findings of Fortin (2005), gender norms seems to have improved and became more progressive during the last two decades. In particular, the agreement with the statement “Being a housewife just as fulfilling as working for pay” (panel b) decreases in all the countries except for Colombia, where it slightly increases. On average the agreement with this traditional gender norms decreases by 11.2 pp in the analyzed period. On the contrary, the agreement with the statement “If jobs are scarce men should have more right to a job than women” (panel a) decreased in Argentina, Brazil and Mexico, while it increased in Guatemala, Peru, Uruguay and Chile.

Overall, the evidence suggests substantial heterogeneity in perceptions on gender norms

among Latin American countries but still three main conclusions hold: (i) mothers have more conservative perceptions about gender roles compared to non-mothers; (ii) more educated women hold more progressive opinions, and (iii) gender norms seem to turn more progressive for younger generations.

Figure 6: Evolution of agreement with gender norms



Notes: Period 1 refers to years 1999-2004. In the countries not included in this wave, we use instead period 2005-2009. Period 2 refers to 2017-2020, except for the countries not included in this wave where we use instead 2010-2014. Data drawn from World Value Survey.

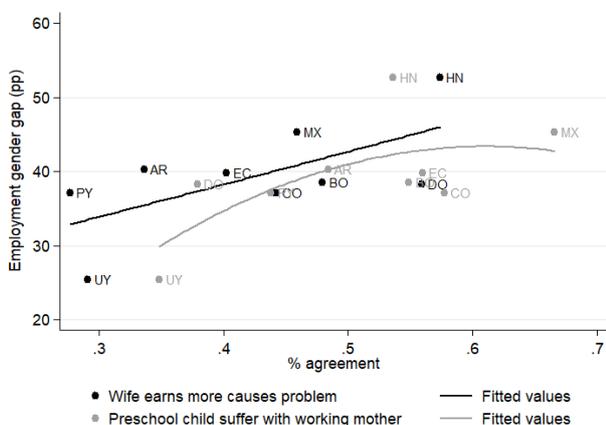
Then we turn to analyze the relationship between perceptions on gender roles, as measured in the WVS, and labor market outcomes as well as with maternity and paternity leave. Figure 7 Panel (a) shows that there is a positive correlation between the level of agreement with traditional gender norms and the employment gender gaps. That is, those countries in which the level of agreement with the statements that “wife earns more causes problem” and that “preschool children suffer with working mother” is higher are also those countries that exhibit larger gender gaps in employment. This result is in line with previous findings by Berniell et al. (2021b), who using data from *Latinbarómetro*, show that there is a positive correlation with female employment and the level of disagreement with the statement that “women should only work if partner does not earn enough”. On the other hand, the correlation between these statements and the earnings gaps is less conclusive (Panel b).

In Figure 8 we provide evidence on the correlation between family leaves and perceptions on gender norms. We find that while there is no clear relationship between maternal leave and gender perceptions (Panel a), there is a negative correlation between paternal leave and traditional gender attitudes (Panel b). In particular, those countries where the level of agreement

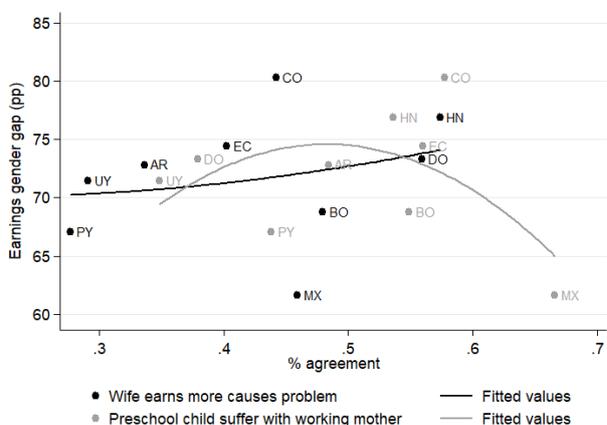
with the statement that “if the wife earns more than her husband causes problem” is lower, are also in which paternity leave policies were implemented. This result suggest that policies that are intended to promote father involvement in care work are more likely to be adopted in more progressive countries or alternatively, as evidenced for developed countries, that these policies contribute to more progressive gender norms. Then, while this is only descriptive evidence, these results are in line with previous findings by Unterhofer and Wrohlich (2017) for Germany and Farré et al. (2022) for Spain, who provide causal evidence that paternity leave policies led to more progressive gender attitudes of previous and subsequent generations respectively.

