In search of "That's what happens …"

Lena Hipp

"Fathers earn more than childless men." "Children at private schools perform better than children at public schools." "Immigration undermines public support for the welfare state." Although we may empirically observe these relationships, they do not necessarily contain the cause–effect mechanism we presume they do. Men may put more effort into work before becoming fathers or the wage increases may have been decided before the child was born. Children at private schools may differ from their counterparts at public schools with regard to their parents' education and financial resources. Likewise, measurement issues and temporal order, and so forth, make it hard to determine how immigration and distributive preferences are causally related. However, what both policy makers and researchers actually *care about are causal effects*. Does an increase in publicly-provided childcare lead to higher fertility? Do more people switch to public transport if parking fees are increased and bus fares cut? Can a reduction in social inequality decrease armed conflicts?

Nowadays researchers can rely on an ever broader repertoire of data and methods for investigating the causes of economic and social phenomena and evaluating public policies. Digitalization allows us to conduct experiments outside the laboratory with large numbers of participants and at low cost. Sophisticated statistical methods enable us to test

for causal relationships even if random allocation of participants into treatment and control groups is not possible on practical or ethical grounds. For instance, to find out how X affects Y, we compare "statistical twins," i.e., individuals, families, organizations, and communities that resemble one another in all relevant characteristics but not the one under scrutiny. Variations in time and space can also be used to establish causal relations. With before–after comparisons, we can examine the effectiveness of policy interventions.

These possibilities to identify causes and effects are immensely important for scientific progress and the design of public policies. The identification of causal relationships has also become increasingly important in the scientific publication process and for third-party funding. That's a positive and important development. We all want causal relationships and not correlations to determine our view of the world and the design of public policies.

As always, however, the baby mustn't be thrown out with the bathwater. What do we do when no causal relationship can be established? What implications do we draw from studies that, although they identify a causal effect, permit statements only about a specific point in time or a specific place? Can we ensure that the effect of intervention that can be

To deliver relevant and generalizable findings requires the astute combination of different approaches and data sources – always coupled with a clear statement on what conclusions can and cannot be drawn from the given approaches and data. This is *problem–oriented basic research* at its best.

Lena Hipp heads the research group Work and Care and holds a S/W2–professorship at the University of Potsdam.

shown for a small group also applies in general? An illustration: A recent study from Finland found that the provision of a basic income increased the life satisfaction among individuals in the treatment group. However, it is by no means clear whether the same positive effect could be observed if all Finnish citizens received a basic income. The increase in life satisfaction among the participants in the pilot study may have been the result of relative amelioration.

These critical remarks should neither downplay the advances in knowledge that causal research has brought for the social sciences in the past years nor constrain researchers' creativity and ambitions to establish causal relationships. They are meant to be a plea for the social scientists to study societally relevant topics even if they fail to establish causal relationships, instead of addressing questions to which a causal answer can be given but that are of limited relevance.

The scientific community needs to appreciate and acknowledge findings from studies that are chiefly descriptive or which, because of the state of data or the lack of exogenous variation, can "only" present correlations. For example: the fact that mothers earn less than childless women is of great relevance for societal and social policy. Whether children have a negative impact on women's income or whether women who become mothers differ fundamentally from childless women are questions that play only a secondary role in social and equal opportunity policy.