

Abstract:

Using administrative data from the entire population of Italian private employees, this work documents that there is a gender gap in access to permanent contracts, and it provides evidence of the direct and indirect role of motherhood in such a gap. Results indicate that women are underrepresented in open-ended contracts even when conditioning on sector, occupation and geographical location. At the same time, having a permanent contract increases the probability of having a child, a finding confirmed using a shift-share instrument.

We further explore if and how these two findings interact. In sectors where the conditional difference in fertility among permanent and temporary workers is larger, both men and women are less likely to obtain a permanent contract. This result suggests that statistical discrimination potentially affects both gender groups in labour markets where job stability is a more important driver of fertility decisions. However, women also suffer an additional 10% loss with respect to men in their likelihood of obtaining permanent contracts for each standard deviation increase in the conditional fertility gap. These results document the importance of statistical discrimination as a driving factor of the gender gap in employment protection.