Figure 7: Perceptions on gender norms and labor market outcomes

(a) Employment gap

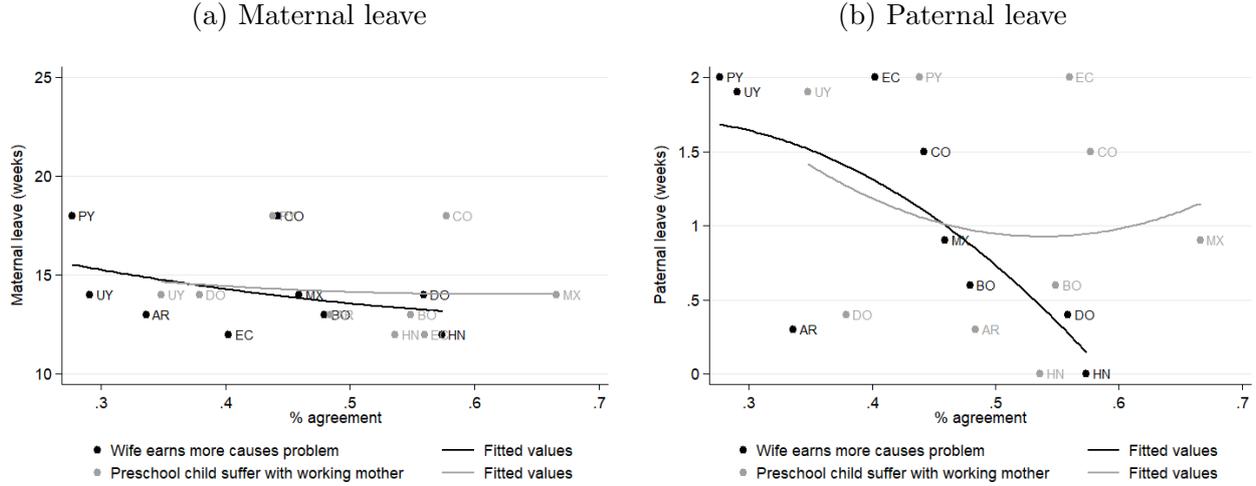


(b) Earnings gap



Notes: Data on norms refers to the last wave available, which for most of the countries is 2017-2020 except for Uruguay for which we use wave 2010-2014. Data drawn from World Value Survey.

Figure 8: Perceptions on gender norms and labor market outcomes



Notes: Data on norms refers to the last wave available, which for most of the countries is 2017-2020 except for Uruguay for which we use wave 2010-2014. Data drawn from World Value Survey.

4 Family-Friendly Policies and Gender Gaps

In this section we analyze the relationship between family legislation in 15 Latin American countries and the evolution of the gender gaps on labor market and fertility outcomes. Due to the nature of family policies and the gendered patterns pictured in section 3, the analysis focuses on individuals with children aged 0 to 5 years old, which are those mostly affected by these policies.

