



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:

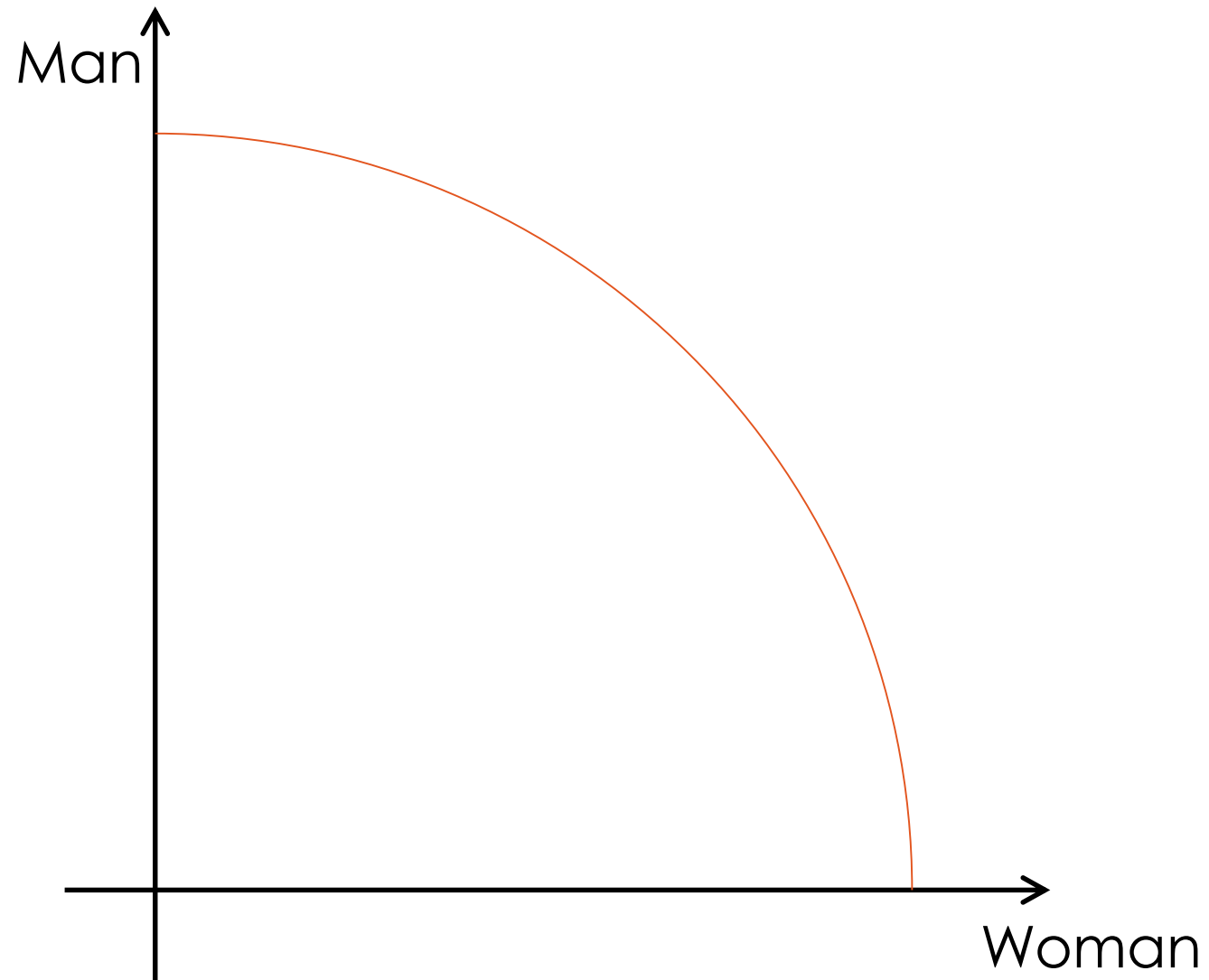
Decision-Making in the Household

- 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?

