On Leave or Out of a Job?

The Contract Divide in Employment around Childbirth in Japan

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Generous leave, yet a large break in work

Japan combines features that are hard to reconcile:

- **Comparatively generous formal leave entitlements**: childcare leave can extend until the child turns two when, for example, no nursery place is available (MHLW; OECD PF2.1).
- **Low maternal employment when children are very young**: maternal employment is considerably lower when the youngest child is aged 0–2 than when children are older (OECD Family Database, LMF1.2).
- **A divided labour market**: regular (*seishain*) and non-regular (*hi-seiki*) jobs, with non-regular workers making up 55% of female employees (OECD, 2024).

When women stop working around childbirth, do they still have a job to return to?

Leave runs through the employment relationship

Regular employment (seishain) is organised around continuity: open-ended contracts, internal careers and an expected return after an absence.

Non-regular employment (hi-seiki) covers part-time, fixed-term and dispatched jobs, with weaker expectations about tenure and progression. It is a type of position, not a count of hours.

Leave rights depend on the contract. From April 2005 to December 2016, a fixed-term worker qualified for childcare leave only after a year with the same employer and with the job expected to continue past the child's first birthday. From 2017 the test moved to 18 months, and the tenure condition was removed in April 2022, after the period I study (MHLW).

Care falls on mothers. When a husband works long hours, the couple has little room to share the new care tasks.

Two margins: working now, and keeping the job

I separate two outcomes that a single "employment" measure combines:

A. **Current work**: is the woman doing paid work in the survey reference month?

B. **Employment attachment**: is she working, *or* temporarily absent with a job she keeps?

A woman on childcare leave is not currently working but is still attached.

Question. Among women with a job before the birth, does the type of contract predict whether the break in work is an absence with a job to return to, or the loss of the job?

Preview. Few women in either group are working when the birth is reported. Regular workers are mostly on leave, whereas non-regular workers far more often have lost their job, and the two groups follow different paths afterwards.

Related work: Kleven, Landais and Søgaard (2019); Baker and Milligan (2008); Fukai and Kondo (2025); Ozawa (2020); Kikuchi (2026).

Data and timing

Data. Keio Household Panel Survey (2004–2022) and Japan Household Panel Survey (2009–2022): 627 women and 4,480 person-waves around a birth reported in the annual survey (appendix A).

Birth-report events. I remove reports with evidence of an earlier child, but for about two-fifths of the rest the household roster lists older children, so some births may be second or later births (appendix L).

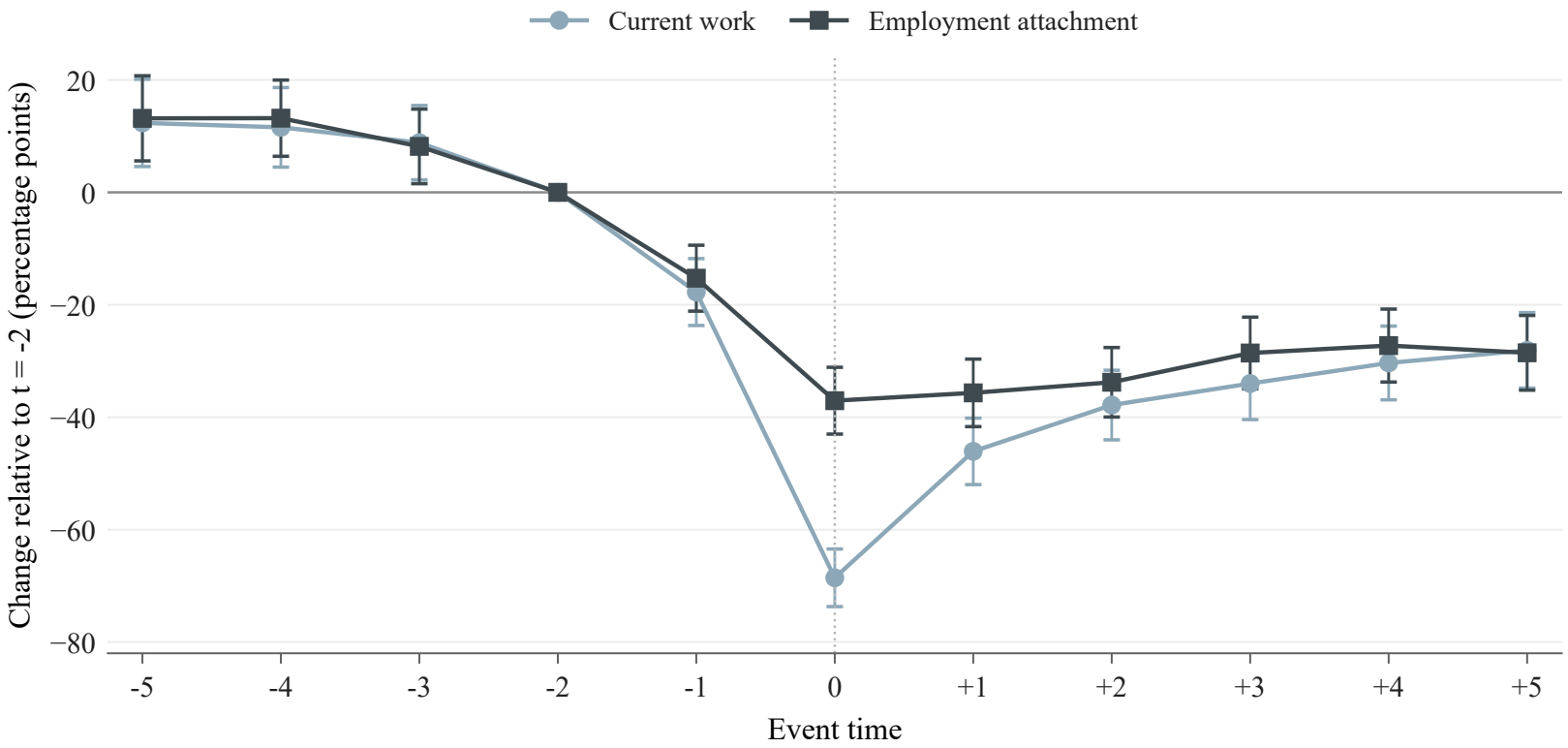
Event time. The surveys are fielded in January and February, and the work questions refer to January. $t = 0$ is the first wave that records the birth.

