

# **Economic inequality and the family policy research agenda: what role(s) for LIS?**

**Rense Nieuwenhuis**



## The Palgrave Handbook of Family Policy

*Edited by*  
Rense Nieuwenhuis · Wim Van Lancker

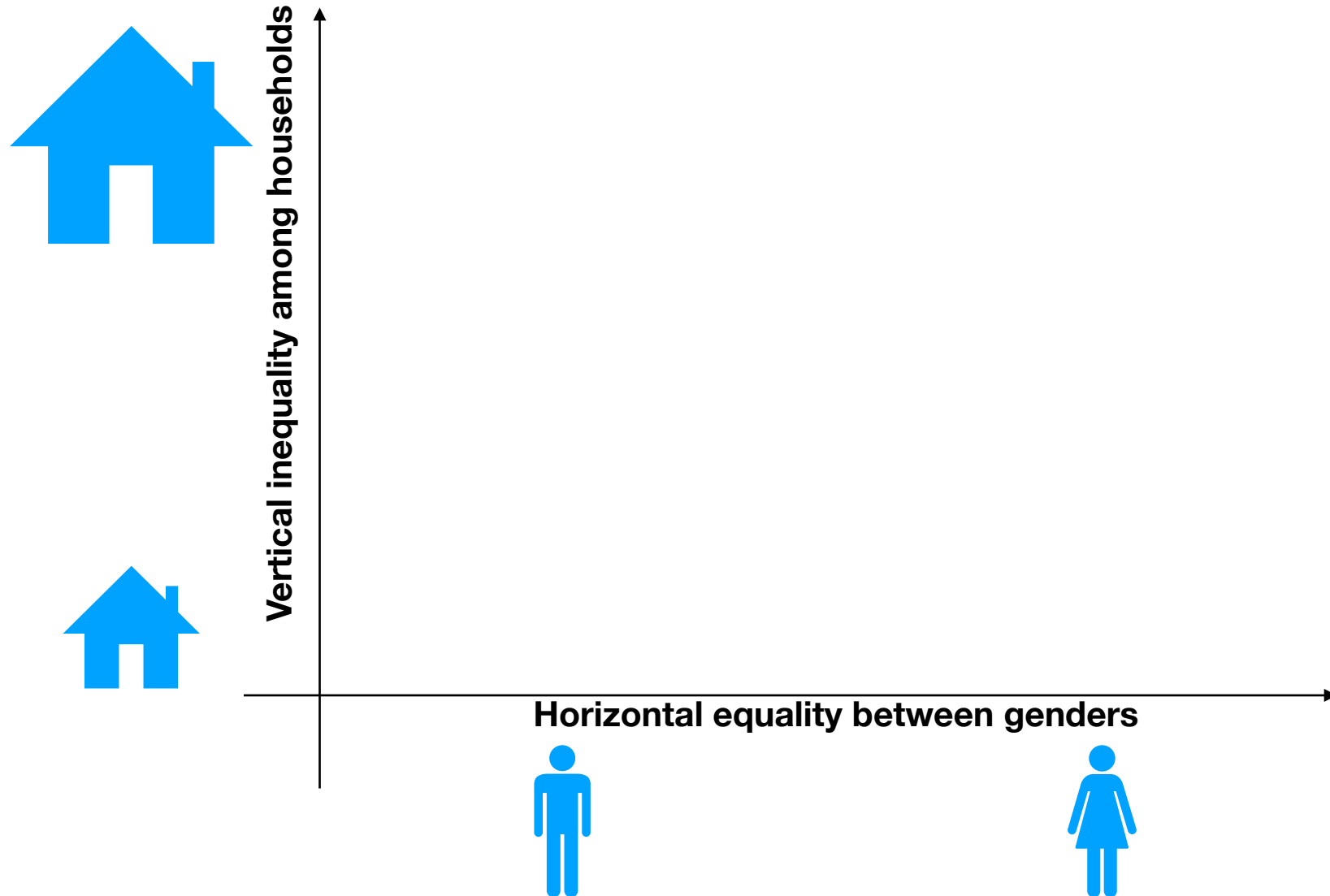
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# A Research Agenda

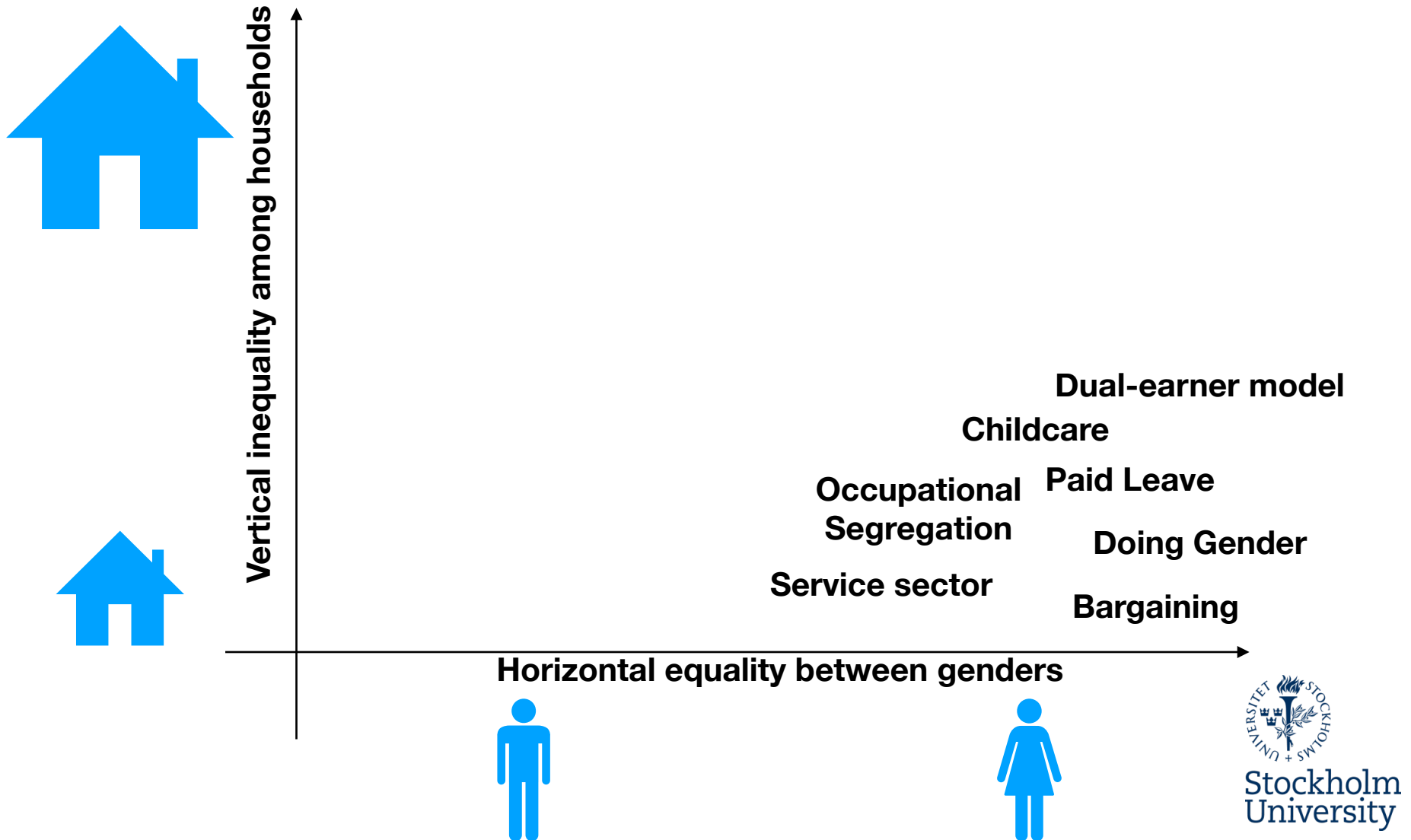
1. Globalization and Decentralization
2. Austerity and Marketization
3. **High and rising economic inequality**
4. Changing family relations
5. Gender revolution: adapting to women's empowered roles?

