

Gender norms and intra-household allocation of labor: A CGE application to household economics

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Outline

- Motivation

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- Research objective

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- Results

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Motivation

- Traditionally, agricultural development organizations have been concerned with increasing yields and land productivity
 - Policy action overlooks the channels through which higher yields are obtained
- These programs fail to notice it's impact on labor supply and labor productivity
 - Leading to undesirable consequences, lack of supply response and poor adoption response

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Research objective

- We develop a tool to trace the channels of impact of a favorable technology or an adverse shock
 - Ex-ante analysis - Useful to determine the potential impact ahead of program implementation
 - Ex post analysis - Analyzes the mechanisms that may cause unexpected results, e.g. lack of supply response or poor adoption rates
- Intra-household analysis is integrated in the framework
 - Investigation of how gendered institutions influence policy outcomes
 - Gender differential impact of shocks and policy actions

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Methodology

- Household accounting matrix (HAM)
- Standard CGE approach - Prices, production, institutions and system constraints
 - 56 equations, 56 endogenous variables, 24 exogenous variables and 16 parameters
- The economic problem of the man, the woman and the household
 - They maximize their own well-being given existing time and income constraints
 - Labor allocation decisions between agricultural activities and leisure are determined by preferences, technology and *social norms*

Social norms in household economy

- Explicit modelling of social norms - The parameter for norms shows the role of institutions in influencing labor allocation decisions
- Endogenizing labor productivity - Work effort is a function of leisure time

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Three scenarios of adverse shocks in the household economy

- Household care-crisis

Three scenarios of adverse shocks in the household economy

- Household care-crisis
- Technology development in the household sector

Three scenarios of adverse shocks in the household economy

- Household care-crisis
- Technology development in the household sector
- Redistribution of household/unpaid care work

Household care-crisis

Table: Simulation results

	Baseline Value	Scenario I	Scenario II	Scenario III
Farm production	29.62	-2.42%	0.94%	-2.67%
Subsistence production	28.57	3.00%	2.80%	1.07%
Household consumption (farm)	52.1	-2.72%	1.05%	-0.18%
Man's farm labor (hrs/day)	2.58	2.66	2.54	1.22
Woman's farm labor (hrs/day)	3.02	2.83	3.09	4
Woman's labor productivity	5.17	-1.07%	0.41%	5.47%
Woman's HH labor (hrs/day)	7.61	7.88	7.50	6.19

Conclusions

- Social norms are important determinants of intra-household labor and resource allocation and therefore should be an integral part of formal models of household economies
 - The strength of social norms matter. More stringent social norms reduce the ability of households to address external shocks or benefit from development programs
- Non-separation of production and consumption decisions in the context of aforementioned social norms allow shocks in one sector to propagate across activities
 - Policy interventions can benefit from a thorough understanding of how social norms impact the household