$$t = -2 \;\rightarrow\; t = -1 \;\rightarrow\; \underbrace{t = 0}_{\text{birth-report wave}} \;\rightarrow\; t = +1 \;\rightarrow\; \cdots$$

A woman may already be pregnant at $t = -1$, so I use $t = -2$ as the reference.

Contract. Regular or non-regular, measured at $t = -1$ for the 319 women with a job at that wave.

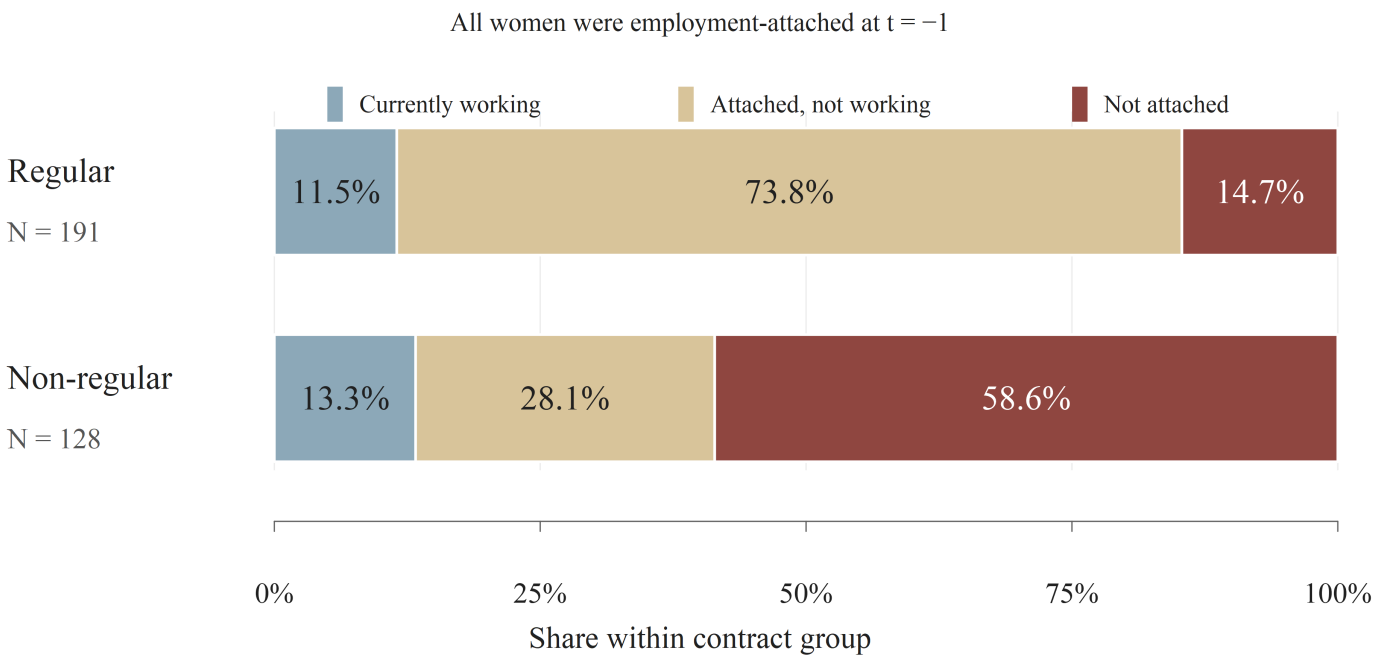
Out of work, but still attached



In the birth-report wave, current work is **68.6 points** below $t = -2$, and attachment **37.1 points** below. The space between the two lines is women absent with a job.

Calendar-year effects, no individual effects; heteroskedasticity-robust 95% intervals; reference $t = -2$; unbalanced panel (appendix D).

Keeping or losing the job, by contract



- Few are working at $t = 0$: **11.5%** of regular and **13.3%** of non-regular workers.
- Most regular workers are on leave with their job (**73.8%**); most non-regular workers no longer have one (**58.6%**, against 14.7%).
- In the broader cohort, 194 of the 205 women absent with a job at $t = 0$ (94.6%) report childcare leave.

