

# Social Policy and Child Well-Being: A Comparative Perspective

Al Kahn Memorial Lecture  
Institute for Research on Poverty  
University of Wisconsin - Madison

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# Overview

- Although Al Kahn made many contributions in his long and distinguished career, his greatest contribution was his pioneering work in comparative social policy.
- In today's lecture, I'll discuss some of Kahn's work in this area, and some of the work that he inspired.

# Cross-cutting themes in Kahn's approach to social policy

- 1) Children and families, and the policies that affect them
- 2) Universalism
- 3) Community-based and integrated social services
- 4) Historical context
- 5) Indicators of child well-being

Kamerman (2009)

“Dr. Kahn’s early work focused on delinquency, school truancy, child welfare, and social service delivery. From the early 1970s on, most of his work was joint, with his colleague Sheila B. Kamerman, and most was comparative and international, highlighting his conviction that one can only understand one’s own country in a larger context – at the very least in the context of developments in other advanced industrialized countries.

Early on he recognized the role played by income transfer policies in reducing child poverty, comparing the economic well-being of families with children cross-nationally and documenting the laggard status of the U.S.”

Kamerman (2009)

# The big questions

- How does the well-being of children vary across countries, and are these differences related to differences in social policies?
- What explains this policy variation?
- Would children in the U.S. be better off if we adopted policies more like those in other nations?

# How does the well-being of children vary across countries, and are these differences related to differences in social policies?

- It is now standard in social policy to compare child well-being across advanced industrialized countries, but Kahn and Kamerman were among the first to do so.
- Kahn and Kamerman were also among the first to document that the U.S. has a distinctive set of social policies, lagging behind other advanced industrialized countries (see, e.g. *Not for the Poor Alone*, 1975; see also Esping-Anderson, 1990).
- In particular, the U.S. spends less on social welfare programs although this changes if education and health are included (Garfinkel, Smeeding, and Rainwater, in press; Issacs, 2009).

# The causal challenge

- The fact that the U.S. lacks key child and family policies and has poorer outcomes for children and families suggests a link between the two, but of course many other factors differ between the U.S. and other nations.
- Thus, in the years since Kamerman and Kahn first documented the differences in policies and child outcomes, researchers have focused on demonstrating that there is a causal link between the two.