# **Part 1: Family policy as institutional context of vertical economic inequality**

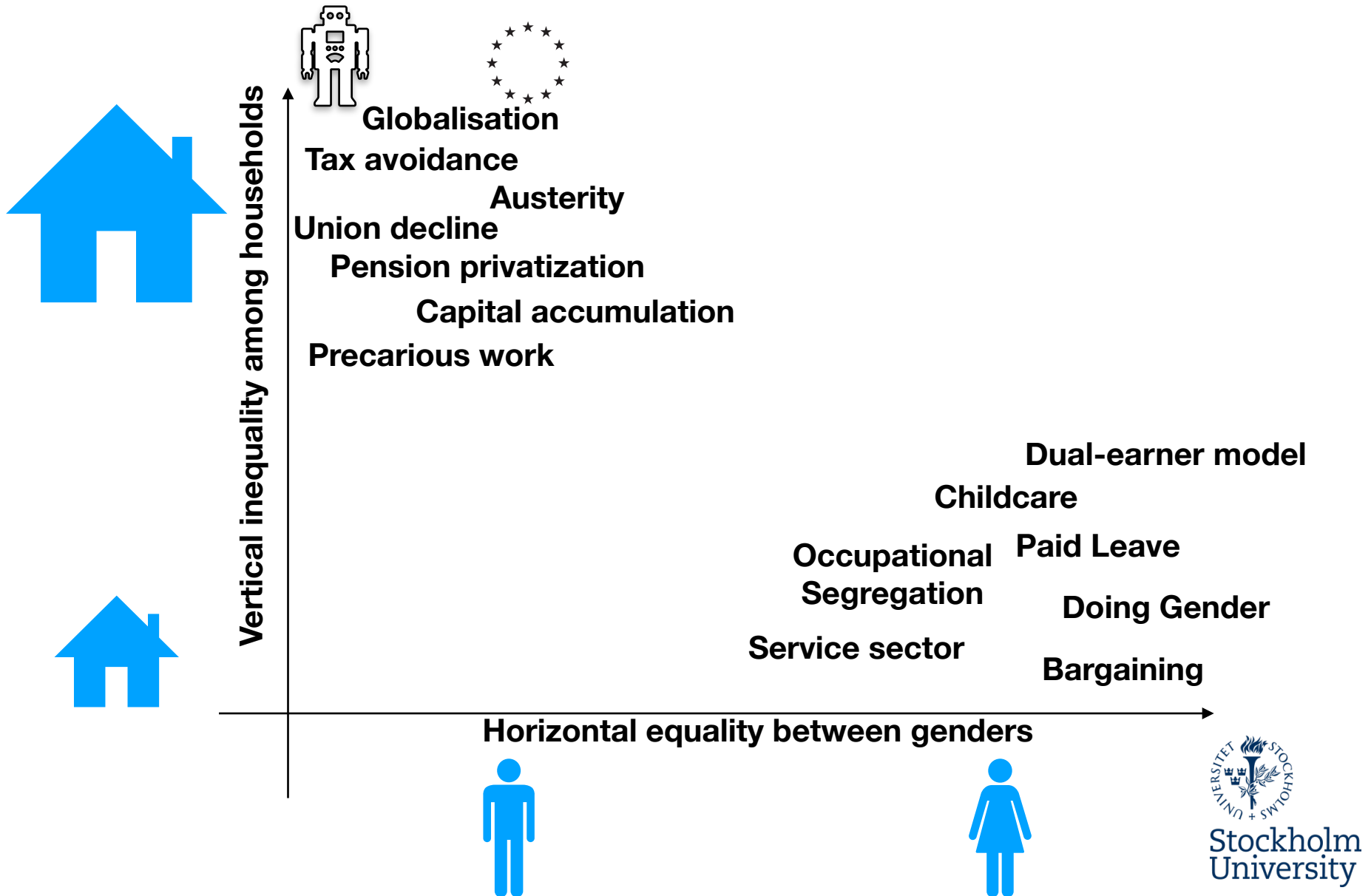
# Two types of inequality



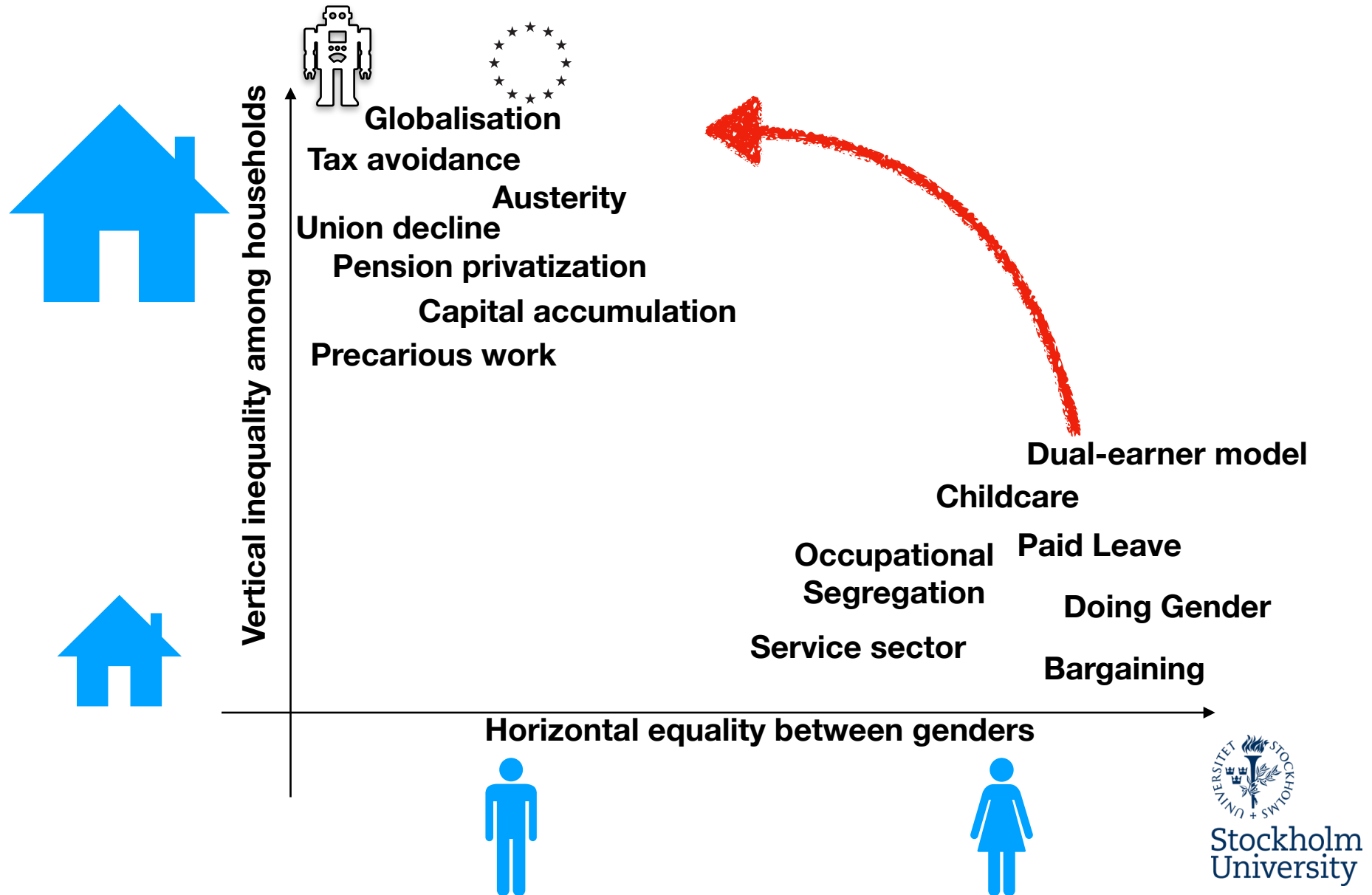
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# Women's rising employment and vertical inequality

- *"The conditions required for an equalizing effect [of women's earnings] are quite steep: namely, maximum, Nordic-type female participation with a fairly symmetric distribution of work intensity across households."* (Esping-Andersen, 2007, p. 646)
- It is a *"common misconception"* (Lam, 1997) that a positive correlation between spouses' earnings is a sufficient condition for women's earnings to increase inequalities between households.

# Family policy as institutional context of vertical inequality

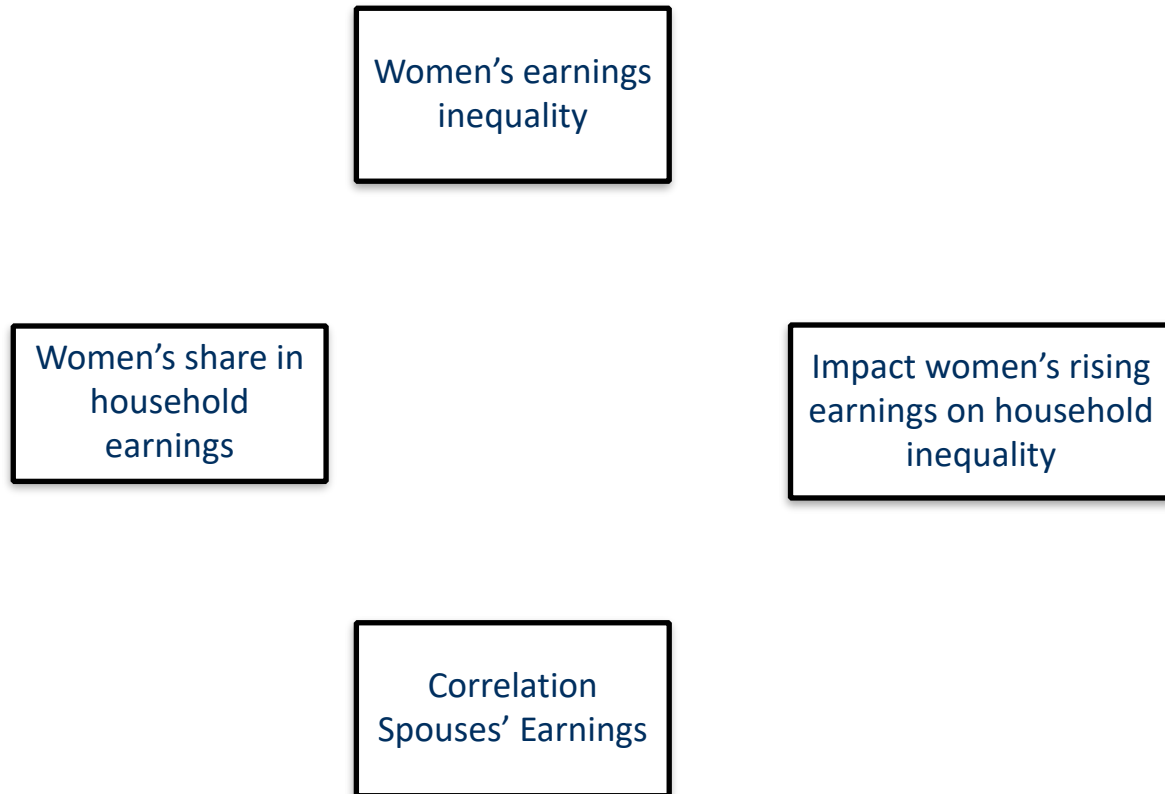
Nieuwenhuis, R., Need, A., & Van der Kolk, H. (2019). Family policy as an institutional context of economic inequality. *Acta Sociologica*, 62(1), 64–80. <https://doi.org/10.1177/0001699318760125>