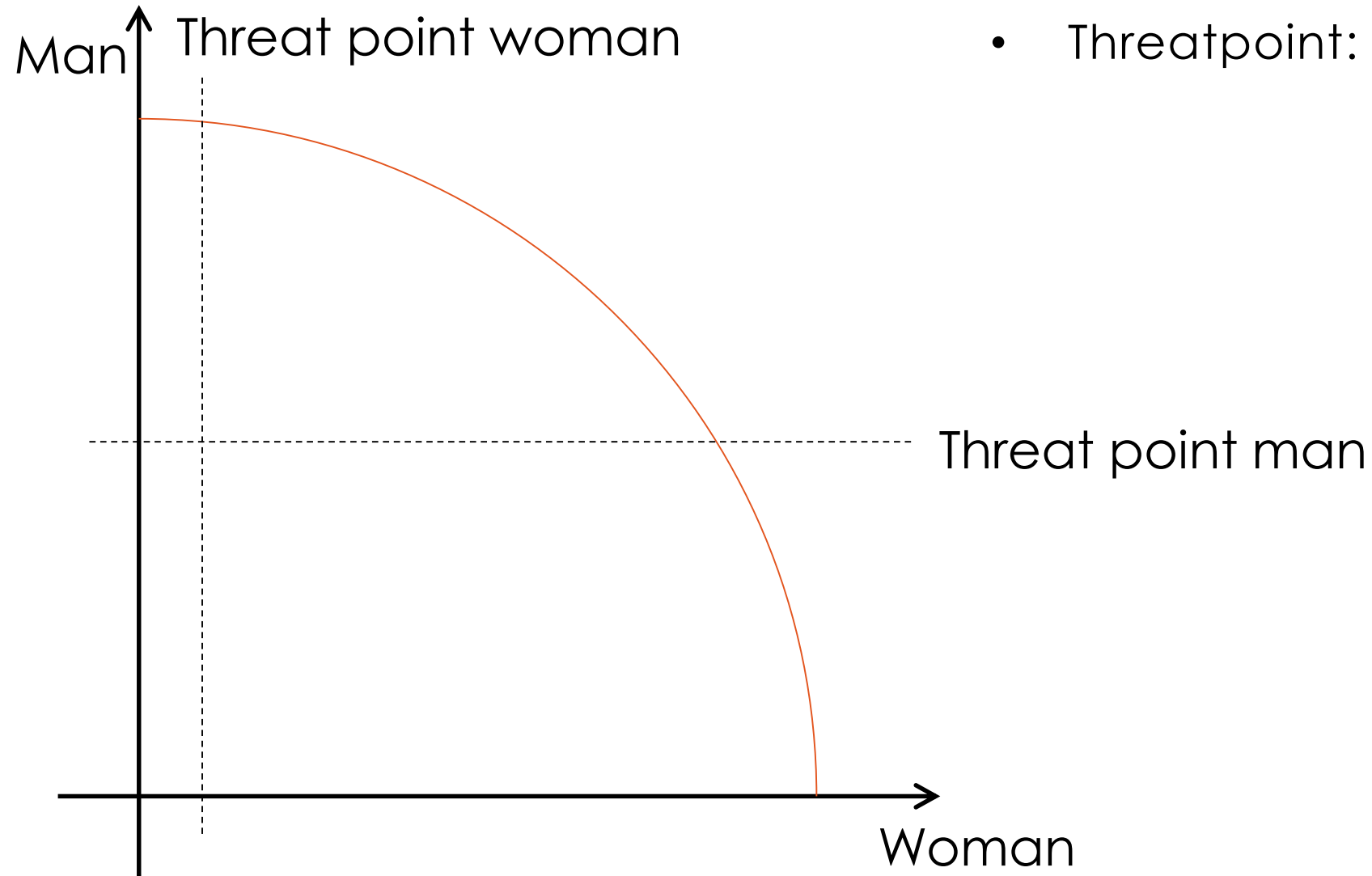
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Allocation in the Household

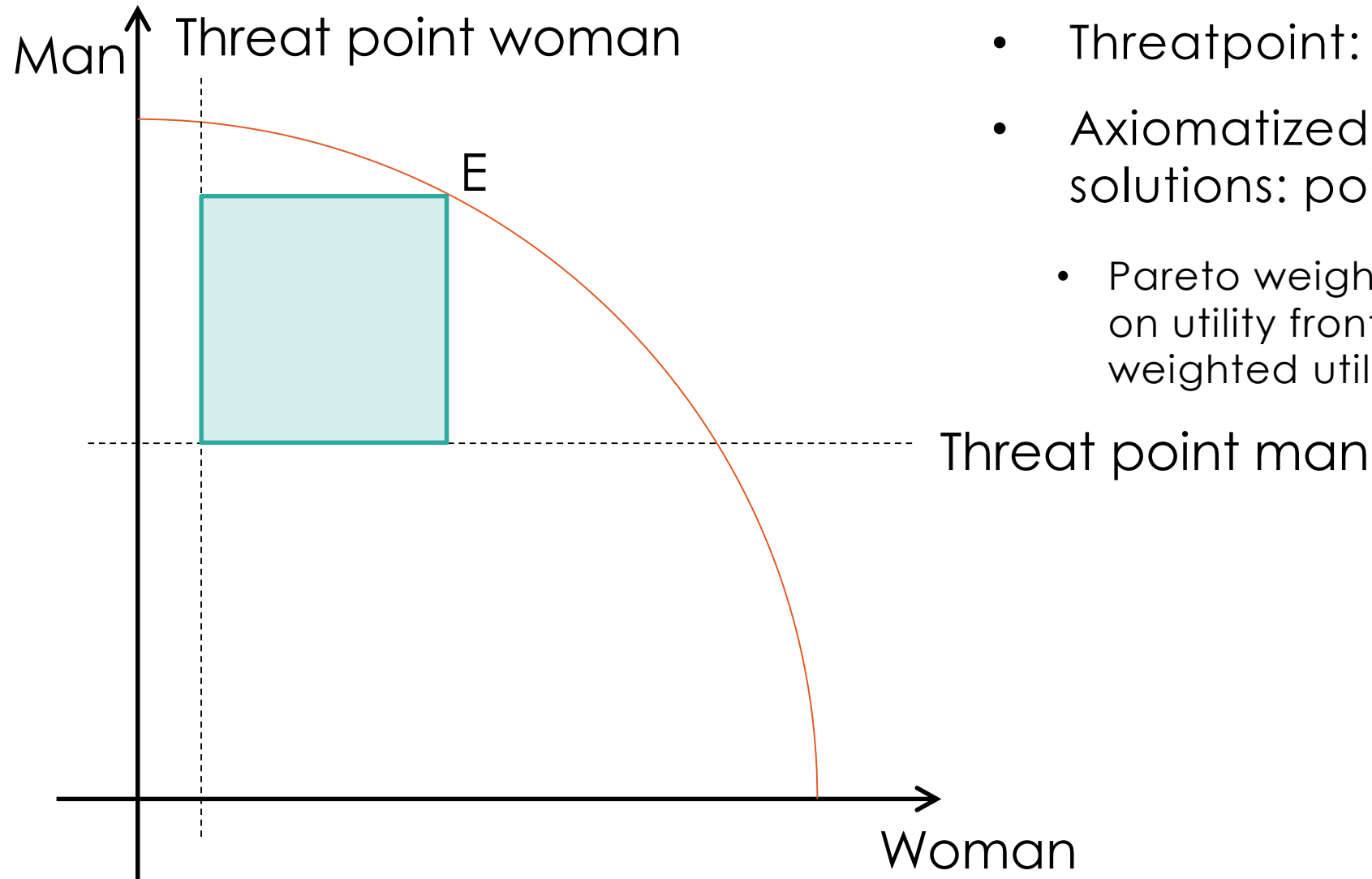