# LIS

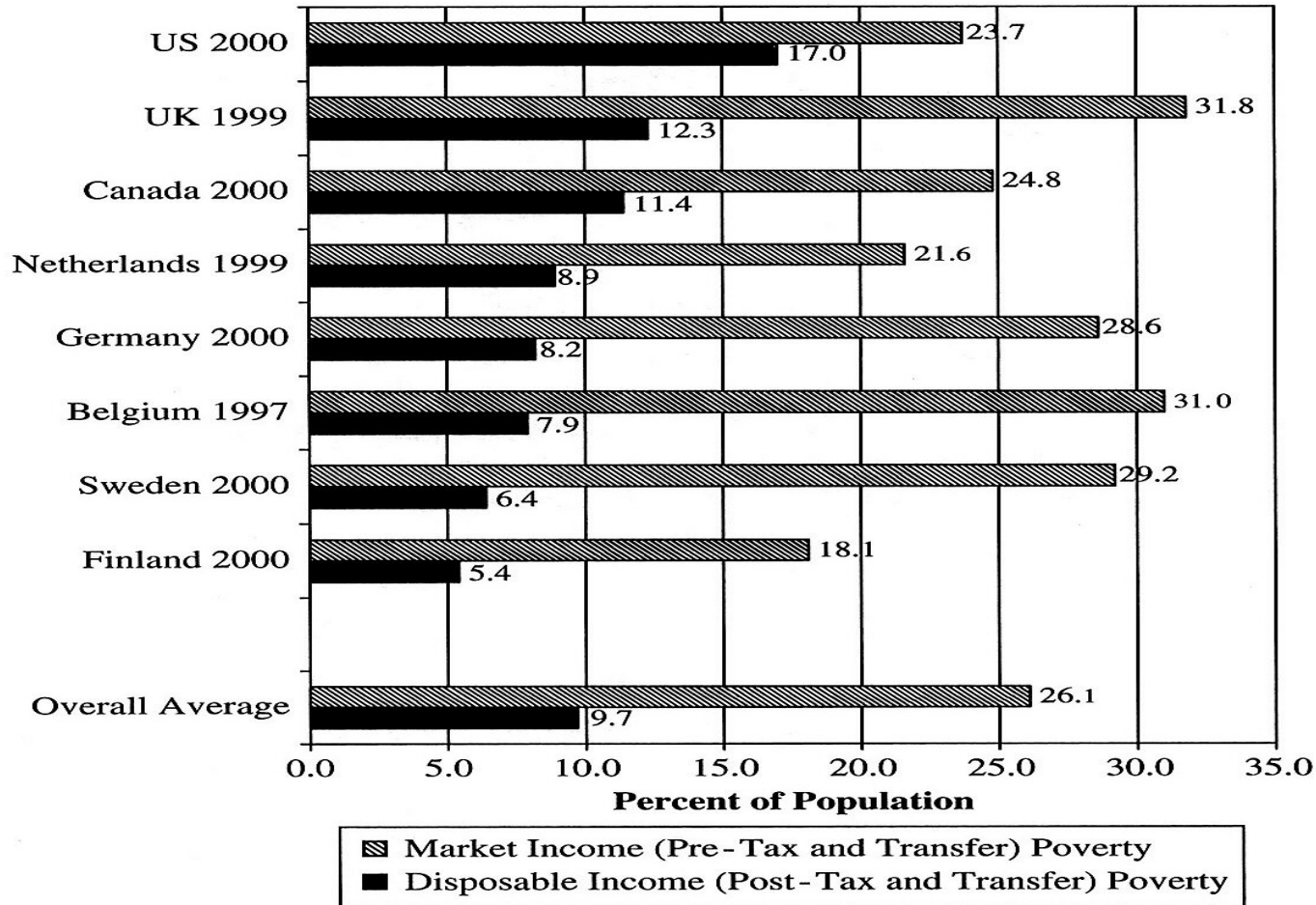
- One of the earliest, and still influential studies, was by Smeeding and Rainwater (1995, followed by 2003).
- Using simple tabulations of LIS data, they showed that other countries did much more to reduce child and family poverty than the U.S. did.
- This work was important in showing that, although there were differences in pre-tax and transfer poverty between the U.S. and other countries, these differences did not explain the vast differences in post-tax and transfer poverty. In other words, high rates of child poverty were not inevitable and policy could make a difference.

## Later studies

- Later studies from LIS used simple descriptive data to show what factors were, and were not, correlated with higher child poverty rates.
- Again, the bottom line was that child poverty was not inevitable and that policy mattered.

