



The impact of policies of increasing choice on those who live in households

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Choice



- Increasingly called on as a political value by policy makers
 - throughout Europe, though my examples mainly from UK
 - crisis has not diminished that trend, though salience of different arguments has shifted
- By governments of all persuasions
 - e.g. by both previous and current UK governments
- Choice is supposed to:
 - Be what everyone wants
 - Which isn't achieved by unresponsive public services
 - Deliver the benefits of the market:
 - Value for money
 - Innovation/competition to improve quality
 - Promote active citizen/consumers
 - Co-production/personalisation of public services
 - Taking financial responsibility

Examples where rhetoric of choice used



- To justify and argue for more flexible labour market:
 - UK individual opt out from European labour regulations
 - Taking pride in it being easier to “hire and fire” than in other EU countries
- To justify privatisation of public services
 - Initially through competitive tendering by state agencies
 - Delivers efficiency benefits of the market
 - Political choice exercised in local elections (highly constrained in practice)
 - Increasingly through individual budgets or direct payments, personalisation
 - Recipient chooses, most efficient
- To enable further means testing of benefits
 - Benefits in kind harder to mean test than financial benefits
 - Means testing requires dealing with families rather than individuals:
 - Otherwise very expensive
 - Assumes no intrahousehold distributional or power issues

Economic arguments



- “Free to choose” – unregulated markets promote individual freedom and dynamic efficiency
 - Value for money
 - Innovation and high quality
 - Requires competitive markets
- Welfare theorems – under strict conditions
 - a competitive market equilibrium is Pareto-optimal
 - all Pareto-optima can be reached through the market from some initial allocation
 - Strict conditions include not only competitive markets but:
 - No externalities i.e. that all impacts of a decision are on the decision maker alone
- Many critiques of these arguments:
 - Internal to individualist approach e.g. conditions of welfare theorems don't hold
 - Structural – fallacies of composition in the argument that expanding choice can't do any harm
 - Political - Avoids political issue of which choices are expanded
 - Will concentrate here on arguments based on the fact that people live in households

Feminists (on choice)



- Also value choice, particularly in contexts where women have traditionally lacked it e.g.:
 - “a woman’s right to choose”
 - financial autonomy for women.
- But recognise that the process of choice is not one of simple maximisation under constraints, which
 - relies on unjustifiable separation of preferences from constraints
 - the “separative self”
 - fails to take account of gender and other social norms
 - that may themselves be influenced by choices made
- Recognition of influence of gendered social norms lead feminists to question:
 - whether what individuals “choose” is necessarily in their own best interest
 - even more so within the family where individuals vary in
 - how far they distinguish their own interests from those of their family (Sen)

Who gets to choose?



