

Can economic incentives promote a more equal gender division of house chores?

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Gender identity norms such as the male bread-winner model are possible drivers of persistent gender inequalities in the labour market. However, the extent to which they restrict the behaviour of couples is debated. While the simple observation of men's and women's specialisation in market and domestic work may be revealing of gender identity norms, the observed time allocation of spouses may also be a consequence of gender wage gaps in the labour market. Suppose, for example, to observe a couple in which the wife mostly works at home and the husband mainly works in the market. Even if the couple had a preference for equal gender roles, it would appear as traditional because, in the presence of wage gaps, household resources are maximised when the wife stays at home.

We argue that a more informative test of the role of binding gender norms requires instead measuring whether and how the allocation of home production between spouses changes after a change in the financial cost of adopting gendered norms. This happens when spouses' relative wages change for some exogenous reason outside a couple's control. Ideally, one would like to run an experiment in which, for example, female wages increase in a randomly selected group of couples, compared with an ex ante similar group in which male wages increase instead. Suppose that in the first group the allocation of home production stays unchanged, while in the second more home production is loaded on wives. Such finding would indicate that couples in this population are willing to "leave money on the table" in order not to load husbands with more home production even when it would be financially convenient for the household, but are ready to load more home production on wives when this becomes financially convenient. This would be evidence of a binding traditional identity norm. Vice versa, if the second group reacts and the first one does not, this would be evidence of a binding untraditional norm, prescribing that more home production can be loaded on husbands, but not on wives.

While we cannot run this experiment, we can exploit, as a quasi-experiment, the introduction in 2007 of an earned income tax credit in Sweden, which altered in different ways the marginal tax rates (and the relative take-home pay) of spouses in couples that were arguably similar ex-ante. We combine variation in tax cuts driven by the reform with information on how spouses adjusted their home production time as a reaction to the reform. We use a proxy of home production time that is available in Swedish administrative data sources, given by the take-up of temporary parental leave (TPL) to care for a sick child during regular working hours. We show that fathers' share of TPL is positively and significantly correlated to their share of overall home production, in a subset of couples in which we have information on both indicators.

We explore variation in behaviour across the universe of Swedish resident couples, who may abide by different (and differently binding) gender norms, and we detect evidence of both traditional and untraditional norms in different subgroups of the population. We find that the allocation of home production among immigrant couples responds more strongly to a reduction in the husband's than the wife's tax rate, while the respective allocation among native couples responds symmetrically to either wives' or husbands' tax cuts. Native couples are equally likely to have husbands or wives spending longer hours in the home when economic incentives push in a certain direction, but immigrant couples hardly respond to incentives that lead wives to work more in the market and husbands to work more in the home. We interpret this as evidence that immigrant couples in Sweden – on average originating from countries with more traditional gender norms than Sweden – behave more traditionally in their time allocation decisions than native couples. By not responding to wives' tax cuts, simple calculations based on their opportunity cost of home production show that traditional couples may forgo as much as two thousand pounds per year in household disposable income.

Our estimated response to tax cuts also varies depending on other couples' characteristics, for example which spouse is the breadwinner in the couple, whether couples are married or cohabitating, or whether they have boys or girls. We find that male-breadwinner couples, married couples, and couples with a first-born son tend to react more strongly to a reduction in the husband's tax rate, while the respective counterpart couples tend to react more strongly to a reduction in the wife's tax rate. The interpretation is that the first set of couples behaves more traditionally than the second set.

Traditionally behaving couples are more likely to exacerbate gender disparities in childcare time when incentives push in that direction, while they are not as responsive to incentives that would induce a more equal gender division of labour. Untraditional couples are instead more willing to respond to economic incentives whenever they lead to a more equal gender division of labour. These findings should inform the design of policies aimed at incentivizing female participation to the labour market, as the labour supply impact of tax incentives would vary with the type and strength of gender norms in the affected population.

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