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Discussion Paper 113

Measuring Power

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Much empirical work has approached the problem of intrahousehold resource allocation from the perspective that if preferences differ, welfare outcomes depend on the power of individuals to exert their own preferences. Measures of power are therefore a central component of quantitative empirical approaches to understanding how different preferences translate into different welfare outcomes. Following most of the empirical studies in this genre, this paper focuses on dynamics within couples.

Approach

The IFLS is a multipurpose panel survey of over 7,000 households in Indonesia. The first round was conducted in 1993/94. In the second round, we successfully reinterviewed 92 percent of households contacted in IFLS1. The overall structure of the IFLS provided the framework within which the household decisionmaking module was implemented. The development proceeded in stages, including a review of ethnographic literature, focus groups with men and women in Jakarta and nearby rural areas, and pilot-tests and pretests of versions of the module.

- Review of the ethnographic literature. Indonesia is extremely diverse ethnically. By reviewing the anthropological literature, we developed a better understanding of differences among ethnic groups. Because ethnic variation has potentially important implications for patterns of intrahousehold decisionmaking in Indonesia, the paper briefly describes some of the main dimensions of diversity among ethnic groups.

- Focus groups of men and women. Until recently, relatively few household surveys have included questions about intrahousehold decisionmaking and the relative power of husbands and wives. We began by conducting focus groups in an urban and a rural area of Indonesia. In each site, one focus-group discussion was conducted with men and one with women. The topics for discussion were (1) areas of disagreement between husbands and wives about how money should be spent, (2) whether it is appropriate for husbands and wives to retain separate pots of money, (3) whether certain aspects of day-to-day life are particularly the concern of women, men, or of both jointly, and (4) the importance of arranged versus unarranged marriages and the role of dowry and bride price.

- Pilots and pretests of modules. The focus groups provided the basis for designing a structured questionnaire module to be administered as part of a pilot test, the results of which were used to further refine the questions and construct the survey instrument.

Survey Instrument

The module comprises three components. The first battery of questions focuses specifically on how couples deal with money. Respondents with a regular source of income were queried about their autonomy in spending for household expenses and about whether they saved a portion over which they retained control. Respondents were asked the same set of questions about their spouse. The second battery of questions concerns how families make decisions about expenditures and use of time. Each respondent was asked who in the household makes decisions about expenditures or use of time for each of 17 items. The last battery of questions in the module attempts to provide insight into the relative status of husbands and wives within the household. These questions focus on the family backgrounds of husbands and wives at the time of marriage.

Preliminary Results

- Money. About 20 percent of females and 16.3 percent of males reported that they set aside a portion of their income, which they could spend without consulting their spouse. Much higher proportions of both women and men reported that they felt free to spend their income on household expenses. There were patterns that characterized couples rather than individuals. Most couples live in households where neither kept money to him/ herself. Females were a little more likely than males to keep part of their income. In only about 8 percent of couples did both keep some of their income. The pattern is quite similar with respect to whether respondents felt comfortable using their spouse's money.

However, with respect to freedom to spend, there were almost as many couples in which only the female reported that she was free to spend as there were in which both couples were free to spend.

To determine what factors predicted men's and women's behavior with respect to managing money, probit regressions

were performed on the behaviors discussed above. The covariates included cultural norms/modernization (ethnicity and urban/rural location), measures of power (education, age, social status, etc.), and dynamics of the interview (who was present).

“...there are subtleties across households in how decisions are made, and they [the measures of power] do provide some insight into how to model these differences.”

The reference group for ethnicity was called "other/urban," consisting of Chinese speakers and speakers of Indonesian or other languages who reside in Jakarta or West Java. Javanese, Sumatran, and (particularly) Minangkabau women were significantly less likely to report keeping money than the reference group. Balinese women and women from the outer islands were indistinguishable from the reference group. The results for men were not very different, although the coefficients were somewhat smaller in magnitude. Urban residence increased the chance that women and men retained part of their income.

Increasing levels of education for both the woman and her husband increased the chance that she kept part of her income, but only the man's education affected the chance that he kept some of his income. As the age of her husband rose, a woman was less likely to keep part of her income, while her age was positively related to the chance that she retained some of her income.

The perceptions of the husband with respect to his family's economic status were not associated with whether his wife kept part of her income, but when she perceived that his family was of higher status than hers, she was less likely to report retaining some of her income. Her perceptions were also a significant predictor of whether he kept income.

Both Javanese and Balinese women were much less likely than women in the "other/urban" category to report that they felt free to spend their income on household goods, while Sumatran women and women on other outer islands were more likely to report feeling free. The relationship between ethnicity and freedom to spend money differed for men. Except for the Balinese, all other ethnic groups of men were more likely than their "other/urban" counterparts to feel free to spend their money.

• **Decisionmaking.** Respondents were asked to identify the primary decisionmaker for a series of different household activities. We distinguished decisions that were reported as being made by the male (alone), the female (alone), jointly (and possibly with others), and by someone other than the husband or wife (other).

The most striking result was the heterogeneity in decisionmaking among respondents. While managing household expenses (on food and routine items) was largely the wife's domain, in around 20 percent of households the husband either takes charge or plays a role in the decision. At the other extreme, the decision to use contraceptives is largely a joint decision. Between these extremes, there is a spectrum of distribution of decisionmakers.

Controlling for the husband's education, the wife's education can be interpreted as relative education (or a measure of relative power). According to the wives, an increase in her own education reduces the probability her husband will make decisions about food expenditures and increases the probability she makes the decisions. This pattern holds for all decisions except for child health.

Men from higher status families were more likely to make decisions about the health of their children, expenditures on the education of their children, on durable expenditures, and on the couples' decision to use contraceptives.

• **Status.** The final set of covariates refers to the conditions of the interview and, in particular, whether the interview was conducted with the spouse present or alone. There is some evidence that these controls do affect the answers given by respondents. These results suggest that collecting information about couples in household surveys on an individual basis may prove to be quite difficult in practice.

Keywords: household surveys, modeling, gender, power, Indonesia

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