

INTRAHOUSEHOLD RESOURCE ALLOCATION IN DEVELOPING COUNTRIES: MODELS, METHODS, AND POLICIES

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Most development policies focus on improving the well-being of individuals. But the welfare of an individual is, in large part, based on complex interactions within that individual's family or household. The processes by which time, money, and other resources are allocated among individuals—commonly referred to as “intra-household resource allocation”—are the focus of a new volume published jointly by IFPRI and the Johns Hopkins University Press. *Intrahousehold Resource Allocation in Developing Countries: Models, Methods, and Policy*, edited by Lawrence Haddad, John Hoddinott, and Harold Alderman, examines the many complex factors that influence decisions made by households about

production, consumption, nutrition, and natural resource management.

Surveying a broad body of theory and evidence, the 19 contributors to the book, who include economists, demographers, sociologists, and anthropologists, examine the many economic, social, and cultural factors that influence decisions at the household level.

HOW ALLOCATION ISSUES AFFECT POLICY

Policymakers typically assume that by reducing poverty for an individual, they can alleviate poverty for the household, or that individual poverty can be reduced without taking the actions of other household members into account. These assumptions are erroneous. Neglecting or misunderstanding household decisionmaking processes can cause well-intentioned policies to backfire.

Several theories of household decisionmaking have been posited over the decades. One theory holds that households act as single or “unitary” decisionmaking bodies. This theory assumes either that all household members have the same preferences or that the head of household acts completely dictatorially, neither of which is likely. Another theory looks at the household as a “collective” entity where the sometimes conflicting preferences of individuals within the household are com-

bined in various ways to reach a collective choice. This theory holds that the identity of the person targeted by policy will affect how benefits for the household are used and that decisions often reflect the bargaining power of different household members. For example, when women have control over resources, they tend to use them differently than men do, often spending more on their children, with differing results for the welfare of the household.

The two theories suggest different outcomes for welfare and development policies. The unitary approach predicts that the success rate will be the same regardless of whom in the household a policy targets. The collective approach to the household suggests that the identity of the recipient (man, woman, or child, for example) will affect how this transfer is used and who benefits. The book presents evidence showing that household decisions in fact depend greatly on the identity of the individual being targeted.

This consideration plays an important role in, for example, the design of public works programs. When the nature of the work and the level of the wage offered are such that the participants are predominantly male, policymakers often assume that the benefits of this intervention will trickle down to wives, mothers, children, and other household members. One way to ensure that this occurs may be to pay with food stamps rather than cash, for

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how they spend time, money, and other resources. It shows that a more complete understanding of intra-household behavior can increase the likelihood that policies will reach the people they are intended to affect—leading to better policies in areas such as food

in many areas women are the main food purchasers.

A deeper understanding of household decisionmaking helps policies target individuals in the most effective way. The book cites a Zambian example where households were encouraged to grow maize, a crop typically grown by men, on the same fields as beans, a women's crop. Researchers hoped that households would take advantage of the complementary nutritional benefits of the two crops. In addition, they hoped that overall weeding time would be reduced because both crops could be weeded simultaneously. Women, however, opposed this innovation because if beans were planted on land normally allocated to maize, they would lose ownership of the beans and the men would benefit from the cash generated by their sale. In contrast, a project in Togo to encourage soybean production succeeded precisely because it took into account the collective nature of household behavior. At the outset, the project was targeted to women. Work-

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shops were organized in women's homes, and women returned to their villages after these workshops to train other women. Soybeans were not introduced as a cash crop but were promoted as legumes that could be used to make sauces. As a result, men did not become interested in cultivating soybeans and even allowed women to use small plots of land for soybean cultivation.

Policies can also be weakened or enhanced by individuals who are not targeted by policy, depending on the interactions between household members. For example, if a school meals program is targeted to undernourished children, a household may respond by reducing the amount of food the child receives at home and increasing the amount of food consumed by other household members.

Policies may also influence allocation decisions indirectly in important ways. The editors argue that changes

in the legal environment—such as divorce and child support laws—affect family allocation decisions not only through their direct impact when the laws are applied, but also through changes in the relative bargaining positions of household members. Of course, legal and social inequalities often reflect the perceptions of both men and women. Women often do not see themselves as entitled to a larger share of household resources. This, in turn, leads to unequal investments in, for example, education for males and females, and a persistent cycle that reinforces inequalities emerges.

CAVEATS

Although a number of policy measures fail to reach their potential because of neglect of intrahousehold decisionmaking processes, policies that attempt to take these processes into account also pose risks. Individuals and households will change their behavior in response to new approaches taken by governments and nongovernmental organizations. Given the difficulty of anticipating all of these responses, there is a risk that policies will fail, even when efforts have been made to address intrahousehold allocation.

To illustrate, the editors cite a Gambian project. In the early 1980s, irrigation was introduced to an area of swamp rice production in order to raise yields, commercialize the product, and raise women's share of household income. However, an initiative intended to raise female income ended up reducing it. Initially, women were the rice growers. But as yields grew, rice was transformed from a private crop under the control of women into a communal crop under the control of men. Although project designers had studied past household decisions, which had left rice production under the control of women, they did not fully understand the process of decisionmaking and did not sufficiently protect the women's rights. A fuller appreciation of the dynamics of household resource allocation might not have prevented this outcome, but a perspective that viewed the women as interdependent members of the community (rather than as independent agents) might have led project managers to expect the men's response.

Although more experience and research on intrahousehold allocation will lessen the probability of similar unwanted results, this area of research is still at an early stage. (Indeed, one of the contributions of the volume is to outline the "state of the art" and to suggest where future work would be especially valuable.) Does this suggest that intrahousehold considerations should not yet be incorporated in policy design and implementation? Although the risk of incorrectly analyzing complex policy measures, as well as the extra costs of applying intrahousehold analysis, must always be carefully assessed, the editors argue that analysts and policymakers must also consider the often serious consequences of *not* taking into account intrahousehold decisionmaking.

CONCLUSION

It is incorrect to assume that policies designed to reduce household poverty are sufficient to lower individual poverty, and that individual poverty can be alleviated without due regard to actions and attitudes of other household members. Moreover, errors in understanding household allocation processes may result in beneficial policies' not being adopted and in policies' having unintended consequences.

When research on intrahousehold allocation began in the mid-1980s, researchers wondered whether going inside the "black box" of the household would yield any useful insights. This book argues that from a policy perspective, the answer is an emphatic "yes." A more complete understanding of intrahousehold behavior can increase the likelihood that policies will reach the people they are intended to affect.

Contributors to the book are Howarth E. Bouis, Judith Bruce, Michael R. Carter, Pierre-André Chiappori, Jennie Dey Abbas, Nancy Folbre, Paul Gertler, Joel Gittelsohn, Jane I. Guyer, Barbara Harriss-White, Elizabeth G. Katz, Cynthia B. Lloyd, Shelly Lundberg, Marjorie B. McElroy, Sangeeta Mookherji, Christine L. Peña, Mark M. Pitt, Robert A. Pollak, and Duncan Thomas.

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