**FIGURE 9**

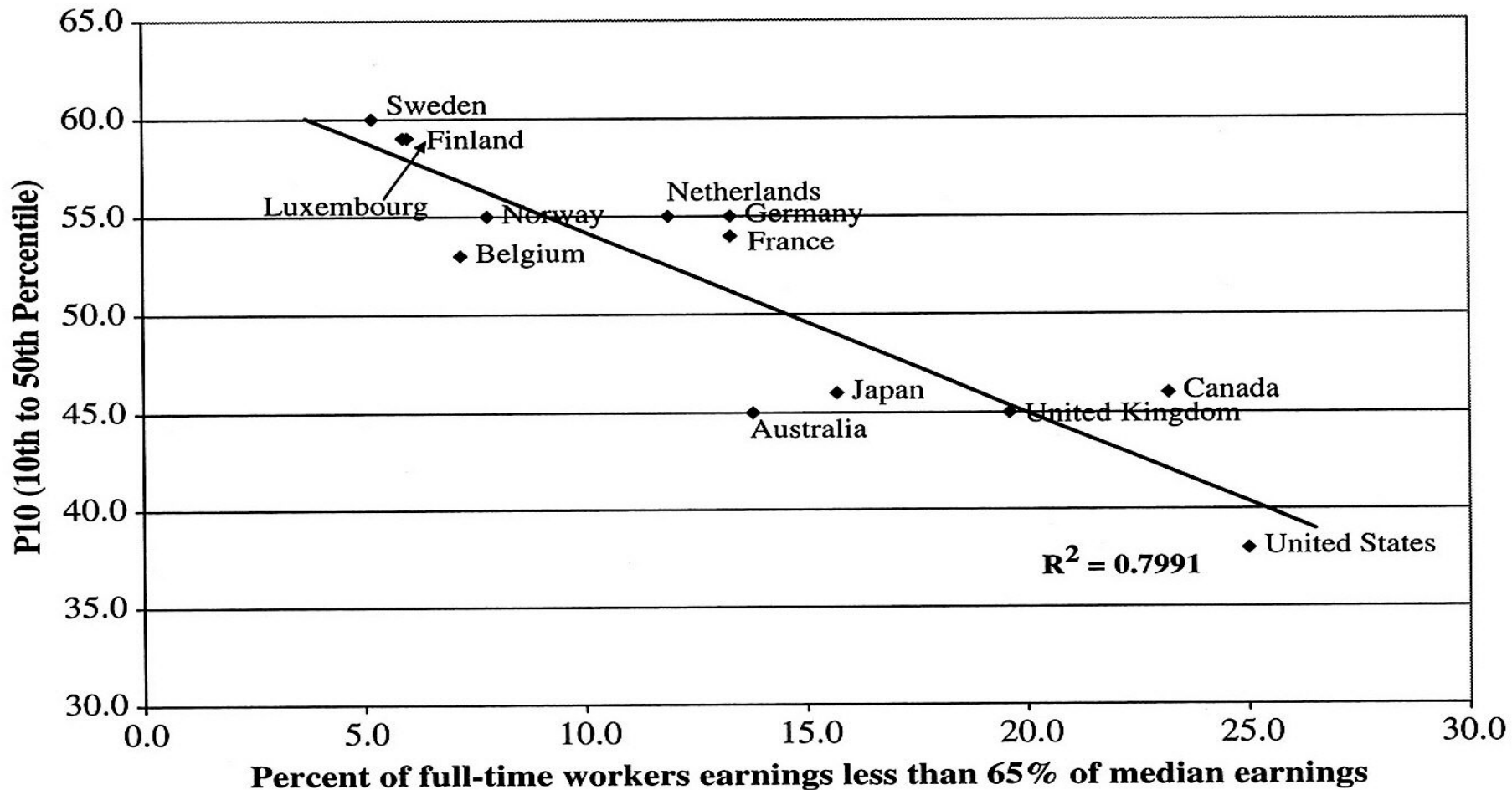
**Relative Poverty Rates and Anti-Poverty Effects in Eight Rich Nations at the Turn of the Century (Percent of Persons with Market Income and Disposable Income Less than Half of Adjusted National Disposable Median Income)**



SOURCE : Author's calculations from Luxembourg Income Study.

FIGURE 10

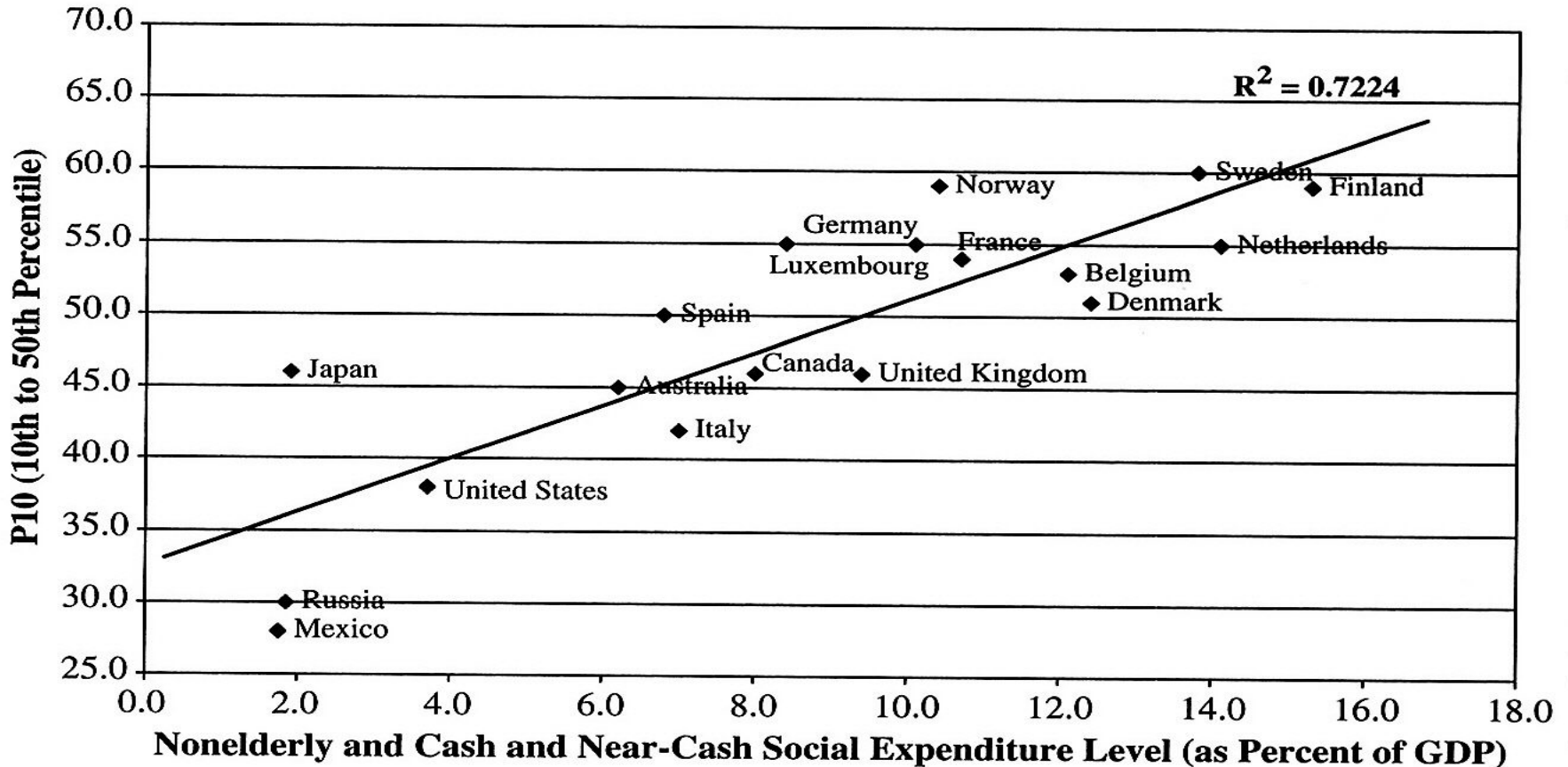
Relationship of Low Pay and 10/50 Ratios in 13 Industrialized Countries in the 1990s



