Essays on Female Labor Supply and Culture in Japan

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Essays on Female Labor Supply and Culture in Japan

Aysenur AYDINBAKAR*

This dissertation examines the relationship between culture and female labor force participation in Japan by three independent essays. Working behavior of a wife with a child co-residing or living nearby are compared to those living far away by distinguishing between grandmother and grandmother-in-law in Chapter 2. Chapter 3 focuses on a specific topic regarding living arrangement, which is a comparison of co-residence and proximate-residence and its effect on wife’s labor supply, unpaid work, and happiness. In Chapter 4, wife’s employment is analyzed considering generations. In other words, the transmission of a woman’s work in the old generation on another woman’s work in the new generation as well as the driving mechanisms behind it is investigated.

In Chapter 2, I test the effect of living with/near grandmother and grandmother-in-law on the probability of mother’s work in Japan using micro data from a household survey. I conduct an analysis for grandmothers by focusing on distinguishing between own grandmother and in-law. First, I examined the effect of grandmother’s living arrangement on mother’s employment by probit model. The findings suggest that mother’s work is positively affected by grandmother if she co-resides or lives near. In addition, the positive effect of daycare services on employment status is found. Secondly, I employ bivariate probit model to solve endogeneity problem. Father being the eldest son and mother being the eldest daughter are selected as instruments. In Japanese culture, it is expected that being the eldest reduces the proximity of grandparents(-in-law). The findings suggest that only daycare services help mother work while grandmother’s effect is found insignificant. However, the results from probit model is considered because endogeneity is not detected. Similar to the steps in the analyses of grandmother case, grandmother-in-law’s effect on mother’s work is tested by probit model at first. The results suggest that only daycare motivates mother to work while there is no significant effect of grandmother-in-law’s co-residence. Following, the bivariate probit model with same instruments are used and found that grandmother-in-law who lives together or nearby has a positive effect on mother’s work as daycare services is found insignificant. The

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results from the model that instrumental variables are used are considered because there is endogeneity problem. In addition to overall findings, culture, represented by being the eldest, influences the proximity of grandmother-in-law.

Unlike Chapter 2, I focus on the comparison of co-residence and proximate-residence in Chapter 3. In general, using panel data from the 2004 and 2012 Keio Household Panel Survey (KHPS), I test the residential choice between wife and parents and its causal effects on wife’s working behavior and time spent on unpaid work. Firstly, I examine the residential choice’s effects on wife’s employment status, a form of her employment, income, work hours and work days. By random effect model, it is found that there is no significant effect of co-residence on any variables related to wife’s work. Secondly, I approach random effect models with instrumental variables. Except for income, all findings suggest that co-residence affects wife’s work positively. Following, I try to observe what kind of benefits co-residence has. Concerning high burden of a Japanese woman in a house, I look at how co-residing wife’s unpaid work, such as housework and childcare, is affected by parents compared to that living nearby. The same steps employed for the residential choice on wife’s work are used for here as well. The results from random effect without instruments reveal that co-residence has no impact on wife’s housework and childcare time. However, the negative effects of co-residence on wife’s unpaid work are found by the models with instrumental variables. Moreover, I also look at the residential choice on wife’s happiness and find the negative effect of co-residence. The overall findings reveal several advantages of co-residence, such as the chance to work more, the increased number of work hours and days and decreased time on housework and childcare and some disadvantages, such as less privacy causing wives to have a decreased level of happiness. These advantages and disadvantages are considered to play a critical role in wives’ making decisions.

In Chapter 4, using the 2009-2016 Japan Household Panel Survey (JHPS), I examine whether mother-in-law’s former employment affects wife’s working behavior in Japan. The driving mechanisms behind this relationship are also investigated by testing the effect of mother’s former employment on her son’s attitudes toward gender roles as well as on husband’s skills regarding household chores, paid limited attention in the literature. First, with random effect probit model, I estimate the effect of mother’s former employment on wife’s work. The findings show the positive impact of mother’s former employment on wife’s labor supply.
Secondly, I analyze its effect on wife’s work hours. Similar to the positive findings mentioned above, it is also found that husband’s mother who worked when husband was 15 years old influences wife’s employment positively. In these steps, any mechanism behind this association is not considered. Following, I try to look at what is behind these findings. The first mechanism, called preference, states that husband raised by a working mother is more likely to get married with a working mother. In order to test it, I investigate how husband approaches employment of wife with a little child. It is expected that if a wife with a kid works, husband is not an obstacle for her employment unlike Japanese culture that suggests that a wife with a kid stays at home. The results from random effect probit models show that even if a wife has a little kid, she keeps working. Then, I look at how satisfied husband with a working wife is. Although the findings show the negative effect of a working wife on husband’s life satisfaction, it is found that husband’s satisfaction with a working wife increases if he grew up with a working mother. The analyses in the preference mechanism suggest that husband with a working mother is not opposed to have a working wife. The second mechanism, named endowment, supports that having a working mother boosts her son’s household skills so I test the effects of having a working mother on husband’s housework and childcare time. However, no significant relationship is found between a mother’s former employment and unpaid work that husband does. Besides, I look at husband’s mother’s employment’s effect on wife’s unpaid work, and find no significant effect. Overall, even though a working mother-in-law motivates her son to have a working wife, husband takes an inactive role regarding household chores irrespective of his mother’s employment. These results point out that the older generation’s employment leads to increase in the current generation’s labor supply in Japan by only affecting the child’s preferences rather than skills.

This dissertation contributes to recent literature by showing how the spouse and close relatives, especially mother-in-law, play an essential role on Japanese wife’s work behavior. This attachment between the people around wife and her employment should be interpreted cautiously. Considering a rapid change in society, insufficient supports of the government might result in the decrease in women in labor force participation if the condition to work is husband’s positive thinking or relatives’ help.