

abstract: Parental leave is one of the most popular policies to promote career continuation of mothers. Drawing on the micro data of Japanese population Census, we evaluated the long-run impact of the introduction of job protection and paid leave on maternal employment. To this end, the parental leave reforms in 1992 and 1995 were used as natural experiments, which enables us to separate the effect of job protection from the effect of cash benefits. We found that the job protection and cash benefits both increased full-time employment while decreasing part-time employment in long-run. The magnitude of the effect of taking the leave was more than 30 percentage points. Since these two effects offset each other, the employment rate was unaffected. Therefore, the parental leave policy strengthened labor market attachment of mothers, allowing those who would otherwise engage in part-time jobs after childbirth to continue full-time jobs. We also found suggestive evidence that the parental leave take-up prevailed gradually, and consequently, the policy impact on those who gave a birth several years after the reform was greater than on those who gave a birth immediately after the reform.