319 women attached at $t = -1$ with a regular or non-regular job at that wave; raw shares.

The gap after adjusting for employer size

Quantity	Estimate	95% interval
Regular employment (%)	15.1	[10.0, 20.3]
Non-regular employment (%)	57.5	[48.8, 66.2]
Difference (percentage points)	42.4	[32.2, 52.6]
Non-regular odds ratio	7.80	[4.54, 13.40]
Women	319	

I predict each woman's probability of losing attachment twice, once as a regular and once as a non-regular worker, keeping her own employer size, and average over the 319 women. Non-regular workers are **42.4 points** more likely to lose their job.

The gap changes little with broad occupation (41.1 points) or with contract measured at $t = -2$ (39.8 points, 200 women), and it is similar at small and larger employers (42.9 and 43.5 points) (appendix F).

Logit with small-employer and missing-size indicators measured at $t = -1$; delta-method intervals with HC1 covariance.

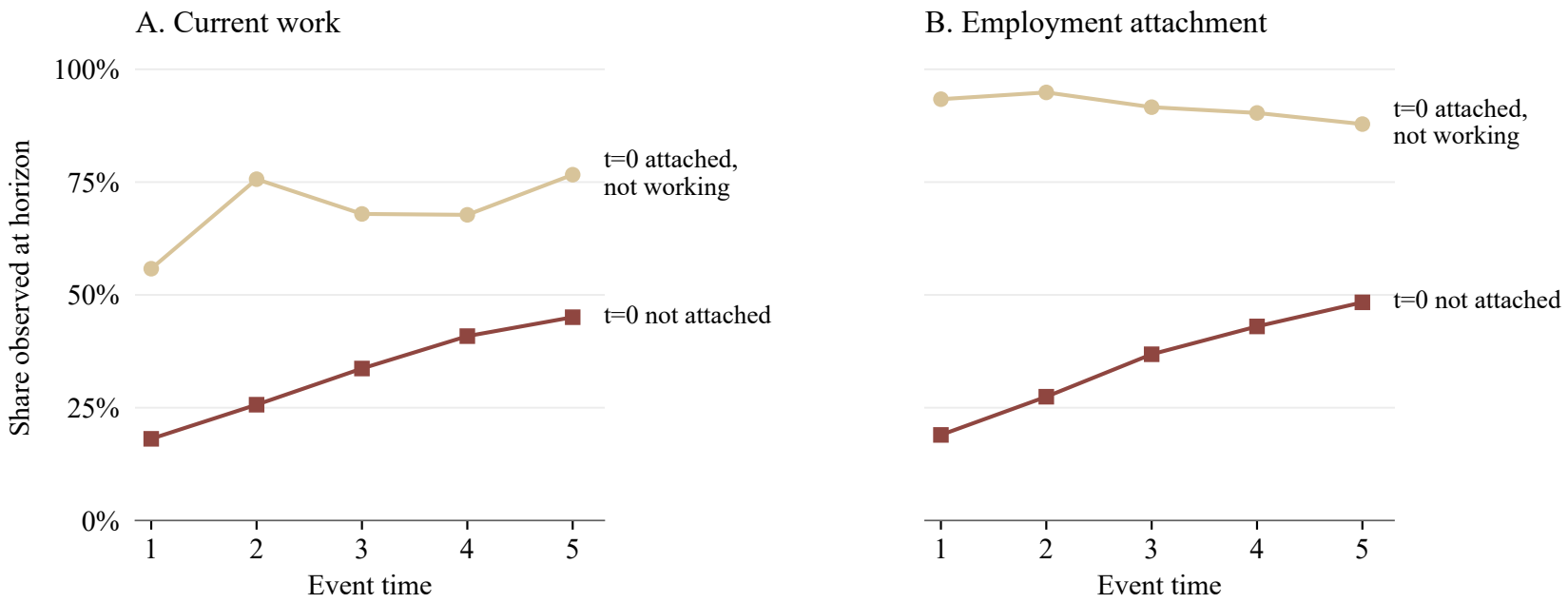
The non-regular jobs women held before the birth