# Family policy as institutional context of vertical inequality

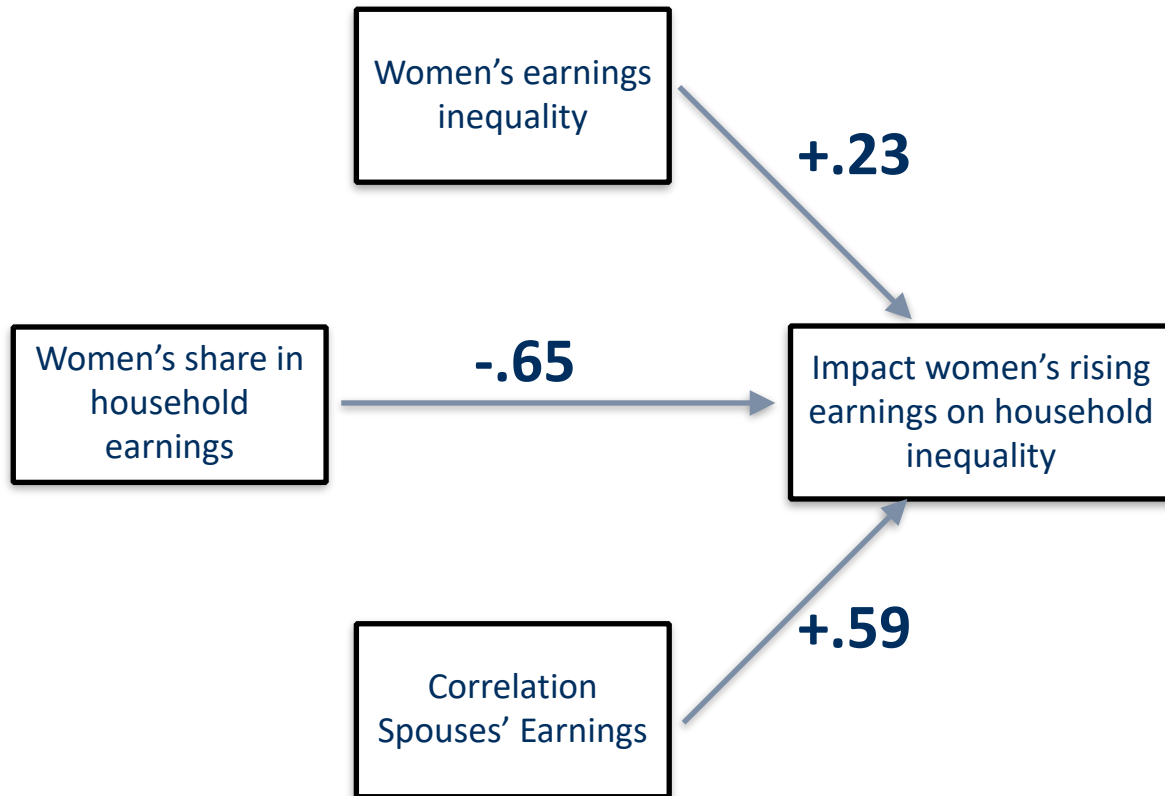
Impact women's rising earnings on household inequality

Nieuwenhuis, R., Need, A., & Van der Kolk, H. (2019). Family policy as an institutional context of economic inequality. *Acta Sociologica*, 62(1), 64–80. <https://doi.org/10.1177/0001699318760125>

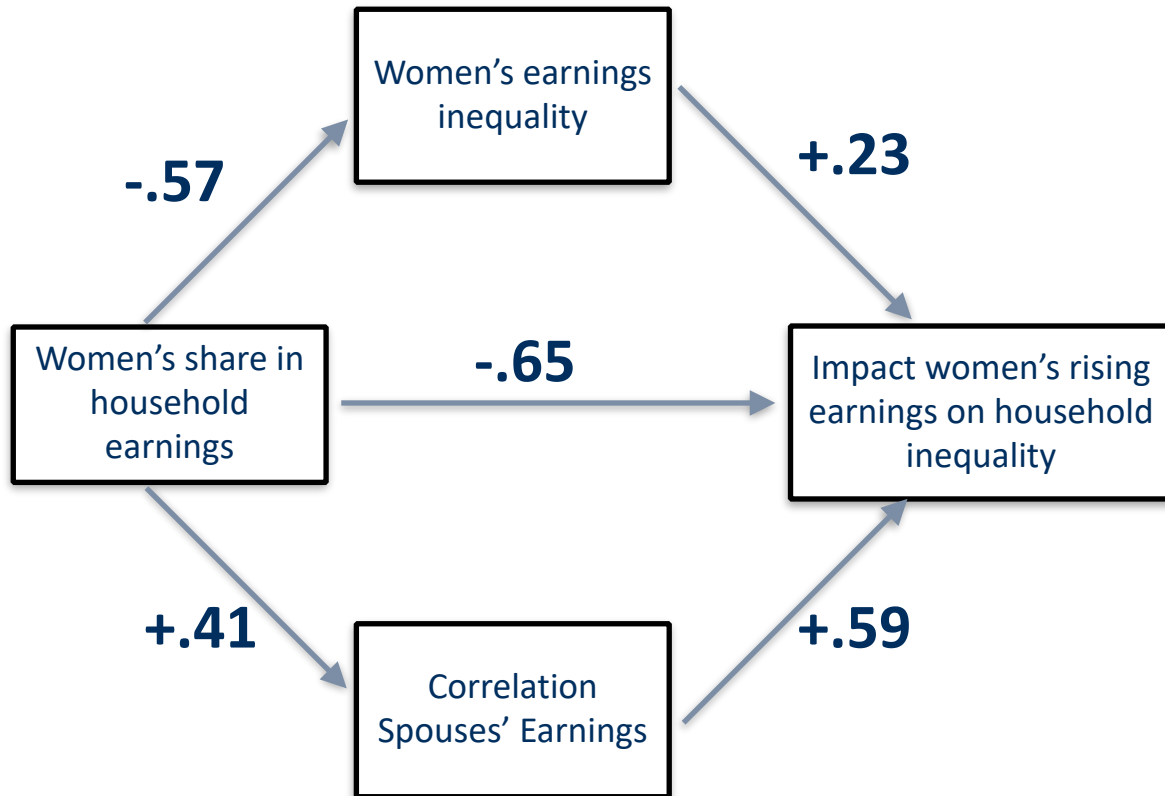
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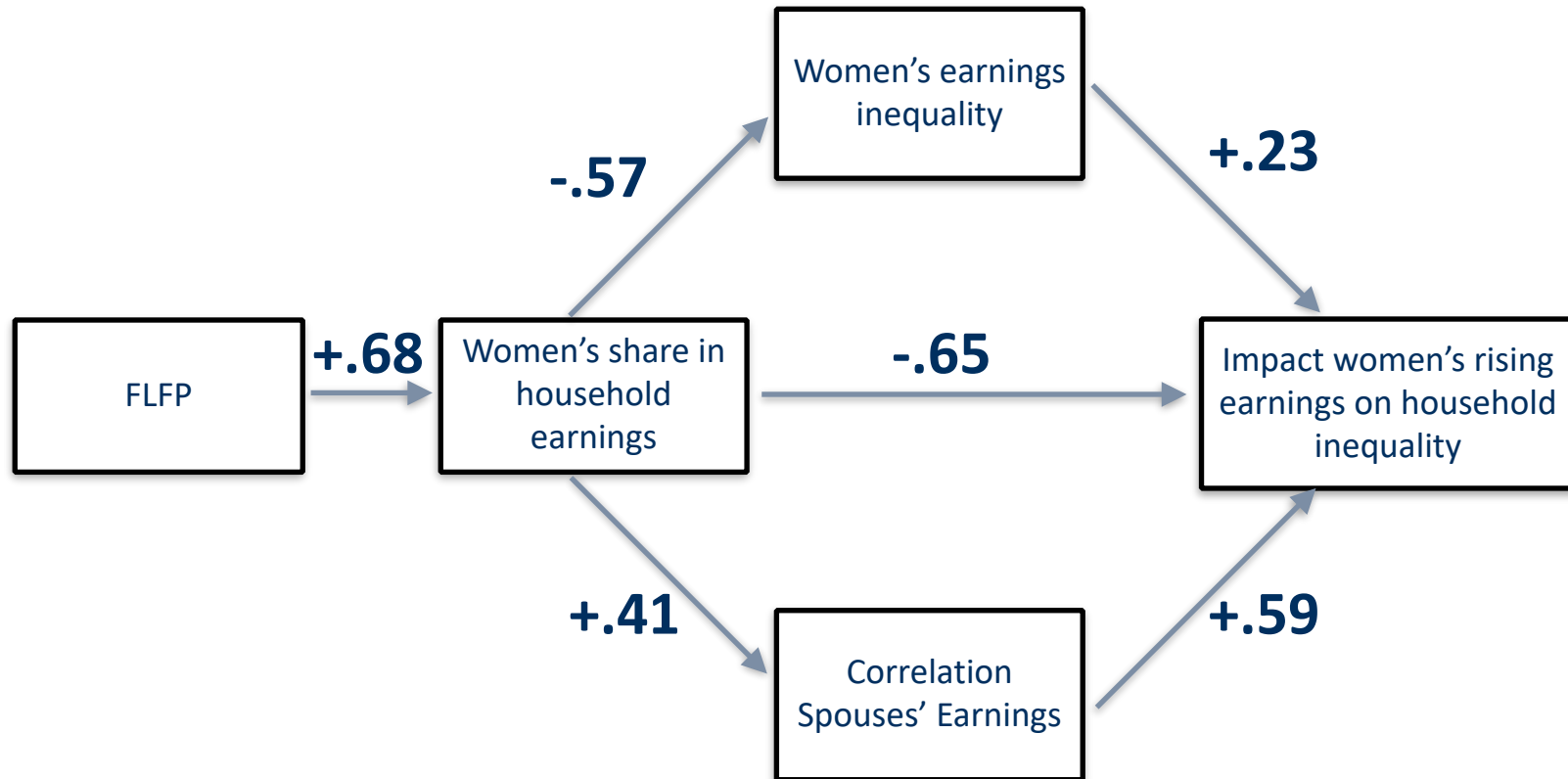
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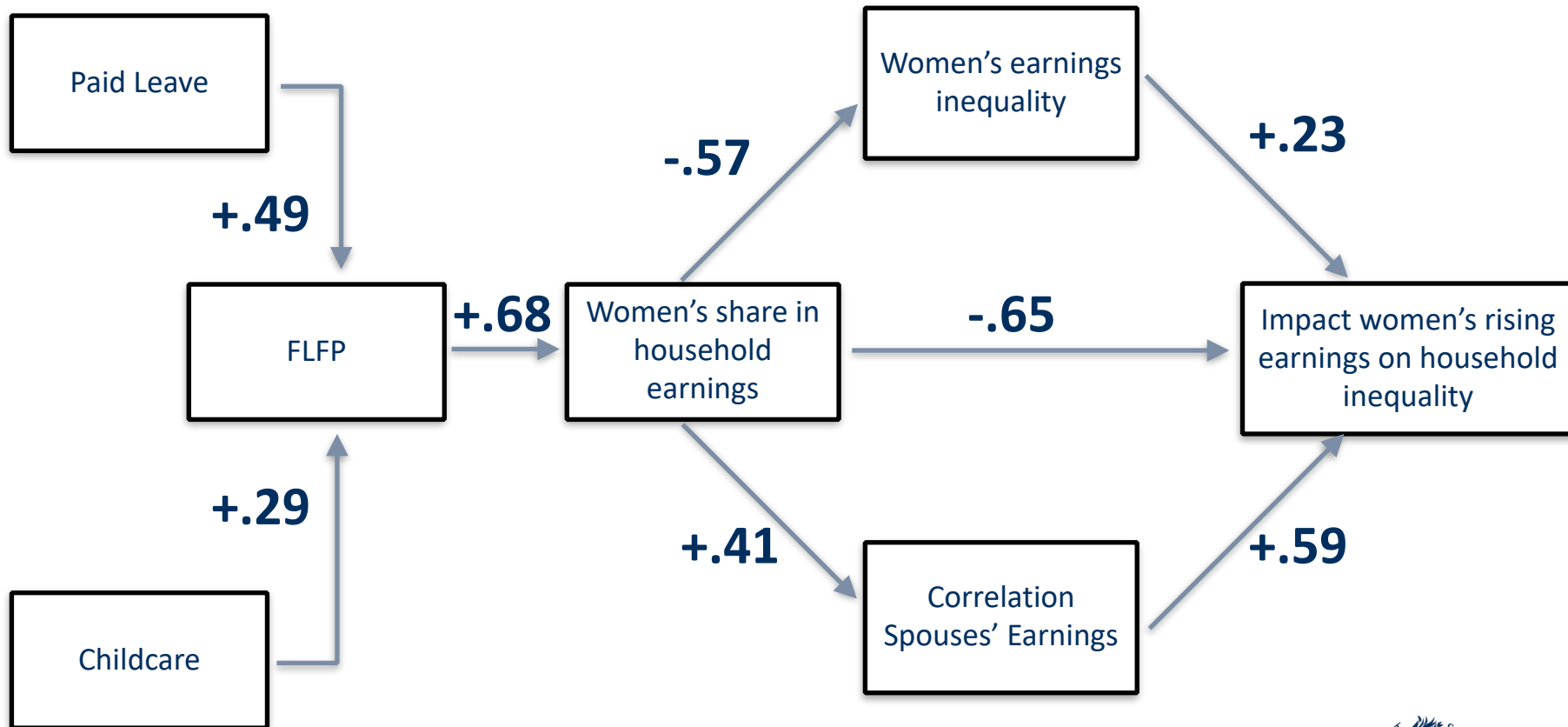
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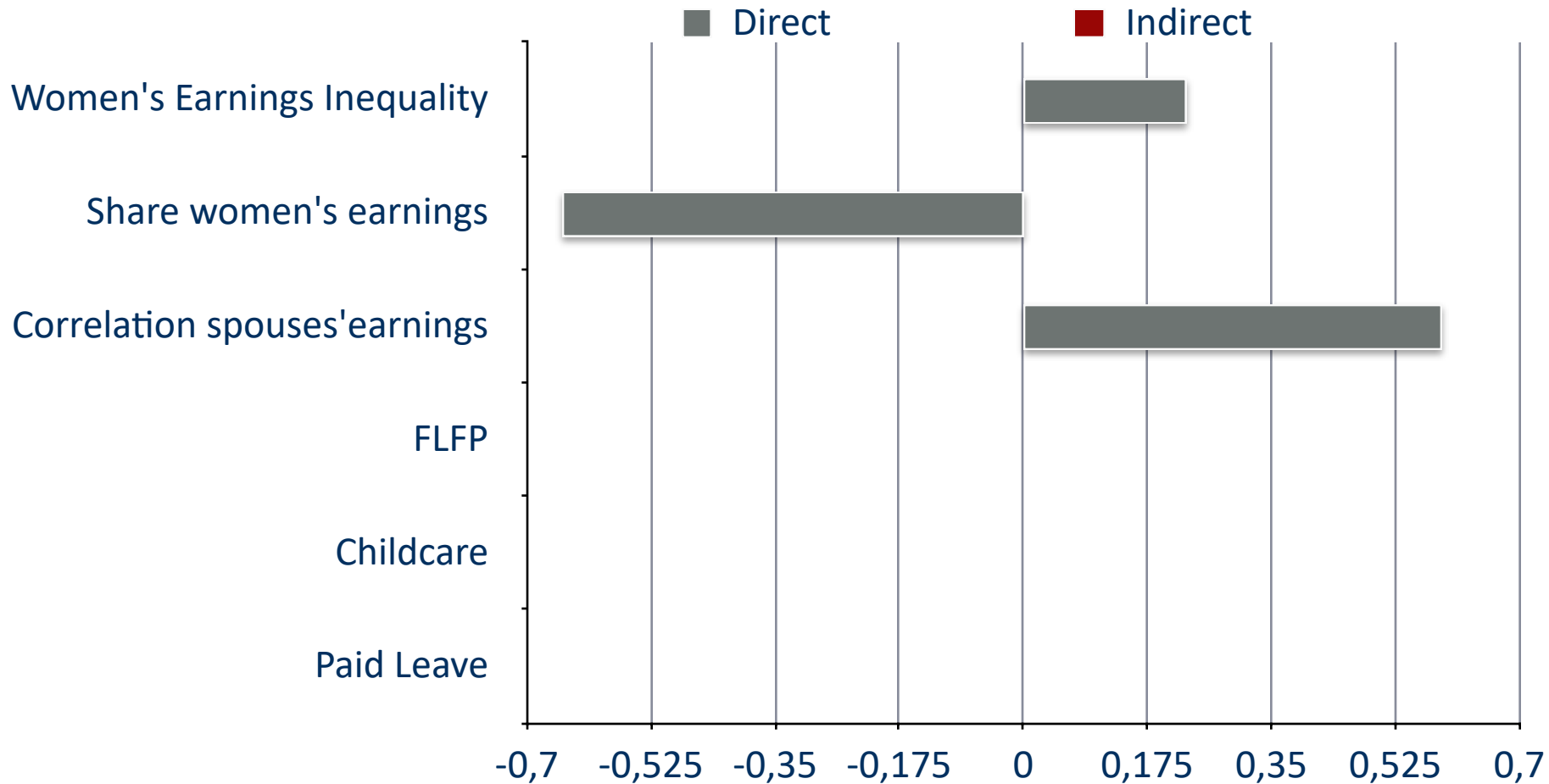


