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Benefits from delay? The effect of abortion availability on young women and their children***



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HIGHLIGHTS

- · Examine the effects of abortion availability.
- · Abortion availability changes the timing of fertility.
- Abortion availability had positive effects on human capital investment.
- Furthermore, I find that availability to abortion affected the first-born child.

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Fertility Family planning Abortion Teenage childbearing ABSTRACT

While much is now known about the effects of the arrival of the contraceptive pill on the fertility choices and other outcomes of women, there has been less study of the effects of abortion availability. Abortion was made widely available within week 12 of gestation to teenage women in Oslo several years before the rest of Norway. I use a differences-in-differences approach to examine the effects on teen childbearing, fertility at older ages, educational attainment, and labor market outcomes of the affected women. I also study several outcomes for the first-born children of these women. I find that abortion availability delayed fertility but did not reduce completed family size. It also resulted in higher educational attainment. Children of mothers who had access to abortion are also found to have better outcomes.

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1. Introduction

The 1960s and 70s were a transformative time for women, characterized by periods of increased labor force participation and economic opportunities. One key explanation for this has been access to new contraceptive technology – including access to abortion and

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the birth control pill – that gave women more control over the timing of their fertility. There has been a substantial literature on the role of access to the birth control pill and abortion. In particular, there are several studies documenting the importance of access to the pill for young unmarried women on educational and labor market outcomes (Bailey, 2006; Goldin, 2006; Goldin and Katz, 2002). While the abortion literature has largely focused on effects on fertility and on children's outcomes arising from selection, this paper adds to this literature by also studying the effect of abortion availability as a teenager on human capital accumulation and labor market participation and earnings. Additionally, unlike most of the literature, I can match affected women to their children as adults and so study the full intergenerational effects of abortion access. My strategy is to use a unique feature of the introduction of abortion access in Norway whereby one county (Oslo) obtained access approximately 4 years prior to the rest of Norway.

There are a number of mechanisms by which access to abortion as a teenager would affect long-run outcomes of women and, ultimately,

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their children. As described by Goldin and Katz (2002) in their discussion of the birth control pill, there can be both direct and indirect effects. The direct effect comes from the fact that women are now able to time their fertility and can thus delay marriage and invest more in their own human capital. In addition, the availability of abortion may also have an indirect effect on those who never use it. As more women delay marriage, the pool of eligible men for older women improves thereby incentivizing other women to delay as well.

Although this paper studies the effects of liberalization of abortion practice in the 1960s it also relates to the more recent debate about abortion access and abortion laws as it examines the importance of having access to abortion as a teenager on later in life outcomes and future generations. Recently some European countries have tried to tighten their abortion laws and several U.S. states have imposed new regulations on abortion facilities and doctors forcing dozens of abortion clinics to close. These regulations have left large areas in the U.S. without abortion facilities and, for example in North Dakota and Mississippi there is only one abortion provider left in the entire state. Moreover, in Spain, forces in the government tried to impose new restrictions to the abortion law making abortion illegal with a few exceptions (rape and women's mental or physical health). During the fall of 2014, the government had to abandon the proposal due to great resistance. Recently Portugal has tightened its abortion law making women pay for the procedure. In Norway, changes to the abortion law have also been discussed but the proposal met major resistance and was withdrawn. 1 When it comes to Ireland, abortion is in general

In addition to contributing directly to the effect on women's long-term outcomes of a family planning policy such as abortion, this paper also contributes to the literature of a potential negative causal effect of becoming a teenage mother.² Although a large literature documents that education outcomes and outcomes in the labor market for teenage mothers are much worse than for those who delay childbearing, there is still a debate on whether the effects are caused by negative selection into teen motherhood (Ashcraft et al., 2013).

To estimate the effect of early abortion access, I use the plausibly exogenous increase in access to abortion for teenagers experienced in Oslo, Norway, approximately 4 years prior to the increase in access for the rest of Norway. In the mid-1960s in Norway, abortion access was quite restrictive and subject to approval by both a local physician and a two-doctor committee. Oslo was the first location to loosen these restrictions, making it easier for women to obtain abortions within week 12 of gestation. As a result, we see a dramatic decline in teenage fertility in Oslo beginning in 1969. It is only in 1972 that other counties became more open in their access to abortion and became more similar to Oslo.

