

**Maternity-Leave, Intrahousehold Allocations and Child Health:
Evidence from Brazilian Data**

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EXTENDED ABSTRACT

The present article explores changes in maternity-leave rights among Brazilian mothers in order to investigate the role of parental (time and monetary) investments on health outcomes for their children. At the end of 1988, the legal duration of leaves was increased from roughly 3 months to 4 months. Most importantly, job protection and full compensation were introduced into the regulations. Many working mothers were thereby provided with an opportunity to, if not significantly extend the period they remained at home post-birth (30 additional days), increase income and job-security within their households. Such introduction of new regulations allows researchers to study “very similar” women having children in neighboring months (for those that did not have time to adjust fertility decisions) under starkly different maternity leave policy regimes. This provides a source of exogenous variation in the exposure to maternal care, and income security for a wide spectrum of children. Moreover, since the regulation for maternity leaves is limited to the formal employment sector, women employed in the informal sector provide an additional counterfactual for the impact of the policy.

I employ a dynamic model of investment in children in order to highlight differences in marginal returns to resources along a child’s life-course. In this way it is possible to highlight the role of “windows of opportunity” for parental investments in a child’s long-term health outcomes. Together with parental preferences for different offspring,

the model is also used to explore intra-household allocations and investigate the impact of maternity leave policies over children born **before** the new regulation (but from the same mothers that form factual and counter-factual groups in the empirical analysis). In particular I estimate the differential impact of maternity-leave policies among the offspring of an (instantaneously) eligible mother.

Maternity leave policies have been studied in developed countries, such as Canada (Bake and Milligan, 2008) and Germany (Dustman and Schonberg, 2008), but less is known about its impacts on developing countries, where job insecurity is higher, formal child-care is practically inexistent, and child health is a more salient public-health problem. The literature has also ignored the effects over other children within the household, largely ignoring the effects of reallocation of resources due to differential returns to money and time investments by mothers.

I use that from the Brazilian Survey of National Health (1989) in order to estimate short-run impacts. I confirm the pattern of such results investigating similar time windows for data from the Demographic Health Surveys (1991 and 1986 – as a counterfactual). Based on the relevance of short-run effects, I then investigate the long-run aspects by focusing on the date-of-birth identification of cohorts of children exposed or not to the policy. Data from the 1996 and 2006 Brazilian Demographic Health Surveys, and the 1995 Brazilian Living Standards Measurement Survey are combined with the Brazilian Budget Survey (2002/2003) in the long-term analysis.

Preliminary results on the short-run section of the analysis indicate positive impacts over BMI of children born under the new policy. Mother-reported child-morbidity factors as fever and throat-ache increase for those children, however. Despite being counterintuitive at first, one cannot rule out that mother with more interaction with their children may have developed better ability to spot differences on their child's behavior or health-status. The robustness of these findings needs to be better assessed before a clearer picture emerges.