Decision-Making in the Household

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Decision-Making Questions

• DHS: “Who makes decision about x?”
  – Example: health

• Participant survey:
  – “vague, too broad, unclear what they measure”
  – Broad categories mask heterogeneity in degree of involvement and “subcategories” e.g. what type of health decisions
  – Validation exercises by several participants

• Anja: some thoughts on the theory on HH decision making
• Alessandra:
• Markus:
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• Spheres of empowerment:
  • Within public life – (male) figures of authority (employer, law enforcement, teacher), criminal perpetrators, harassers
  • Within the household – (male) family members and cohabitants

• Types of decisions
  • Important life decisions: education, labor force participation, marriage, fertility
  • Day-to-day, repeated activities and consumption

• Bargaining models:
  • How are groups sharing (utility) surplus that is not allocated through the market?
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"Structural" vs. intra-household inequality

- Structural inequality = threat point
  - Legal framework, job opportunities, option of living alone
  - Each may be correlated with
    - Demographics (age, education)
    - Who earns the income (labor market value)
    - Gender

- Bargaining = split "after market"
  - Browning-Chiappori: “distribution factors” can shift $\theta$, e.g.
    - Demographics (age, education)
    - Who earns the income (labor market value)
    - Gender
"Structural" vs. intra-household inequality

• What do we want to measure?
  – Probably NOT structural inequality:
    • Not likely affected by interventions in the short term/within the same household
    • Better measured directly
  – Bargaining power: want to look at
    • Decisions about 'non-market surplus' – uncorrelated with threatpoint
    • Potential for conflict/rivalry – private consumption or differently valued public goods
    • Cooperative/full information decisions
    • Relative change of total utility/happiness – ‘compensated change’, or pre-/post differences in specific (validated) goods
    • Possibly: de-facto allocation determinants: e.g. psychosocial power imbalance
    • Emergence of conflict in re-negotiation process(?)
Allocation in the Household

Can we measure change in the slope of the utility frontier?

Threat point man

Threat point woman

Man

Woman

before

after
Discussion

• What is the group’s experience with decision-making questions?
  – Which questions respond to interventions, and how?
  – What’s their variability?

• Based on reported findings: suggestions for improvements on these questions? Validation exercises that should be done before using?

• What is these questions’ independent value compared to other measures of intra-household bargaining, e.g. outcomes (health, education e.g. of children…), and structural determinants of inequality?