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Title

From Housewives to Employees? How mandatory kindergarten affect mothers' labour supply in Switzerland

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Abstract

We analyse the effect of a mandatory kindergarten for four-year-old children on mothers' labour supply in Switzerland. The data stems from different sources: First, we use survey data from the Swiss Household Panel (SHP) to get information about the mothers, their kids, and the household. Second, we have collected data about the implementation year of the policy, the cut-off dates and the obligation to offer kindergarten years. This data comes from the cantonal departments of education, the Swiss Conference of cantonal departments of education (EDK), and the cantonal laws. Thirdly, the State Secretariat for Economic Affairs (SECO) provided information about the cantonal unemployment rate and cantonal laws reveal the official languages of the cantons. Since education policy is regulated on a federal level, we exploit spatial variation as well as staggered implementation. We use a difference-in-differences approach and run three specifications: First, we include socio-demographic variables of the mother and the household, second, we add cantonal characteristics to the socio-demographic specification and third, we use a machine learning approach to pick the relevant covariates. The results show that the obligation to attend kindergarten influences mothers' labour market behaviour: The probability of being in the labour market increases, for mothers whose child is treated, by 9 percentage points. At the same time, the part-time employment of mothers rises by 11 percentage points. We use a battery of robustness checks to test the robustness of the results. Hence, policy makers intending to increase mothers' labour supply should be aware of the level of employment they aim to promote before the reform is implemented.