# Family policy as institutional context of vertical inequality

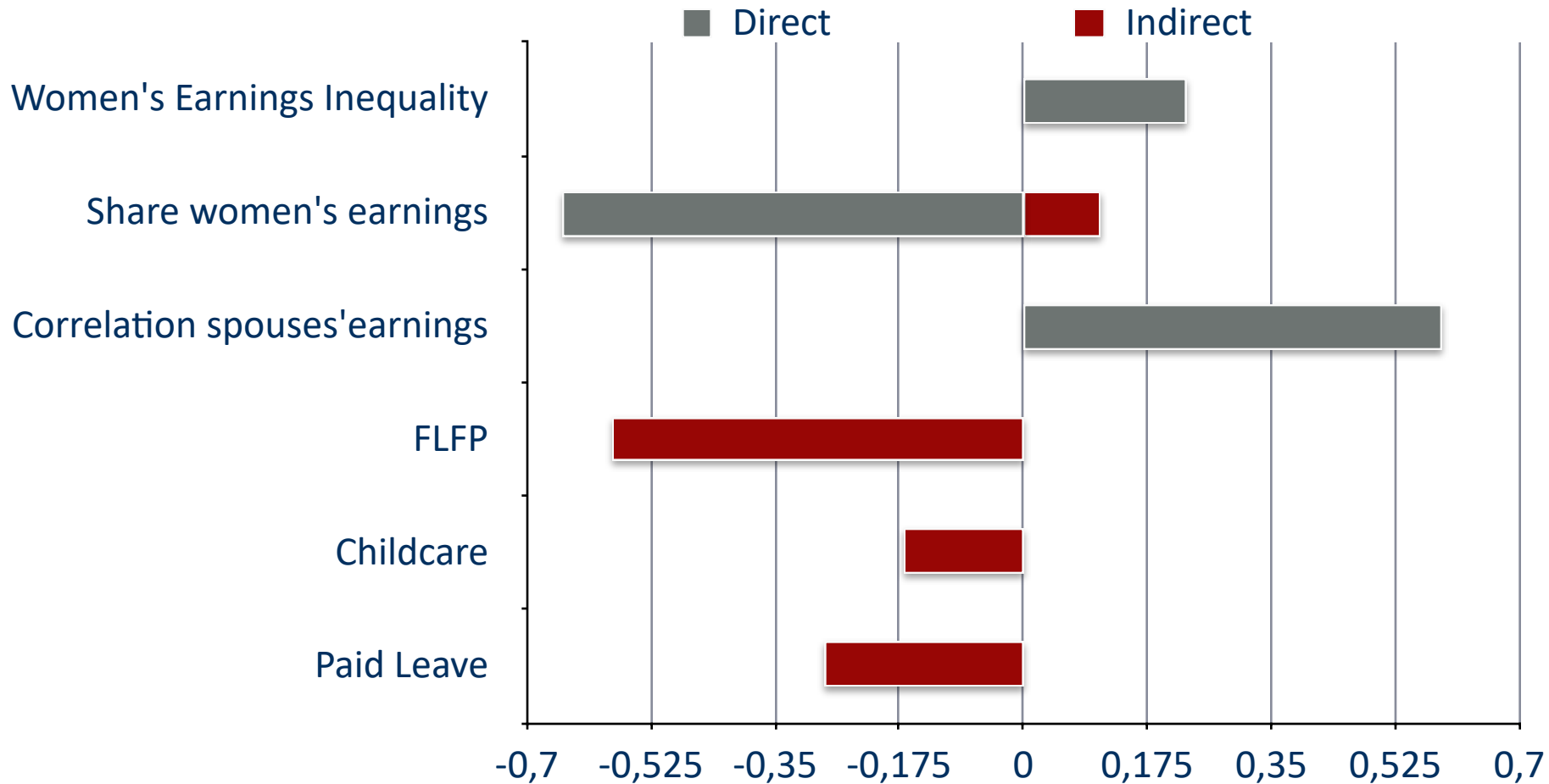


# Direct and Indirect effects

# Direct and Indirect effects



# Direct and Indirect effects



# Family policy as institutional context of vertical inequality

- “Proof of concept”: family policies can help reduce vertical economic inequality between households
  - But, only studied among heterosexual couples
  - But, no interplay partners
  - But, assumption that all benefit equally from policy
- Three questions to move forward:
  - Who uses family policy?
  - To what income effect?
  - With whom do they live?