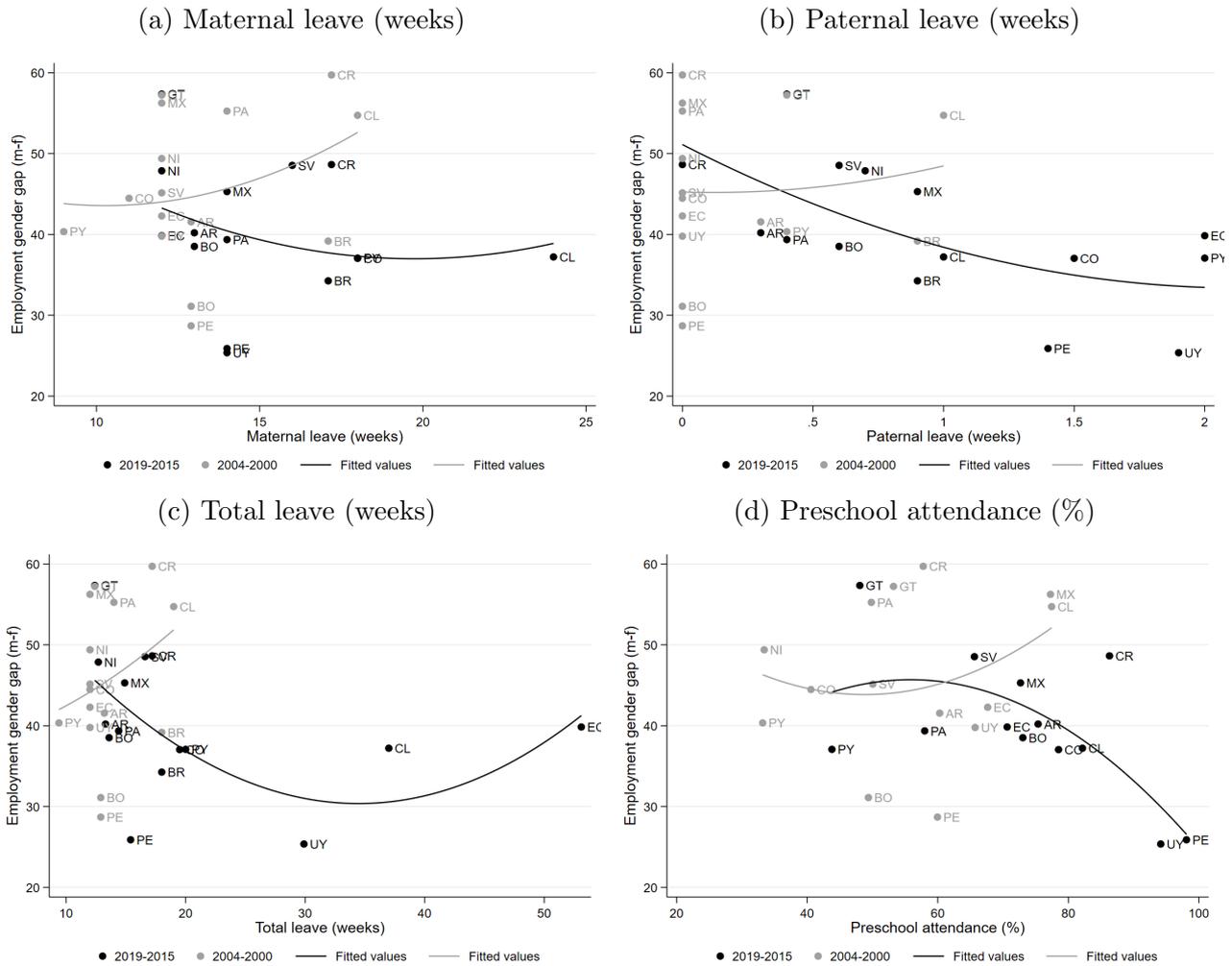
It is worth noting that not all the family policies analyzed in this paper are targeted to the same population. The maternal, paternal and parental leaves are directed to parents of just-born children. On the contrary, preschool is for children aged 3-5. Therefore, these policies are complementary rather than alternatives, and this should be considered when analyzing their relationship to labor market outcomes.

4.1 Female outcomes and family-friendly policies

Figure 9 shows the correlation between Family-Friendly Policies and women's outcomes comparing the periods 2000-2004 and 2015-2019. We find that the association between family-policies and lower employment gaps is weak in the first period. However, it becomes stronger in the most recent period. While the relationship between employment gender gap and maternal leave is not clear, paternal leave and preschool attendance policies have a stronger relation in reducing the gender gap. The higher the paternal leave and the preschool attendance, the lower the

employment gender gap. When considering the total weeks of family leave (maternal, paternal and parental) the U-shape relationship first noted by Ruhm (1996) becomes evident: positive effect on employment gender gaps are clear for short-period leaves, while for long-period family leaves the effect on employment gaps turns negative.

