



Title: Firms, Family-Friendly Policies and Fertility

Acronym: Firms and Fertility

Project leader: Nezh Guner

Host organisation: Universitat Autònoma de Barcelona

Main purpose of the project:

Why fertility rate is so low in Spain, and what role can family-friendly policies play? This project aims to study how family-friendly policies affect fertility and gender gaps in wages and employment when we explicitly consider how firms' decisions to hire, promote, and fire workers react to such policies.

Design/methodology/approach:

The project will empirically study the impact of the 1999 Law to Promote the Reconciliation of Work on hiring, promotions, and fertility. Then we will build a model with fertility decisions of workers and hiring, promotions, and firing decisions of firms and use it as a laboratory to evaluate policies.

Potential results:

A key potential result of the project is that family-friendly policies imply a trade-off. They can promote fertility, but firms' reactions to such policies can also lower wages, employment, or promotion of women. The question we will explore is which policies can attain both higher fertility and lower gender gaps.

Social relevance of the research:

The project addresses a pressing social policy issue in Spain and will contribute to the current policy debate on designing effective family-friendly policies. The project will also interest other disciplines, such as demographers and sociologists, and we expect to engage in a productive exchange of ideas on Spanish fertility.

Originality/value of the project:

The project will be the first to use a structural model to study how household and firm decisions affect each other. Spain, with one of the lowest fertility rates in Europe and a dual labor market structure, is an ideal case to explore this question.