Importantly for my work, access to birth control pills does not confound the results. Prior to 1972 in Norway, it was believed that birth control pills were harmful for teenagers and, as a result, they were not prescribed for use by those under 20. Because of this, I am able to separate out the effect of abortion access from that of the pill, something that previous research has found difficult to do in a convincing way. Recently Myers (2012) has contributed to this debate arguing that previous studies exploiting legal changes in access to the pill in different U.S. states have failed to account for changes in abortion policy in an adequate manner. In fact, Myers argues that the delay in marriage and motherhood during the early 1970s were due to liberalization of abortion policy and not access to the pill.

Using a differences-in-differences strategy, I first show a dramatic decline in teenage fertility with the expansion of abortion access to teenagers in Oslo relative to other parts of the country. I then show that, although short-run teenage fertility rates are dramatically reduced, there is little evidence of any long-run negative effect on completed fertility. I also find effects on educational attainment and labor market outcomes of women—importantly, while education increased overall, the labor market effects are more ambiguous, with improvements in attachment and earnings earlier in the life cycle and reductions later, perhaps as a result of delayed fertility.

Finally, I also examine the effects of this delayed fertility on the outcomes of the children of these women. While existing research on abortion has examined how access to abortion has affected the marginal child born (Gruber et al., 1999; Ananat et al., 2009), I am able to move beyond this and examine how the outcomes of the first-born children changed when their mothers gained access to abortion. I find that these children experience more positive outcomes, including increased education, increased employment, and reduced use of welfare. I also examine the selection effects of teenage access to abortion by studying the outcomes of children born to teenage mothers. I provide a number of robustness checks, including testing for differential trends prior to the introduction of abortion access and the use of the synthetic control method as an alternative estimation strategy. My conclusions are robust to these checks.

The paper unfolds as follows. Section 2 presents a review of the relevant literature, and Section 3 presents the institutional framework that serves as the source of identification. Section 4 presents the empirical strategy, Section 5 describes the data, and Section 6 presents results on fertility, human capital and labor market outcomes for women. Section 7 presents intergenerational results and Section 8 contains the robustness tests. Finally, Section 9 concludes.

2. Review of related literature

Becker (1960) introduced a way of thinking about fertility within the neoclassical framework. This type of model assumes that parents can produce exactly the number of children they want without any costs. Michael and Willis (1976) relax this assumption by assuming that couples have imperfect control of their fertility and introduces the role of contraceptives into the model. All contraceptives except abstinence involve a risk of pregnancy. Consequently, abortion may serve as an insurance as it provides the opportunity to opt out of an unwanted birth (Levine, 2004). Both abortion and contraceptives (i.e. the pill), may serve as tools for women to regulate their fertility.

In addition, the use of contraceptives and the use of abortion differ when it comes to timing. Contraceptives are to be used before any pregnancy, whilst abortion is only relevant after a recent impregnation. Abortion also differs from the use of contraceptives as it allows a woman to update her information and delay the decision to give birth until she has more information about both the costs and benefits of a recent impregnation.³

In this setting, the cost of abortion, contraceptives and an unintended pregnancy is important for the choices made by the woman. The introduction of legal abortion lowered the cost of abortion in terms of both money and risk. The research on the effects of abortion access is closely related to the literature examining the effect of access to the birth control pill, in the sense that both give a woman more power in timing fertility. Although the difference in the timing of decisions and individual costs may imply that different women use it. For a young woman, the ability to control the timing of fertility – either through contraception or through access to abortion – reduces the cost, increases

¹ In particular, the suggested change to the law would allow primary physicians to refuse to forward women seeking abortion to a hospital.

² This paper differs from the existing literature on teenage childbearing as it addresses the effect of being able to opt out of teenage childbearing rather than estimating the direct effect of teenage childbearing.

³ See Levine (2004) for a nice summary of this literature and theory.

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