

Biology, Gender Norms or Social Constraints? Parenthood wage penalty in heterosexual and same-sex couples in Spain

Irene Lapuerta
Universidad Pública de Navarra

Marta Dominguez-Folgueras
Science-Po

M. José González
Universidad Pompeu Fabra

Introduction

Empirical evidence shows that the arrival of children frequently involves an increase in gender inequalities over the life course. Three competing explanation arise in this context: the biological costs of giving birth, the gender norms around child care in heterosexual couples and the social constraints imposed by limited state support for parenthood in countries such Spain. The aim of this paper is to disentangle the role of these competing explanations by analysing the effect of children on individuals' wage according to their living arrangement (same-sex versus heterosexual couples) and the region of residence (proxy for different institutional contexts or family policy generosity). The study is based on panel data from the Continuous Sample of Working Lives, and relies on a sample consisting of 200,000 women and men aged 25-40 in 2005 and followed thereafter. Previous studies revealed a negative association between child parity and women's wages with a reduction of 4% for the first child, 10% for the second and 13% for three or more children. The current proposal builds on this research to include new dimensions such as gender, living arrangement and regions.

Background

The gender pay gap is probably the best-known indicator of gender inequalities in the labour market. Different factors contribute to this gap (see Blau and Kahn 2016 for a review), but children and motherhood have been shown to play an important role in explaining the gap in different countries (Kleven et al 2018, Grimshaw and Rubery 2015). The motherhood pay gap is thus a key dimension of the gender pay gap, and it can be understood in two different ways: as measuring wage inequalities between mothers and fathers, but also as measuring inequalities between mothers and non-mothers. In this paper we focus on wage inequalities among women and men living in different types of partnerships (heterosexual and same-sex) and regions. Different factors contribute to this wage gap, although all of them stem from the established fact that women devote more time to unpaid and care work than men, Spain being no exception (Domínguez-Folgueras 2012). As in other countries, the transition to parenthood is a crucial moment: women's employment rates are lower if they have children, and women adapt their careers more than men do: most of these interruptions or adaptations of working hours are done by women (González and Jurado-Guerrero 2015). Unpaid work in the home (domestic and care work) is carried out to a much greater extent by women, and this inequality is more salient in couples with children (Domínguez-Folgueras 2012). Yet, we know nothing about wage gaps in same-sex couples.

Data and methods

The analysis is based on the Continuous Sample of Working Lives ('Muestra Continua de Vidas Laborales' hereafter MCVL), (waves 2005-2012). This dataset provides an organized group of anonymized microdata extracted from three different administrative sources: the social security system, municipal registry of inhabitants, and income tax registers. The target population of this

survey is made up of all those who contributed to or received contributory benefits from the Spanish social security system at some point in the reference years (2005-2012), regardless of whether this was on a temporary or permanent basis. We have selected women and men who were in the sample –working or entitled to unemployment benefits- and between 25 and 40 years of age between 2005 and 2012, 200,000 individuals. We follow this population with monthly observations. The MCVL is an individual register dataset, but it can be matched to the Municipal Registers. We use this information to construct our motherhood variable, and we define as mothers women who live in a household where a child is registered in a specific month. Women become mothers in the month n if we observe a child living in the household that was not there in the month $n-1$. We define non-mothers as women who live in a household where there are no children. This measure is of course biased: some women might have children living in another household, but this is a common practice in the literature (Grimshaw and Rubery 2015) given the data limitations, and we expect this to be the case only for a small number of cases.

The MCVL is a reliable source of information for our research question: it is a large sample, representative of the Spanish population, and with longitudinal information, but it also has important limitations. Other than the limitation mentioned in our measurement of motherhood, the sample does not include women who were not contributing to the social security system in the reference years (2005-2012). This means that we do not take into account women who were looking for a job but had no unemployment benefits during all the period, or those who had decided to exit the labour market for good before –maybe anticipating- motherhood. However, our bias in this sense is less important than in other studies that use these data, which take a given year as a reference and use the retrospective information to analyse women’s careers (Férrandez Kranz et al. 2013). With our empirical strategy, we are able to follow women’s movements in the labour market. On the other hand, the survey has a limited set of variables to use as controls. We have data on job characteristics: type of contract, sector, and company, but no data on values, attitudes, or division of domestic and care work, which would be interesting to fully understand women’s decisions and constraints. The data set also lacks information on partner’s labour market situation, earnings and sex, which has been shown to have an effect on the motherhood gap (Angelov et al. 2016; Nix and Andresen, 2019).

References

- Blau, F. and L.Kahn. 2016. “The Gender Wage Gap: Extent, Trends, and Explanations”. NBER Working Paper n°21913.
- Kleven, Henrik, Landais, Camille, & Søgaard, Jakob Egholt. 2018. Children and Gender Inequality: Evidence from Denmark. NBER Working Paper No. 24219.
- Grimshaw, Damian and Jill Rubery. 2015. “The motherhood pay gap: A review of the issues, theory, and international evidence”. Conditions of Work and Employment Series, no157, ILO.
- Dominguez-Folgueras, M. 2015. “Parenthood and the domestic division of labor in Spain”, *Revista Española de Investigaciones Sociológicas*, 149: 45-64.
- González, M.J. and T. Jurado-Guerero (eds.). 2015. *Padres y madres corresponsables. Una utopía real*. Barcelona: La Catarata.
- Férrandez-Kranz, Daniel, Aitor Lacuesta and Nuria Fernández-Planas. 2013. “The motherhood earnings dip: Evidence from administrative records”, *The Journal of Human Resources*, 48(1): 169- 97.
- Angelov, N., P Johansson, and E. Lindahl. 2016. "Parenthood and the Gender Gap in Pay," *Journal of Labor Economics* 34(3): 545-579. Azmat, Ghazala and Rosa Ferrer. 2017.

"Gender Gaps in Performance: Evidence from Young Lawyers", *Journal of Political Economy*, 125(5): 1306-1355.

Nix, Emily and Martin Eckhoff Andresen, 2019. "What Causes the Child Penalty? Evidence from Same Sex Couples and Policy Reforms," Discussion Papers 902, Statistics Norway, Research Department.