

A Disincentive-Based proposal for Gender-Neutral and Shared Parental Leave

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Parental leave policies in firms have an important role in the gendered division of domestic labour. They are 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. Thus, disadvantaging women on the labour market through a 'career break penalty'. Therefore, these policies are actively contributing to an unjust gendered division of domestic labour. Unequal opportunities are 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 in two forms. First, through individual entitlements that are commonly known as "use it or leave it" policies. Second, as economic incentives or "shared leave bonus", rewarding or providing additional benefits if both partners take the leave. However, this paper will argue that neither of these policies are sufficient in tackling parental injustice or the gendered division of labour in firms. Instead, we need a third form of gender-neutral shared leave based in *disincentivising*.

Both "use it or leave it" and "shared leave bonus" policies have important limitations. The "shared leave bonus", while providing benefits attractive at first glance, presents a greater risk of being overridden by concerns for a career break penalty. As for use it or leave it policies, they may incentivise men to be present at home and share in the domestic workload. However, incentives are eclipsed by the same fear of a career break penalty. Hence, these two policy approaches are sharply limited by the wariness of a career break penalty, leaving it to men to decide to take the minimum leave or not take it at all. At the same time, they contribute to retaining women as the primary users of parental leave and remaining 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 into the decision of fathers. Even though the focus so far has been on the wariness of a career break penalty, it must be acknowledged that there are also certain monetary incentives to continue working which play an additional and significant role. Both partners may find themselves deliberating on who will fulfil the role of breadwinner and who the role of caregiver, particularly considering that one of the parents must continue to work to benefit from full pay instead from a reduced salary to which they are entitled during the leave. 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), by remaining at work, 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 include two conflicting arguments for taking the leave or not. On the one hand, both 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 benefiting from full pay while continuing to work, that partner usually being the father. Both aspects introduce a struggle between domestic and professional life. However, the economic incentive to continue to work weighs more than the chance to benefit from the leave. Compounded with the wariness of the career break penalty, the economic incentive creates an imbalance towards not taking the leave, thus making these policies insufficient in tackling parental injustice. Therefore, we need to inquire if a new form of policy is needed and what form it should take.

So far, we have seen a ratio in which the losses expected from suspending paid work are perceived as outweighing the benefits from parental leave, mainly due to the economic incentive of benefiting from full pay 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 at having both partners, after weighing their situation, most likely deciding to take an equal or similar leave. To do so, efforts must focus on reducing some of the benefits associated with 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 deeply rooted 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 this penalty. Not only it is a practice prevalent within firms. It is also the configuration of the labour market that escapes the reach of policy. However, the economic benefits are a different story. For our purpose, we may envision them subject to more immediate forms of pressure, such as taxation. The career break penalty is more of a cultural and multi-dimensional phenomenon which requires long-term objectives, and even so would be hard to create effective measures to tackle it, whereas economic benefits of not taking the leave are simpler to analyse and to target, particularly when taking taxation into account. 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”. This would mean that parents who continue to work during their parental leave entitlement period, 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 removes the short-term economic benefit of not seizing the parental leave opportunity. 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 at 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 hope 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 contribute to closing gender gaps. Men and women in similar circumstances benefiting from their parental leave could contribute to the de-stigmatization 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.

A more detailed account of this *disincentivising* form of gender-neutral shared leave still needs to be worked out. However, by tackling the imbalance between the incentives to take parental leave and continuing to work, there is a chance of 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.