SOURCE: OECD (1996) (percent of full-time workers earnings less than 65% of median earnings); author's tabulations of the LIS data files, except for Japan, whose source is Smeeding (2002).

FIGURE 11

Relationship of Cash Social Expenditures for the Nonelderly and 10/50 Ratios in 18 Countries in the 1990s



SOURCE : OECD (2001) (nonelderly and cash and near-cash social expenditure level); and author's tabulations of the LIS data files, except for Japan, which source is Smeeding (1997). Cash and noncash social expenditures exclude health, education, and social services, but include all forms of cash benefits and near-cash housing subsidies, active labor market program subsidies, and other contingent cash and other near-cash benefits. Nonelderly benefits include only those accruing to household head under age 65.

## And more ...

- There is now a large set of studies examining child poverty, and other child outcomes, across countries (see, e.g., Bradbury and Jantti, 2001; Bradbury, Jenkins, and Micklewright, 2001; Cornia and Danziger, 1997; Gornick and Jantti, 2009; UNICEF, 2000, 2005, 2007).

# CRITA - Cross-National Research on the Intergenerational Transmission of Advantage

- A similar approach is being applied to inequality and social mobility in this ambitious new project funded by Russell Sage Foundation and led by Tim Smeeding and collaborators John Ermisch and Markus Jantti.
- Teams of researchers will analyze the extent to which children's outcomes are predicted by their parents' position, and how this varies across countries.
- For example, Bruce Bradbury, Miles Corak, Liz Washbrook and I are examining child outcomes and parents' position in AUS, CAN, UK, and US.

# Studies across countries and over time

- Descriptive studies that compare outcomes and policies across countries at one point in time can suggest links between policies and child outcomes, but can not establish causality.
- A particular challenge is omitted variable bias, since countries that differ in social policies may differ in many other respects as well.
- A useful research design to address this challenge is to study how *changes* in outcomes relate to *changes* in policies, across countries and over time.

## Example: parental leave policies

- Two studies have taken advantage of variation in parental leave policies across countries and over time to examine how child outcomes change as parental leave policies change.
- Using data from 16 OECD countries from 1969-1994, Ruhm (2000) showed that when a country extended paid maternity leave, infant mortality fell.
- Extending Ruhm's analysis to 2000 and adding U.S. and Japan, Tanaka (2005) confirmed that paid leave reduced infant mortality and improved other health outcomes.
- This evidence was cited when the U.K. decided to extend its paid parental leave program (Gregg and Waldfogel, 2005; Waldfogel, 2005).