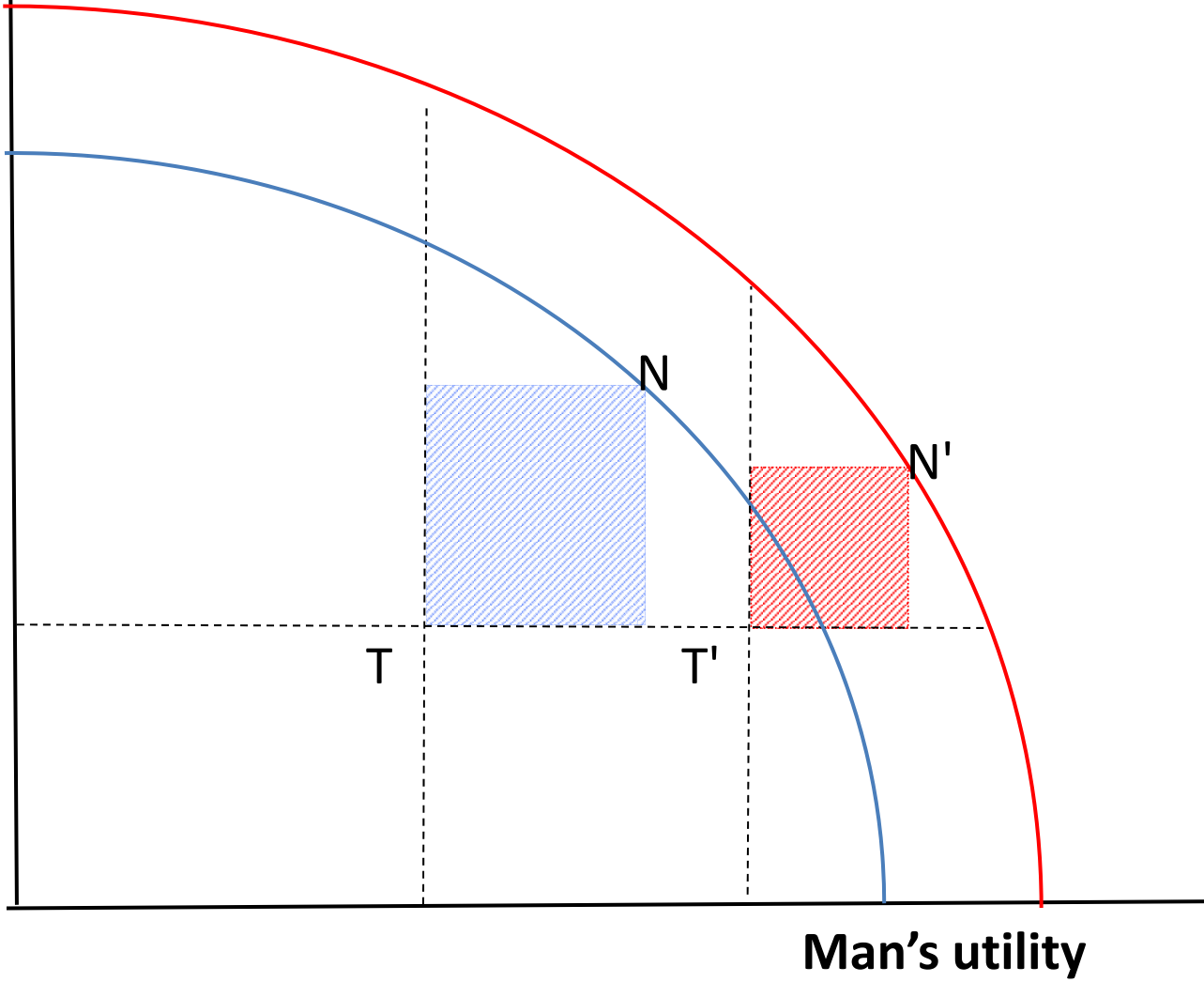
- Critics claim that many such policies do not locate choice where they claim:
 - e.g. schools get to choose pupils rather than the other way round
 - here concerned with arguments that people live in multi-person households
 - Often in practice back up wider arguments
- In practice, policy makers have had to construct a decision-making subject for each policy:
 - Household/family unit as a whole or parents
 - But sometimes particular individuals with the family
 - as workers
 - as service recipients
 - Not always consistent
- Who the chooser is matters because interests of family members don't necessarily coincide:
 - Inequalities in access to and control over household resources and decision-making power more generally
 - Increasing choice may expand choice set, but may also shift balance of power within household
 - Modelled by bargaining and collective models

Expanding choice may not benefit everyone in a household



- If one partner gains bargaining power, effect on other members of household can be negative even when household as a whole is better off
- Internal power relations depend on external gender norms and opportunities
- In particular (Sen, 1990) power depends on:
 - Relative *perceived* contributions of household members
 - Monetary more valued than in kind contributions
 - Men's more than women's
 - Relative *fall back positions* of household members
 - Gender norms and opportunities vital here
 - The extent to which members see themselves as having interests distinct from those of their family
 - Men more likely to
 - Not necessarily “irrational”: women's long-term future may be more bound up with that of their children (sons)

Woman's utility



Examples of policies expanding “choice”