# **Who uses family policy: Matthew effects**

- Cash-for-care: In Norway, more likely to be used by mothers with:
  - lower levels of education
  - lower income
  - a migration background (Bugum & Kvande, 2013)
- Parental leave: take-up lower among fathers, particularly:
  - lower levels of education
  - self-employed
  - temporary contracts
  - private sector (Geisler & Kreyenfeld, 2011; Romero-Balsas, 2012)
- Childcare: Higher educated parents more likely to enrol their children in ECEC (Van Lancker 2018)

# To what (income) effect?

## Gender-class tradeoffs (Hook & Li, 2020)

- Mandel & Semyonov (2006): With dual-earner support, fewer women have well-paid positions due to occupational segregation
- Korpi et al. (2013): Without dual-earner support, particularly low-income women leave labour market
- Kostecki  (2021): finding of tradeoffs may depend on how family policy was measured
- Motherhood penalty larger for low-wage mothers (Budig and Hodges, 2010; but, see: Killewald & Bearak, 2014)
- Wage penalty for Finnish fathers on parental leave only at the bottom of wage distribution (Morisow & Cooke, 2018)



**Fig. 13.1** Family benefits are associated with lower poverty for single-parent and coupled-parent families (Source LIS data)



# With whom do they live?

## Dyadic perspectives

- Fathers did take more leave if their partner had a:
  - high level of education (Stertz, Grether, & Wiese, 2017)
  - full-time job and high income (Reich, 2011)
- Mothers in joint physical custody had higher employment rates than mothers in sole custody (Fritzell and Gähler, 2017)

# Three questions to move forward

**Who uses family policy?**

**To what income effect?**

**With whom do they live?**

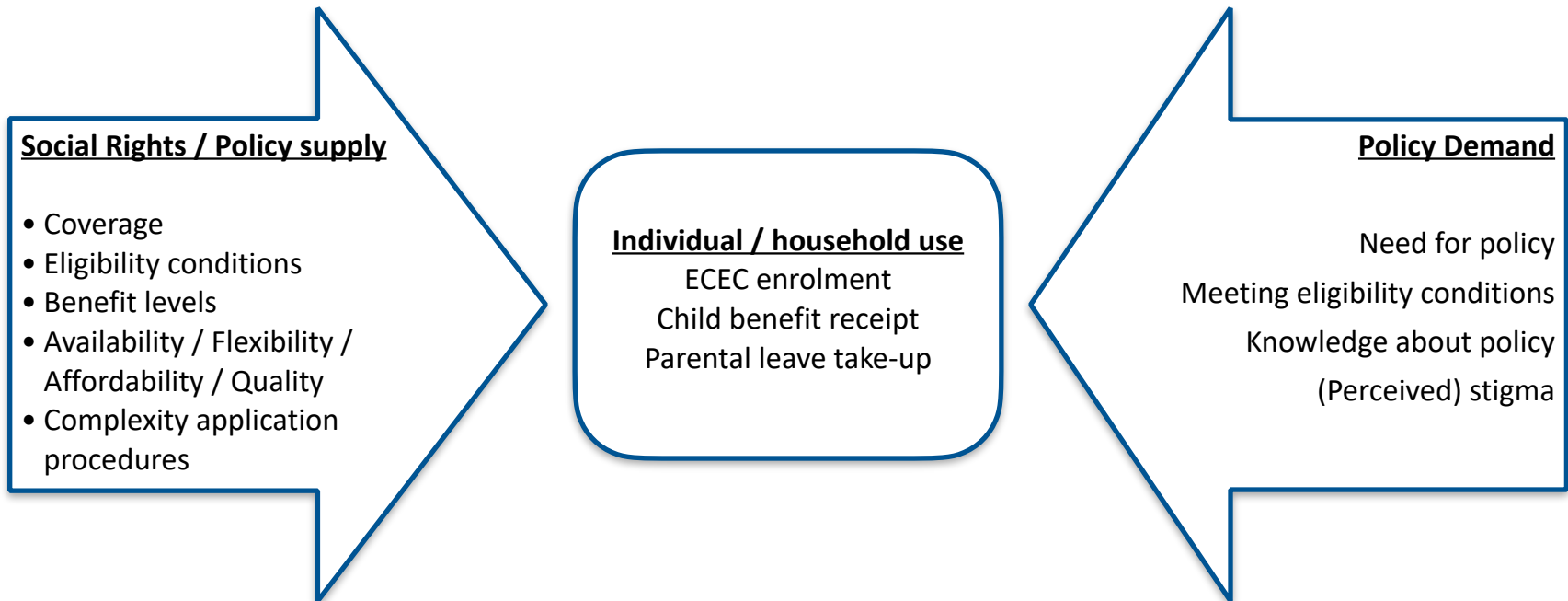
Whether family policies will affect income inequality not only depends on who the individuals are that use family policies and to what income effect, but also on the incomes of others with whom they form a household.

- ➔ Systematic country-comparisons
- ➔ Examine impact of policy design/implementation