## Example: preschool policies

- Fuhua Zhai and I applied a similar method to analyze the effect of preschool policies on children's school achievement.
- Using data from two waves of TIMSS across 7 countries, we found that in countries that increased their support for preschool, children's math and science achievement rose, with the greatest gains for the most disadvantaged children (Waldfogel and Zhai, 2008).
- This study supported the argument that more public provision of preschool could raise overall achievement and help narrow gaps in achievement (Esping-Anderson, 2005; Magnuson and Waldfogel, 2005).

## Within country evidence

- Evidence of the effects of policy change within other countries can also be very persuasive.
- Such case studies can provide evidence on reforms that are perhaps under consideration in a country, but have not yet been implemented there.
- This evidence can then be used to assess the likely effects of changing a policy, although care must be taken to compare like to like.
- Often such studies take advantage of “natural experiments” whereby some groups within a country are exposed to a policy change while others are not.

## Example: parental leave policies

- Studies of parental leave extensions in other countries have provided evidence as to how such policies affect a host of adult and child outcomes.
- Taken together, this research has shown that the effects of policies vary depending on how long the leave lasts (see review in Waldfogel, 2006).
- Strengthening leave provisions generally improves women's labor market outcomes, but not when the leave is extremely long.
- And, in terms of child outcomes, benefits are greatest when extensions permit more leave-taking early in the first year of life.

## Example: preschool policies

- Universal preschool or prekindergarten provided in the year or two prior to school entry is increasingly the norm.
- Several countries in Latin America have recently moved to expand preschool or prekindergarten provision.
- Taking advantage of these natural experiments, studies in Argentina and Uruguay have shown that children who were offered preschool or prekindergarten went on to have higher school achievement than children who did not have access to such programs (see Berlinski et al., 2008, 2009).

# What explains policy variation across countries?

- Kamerman and Kahn also explored the sources of policy variation across countries (see, most recently, Kamerman and Moss, 2009, *The Politics of Parental Leave Policies*).
- These sources include historical and institutional contexts as well as contemporary public attitudes.

## Example: public attitudes and policy variation between Canada and the U.S.

- Miles Corak and colleagues (2009) have used public attitude data to examine the reasons for the differences in social policies across Canada and the U.S.
- They find that while both Americans and Canadians place a high value on social mobility and opportunity, Canadians are more likely to view government as playing a helpful role in promoting social mobility and opportunity, while Americans are more likely to see government intervention as unhelpful.
- Such differences in attitudes could help explain why Canadians support a more active social policy regime.

## Example: public attitudes and welfare reforms in the U.S. and Britain

- In my forthcoming book on *Britain's War on Poverty*, I contrast the British vs. U.S. approach to welfare reform.
- In Britain, until very recently, welfare-to-work programs were voluntary for lone mothers, and even now only those with children over age 10 are required to participate.
- And, the emphasis is on working 16 hours per week.
- These policies reflect much more traditional attitudes about women's roles and about mothers' employment.

# Would children in U.S. be better off if we adopted policies more like other nations?

- The overall thrust of much of Kamerman and Kahn's work was to argue that we could – and should – advance child and family well-being by enacting social policies more like those found in other nations.
- In *Starting Right* (1995), for example, they argued that the U.S. could improve child outcomes by adopting a more supportive set of early childhood policies.

## Example: Work-family policies

- Janet Gornick and Marcia Meyers (2003) document the extensive differences in work-family policies between the U.S. and peer nations and argue that children and families would be better off if we adopted policies more like those in peer nations.
- In my book *What Children Need* (2006), I draw on comparative evidence to make the case that children and youth in the U.S. would be better off if we enacted parental leave, preschool, school year, and parent support policies more like those in peer nations.