Closest reason for holding a non-regular job, reported at $t = -1$ by 117 of the 128 non-regular workers:

Closest reason at $t = -1$	N	Share (%)
Wanted regular employment but could not find an employer	10	8.5
Favourable wages, working conditions or treatment	53	45.3
Personal circumstances incompatible with regular-employment conditions	44	37.6
Other	10	8.5

Each woman could give only one reason, so the answers offer a partial picture of her preferences and constraints. They describe the job held before the birth, and a national survey gives a similar picture (appendix Q).

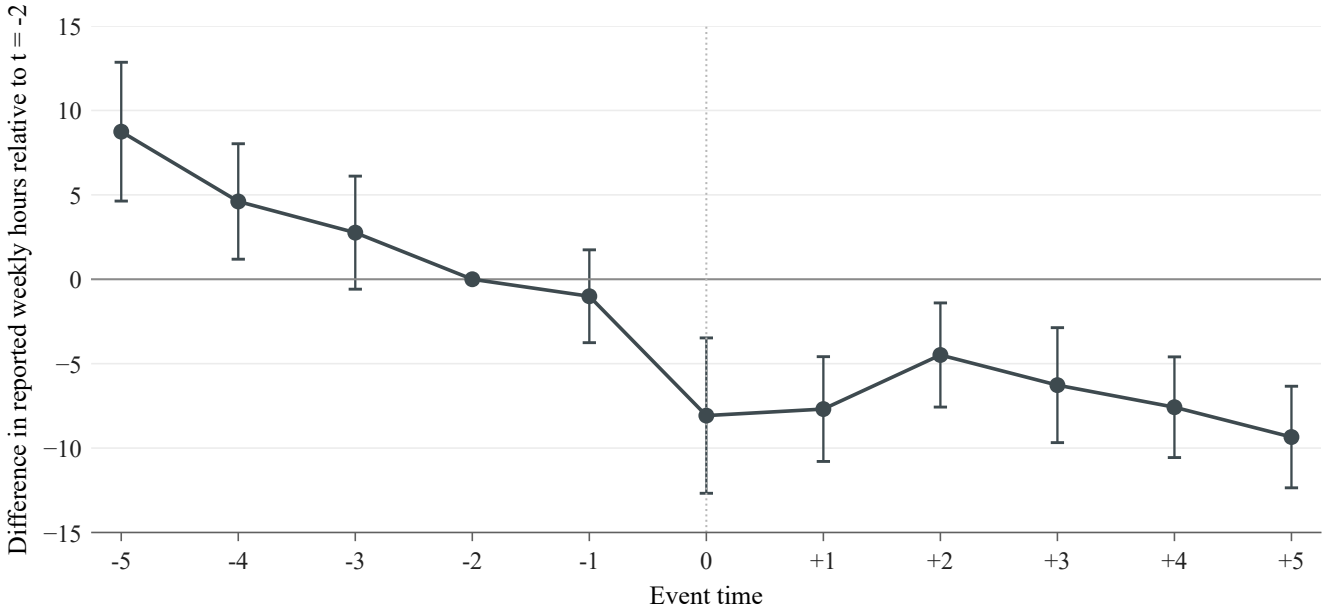
Later work after keeping or losing the job



- One year after the report, 55.8% of women who kept a job are working, against 18.1% of those who lost one.
- After five years, 76.6% against 45.1%, among the women still observed.

185 women absent with a job and 118 without a job at $t = 0$, all attached at $t = -1$; raw shares among women observed at each horizon (appendix M).

