Should There Be a ‘Disincentivising’ Form of Gender-Neutral Shared Leave in the Firm?

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Parental leave policies in firms have an important role in the gendered division of domestic labour by being at the core of parental justice. These policies continue to be influential by placing most of the responsibility of domestic labour, particularly child-rearing, on women, and consequently, future penalisation in the labour market in the form of a ‘career break penalty’. Therefore, these policies are actively contributing to an unjust gendered division of domestic labour and unequal opportunities rooted in parental leave within the firm.

To tackle parental injustice and its consequences, some States have applied different approaches of gender-neutral shared leave, mainly presented in two forms. First, through individual entitlements that are commonly known as “use it or leave it” policies. Second, as economic incentives or “bonus leave”, rewarding or providing further benefits to cases where both partners take the leave. However, this paper will argue that neither of these policies are sufficient in tackling parental injustice nor the gendered division of labour within firms. Instead, it is required to apply a third form of gender-neutral shared leave based in disincentivising.

Both “use it or leave it” and “bonus leave” policies have important limitations. The “bonus leave”, while providing benefits attractive at first glance, has a greater possibility of being overridden by concerns of suffering from a career break penalty in the future. The concern is similar in “use it or leave it” policies which may incentivise men to be present at home and share in the domestic workload but are eclipsed by the same fear of a career break penalty. These two policy approaches are sharply limited by the wariness of a career break penalty, leaving men to decide to take the minimum leave or not take it at all. At the same time, retaining women as the primary users of parental leave and the most vulnerable to a career break penalty in the future. Therefore, the fact remains that fathers continue to take less parental leave time than mothers, perpetuating a gendered division of domestic labour and unequal opportunities in professional development.

Economic reasons also factor in the decision of fathers in not taking the parental leave or taking less time than women in contexts where both are entitled to equal leave. Even though the focus so far has been on the wariness of a career break penalty, it must be acknowledged that there are also monetary incentives to continue working which play a significant role. Both partners may find themselves negotiating as to who will fulfil the role of breadwinner and who the role of caregiver. For reasons beyond the scope of this essay, in traditional families men usually fulfil the first role while women the latter. Economic incentives for one of the partners to forgo parental leave (usually the man), continues to facilitate parental injustice and the problems rooted in the unequal gendered division of domestic labour.
There are two different approaches in these forms of gender-neutral shared leave, and both seem to have a positive side. On the one hand parents may benefit from parental leave, which is actually provided for or even incentivised in the bonus leave. On the other however, there is still the economic incentive for one of the partners to continue working, that partner usually being the father. Both are positive aspects, each one pulling towards its side in a kind of struggle between domestic and professional life. However, the balance is tipped in favour of professional life and paid work. The wariness of the career break penalty, compounded by the economic incentive to continue working, creates an imbalance between the two, thus making these policies insufficient in tackling parental injustice. Therefore, we need to enquire if a new form of policy is needed and what form it should take.

So far, we have seen a ratio in which paid work outweighs parental leave, mainly due to the economic incentive and the concern of a future career break penalty. If the goal of gender-neutral shared leave policies is to actually improve gender equality in both domestic and professional contexts, it requires more effective measures. With both “use it or leave it” and “bonus policy” forms, there has been a focus on incentives. Both include incentives for equal parental leave: the leave itself, additional leave time, or minor economic rewards that do not outweigh the benefit of not taking the leave. However, as these incentives achieve insufficient results, perhaps our attention should be focused on the other side of the coin, on disincentivising paid work while entitled to parental leave.

A disincentivising form of gender-neutral shared leave aims in having both partners, after weighing their situation, most likely deciding to take an equal or similar leave. To do so, however, efforts must be focused on reducing some of the benefits in continuing to work. As we identified earlier, there are two main reasons why fathers do not take their parental leave — first, the career break penalty and, second, the economic incentive. We will see that the first is the most challenging one.

The career break penalty is a deeply rooted cultural practice seen in firms, which cannot be addressed directly through policy. It seems quite implausible that any policy may have the reach or the legitimacy to immediately tackle the penalty. Not only it is a practice prevalent within firms, but it is also the configuration of the labour market that escapes the reach of policy. However, the economic benefit is a different story. Gender-neutral shared leave policies should focus on this, thus partially resetting the balance between the parental leave and continuing to work.

We can envision disincentivising not taking the parental leave through a sort of “parent tax”. Such measure would mean that parents who continue to work during their parental leave, will be gradually taxed based on the months they continue to work while entitled to paid leave. Through an incremental tax, the economic benefit of not taking the parental leave would be reduced and eventually disappear. A ‘disincentivising gender-neutral shared leave’ basically cuts the short-term economic benefit of working during parental leave. Of course, in order for this policy to make sense in realistic conditions, it must be prescribed in a parental leave scheme that already provides for equal paid leave. The aim is to reach a point in which the individual sees the economic benefit reduced and is able to choose in a more balanced manner between the benefits of taking parental leave and the constraints that pose a wariness of the career break penalty.

The short-term goal of this measure is to drastically disincentivise not taking the parental leave through economic measures. However, it has long-term objectives as well. In the hopes of reducing the benefits of not taking parental leave, it would be expected that it becomes a more common practice among workers that both partners take a leave and, eventually, influencing
practices regarding career break penalties. More parents taking equal leave could mean closing gender gaps. Men and women in similar circumstances benefiting from their parental leave could contribute to the destigmatisation of taking leave altogether. Short-term practices such as reducing economic benefits of forgoing leave might mean a cultural change towards greater equality in the future.

More details regarding the disincentivising form of gender-neutral shared leave still need to be resolved. However, by tackling the imbalance between the incentives to take parental leave and continuing to work, there is a chance in effectively influencing equal leave in the short-term and equal opportunities in the long-term. In conclusion, working while entitled to equal paid leave should be disincentivised in firms through policy.