## Example: Britain's war on poverty

- In *Britain's War on Poverty*, I document the remarkable progress that Britain has made in reducing child poverty and draw out lessons for the U.S.
- When Tony Blair and the Labour party came into office in May 1997 – after 18 years of Conservative government – there was mounting concern about child poverty and inequality
- In March 1999, Blair made an ambitious pledge to end child poverty in a generation.
- Gordon Brown put real resources into the campaign and set specific targets:
  - Reducing poverty by half in 10 years
  - Ending child poverty in 20 years

# What did they do?

- The British anti-poverty strategy has 3 parts:
  - 1) Promoting work and making work pay
  - 2) Raising incomes for families with children
  - 3) Investing in children

# Promoting work and making work pay

- Welfare to work programs (New Deals)
- Measures to make work pay including:
  - National minimum wage
  - Working Families Tax Credit
  - Reduced payroll taxes for low-income workers
- But unlike in US, lone parents not required to work

# Raising incomes for families with children

- Significant real increases in:
  - Child Benefit
  - Welfare grants for children under 10
- New Child Tax Credit for low-income families
- New Child Trust Funds

# Investing in children

- Paid maternity leave extended from 6 to 9 months
- Two weeks paid paternity leave
- Higher maternity grants for low-income families
- Right to request PT/flexible hours when children <age 6
- Universal preschool for 3- and 4-year olds
- Preschool for disadvantaged 2-year olds
- Sure Start for poorest areas, later Children's Centers
- Reductions in primary school class sizes
- Literacy hour and numeracy hour
- Increased education spending (from 4.5% to 5.6% GDP)
- Extended schools
- Educational Maintenance Allowances
- Minimum school-leaving age raised from 16 to 18

# One percent for the kids

- Together, these anti-poverty initiatives amounted to a sizable increase in spending on children.
- By 2002-03, government was spending an additional £9 billion/yr -- 0.9% of GDP (Hills, 2003). Families with children gained £1200/yr in real terms; families in bottom quintile gained twice as much.
- By April 2010, families with children will be £2000/yr better off; families in bottom quintile will be £4500/yr better off.

# The headline results

- When Blair declared war on poverty in 1999, 3.4 million children (1 in 4) were in poverty (whether defined in relative or absolute terms) and 2.6 million (1 in 5) were materially deprived.
- By 2007/08,
  - Absolute poverty fell by 1.7 million – a 50% reduction.
  - Relative poverty fell by 500,000 – a 15% reduction.
  - Material deprivation fell by 400,000 – a 15% reduction.

Absolute poverty is income <60% median income in 1998/99, uprated only for inflation.

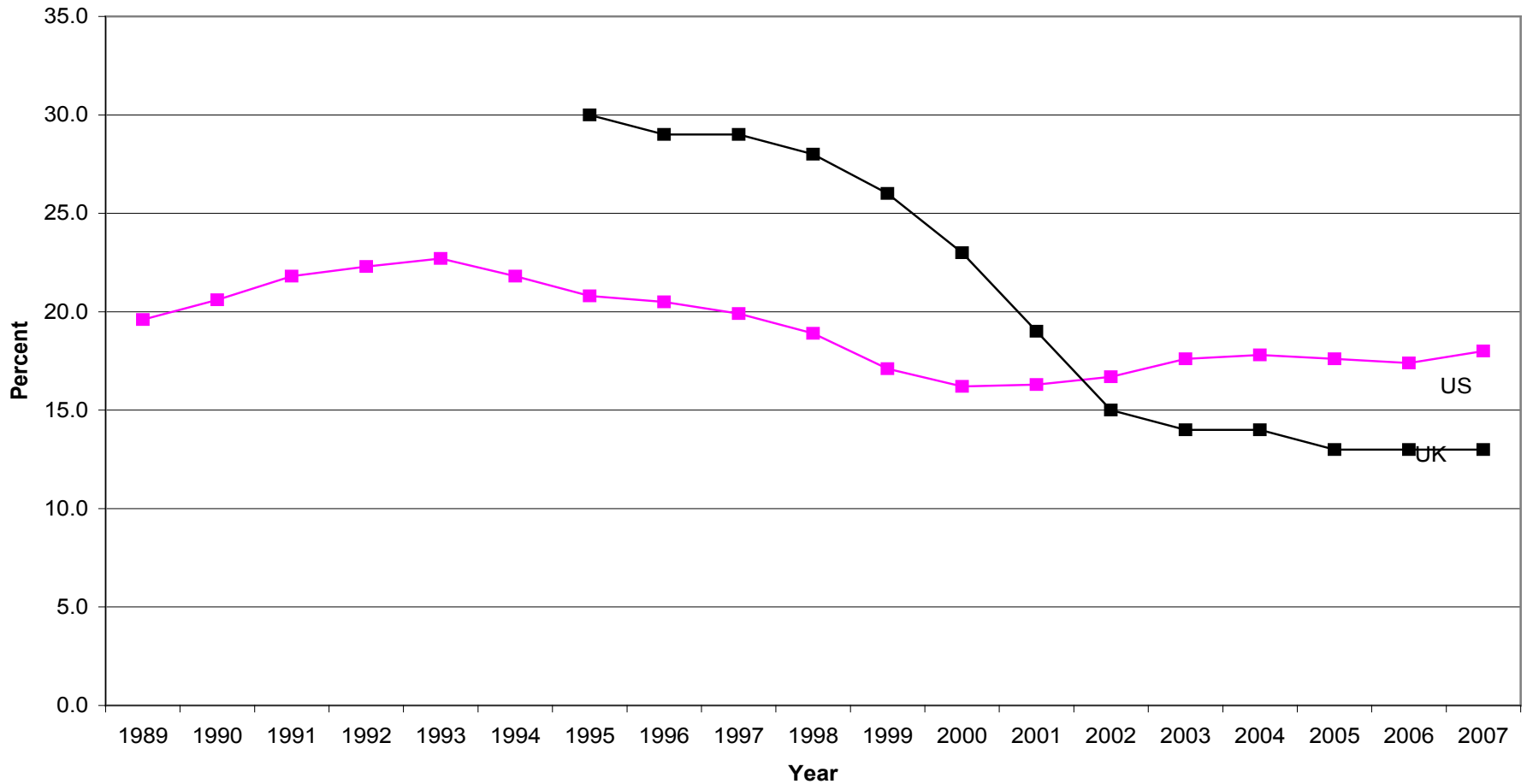
Relative poverty is income <60% contemporary median income.