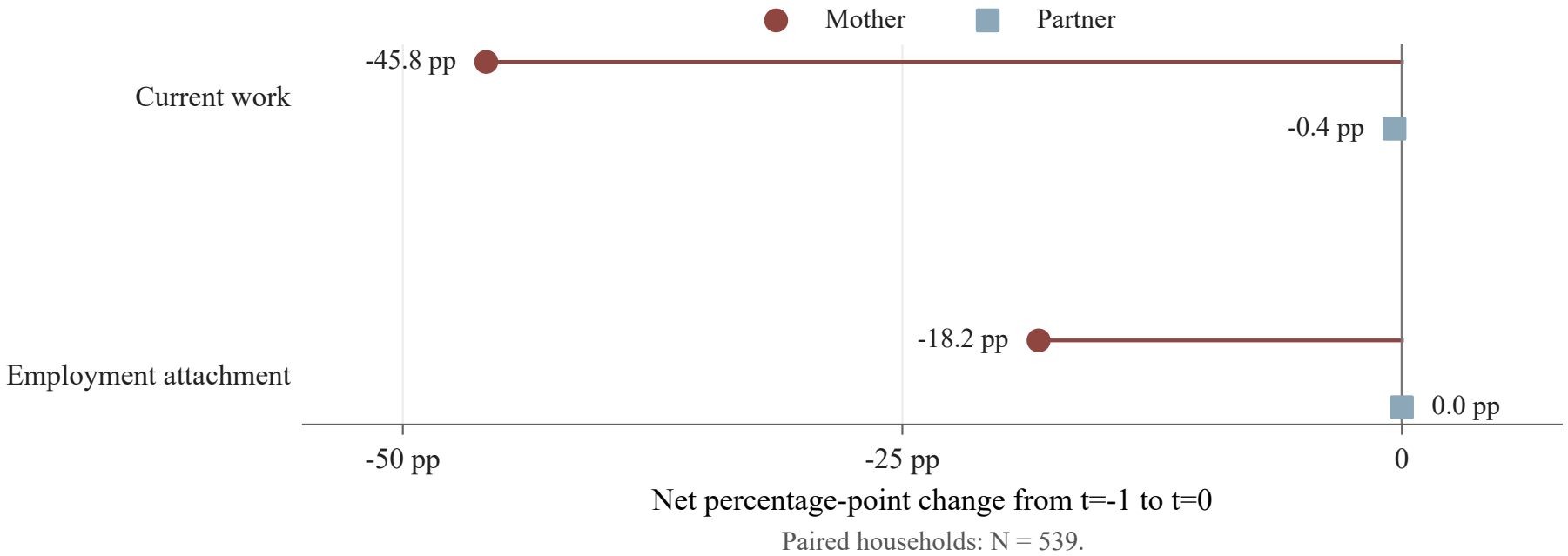
Shorter hours among women in work



- Five years after the report, adjusted hours are **9.4 hours** below $t = -2$.
- The share working 35 hours or more falls from 63% at $t = -1$ to 39% at $t = 0$ and 38% at $t = +5$.
- Hours were already falling before the reference wave (8.7 hours higher at $t = -5$).

2,073 person-waves of women in current work with valid hours; women on leave are left out, since their hours refer to their usual job (appendix N).

Within couples, the change falls on mothers



From $t = -1$ to $t = 0$, mothers' current work falls by **45.8 points** and their attachment by **18.2 points**. Partners' net changes are -0.4 and 0.0 points.

539 households with both partners observed at $t = -1$ and $t = 0$; net changes, so entries and exits can offset each other.

What the divide means

The same break in work, two positions. A woman on leave has a job to return to; a woman who lost hers must find a new one while arranging care. A count of women in work cannot tell them apart.

Leave helps when the job lasts. Leave rights work through an employment relationship, and for non-regular workers that relationship more often ends around the birth.

Policy. Support for mothers' employment should also reach women whose jobs end around childbirth, most of them in non-regular work.

Scope. The patterns are descriptive. Contract type is not randomly assigned, the adjustment covers employer size only, and the sample is a selected set of birth reports (appendix O).

Conclusion

- Regular and non-regular workers stop working at similar rates around childbirth.
- Regular workers are mostly on leave, whereas non-regular workers are about 42 points more likely to have lost their job.
- Women who kept a job are more often back at work later, and within couples the fall in employment is almost all among mothers.

A similar drop in work at childbirth can hide very different positions in the labour market, and a count of women in work misses much of what follows for their careers.

Thank you

Thank you.

