

Unintended consequences of social policy

Strand organiser: Dr. Kathrin Morosow (University of Manchester)

1:00 - 2:30 Tuesday 12 September: Unintended consequences of social policy

Burden or boon? How employers interpret maternity leave

Helen Kowalewska - University of Bath

The family policy literature generally agrees that maternity leave rights can unintentionally increase statistical discrimination against women. However, recent studies cast doubt on this conjecture by evidencing managerial support for maternity leave-taking. This study asks: Why do some managers see maternity leave-taking a 'burden', yet others deem it a potential 'boon'? Few studies have investigated managers' underlying rationales and motives. This study addresses this gap through a Qualitative Secondary Analysis of semi-structured interviews with 37 British managers in 2015. Data come from the UK Data Service repository, with a 'flexible' coding process guiding analysis. I argue that managers' perceptions of maternity leave-taking hinge on the relative importance they attach to a neoliberal versus social-strategic logic. 'Neoliberal-logic' managers deem maternity leave problematic based on rational cost-benefit calculations, a culture of mistrust, and a separation of work and family that delegitimizes maternity leave as a business concern. Other employers appear driven by a long-term 'social-strategic' logic: maternity leave is a tool for (re)producing a relational organisational culture and loyal, productive workers. A third group of 'dual-logic' employers also espouses social-strategic arguments; but when the leave-taker is non-substitutable – manager, specialist, client-facing/front-line professional – the neoliberal logic dominates. Owner-managers and small-business managers follow the neoliberal logic to a greater extent, whereas managers in public-/third-sector and large companies, particularly HR managers, follow the social-strategic logic to a greater degree. In highlighting the heterogeneity and contingency of employers' attitudes, findings contribute a more nuanced theorisation of employers' role in the relationship between maternity leave and women's employment.

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Compounding disadvantage: Health effects of an early life income shock for aboriginal children

Mary-Alice Doyle - London School of Economics; Stefanie Schurer - University of Sydney

The experiences and conditions that children are exposed to in utero and early infancy can have long-lasting impacts on their health and development. But understanding the channels through which these long-term effects emerge is important, because this may help us to identify interventions to counter any adverse impacts of very early life shocks. In this paper, we explore one channel linking prenatal and perinatal experiences to later-life outcomes: severe infections in early childhood. To do this, we analyse the impact of an exogenous reduction in income and purchasing power in Aboriginal communities in Australia, resulting from a change in government transfer policy. This policy, called 'income management' was introduced as a means of improving children's outcomes, by encouraging parents to spend more on child-centred goods. However, previous research has found it worsened infant health. In this paper, we estimate the impact of pre- and peri-natal exposure to this adverse shock on health in early childhood. We use administrative data linking birth records to hospital admissions, combined with a staggered policy rollout. We find the policy led children to spend, on average, 4.5 more days in hospital from birth to their 6th birthday. Most of this impact is concentrated in hospital admissions for infection. While recent evidence suggests that parental and state investments can counteract worse health at birth, we show that the converse is also true: children in disadvantaged communities can see these disadvantages compounded by early life shocks. This finding speaks to the importance attention to context and key phases in childhood development, when designing policies that affect households' financial resources.

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Labour market flexibilization and the rise in non-standard-earning couples in Germany

Guillaume Paugam - University of Oxford

Dual-jobless couples have been the focus of a lot of social policy attention, but have declined as a share of all working-age couples in the past fifteen years. They have, however, been overtaken, on aggregate, by a new form of precarious couple: the non-standard-earning couple, which, albeit not jobless, only accesses non-standard-employment. I hypothesise that couples which would have been dual-jobless four decades ago, now find themselves on the fringe of the labour market, as labour market policies have increasingly shifted from compensating worklessness to making re-employment the ultimate priority. To test this hypothesis, I adopt a difference-in-difference design applied to discrete-time event-history models, to study the effect of the Hartz IV reform package on the exit rate out of dual-worklessness, a reform which made long-term unemployment benefits much less generous in Germany, and embodies the aforementioned shift in policy priority. The results show that Hartz IV, contrary to expectations, had a negative impact on the probability of dual-workless couples to transition out of dual-joblessness. This contrasts with results obtained at the individual level, which show positive and significant effects on the probability of workless individuals to exit worklessness, especially towards non-standard employment. This suggests a discrepancy between the policy's effect on individuals and couples: for the latter, the decreased generosity in benefits may have been cancelled out by the effect of stronger means-testing, combined with a supply side strategy centred around creating non-standard jobs. The results show the importance of taking into account the household context when it comes to devising social policy and assessing its effects.

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The baby-expecting loan as a new fault line in Hungarian society **Szandra Kramarics - Eötvös Loránd University**

The main topic of my research is the Baby-expecting Loan (BeL) introduced in Hungary in 2019. This is an element of the family benefit system and that can be used as an interest-subsidized loan (HUF 10 million ≈ GBP 23.000). However, an important condition is that only married couples can apply, they must undertake the birth of at least one child, and 3 years of continuous social insurance coverage is required. During the research, 24 semi-structured interviews were conducted with BeL applicants. Based on the topic of the conference, the following two questions are relevant: 1. How do the interviewees feel about BeL and family benefits in general, what are their needs and motivations. 2. What do the interviewees think about other members of society? Is there an "us and them" separation? Based on the results, two unintended effects emerge: 1. Rising real estate prices: Most of the interviewees planned to buy their own house or flat with the borrowed amount. As a result of the BeL (and other similar loans), real estate prices have risen, so the available amount alone is not enough, additional loans need to be taken out. 2. Polarization of society: The interviewees defined themselves as responsible citizens, but the other BeL claimants as irresponsible, who have children only for the money. The claimants spoke extremely negatively about families like them, and several felt that they had to hide the fact that they used the BeL opportunity.

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Framing policy responses to population aging in Iran: moving from demographic solutions to maximizing human capital through gender equality

Guillaume Marois - Shanghai University, China & International Institute for Applied Systems Analysis, Austria;
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Iran is aging rapidly and is expected to see negative population growth rates later this century. This change is generating significant concern for policymakers, whose response is to seek 'demographic solutions' to these issues: raise the fertility rate, decrease the divorce rate, and promote marriage among young people. Part of these policies has entailed curtailing access to free family planning services. Such a 'call and response' approach is unlikely to succeed in its stated aim, such policies over-simplify both the real challenges of population aging, as well as the multiple dimensions of population change. Such policies derive from simple representations of demographic change, most notably the use of the old-age dependency ratio. Using a microsimulation model, this paper empirically demonstrates that increasing Iran's currently low female labor force participation and translating educational gains into rising productivity is a more effective means of responding to the challenges of population aging, even under conditions of low fertility. In tandem with reforming stressed institutional

systems (such as the pension system), releasing the full potential of Iran's existing (and future) human capital – especially of its women – is a far more effective policy direction than fertility regulating policies.

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