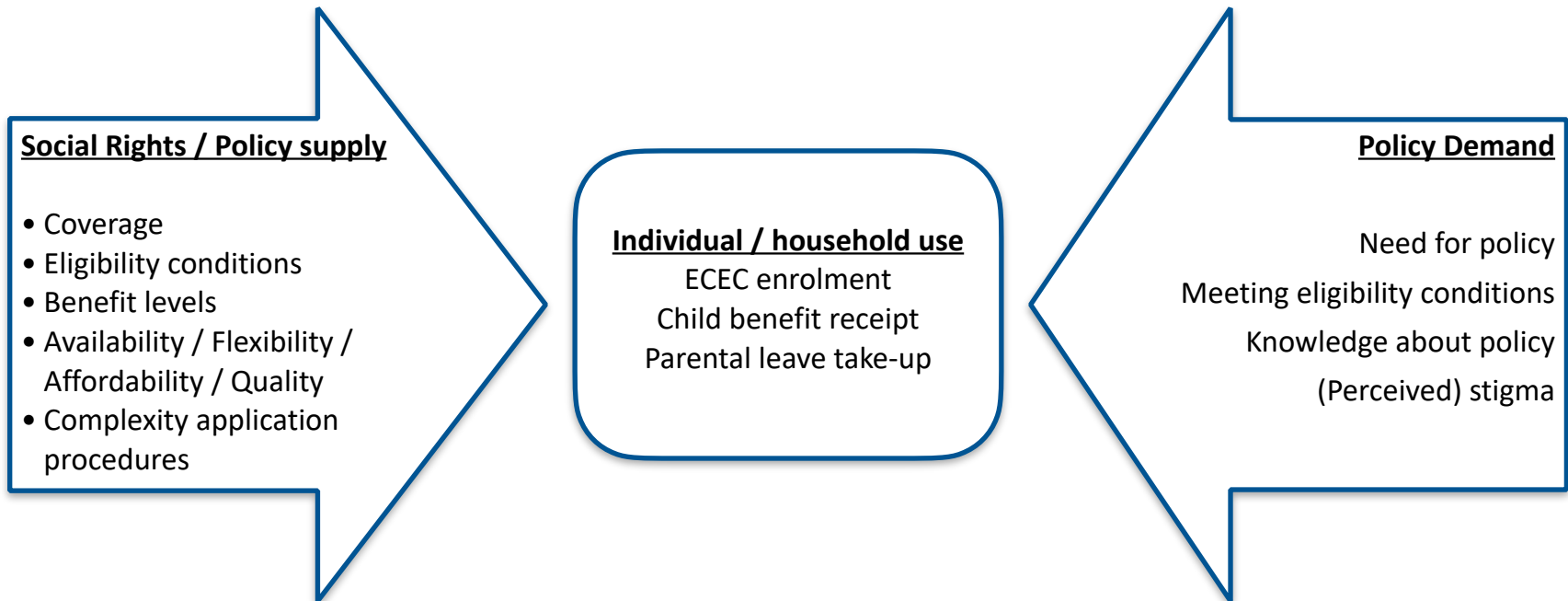


## **Part 2: A social rights approach for analysing family policy outcomes**

# Why do we need a social rights perspective?



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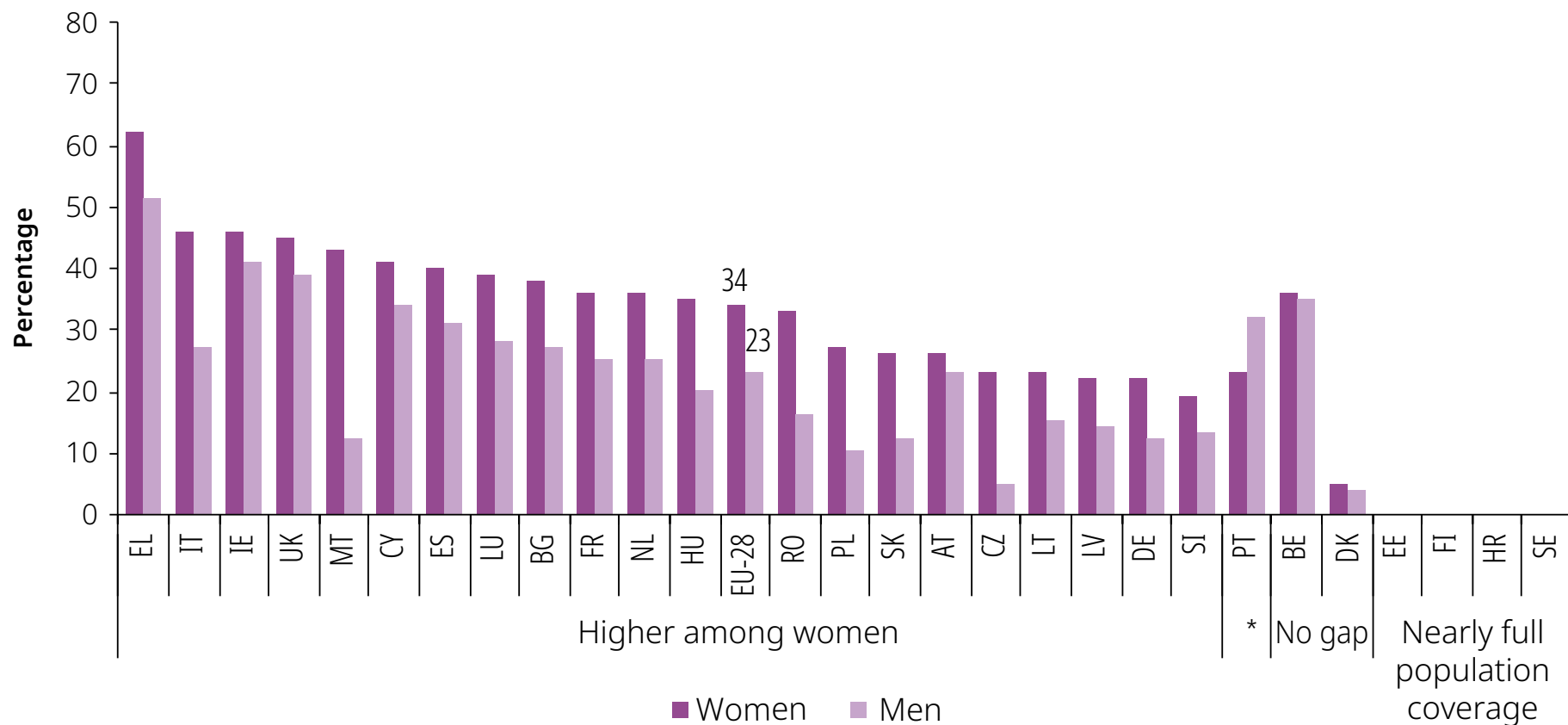
## (Very) different policy implications:

**Low coverage:** expand target group, reduce targeting, ...

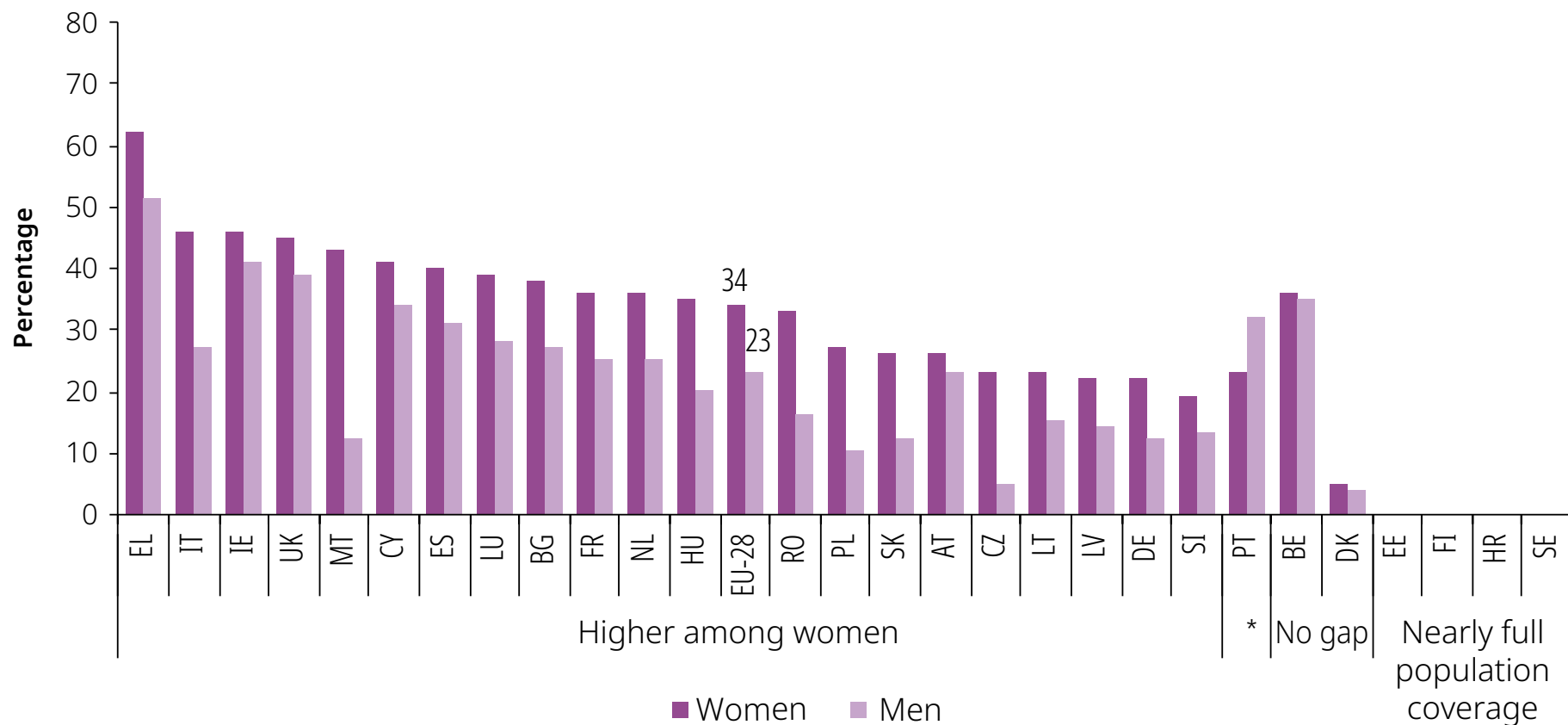
**Low eligibility:** reduce qualifying conditions (e.g. work history), ...

**Low take-up:** increase benefits, simplify application procedure, ...

**Figure 1: Percentage of women and men (aged 20-49) not eligible for statutory parental leave, 2016**



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### Explained by:

- Unemployment / inactivity (but even among employed, 10% women and 12% men are ineligible in EU)
- Self-employment
- Employment conditions

# Social rights data (selection)

## Child Benefits

- Child Benefit Dataset (CBD, part of SPIN)
- Can be created with EUROmod
- Child benefit package is part of Benefits & Wages (OECD)

## Parental leave

- International Network on Leave Policies & Research
- Parental Leave Dataset (PLB, part of SPIN)

## ECEC

- ECEC out-of-pocket expenses (OECD)
- Quality indicators (EURYDICE, not in form of dataset)
- ★ Enrolment & Expenditure continue to be used as policy indicators

# Introducing the ECEC policy network

- Based on pilot in InGRID-2 project, to be continued with Mara Yerkes, Wim van Lancker, and Rense Nieuwenhuis (others TBC)
- Aim: collect social-rights data on ECEC
  - Availability (including flexibility)
  - Affordability
  - Quality
- Harmonize Existing Indicators
- Collect new indicators through network of national experts

# Index of eligibility for guaranteed ECEC

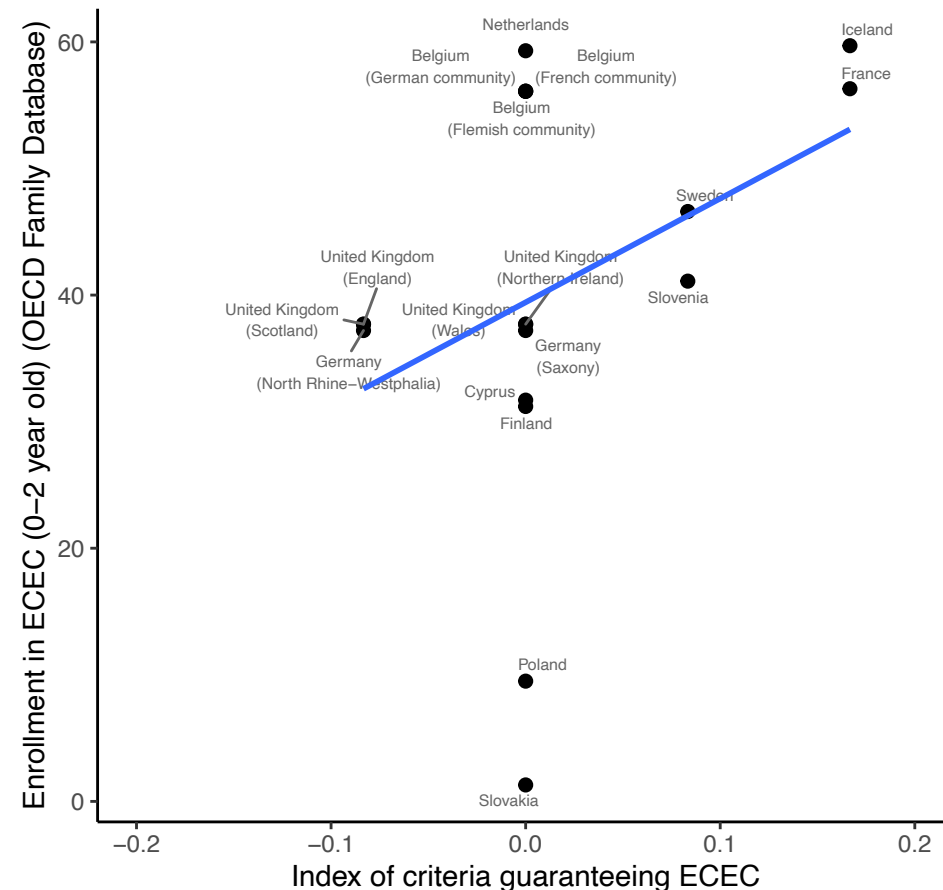
**Index = sum of criteria that guarantee ECEC for a 2-year old**

(Employment, Unemployment, Work hours, Income, Number of children, Single parenthood, Joint physical custody, In full-time education, On parental leave, Residency / citizenship, Refugee status / citizenship, Child with special needs)

Collected by national experts.