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A. Analysis populations

Comparison	Women	Requirement
Employment profiles	627	At least one determinate pair of outcomes in $t = -5, \ldots, +5$; 4,480 person-waves
Contract comparison	319	Attached at -1, regular or non-regular job at -1, determinate state at 0
Later employment paths	357	Attached at -1 and determinate state at 0, with any type of job
Paired household changes	539	Both partners' work and attachment observed at -1 and 0
Balanced long window	229	Both outcomes observed at every wave from -2 to $+5$; 1,832 person-waves

The samples overlap and are not successive exclusions from one sample. The pathway groups (185 with a job, 118 without) are part of the 357; the other 54 were working at $t = 0$.

B. Outcome definitions and the hours question

- **Current work**: questionnaire-reported paid work in the reference month (January). Contradictory responses stay missing.
- **Employment attachment**: current work, or temporary absence with a job the woman keeps.
- **Not attached**: unemployment or non-participation. The data do not record who ended the job.
- **Weekly hours**: the hours question is also asked of women absent with a job, and they report the usual hours of that job. At $t = 0$, 180 of the 241 women with valid hours are absent with a job (38.8 usual hours), against 61 in current work (27.2 hours). I therefore read hours only among women in current work.

C. Event-study specification

$$Y_{iy} = \alpha + \sum_{k \in \{-5,\ldots,5\} \setminus \{-2\}} \beta_k \, \mathbf{1}\{y - B_i = k\} + \lambda_y + \varepsilon_{iy}$$

- B_i is the birth-report survey year; λ_y are calendar-year effects; reference $t = -2$.
- Estimated for current work and for attachment on the same determinate observations.
- No individual effects or age controls: with both individual and calendar-year effects, the linear trend in event time is not identified.
- The coefficients combine changes within women with changes in which women are observed at each horizon.

D. Event-time coefficients and standard errors

t	N_t	Work	HC SE	Cl. SE	Attach.	HC SE	Cl. SE
-5	109	12.4	4.0	3.7	13.2	3.9	3.5
-4	148	11.6	3.6	3.2	13.2	3.5	3.0
-3	206	8.8	3.4	2.6	8.2	3.4	2.6
-2	342	0.0	—	—	0.0	—	—
-1	578	-17.7	3.0	2.3	-15.3	3.0	2.2
0	623	-68.6	2.6	2.6	-37.1	3.0	2.6
$+1$	607	-46.1	3.0	2.9	-35.7	3.1	2.8
$+2$	549	-37.8	3.2	3.0	-33.8	3.2	3.0
$+3$	465	-34.0	3.3	3.2	-28.6	3.3	3.1
$+4$	442	-30.3	3.3	3.4	-27.3	3.3	3.4
$+5$	411	-28.1	3.4	3.6	-28.5	3.4	3.6

Percentage points; HC: heteroskedasticity-robust; Cl.: clustered by woman. Same 4,480 observations for both outcomes.

E. Following the same women: balanced windows

Sample	Outcome	N	$\hat{\beta}_5$ (pp)	HC interval	Cluster interval
Balanced	Current work	229	-25.4	[-35.3, -15.6]	[-37.4, -13.4]
Balanced	Attachment	229	-24.7	[-34.5, -14.8]	[-37.7, -11.6]
Balanced	Attached absence	229	0.8	[-3.2, 4.7]	[-3.9, 5.5]
Unbalanced	Current work	627	-28.5	[-35.3, -21.8]	[-35.7, -21.4]
Unbalanced	Attachment	627	-29.3	[-36.0, -22.6]	[-36.5, -22.1]
Unbalanced	Attached absence	627	-0.7	[-3.3, 1.9]	[-3.3, 1.9]

Window $t = -2, \ldots, +5$ with calendar-year effects. In the balanced sample the two outcomes are almost equal at $+5$ (difference 0.8 points), but the raw levels still differ: 131 of the 229 women are working and 144 are attached. Shorter windows keep 328 women (-2 to $+1$) and 263 (-2 to $+3$).

F. The gap under alternative specifications

Specification	N	Gap (pp)	95% interval
Baseline	319	42.4	[32.2, 52.6]
+ broad occupation	319	41.1	[30.3, 51.9]
+ commute burden	319	41.9	[31.5, 52.4]
+ designated-major-city indicator	319	41.7	[31.5, 51.8]
+ Kanto/Kinki indicator	319	42.3	[32.1, 52.6]
Contract measured at $t = -2$	200	39.8	[26.6, 53.1]
+ birth-month/report-lag adjustment	311	42.2	[31.7, 52.6]

Standardised non-regular minus regular difference with HC1 intervals. The first five rows use the same 319 women. Among women with known employer size, the gap is 42.9 points at small employers (27.2–58.6) and 43.5 points at larger employers or government (30.1–56.9); the interval for the difference runs from −21.2 to 20.1.