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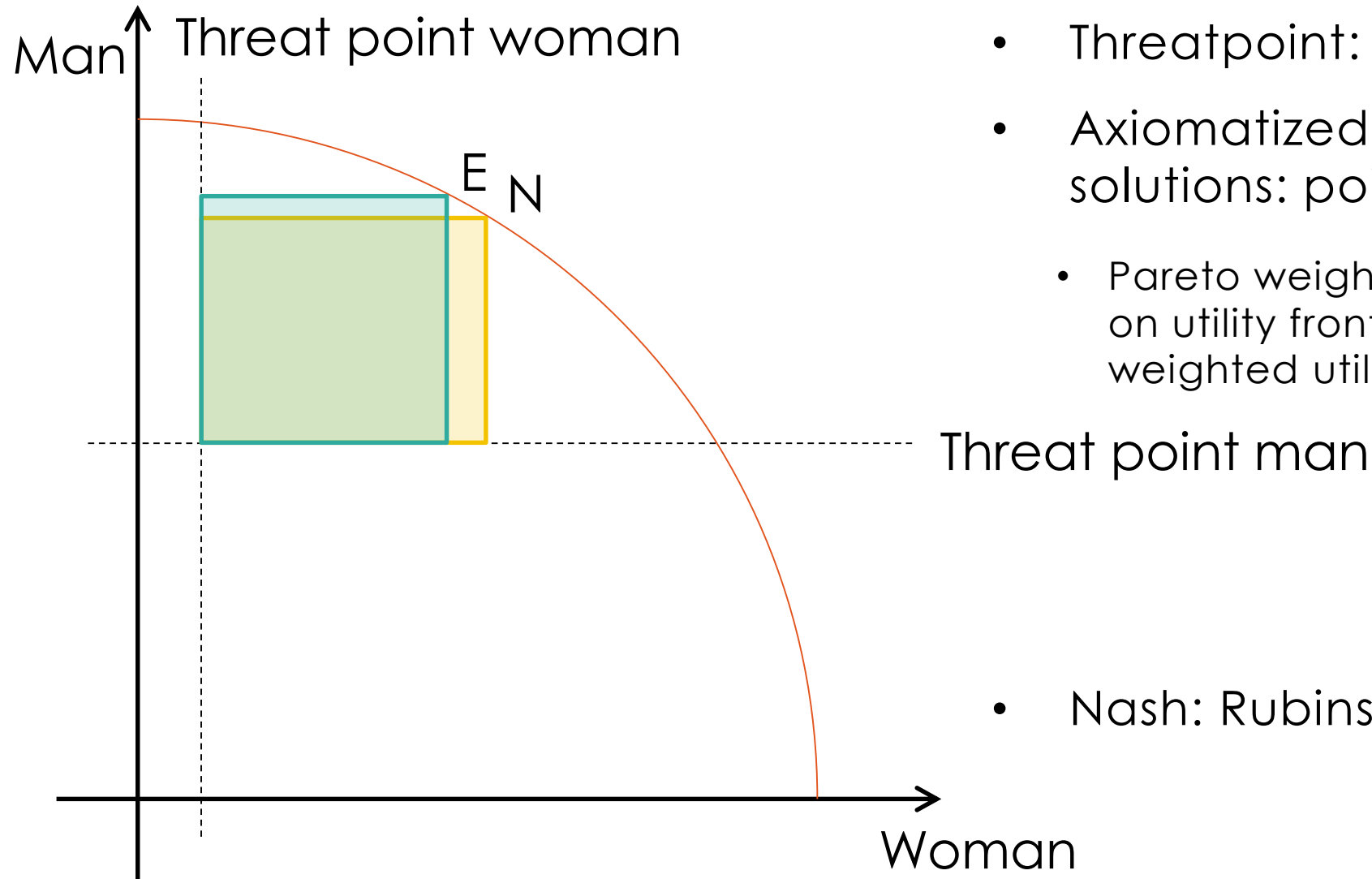
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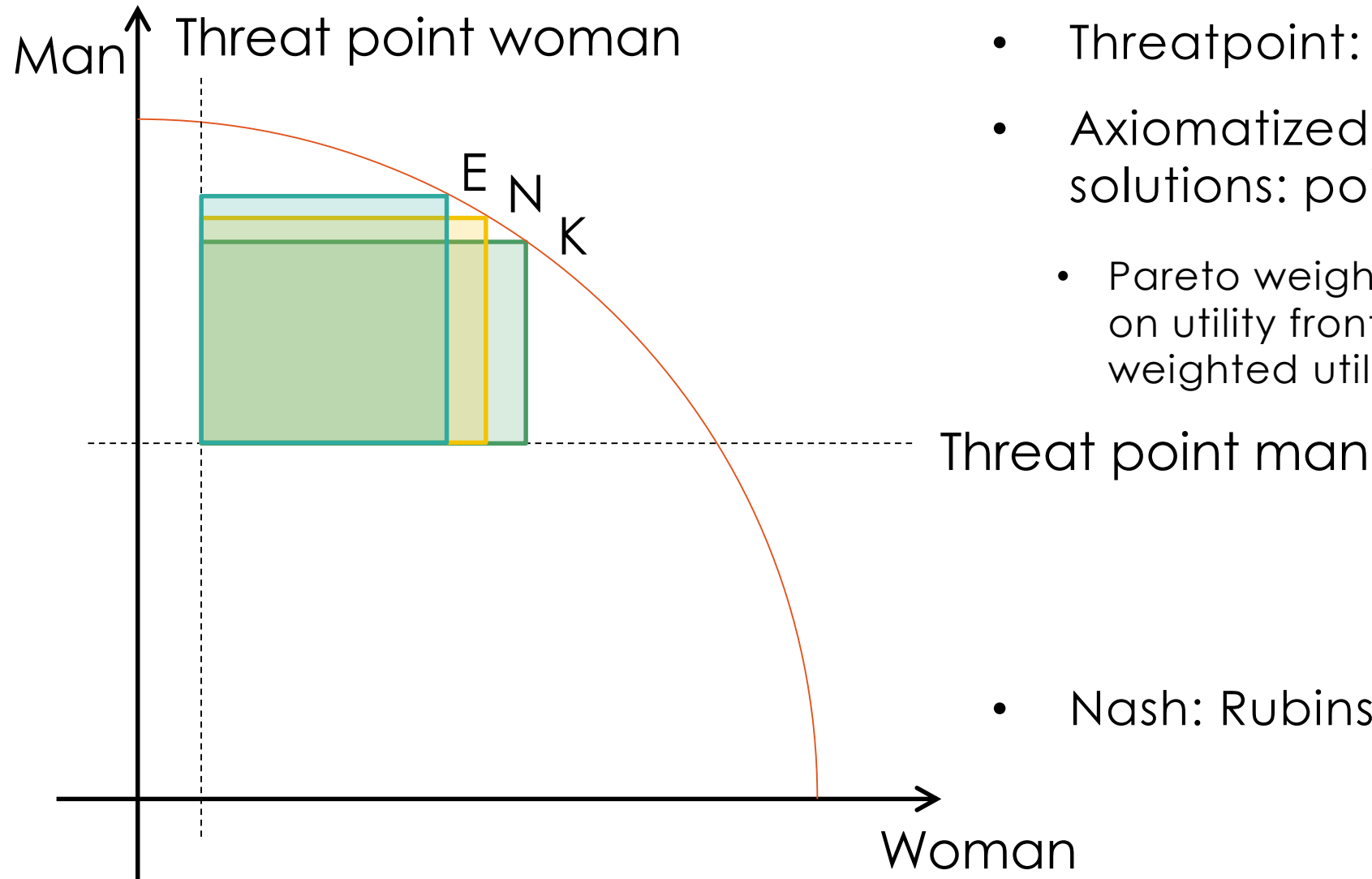
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