Figure 9: Employment Gender Gap and Family Policies, individuals with children between 0 and 5.



Notes: Figures show the changes in employment gender gap according to changes in weeks of maternal leave (a); weeks of paternal leave (b); total weeks of maternal, paternal, and parental leave (c) and preschool attendance (d). Employment gender gap defined as the difference between male employment rate and female employment rate in percentage points for people between 25 and 64 years. Data of employment from GenLAC (CEDLAS), of family leaves from the WORLD Policy Analysis Center and IPC-IG and UNICEF (2020), and data of preschool attendance from ECLAC.

Then, following Olivetti and Petrongolo (2017) we analyze the effects of family policies on women’s outcomes exploiting their evolution over time, and controlling for country and period fixed-effects. We consider as outcomes: female employment rate, female informality rate, gender

gap in employment, income gender gap, and fertility rate. We focus on labor indicators for individuals with children between 0 and 5 years old. Instead of including the maternal, paternal, and parental leave separately, we consider the maximum job-protected leave and its square.⁸

The results of those regressions are reported in Table 2. Although the signs are as expected: the extension of the maternity, paternity and parental leaves is positive related with female employment, and negatively related with informality and employment and income gaps, the estimated coefficients are not statistically significant.

Table 2: Regression Results Family-Friendly Policies and Women’s Outcomes, years 2000-2019

	Employment	Informality	Employment gap	Income gap	Fertility
Max weeks	0.770 (0.487)	-0.661 (0.501)	-0.690 (0.519)	-0.003 (0.010)	0.018 (0.023)
Max weeks sq	-0.010 (0.007)	0.014 (0.009)	0.009 (0.008)	0.000 (0.000)	-0.000 (0.000)
Preschool	-0.048 (0.077)	-0.216 (0.128)	0.041 (0.078)	0.001 (0.001)	0.003 (0.003)
Constant	43.561*** (6.195)	77.760*** (6.309)	50.881*** (6.138)	1.454*** (0.099)	2.411*** (0.290)
Obs.	56	54	56	56	57
N. countries	15	15	15	15	15
R-squared	0.910	0.962	0.900	0.844	0.943
Mean	53.20	57.54	42.97	1.46	2.47

Notes: Table shows the regression results for the following outcomes: (1) female employment rate defined as the proportion of women aged between 25 and 64 that are employed. (2) informality rate defined as the proportion of workers between 25 and 64, in salaried jobs with no right to a pension when retired, self-employers or unpaid workers. (3) employment gender gap defined as the difference between male employment rate and female employment rate in percentage points. (4) income gender gap defined as the ratio between male and female mean monthly labor income, for people between 25 and 64 years of age with positive income and hours worked. (5) fertility rate defined as the average number of children a hypothetical cohort of women would have at the end of the reproductive period (15 to 49 years old) if subject to the age-specific fertility rates during the whole life and if not subject to mortality. Labor data for individuals with children between 0 and 5 years old from GenLAC (CEDLAS) and fertility rates from ECLAC. All specifications include country and year fixed effects. Robust standard error in parentheses. Significance level at ***1%, **5%, *10%.

4.2 Heterogeneous effects by initial context of policies coverage

Then we analyze potential heterogeneous effects by the initial level of countries’ policy coverage and the level of informality in each labor market. As previously stated, this is a relevant aspect when analyzing the role of leave policies in developing countries as only to those workers employed in formal jobs are entitled to these benefits.

To analyze heterogeneous effects of these policies on the initial coverage, we construct two groups of countries according to the maximum weeks of family leave in the period 2000-2004 and

⁸In all the regressions we consider the same weight for each country.

the percentage of informality in the labor market. Countries with limited coverage had 12 or less weeks of maternal leave or 60% of informality in the labor market. Those are Bolivia, Colombia, Ecuador, El Salvador, Guatemala, Mexico, Nicaragua, Paraguay, and Uruguay. Countries with medium-high coverage had more than 12 weeks of maternal leave combined with a formality rate of at least 60%. This group includes Argentina, Brazil, Chile, Costa Rica, Panama, and Peru. To analyze potential heterogeneous effect, we introduce in the regression an interaction between each group of countries and the policy of interest.