G. Sample construction

1,697
annual birth reports

↓

1,194
first birth report observed for each respondent

↓

662
with a spouse present and panel observation on both sides of the report

↓ excluding confirmed higher-parity reports and women who cannot be followed

627 women
with determinate employment outcomes

4,923
person-waves in the window

4,480
with determinate work and attachment

H. Sample characteristics

Characteristic	Mean or share	SD or valid *N*
Mother's age at the birth	31.9 years	SD 4.3
Partner's age	33.8 years	SD 5.7
Partner's age minus mother's	1.9 years	SD 4.0
Mother: university or higher	24.3%	255 valid
Partner: university or higher	48.4%	399 valid

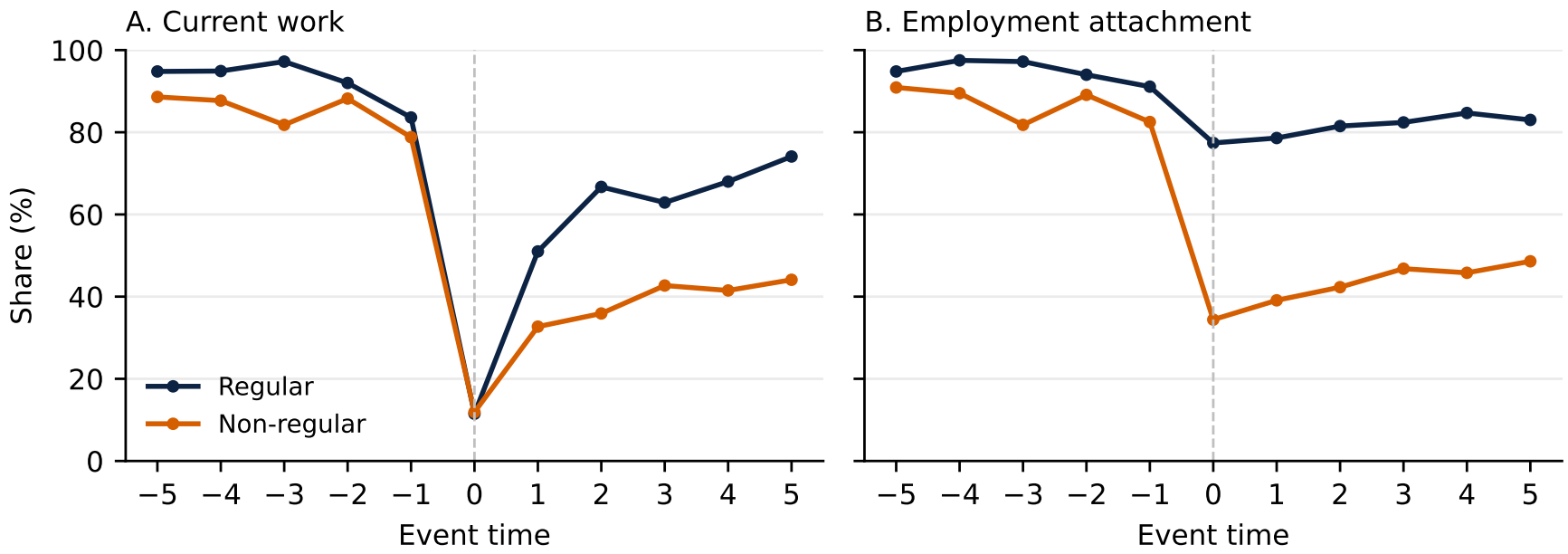
Birth-report cohort before the outcome restrictions. Education is the latest completed level observed by the birth-report wave; the surveys record whether a level is completed, still in progress or left, so coverage is incomplete and the shares describe women with a valid answer. "Partner" is the spouse in the household at the birth.

I. Estimates with $t = -1$ as the reference

Change relative to $t = -1$ (points)	$t = 0$	$t = +1$	$t = +3$	$t = +5$
Current work	-50.8	-28.3	-16.3	-10.4
Employment attachment	-21.8	-20.4	-13.3	-13.3

Work has already fallen at $t = -1$, so against that wave the drop at $t = 0$ looks smaller. The main slides use $t = -2$ to show the decline from before it begins.