- Axiomatized bargaining solutions: point on utility frontier
- Pareto weight θ determines location on utility frontier (in maximization of weighted utilities)

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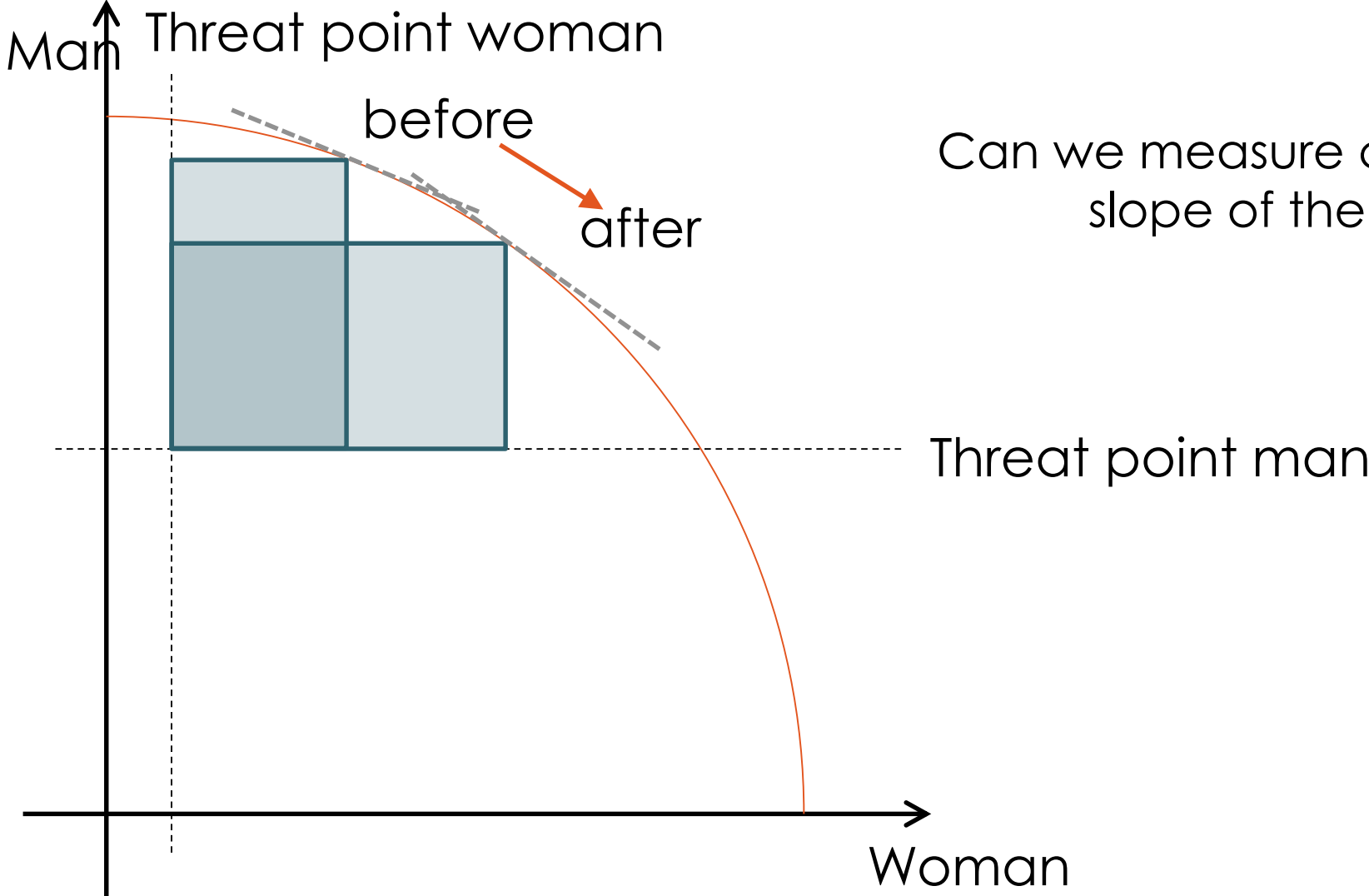
"Structural" vs. intra-household inequality

- 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 θ , e.g.
 - Demographics (age, education)
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"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?

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?