Family Bargaining over Parental Leave: A Collective Household Model with Endogenous Gender Power *

Ryo Sakamoto

Graduate School of Economics, Osaka University
1-7 Machikaneyama, Toyonaka, Osaka, 560-0043, Japan
Email: r.sk2015.g@gmail.com

Although existing studies have suggested that men’s leave-taking positively affects children’s development and their involvement in childcare and household chores in the long run, the underlying mechanism remains unclear. To unravel this black box, this study develops a dynamic collective household model and analyses household decisions on parental leave-sharing between spouses, resource allocation, home production, and labour supply. We demonstrate that gender equality in bargaining positions within families before leave-taking is crucial in explaining the positive impacts of men’s leave-taking. Specifically, if women’s intrahousehold bargaining power before taking parental leave is sufficiently low, their husbands are unlikely to take leave, and women’s positions may deteriorate after leave. Consequently, households may allocate fewer resources to children, and men may not actively participate in childcare and household chores. Our model suggests that implementing the parental leave policy for both genders may not be sufficient; simultaneous measures to increase women’s bargaining power are necessary to encourage men to take parental leave and maximise the scheme’s benefits.

Keywords: Intrahousehold Bargaining, Parental Leave Policy, Resource Allocation, Home Production, Gender Equality

JEL classification: D13, J13, J16

*I thank Miki Kohara for her advice and helpful comment. This work was supported by JST SPRING, Grant Number JPMJSP2138.