

THE EFFECTS OF MOTHERHOOD ON WAGES AND LABOR FORCE PARTICIPATION: EVIDENCE FOR BOLIVIA, BRAZIL, ECUADOR AND PERU

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Studies in developed countries regularly observe a wage penalty for working mothers. This paper explores the effects of motherhood on wages and labor force participation for four Latin American countries. The motivation for this study is the importance of this question for its relevance for larger issues of gender inequality. Most women are mothers, and a main aspect of intra-household gender division is assigning most child-rearing responsibilities to women. Therefore, child-rearing will affect most women and contribute to gender inequality. The results of this paper in terms of labor force participation show that mothers with children less than 7 years old participate more in the labor market than those with no children, except for single mothers. Another interesting results is that female labor force participation generally increases with age and decreases with family responsibilities. Conversely from evidence found in the United States, United Kingdom, Australia and Germany, the results for Latin America do not show a homogeneous impact of being a mother on wages. While for Peru there exists a penalty for mothers of children less than 7 years old, for Bolivia and Brazil there is a premium for being a mother. For Ecuador there are no significant effects. These very heterogeneous effects are further investigated by examining samples divided by public and private sector, by educational level and by age groups. We find that wage penalties and premiums are not borne equally among all mothers.