# Index of eligibility for guaranteed ECEC

Enrollment



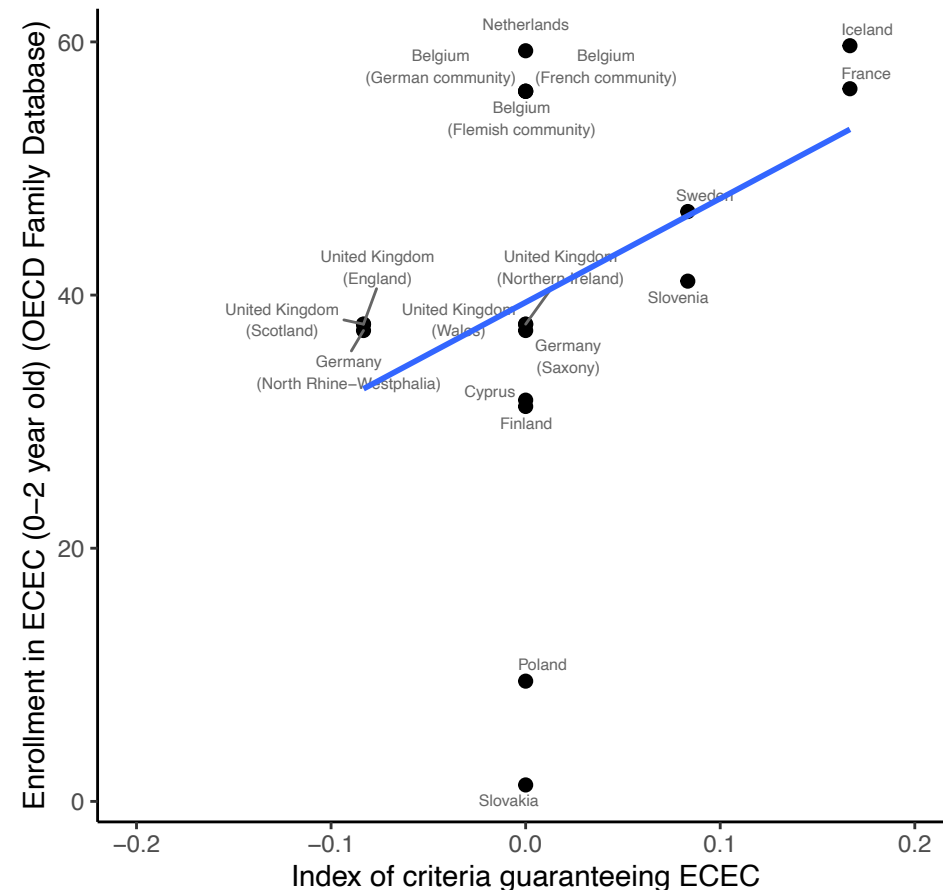
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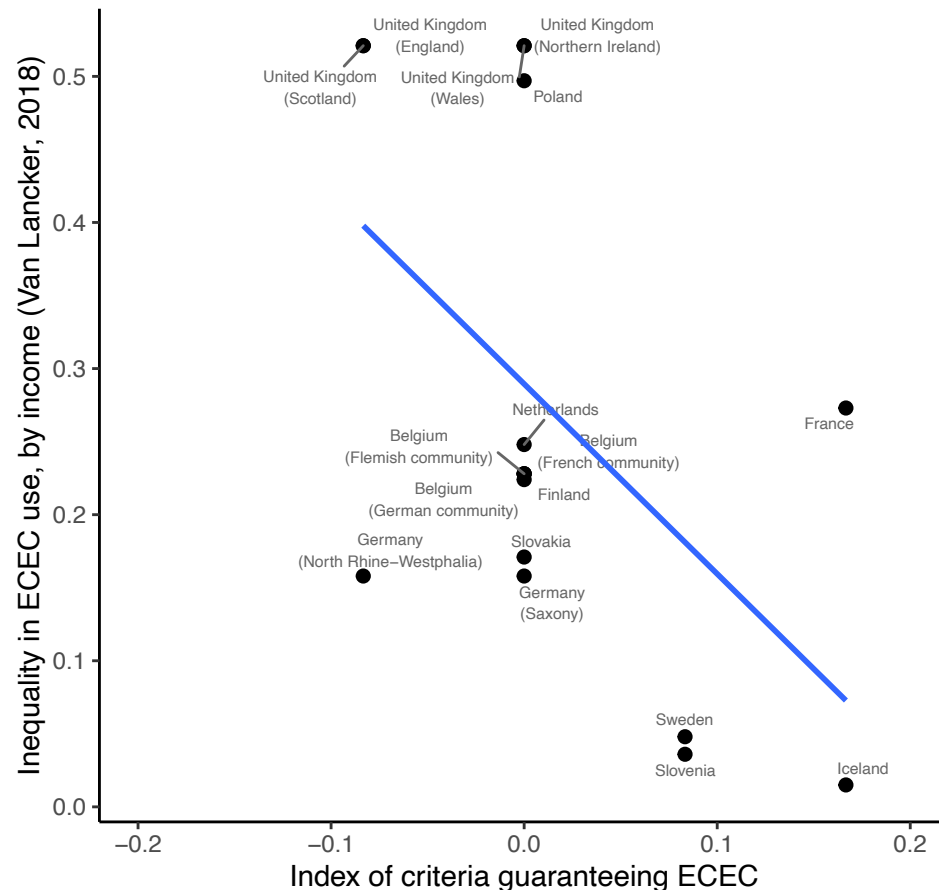
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Enrollment



Inequality



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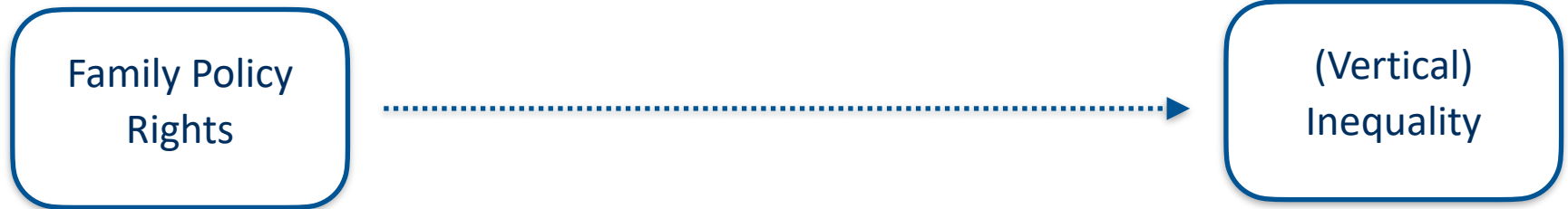
# Methodological individualism brings it all together

Macro

Micro

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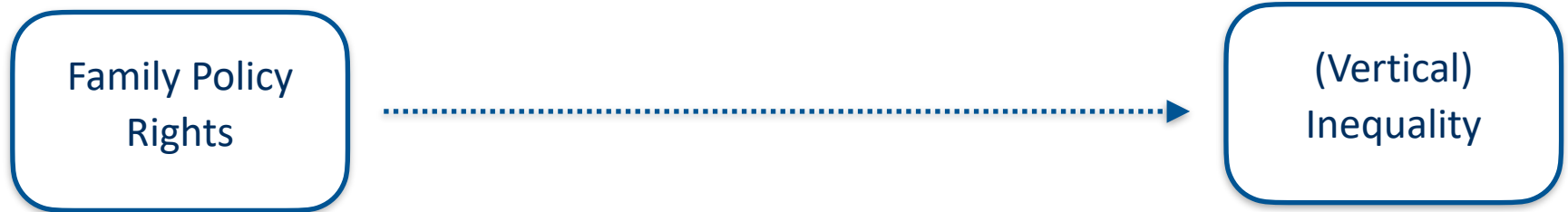
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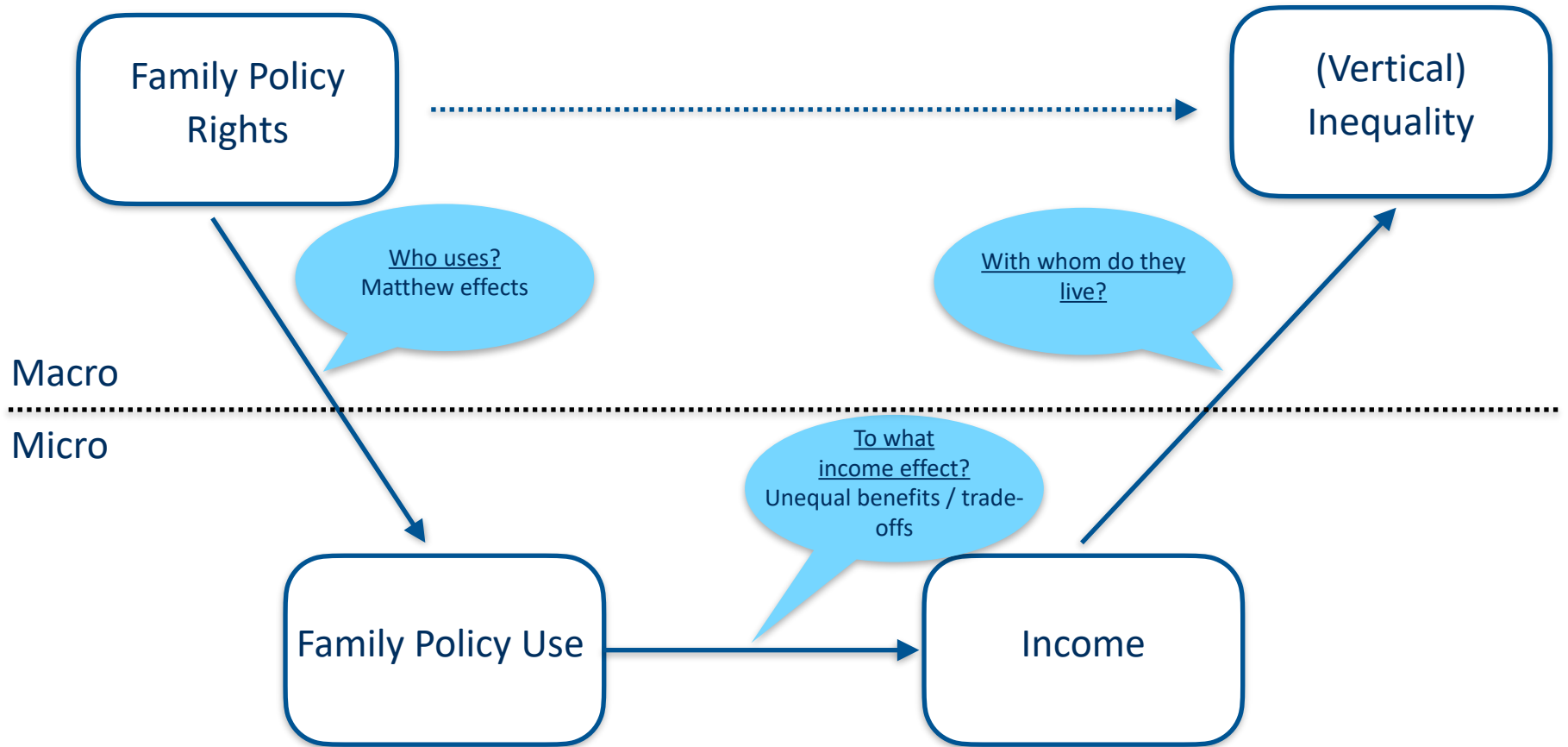