- Working time regulations
- Direct payments for social care
- Allocating paid parental leave jointly to parents
 - and even converting it into cash to be taken at different rates
- Paying family benefits to a single claimant on the family’s behalf

Working time regulations



- EU regulations limit working day to 48 hours
- UK opt out allows employers and employees to make individuals agreement to work long hours than regulations allow
 - weak safeguards against coercion e.g. making such an agreement not allowed to be a condition of employment
 - seen as widely flaunted in practice
- Opt-out justified by giving *individual employees* the right to choose their hours of employment
- Feminists have criticised notion of choice where there are shared caring responsibilities
 - Man's choice is woman's constraint
 - Inherent externalities
- Working time highly skewed by gender in UK
 - men with children work some of longest hours in Europe
 - majority of women with children work part-time
- UK Labour government argued this was evidence of *families* having “chosen” a particular division of labour

Social care services



- **Direct payments/ individual budgets:** second step in privatisation of elder/disabled care
 - Justified as care recipients being “experts in their own care”
 - In practice do not have skill or knowledge of alternatives (even more so re health care)
- **Intra-household issues:** leaving aside other big issues about what this means for workers and care industry itself
 - In practice it is often *relatives* who decide, who may have
 - different motives
 - even greater informational problems e.g. about quality
 - How level of budget is set
 - may work on assuming unpaid care e.g. assessment often not carer blind
 - danger of becoming level of cheapest of different “choices” made
 - Inherent externalities on other household members of choices made by care recipient
 - Not clear what happens when publically provide funds insufficient:
 - whether same gender norms over allocation of unpaid caring labour apply as to who should contribute financially to meeting care needs

Maternity/paternity/parental leave



- Should leave be allocated to family, mothers or fathers?
 - Individual or family rights?
 - How much flexibility should there be in its use?
- Family rights allow parents to choose who takes the leave:
 - In practice mothers take vast majority of unallocated leave
 - Gender norms
 - Gender pay gap (especially if leave is badly paid)
 - Bad career impact for women
 - Though less bad than if they gave up employment
 - Sets pattern of parental relationships with children (men's lobby for change too)
- Individual leave promotes more equality (first step Daddy months – best so far Iceland)
 - Men may still not take their leave (especially if badly paid)
 - Some feminists fear will dilute women's ability to enforce their rights to basic maternity leave
 - With even worse gender inequality impacts
 - Evidence of increasing pregnancy discrimination during crisis
- UK govt now proposing giving flexibility in taking leave
 - Being able to take it at different rates e.g. part-time
 - Take pay at different rates - higher pay over less time
 - Turning leave into cash – logic of choice may undermine purpose

Welfare reform



- Most benefits to be rolled into one “Universal Credit”
 - means tested on household income
- Paid monthly to one member
 - Couples can choose who should receive it
 - Can’t choose to split it
 - promote financial responsibility by mimicking the wage (sic)
 - Previously, little choice:
 - Benefits for children went to main carer
 - Housing benefit went straight to landlord or leaseholder
 - Working tax credit went to (one) worker
- Participation tax rate massively increased for second earner
 - Result of means testing plus high employment disregard for first earner
 - Rationalised as enabling household to choose a different work life balance (i.e. for women to give up employment)
- Feminists argued that
 - both partners need some income of their own
 - discouraging second earners’ employment very bad for women

Policy implications



- To assess the intra-household gender affect of policies need to consider:
 - immediate effects on intra-household bargaining power
 - distributional impact
 - behavioural impact on gender roles (challenging or reinforcing them)
 - consequent effects on intra-household power and distribution
 - NB: there may also be inter-household gendered effects
- Giving couples choice is not the same as giving individuals choice:
 - can not be justified in the same way
- ‘Choice’ Is not a neutral good:
 - May have effects on balance of power within families
 - More likely to favour interests of more powerful member of households
 - May result in choices that are seen as the short-term interests of the couple rather than the longer term of the individuals within it e.g. in case of divorce
 - May be against women’s long-term interests and autonomy