



## **Power, Incentives, and Resources in the Household**

**February 20, 2003**

### **Allocation of Decisions within the Household**

- Households and families shape gender relations, transmit gender norms from one generation to the next, and determine the opportunities available to household members based on their gender
- People make many of life's most basic decisions within household - decisions about having and raising children, about work and leisure, about what to consume, and how to invest for the future
- Decisions within households about the allocation of time and other decisions, can intensify or lessen gender disparities.

## Households and Institutions

- Families make decisions about allocating and investing within a broader institutional environment
- Decisions can be influenced by social and cultural norms, economic incentives, and individuals' aspirations and power to influence the process.
- Example: mortality rates among young girls in India are highest (relative to those of boys) in regions where a bride relocates to her husband's village -and where her parents have to pay substantial dowries at marriage. But this excess female mortality is lower where female labor force participation rates and female earnings are relatively high. Moreover, relative female survival rates are significantly higher in regions where technological changes in agriculture have raised returns to female human capital.

## First messages

- Household resources are allocated in the face of competing preferences and unequal bargaining power among members. Policies that alter the distribution of resources among household members shift the balance of power among those members, with implications for gender equality and family welfare.
- Example: micro finance programs - access to credit empower women. Female borrowing is associated not only with increased earn capacity and control of household assts, but with more autonomy and decision making power within the house, and greater demand for formal health care for women. Also, more resources in the hands of women mean greater allocations of resources toward children.

## Second Message

- Policy makers can reduce disparities in women's and men's access to resources in the household through a number of means - by using pricing policy, by designing service delivery with gender in mind, and by investing in selected infrastructure.
- Pricing Policy: household investments in education, health, and nutrition for females tend to be more sensitive to changes in prices than similar investments for males (medical services, child care, etc.)
- Better-designed service delivery: school systems, health facilities, agricultural extension services, or financial institutions - in ways that account for gender differences and disparities can promote greater gender equality in access to productive resources

## Second Message

- Investments in infrastructure: Generally benefit both men and women. But selected investments in infrastructure - particularly investments that can help women and girls save time on household work - can enhance gender equality in economic participation and access to resources. (water, energy, etc.)

By helping to reduce gender disparities in command over resources, these levers strengthen both women's ability to bargain and influence decisions in the home and their capacity to participate productively in society more broadly.

## What is a Household?

- Definition: a group of people who live together, pool their money, and eat at least one meal together per day (UN)
- Reality is that this may not be accurate. Some may not share living quarters. Even eating meals can be divided. With migration, linkages might be through remittances. Separate budgets, by husband and wife may be the norm - with expenditures divided.

## Households Reproduce Gender Roles

- Households are the first place of gender socialization, passing along knowledge, skills and social expectations.
- Allocation of resources in another way household shape gender roles. Differences are more pronounced as the children age - in terms of gender preferences:
  - Time in school versus household activities
  - Types of activities
- Division of labor within the household
- Even when women work for pay outside the home they continue to do most of the unpaid work at home