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### Part-Time Work, Fixed-Term Contracts, and the Returns to Experience

by Daniel Fernández-Kranz, Marie Paul, Núria Rodríguez-Planas  
(June 2011)

**Abstract:**

Using data from Spanish Social Security records, we investigate the returns to experience in different flexible work arrangements, including part-time and full-time work, and permanent and fixed-term contracts. We use a trivariate random effects model which consists of a three-equation system that is estimated simultaneously by Markov Chain Monte Carlo techniques. Our results indicate that there is a large pay gap for working part-time which persists many years after having resumed full-time work. We also find that working part-time involves lower returns to experience than standard full-time employment and thus a substantial negative wage differential for those employed part-time accumulates over time. Finally, we find that heterogeneity exists by contract type and motherhood status.

**Text:** See [Discussion Paper No. 5815](#)

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