

Flexible working arrangements, such as telework, may serve as a means to promote female workforce participation and simultaneously encourage childbearing in rapidly aging societies. This study employs longitudinal data from the Japan Panel Study of Employment Dynamics to estimate the effect of being employed in an occupation with a high proportion of teleworkers on the likelihood of women experiencing a birth or pregnancy within a given year. I utilise a difference-in-differences framework in combination with fixed effects logistic regression to exploit the COVID-19 pandemic's exogenous increase in teleworker ratios. The findings suggest that women in occupations with high teleworking ratios see a 1.5 times increase in odds of being pregnant, while results are insignificant but positive for the odds of giving birth. Furthermore, the treatment effects are heterogeneous, demonstrating stronger effects on women with higher levels of education, full-time employment, and above-median income. These results are reinforced with propensity score matching and random permutation tests.

Keywords: telework, Japan, fertility, female LFP, family formation, difference-in-differences, logistic fixed effects