

> Thursday, June 8th, 2023

12:00 – 13:30

IFLAME RESEARCH SEMINAR

**RESEARCH
SEMINAR**



EMPOWERING CHANGEMAKERS FOR A BETTER SOCIETY

‘HIRING SUBSIDIES AND FEMALE EMPLOYMENT’

Joint work with Mimosa Distefano (London School of Economics) and Lorenzo Incoronato (University College London)

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ABSTRACT

We assess the effectiveness of gender-specific hiring subsidies at reducing gender differences in employment and pay setting at the firm level. Exploiting the introduction of a large hiring subsidy for female workers in Italy, we use a staggered event-study design to investigate the dynamic effect of the subsidy on firm outcomes, focusing in particular on their hiring decisions. Results show that a) firms that use the hiring subsidy hire women with longer non-employment spells and who are mothers, b) that the subsidized female hires are positively selected compared to the average firm’s hire, and c) that they are more likely to remain employed at the firm in the long term, with a higher probability of having their contract changed to an open-ended contract. Preliminary heterogeneity analysis suggests that the subsidy permits firms to learn about potential productivity of disadvantaged workers.