Table 3 shows the main results for the effect of the duration of maternity, paternity and parental leaves on the selected outcomes including preschool attendance as a control variable. Two main findings arise from the analysis. First, the positive effects over female employment are mostly explained by those countries with more limited coverage in the initial period. For these countries, an increase in the weeks covered by family leaves has a positive effect on employment and a negative effect in the employment gap, that is, contributing to its reduction. In both cases the estimated coefficients of the square have the opposite sign meaning that the effect is decreasing with the number of weeks. Second, while the results presented in Table 2 suggested that the effects of family leaves on informality and fertility are rather limited on average, this was the result of two opposing forces. On the one hand, we find positive and significant effects over female informality rate (thus decreasing formality) for countries with medium to high coverage. A possible explanation for this finding is that the increase in informality in those countries with medium-high coverage comes from the firms' side. By increasing the costs of hiring young women, they end up finding employment in informal sectors. The fact that employment in the formal sector declines would have an effect increasing the informality rate, even when the informal sector does not increase employment. On the other hand, we find positive effects over fertility for countries with limited leave coverage.

Table 3: Heterogeneous Results of Leave Policies on Women’s Outcomes

	Employment	Informality	Employment gap	Income gap	Fertility
Limited: Max weeks	1.478** (0.568)	-0.953 (0.636)	-1.376** (0.586)	-0.011 (0.013)	0.056** (0.026)
Limited: Max weeks sq	-0.020** (0.008)	0.018* (0.009)	0.018** (0.008)	0.000 (0.000)	-0.001* (0.000)
Medium-High: Max weeks	1.115 (1.874)	7.093*** (2.241)	-1.034 (1.870)	0.053* (0.030)	0.033 (0.051)
Medium-High: Max weeks sq	-0.013 (0.035)	-0.129*** (0.041)	0.011 (0.035)	-0.001 (0.001)	-0.001 (0.001)
Obs.	56	54	56	56	57
N. countries	15	15	15	15	15
R-squared	0.947	0.970	0.937	0.864	0.969
Mean	53.20	57.54	42.97	1.46	2.47

Notes: Table shows the regression results for the following outcomes: (1) female employment rate defined as the proportion of women aged between 25 and 64 that are employed. (2) informality rate defined as the proportion of workers between 25 and 64, in salaried jobs with no right to a pension when retired, self-employers or unpaid workers. (3) employment gender gap defined as the difference between male employment rate and female employment rate in percentage points. (4) income gender gap defined as the ratio between male and female mean monthly labor income, for people between 25 and 64 years of age with positive income and hours worked. (5) fertility rate defined as the average number of children a hypothetical cohort of women would have at the end of the reproductive period (15 to 49 years old) if subject to the age-specific fertility rates during the hole life and if not subject to mortality. Labor data for individuals with children between 0 and 5 years old from GenLAC (CEDLAS) and fertility rates from ECLAC. All specifications include country and period-group fixed effects, and preschool attendance as control variables. Countries with limited coverage: Bolivia, Colombia, Ecuador, El Salvador, Guatemala, Mexico, Nicaragua, Paraguay, Peru and Uruguay; Medium-High coverage: Argentina, Brazil, Chile, Costa Rica and Panama. Robust standard error in parentheses. Significance level at ***1%, **5%, *10%.

4.3 Heterogeneous effects by gender attitudes

Lastly, we investigate heterogeneity in the effects according to the level of country’s agreement with gender traditional roles. To do this we use information from the World Value Survey and consider the four statements analyzed in Figure 5. We construct a classification of countries’ attitudes regarding gender roles, based on the average percentage of agreement for all four statements. Those countries that are above or equal to the average are considered to be traditional in terms of gender roles. These are: Bolivia, Colombia, Ecuador, Guatemala, Mexico and Nicaragua. On the other hand, those countries below the average in terms of traditional gender attitudes are considered to be more egalitarian. These are: Argentina, Brazil, Chile, Peru and Uruguay.