Material deprivation combines an index of lacking basic necessities & having low income.

# The U.S. vs. British record on child poverty

- Comparing the British record to the U.S. record after our welfare reforms, Britain achieved a steeper and more lasting reduction in child poverty.
- This is illustrated in a graph from an article that Tim Smeeding and I wrote for *JPAM*, making the point that policies do make a difference.

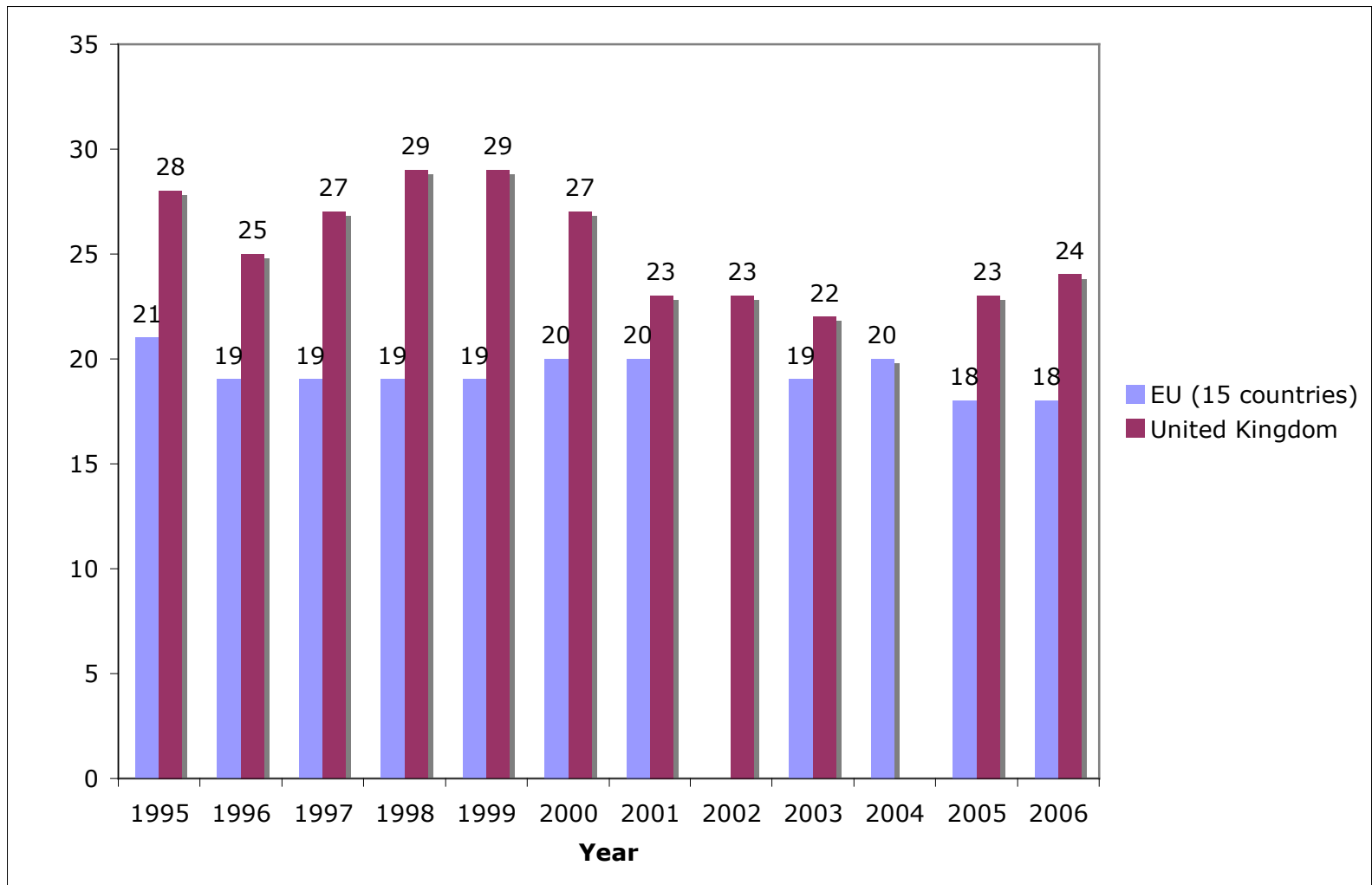
Figure 1: Absolute Poverty in the US & UK 1989-2007



