

**Mercoledì 12 Maggio – Ore 12**

**Primo Seminario Visitinps –**

**The Effects of Interactions Between Social Programs: The Case of Family Leave Policies**

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The standard practice in the program evaluation literature is to study the effects of a social program abstracting from its interactions with the existing social insurance network. However, a change in generosity of a program might change the take-up of other programs, generating important spillover effects. Not accounting for these interactions might be problematic on different levels. First, considering policies as isolated systems inevitably leads to misleading estimates of their fiscal externalities and, as a consequence, welfare effects. Second, it may lead to biased estimates of the effects of the programs on key policy-relevant outcomes. This project exploits the richness of data in the Visitinps datasets to study how relevant interactions between social programs are, starting with a specific example focusing on family leave policies. I will show preliminary evidence documenting the existence of program interactions between parental leave, unemployment insurance and childcare subsidies in the population of Italian working women. My preliminary results show that extensions in unemployment insurance significantly reduce the take-up of optional parental leave, suggesting that women use unemployment insurance as a substitute for income replacement in the absence of generous parental leave. I show that the interactions between programs lead to persistent negative effects on earnings and child penalties after birth. Finally, I investigate the impact of program interactions on fiscal costs and welfare analysis within the MVPF framework.