

Effects of Employment Protection Legislation on Wage Mobility

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Abstract:

Employment Protection Legislation (EPL) is a labor institution that is particularly significant in European countries. Nevertheless, its effects on labor market performance are ambiguous and controversial, being particularly gender effects often neglected. In this paper we address potential gender differential effects of EPL, both for temporary and permanent contracts, on wage mobility, differentiating between upward and downward movements. We conduct a micro-macro mobility analysis in 24 European countries over the period 2008-2013, highlighting that EPL is far from being neutral in gender terms. In particular, we find that it may reduce both general upward and downward mobility and moderates downward mobility for women in reproductive age cohorts.

Keywords: Employment Protection Legislation, Earnings Mobility, Gender, Women Effects of Employment Protection Legislation on Wage Mobility

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