Table 4 presents the estimated results of the effects of the number of weeks covered by maternity, paternity or parental leave on female outcomes, considering heterogeneity according to countries’ gender attitudes. We find that in those countries with more egalitarian gender

attitudes, increasing the number of weeks covered by family leaves has a negative effect on the income gap, that is, contributing to the reduce the gender income gap. On the other hand, for those countries with more traditional gender attitudes, an increase in the number of weeks covered by family leaves has a positive effect on female employment and a negative effect on the employment gap. That is, while in the more advanced countries in terms of gender attitudes family leaves have an effect through the reduction on gender differences in earnings, for those with more traditional believes the effect is through employment. Moreover, for both groups of countries, increasing the number of weeks covered by family leaves has a positive effect on fertility.

Table 4: Results of Leave Policies on female Outcomes. Heterogeneity by gender norms

	Employment	Informality	Employment gap	Income gap	Fertility
Egalitarian: Max weeks	0.244 (0.524)	0.465 (1.157)	-0.268 (0.565)	-0.030** (0.012)	0.032* (0.017)
Egalitarian: Max weeks sq	0.006 (0.010)	-0.010 (0.022)	-0.007 (0.011)	0.001** (0.000)	-0.001 (0.000)
Traditional: Max weeks	2.838** (1.013)	1.732 (2.299)	-2.676** (0.998)	0.007 (0.033)	0.116** (0.050)
Traditional: Max weeks sq	-0.040** (0.014)	-0.020 (0.032)	0.038** (0.014)	-0.000 (0.000)	-0.002** (0.001)
Obs.	40	39	40	40	41
N. countries	11	11	11	11	11
R-squared	0.964	0.971	0.957	0.823	0.975
Mean	54.75	58.84	41.53	1.50	2.49

Notes: Table shows the regression results for the following outcomes: (1) female employment rate defined as the proportion of women aged between 25 and 64 that are employed. (2) informality rate defined as the proportion of workers between 25 and 64, in salaried jobs with no right to a pension when retired, self-employers or unpaid workers. (3) employment gender gap defined as the difference between male employment rate and female employment rate in percentage points. (4) income gender gap defined as the ratio between male and female mean monthly labor income, for people between 25 and 64 years of age with positive income and hours worked. (5) fertility rate defined as the average number of children a hypothetical cohort of women would have at the end of the reproductive period (15 to 49 years old) if subject to the age-specific fertility rates during the hole life and if not subject to mortality. Labor data for individuals with children between 0 and 5 years old from GenLAC (CEDLAS) and fertility rates from ECLAC. All specifications include country and period-group fixed effects, and maximum weeks of family leave and its square as control variables. Countries with more egalitarian gender attitudes: Argentina, Brazil, Chile, Peru and Uruguay; Countries with more traditional gender attitudes: Bolivia, Colombia, Ecuador, Guatemala, Mexico and Nicaragua. Robust standard error in parentheses. Significance level at ***1%, **5%, *10%.

5 Conclusions

A better understanding of the characteristics of the various policies adopted in the region and its effects on gender equality in the labor market is essential for a richer and more informed

policy debate. In this line, this paper aims to contribute to the discussion on family policies in Latin America by analyzing comparable evidence on the evolution of family policy legislation in 2000-2019 and its relationship with gender inequality in the labor market and prevailing gender norms.

We derive some general lessons from the existing evidence. First, we document that during the analyzed period many countries implemented or increased the maternity and paternity leave entitlements. At the same time, this was accompanied by an increase in female employment, a narrowing in the gender gaps in the labor market and a decrease in fertility. Also, perceptions on gender roles become more egalitarian.

Second, our joint effect analysis of the family policies yields similar results to those found for developed countries but also some specific lessons from the developing world. We find that the adoption of family leaves plays a stronger role in increasing female employment and decreasing employment gaps for those countries with more limited coverage. This evidence suggests that the starting point is relevant, and one reason behind the strongest effects found for these Latin American countries would be the more relevant margins left for improvement, specially when compared with previous results found for OECD countries (Olivetti and Petrongolo, 2017). Also, the expansion of the maternity and paternity leave entitlements in Latin America took place with a replacement rate of 100%. This is a relevant aspect to consider in the context of poor countries and sets the discussion about the convenience of extending the weeks covered with maternity leave with lower replacements rates, as happened in Europe.