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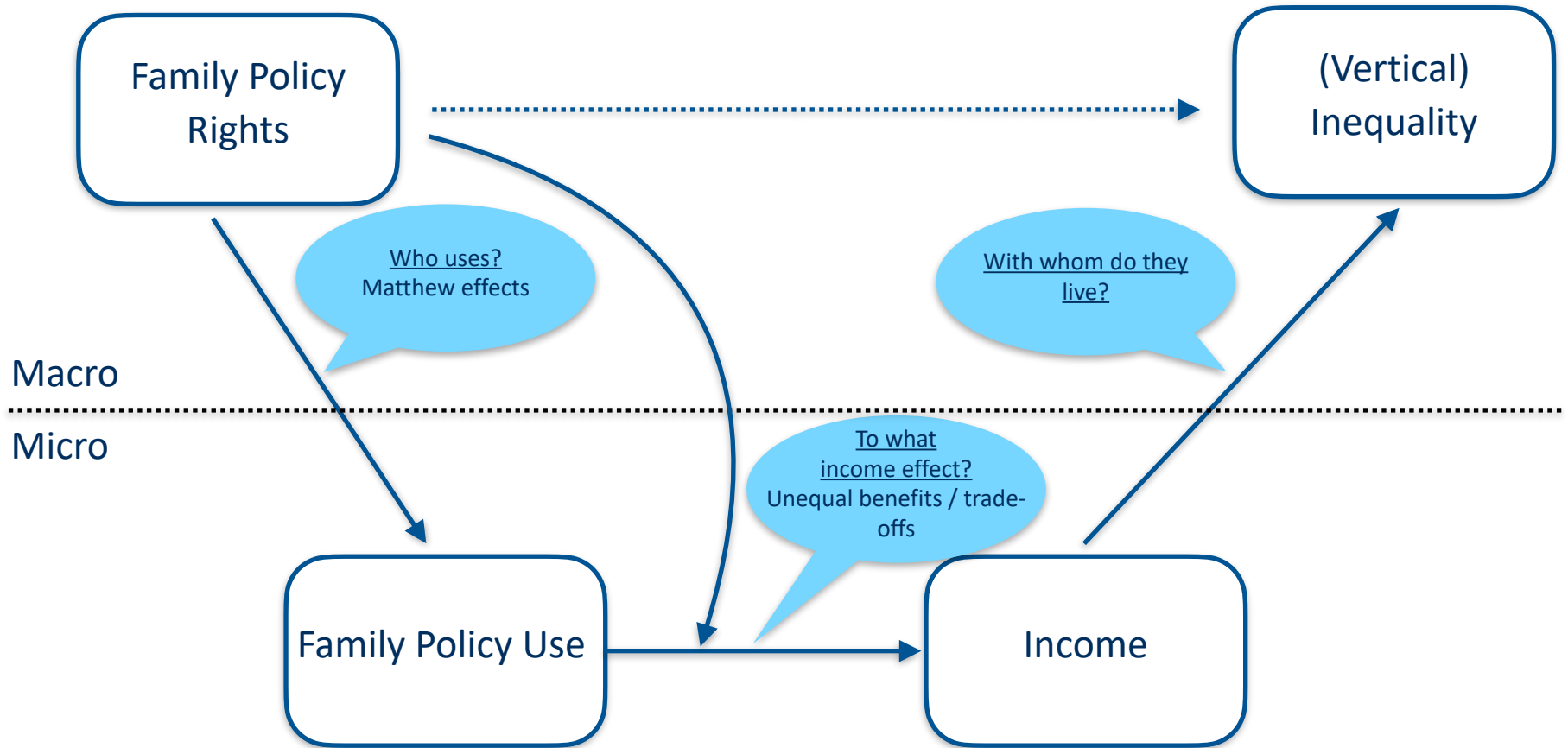
Micro



# Methodological individualism brings it all together



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# **Part 3: What role(s) for LIS?**

# Who uses family policy?

## Strengths

- Transfer income
  - Child benefit
  - Child support & Alimony  
(private transfers, received and paid)
- Parental leave (as current labour force status, and income received)

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## Challenges

- ECEC use
- Benefit receipt can be imputed by data provider


# To what income effect?

## Strengths

- LIS was born to do this ...
- Detailed income components at household and (often) individual level
- Economic dependency within households  (Ragnarsdóttir, 2019)

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## Challenges

- Inequality in access to / control over household income (Bennett, 2013)
- Benefit receipt / parental leave: not possible to study later-in-life consequences
- How relevant is annual income, in context of
  - Precarious work?
  - Fiscalisation of welfare?

# With whom do they live?

## Strengths

- Household & individual data
- Socio-demographics for all household members (where applicable)
- Household types (20 categories)
- Relation among household members (23 categories)
  - For instance, possible to find single parents in multi-generational households (Bradshaw

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## Challenges

- Household as sampling unit
  - Assumption is that a family lives in one household, and that a household only has one family
- Joint physical custody is rising:
  - Do we over-estimate child poverty? Do we under-estimate the number of single parents (and, in particular, the number of single fathers)?



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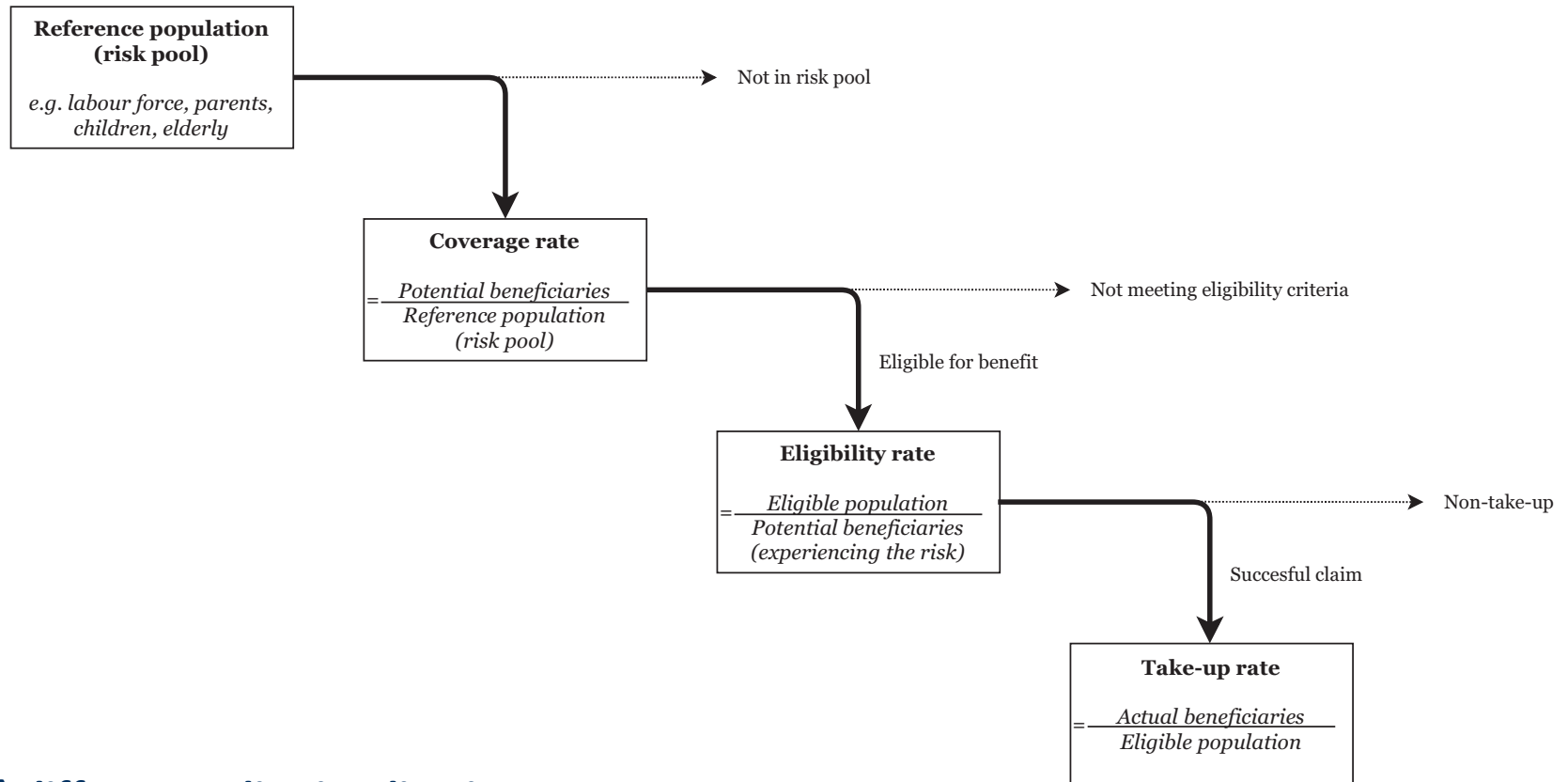
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# Coverage, eligibility, take-up: diagnoses on policy (in)effectiveness with different implications



## (Very) different policy implications:

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**Low eligibility:** reduce qualifying conditions (e.g. work history), ...

**Low take-up:** increase benefits, simplify application procedure, ...