■ Percent All Persons under 18 years below official US Poverty Line, 1989-2007 (about 35 percent of median in 2000)  
■ Percent of UK children below the absolute poverty threshold, 1996-2007 (about 60 percent of median in 1998-99)

Source: U.S. Census Bureau (2008); UK Department of Work and Pensions (2007); HBAI, P52

# Comparing the British record to the EU



## Other results

- Families with young children increased spending on items for children, decreased spending on alcohol and tobacco (Gregg, Waldfogel, and Washbrook, 2005, 2006)
- Adolescents in lone-parent families had improved mental health, school attendance, and school intentions (Gregg, Harkness, and Smith, 2007)
- Sure Start led to improvements in 7 of 14 outcomes assessed (2 parenting, 2 child health, and 3 child behavior) (NESS, 2008)
- Literacy and numeracy hours improved children's reading & math scores (Machin and McNally, 2008)

## Lessons for the U.S.

- After 18 years of Conservative rule, and two decades of rising inequality, Labour came into office committed to reducing child poverty, and with public support for that goal.
- Most important lesson is that it is possible to make a sizable reduction in child poverty, and that it is not necessary to identify all the details of the policy in advance.
- There are also lessons regarding the reform strategy (Britain promoted work and made work pay, but also raised benefits for non-working families and investments in children), the reform process, and the politics.

## In conclusion: the enduring legacy of Al Kahn

- As recently as a few decades ago, American exceptionalism in social policy was accompanied by American parochialism -- we did not see what we could or should learn from foreign countries.
- Today, social policy, like so many other aspects of our lives, is becoming more global.
- It is telling that, while our welfare reforms of only a decade ago drew on examples from Wisconsin and California (but not Sweden or New Zealand), today's health care debate is about whether we should emulate countries such as France, Germany, Switzerland, Britain, or Canada (Reid, 2009).

# Going truly global

- Al Kahn, and Sheila Kamerman, played a major role in convincing Americans that they could – and should – learn from policies of other advanced industrialized nations.
- Initially, the focus was on Western countries but this was later extended to Eastern Europe and Asia (see e.g. Cornia and Danziger, 1997).
- More recently, newly industrializing and developing countries have been included in this work.
- This shift is evident in the last piece Al Kahn wrote, the introduction to a volume on social indicators (Kahn, 2009).

# From child-saving to child well-being

- The other change Kahn stressed in his final piece was the pronounced shift that had occurred in social policy, away from a narrow focus on child-saving to a broader focus on child well-being.
- This was a shift he welcomed, writing: “The emphasis will no longer be on the problems, rather the limitless potential, of each wondrously individual child.”
- This terrific sense of optimism and deep concern for children inspired Kahn’s work, and I hope it will go on to inspire the next generation of comparative social policy scholars.

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