Third, we find heterogeneous effects of the weeks covered by family leaves according to the prevalence of traditional gender attitudes. In those countries with more egalitarian gender attitudes we find a positive effect of family leaves on the reduction of gender gaps in earnings. For those countries with more traditional gender beliefs, on the other hand, the effect is through employment: we find a positive effect on increasing female employment and reducing employment gaps.

Lastly, we would like to highlight some caveats for causal interpretation of the results found in this study. Determining cause-and-effect relationships in cross-country studies represents an important challenge to which this study is not an exception. One aspect that we would like to further investigate is the relationship between gender perceptions and family policies. As mentioned before, social change towards more egalitarian gender norms may lead both family legislation and female labor outcomes to improve. On the other hand, as shown by Farré et al. (2022), policies intended to promote fathers' participation in childcare and foster gender equality, such as paternal leaves, have the power to change gender norms of the future generations. Further research in this area would allow us to better understand the mechanisms

through which family legislation affects the gender gaps and inform of the most adequate policies for promoting gender equity in Latin American labor markets.

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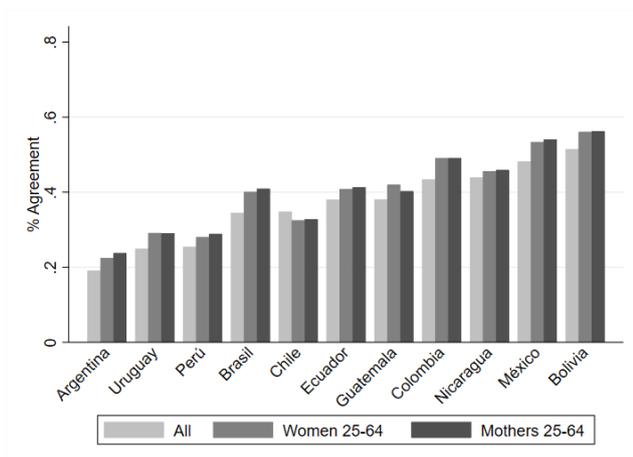
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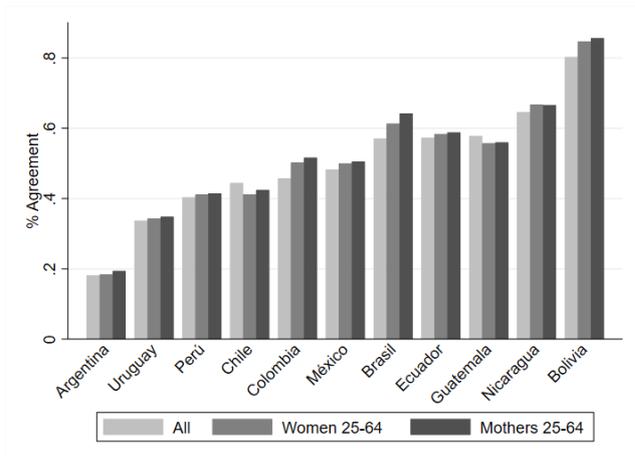
A Appendix

Figure A.1: Perceptions on gender norms relative to women’s role

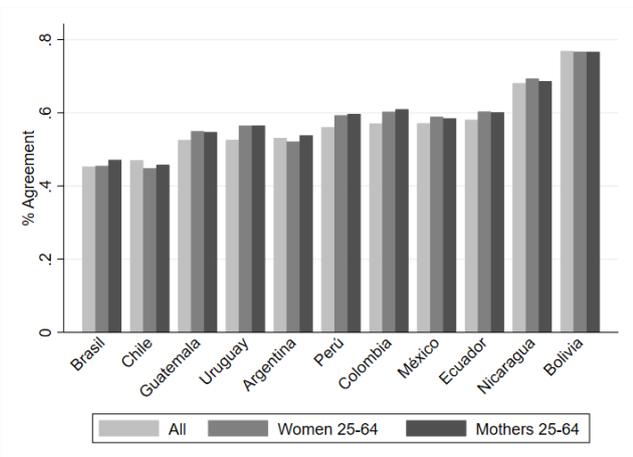
(a) “If a woman earns more money than her husband it’s almost sure to cause problems”



