

Abstract

We investigate the aggregate-level effects of parental leave legislation on various labour market outcomes of women in 16 European countries for the period since 1970. The paper updates and extends previous findings in the literature. Results show increases in participation rates that diminish with length and generosity of leave schemes. While pure participation numbers may not increase as dramatically as hoped, there is strong evidence of increases in weekly working hours. On the flipside, decreases in wages for high-skilled workers and amplified occupational segregation are likely results of generous leave schemes. We conclude with a discussion of recent debates over extending minimum maternity and parental leave rights on the European level.