

# An Effect of the Human Capital and the Early Career on Married Women's Fertility: Revisiting the Trade-off between Female Labor Force Participation and Their Fertility

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A trade-off between fertility and female labor force participation (FLFP) through an opportunity cost has ever been assumed since Becker's (1960) new home economics approach, and Japan is not its exception. There also have been many studies in Japan exploring for the conditions for compatibility or even a positive relationship between FLFP and motherhood in their life-course, since the enforcement of the Act for Equal Opportunity and Treatment in Employment in 1986, when FLFP became an available option for women for the first time in Japan.

However, there are many methodological limitations in previous studies. The present study aims to revisit the trade-off between a probability of entering motherhood and FLFP based on the opportunity cost hypothesis, by assuming a (relaxed) cause-effect relationship between women's educational attainment and employment status at the time of their marriage as preceding variables, and their fertility (probability of childlessness) and FLFP in their 40's as outcomes. The data used in this study are women in their 40s from multiple waves (from 11<sup>th</sup> to 15<sup>th</sup>) of the national fertility survey (NFS) conducted by National Institute of Population and Social Security Research (IPSS).

As a result of the biprobit model estimating probability of childlessness and FLFP in stable employment in their 40's, a trade-off between a probability of entering motherhood and FLFP through an opportunity cost is only applicable to an university graduate, and a civil servant in their early career who belong to the 1964-70 birth cohort. It is also revealed that the Act for Equal Opportunity and Treatment in Employment inspired highly educated and stable-employed women to try to realize the compatibility of motherhood and FLFP in their life course for the first time in the modern Japan.