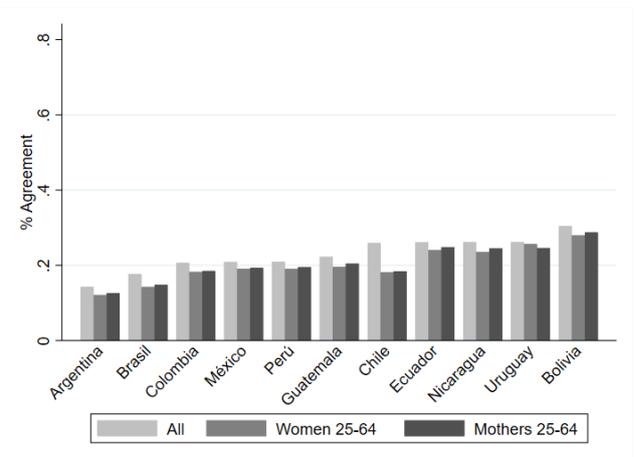
(b) “Preschool child suffers with working mother”



(c) “Being a housewife just as fulfilling as working for pay”



(d) “If jobs are scarce men should have more right to a job than women”

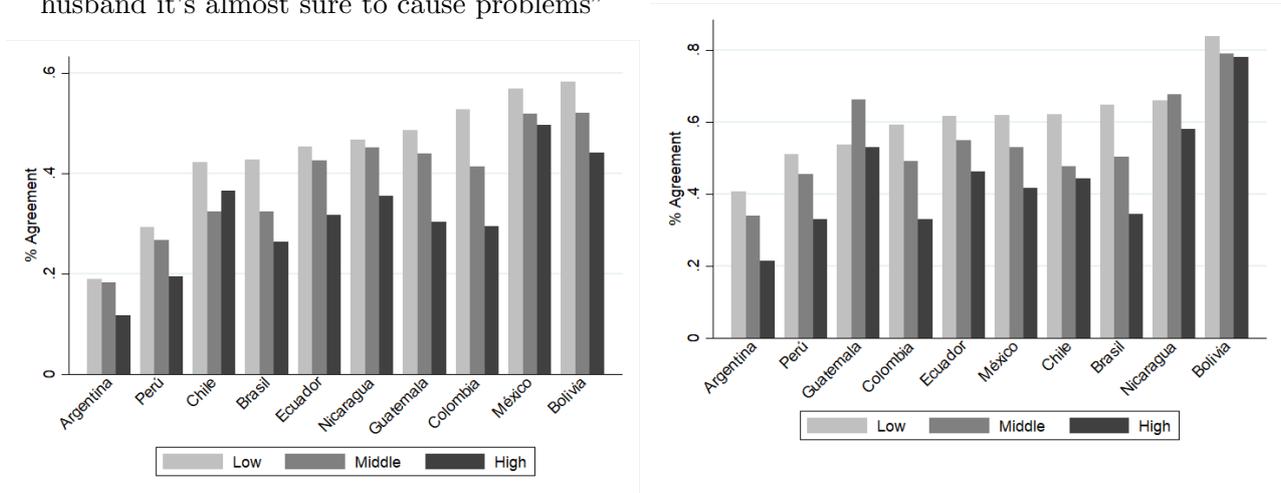


Notes: Data refers to the last wave available, which for most of the countries is 2017-2020 except for Uruguay for which we use wave 2010-2014. Data drawn from World Value Survey.

Figure A.2: Perceptions on gender norms relative to women’s role by education level

(a) “If a woman earns more money than her husband it’s almost sure to cause problems”

(b) “Preschool child suffers with working mother”



Notes: Data refers to the last wave available: 2017-2020. Source: World Value Survey.