J. By contract over time, with the contract carried forward



		$t = +1$	$t = +3$	$t = +5$
Current work	Regular / non-regular	51.0 / 32.7	62.9 / 42.7	74.1 / 44.1
Still has a job	Regular / non-regular	78.6 / 39.1	82.4 / 46.8	83.0 / 48.6

Raw shares (%). Contract is the last regular or non-regular job observed in $t = -5, \ldots, -1$ (217 regular, 160 non-regular women at $t = 0$), so it covers more women than the $t = -1$ measure of the main slides. Fewer women contribute at longer horizons.

K. The contract gap with the same women throughout

The 328 women observed at every wave from $t = -2$ to $t = +1$ include 257 with a regular or non-regular job before the birth (141 regular, 116 non-regular).

Outcome at $t = 0$	Sample	Regular	Non-regular
Current work	All women	11.5%	11.9%
	Balanced	9.9%	10.3%
Still has a job	All women	77.4%	34.4%
	Balanced	76.6%	33.6%

The attachment gap is 43.0 points in both samples.

Contract carried forward as on appendix J. Among women absent with a job at $t = 0$, 93.7% of regular and 97.2% of non-regular workers report childcare leave.

L. Parity and the route into the sample

- **Conservative parity check**: removing every unresolved older-child flag leaves 373 birth-report events. Among women with a regular or non-regular job at $t = -1$, 24 of 140 regular workers lose attachment (17.1%), against 57 of 86 non-regular workers (66.3%).
- **Broader model**: non-regular odds ratio 7.87 (4.58–13.54) among the 357 women attached at $t = -1$, and 9.32 (4.92–17.65) after the conservative exclusion.
- **Loss of current work**: among the 334 women working at $t = -1$, the odds ratio is 1.06 (0.52–2.16); 87.4% of regular and 86.9% of non-regular workers are not working at $t = 0$.
- **Route into the sample**: odds ratio 4.10 for female respondents and 18.61 for women reported in their husband's questionnaire.

M. Observation support for the pathways

t	Attached absence: N	Work (%)	Attachment loss: N	Work (%)
0	185	0.0	118	0.0
1	181	55.8	116	18.1
2	156	75.6	113	25.7
3	131	67.9	95	33.7
4	124	67.7	93	40.9
5	107	76.6	91	45.1

Each share uses the women observed at that horizon. The two groups lose observations at different rates, and moves between interviews go unrecorded, so the shares describe the women still observed.

N. Hours among women in current work

t	N_t	Mean hours	Adjusted change	Cluster interval
-5	93	43.4	8.74	[5.0, 12.5]
-4	121	39.7	4.61	[1.7, 7.5]
-3	166	37.8	2.76	[0.0, 5.5]
-2	251	35.0	0.0	—
-1	319	34.0	-1.01	[-3.3, 1.3]
0	61	27.2	-8.08	[-12.4, -3.7]
1	201	28.2	-7.69	[-10.6, -4.7]
2	229	30.6	-4.49	[-7.4, -1.5]
3	207	28.9	-6.27	[-9.7, -2.9]
4	214	28.1	-7.58	[-10.6, -4.6]
5	211	26.3	-9.35	[-12.4, -6.3]

N_t counts women in current work with valid hours. Mean hours are raw; adjusted changes use calendar-year effects, with intervals clustered by woman.

O. What the design shows, and its limits

- It separates an absence with a job from the loss of the job, and shows where the loss is concentrated by contract.
- Contract type reflects earlier sorting, so the gap is a difference between groups of women, part of which may come from their earlier careers.
- Event time is survey time: I can date changes only to the year, and much of the change takes place before the birth report.
- The paired household comparison shows who changes employment, but it does not measure fathers' hours or care.

P. Why are women concentrated in non-regular employment?

- **Regular employment is hard to combine with care.** Long hours, transfers and expectations of availability characterise the regular track (JILPT, 2019).
- **Non-regular work can offer more control over working time** (JILPT, 2019).
- **Re-entry after childbirth often takes place through non-regular jobs**, even for women previously in regular positions (OECD, 2024).
- **Tax and social-insurance thresholds** reduce the gain from earning more as a second earner (OECD, 2024).
- **Employers use non-regular jobs** to lower labour costs and gain flexibility (OECD, 2024).

Q. How women describe non-regular work

A 2026 JILPT survey of women workers, separate from the panel. Among respondents outside regular employment, the most common reasons were:

29.9%	**25.2%**	**14.0%**
"I did not think I could work in the way regular employees do."	Childcare or eldercare responsibilities.	Wanted regular employment but could not obtain it.

Source: JILPT, 2026.