ALTERNATIVE PERSPECTIVES ON DISTRIBUTION WITHIN MARRIAGE

I, Thou, and Them: Capabilities, Altruism, and Norms in the Economics of Marriage

By JULIE A. NELSON*

What are “the economics of marriage”?
Contemporary economists offer two, fundamentally distinct, answers to this question. One definition is that marriage has an “economic” aspect exactly to the extent that it can be analyzed by using particular modeling techniques. As Gary Becker put it in The Economic Approach to Human Behavior, “what most distinguishes economics as a discipline from other disciplines in the social sciences is not its subject matter but its approach” (1976 p. 5). A second strain, however, looks not to method, but rather to a subject area that could be loosely described as “provisioning” to define “the economics of marriage.” The starting point is not the specification of a formal maximization problem, but rather a set of questions about who gets what and who does what; how decisions about jobs, purchases, and household chores are made within the marital relation; and how laws and the social environment shape the context for these divisions.

The argument in this essay is that the preference within the economics profession for the former sort of definition has more to do with the comforts of orthodoxy than with the requirements of productive investigation.

I. The Maximization-Problem Approach to Marriage

Becker (1976) identified the core of the “economic approach” as the assumptions of maximizing behavior, market equilibrium, and stable preferences. Becker (1981), also, of course, pioneered the modeling of marriage as a formal maximization problem, both with models of exchange between partners and with models in which household behavior is determined by the preferences of a single member, labeled the “altruist.” A large class of more recent work has examined marriage as a formal two-person bargaining game. For example, in this session, Shelly Lundberg and Robert Pollak (1994) model marriage as a noncooperative game. François Bourguignon and Pierre-André Chiappori (1992) have recently put forth models of “collective choice” which assume Pareto efficiency but do not impose specific bargaining solutions.

One can argue that such maximization models of marriage are given undue weight in the field without denying that they may be clever, mathematically elegant, and sometimes enlightening. Some of the models are brilliant. The problem is not that the models abstract from reality, since all analytical thinking involves some such abstraction. Nor can it always be claimed that the models are empirically untestable or irrelevant to policy. The problem lies in the hegemony of these models in defining the field. If economics is a science, then the proper role of modeling is to further the understanding of the phenomenon under study.

*Discussants: Gary S. Becker, University of Chicago; Amartya Sen, Harvard University.

*Department of Economics, University of California, Davis, CA 95616.
Yet the "economic approach" (in Becker's sense) turns this around, and puts the subject at the service of the axioms and method. The proper role of marriage, one might surmise, is to provide further ground for the application of the axioms of maximizing behavior. The aspects of marriage which do not fit easily into this Procrustean bed are lopped off, absorbed into the constraints, or simply ignored. At the end of writing or reading an article in this literature, if the article is high quality, one will certainly know more about how the maximization model can be stretched and prodded. But how much more will be known about marriage?

If knowledge about marriage is not the driving force behind the analysis, one might ask why this approach is accorded such high prestige in the profession. Some economists believe the world really works in the way described by this model. Most economists in my acquaintance, however, express a preference for such modeling not because they believe it is literally true, but because they perceive it as somehow more rigorous than the alternatives. Deriving conclusions by strict logical deduction from first principles gives one a satisfying impression of coherence. Formally testing models with $p$ values that can be calculated to many decimal places feels precise. If such a practice of economics is hard, logical, and precise, then it seems to follow that any alternative must, by comparison, be soft, illogical, and vague.

This is not the place to undertake an extended debunking of the belief that maximizing behavior is a self-evident first principle, or that formal modeling and testing forms the bulwark separating true science from mushy thinking. Rather, by contrasting (in Section III) the narrow formal approach to the economics of marriage to a more flexible, reasoned, and richer approach, I will point out specific instances where unclear thinking is permitted, if not caused, by rigid adherence to the axioms of maximization.

II. Beginning the Analysis with Marriage

Some studies by economists start with the questions of who gets what and who does what, how decisions are made within marriage, and how the legal and social context of marriage influence these patterns (and themselves evolve). These include, for example, parts of Barbara Bergmann's (1986) work on U.S. women; Amartya Sen's (1985) work on marriage as a situation of cooperative conflict; and Nancy Folbre's (1993) work on gender norms. Many works by sociologists also come to mind. Arlie Hochschild's (1989) widely quoted work on the intra-household distribution of labor, is an example, as are Jan Pahl's (1989) work on financial arrangements in marriage and Vivianna Zelizer's (1994) piece on domestic currencies, in this session.

Perhaps not surprisingly, this field seems to be led by scholars attuned to the economic position of women. Both this approach and Becker's approach have developed within a professional environment in which family matters are often still considered to be too personal and sentimental for economic analysis. While Becker broke ground by considering marriage to be "economic" in a choice-theoretic sense, the economics of marriage in a provisioning sense has always been a topic that few women can ignore. Marriage has often been a woman's bread and butter.

The study of marriage as provisioning need not preclude the use of maximization methods, if they are illuminating to the subject at hand. It does not require throwing out a focus on individual choice in favor of an equally narrow focus on social determinism, nor the replacement of quantitative methods with qualitative ones, nor an abandonment of theory in favor of raw measurement; nor the abandonment of a postulate of purposive behavior, broadly construed. It is not, to put it crudely, an abandonment of Becker-style argumentation in favor of (what we economists think of as) fuzzy-headed sociology. Instead, with no set formula to follow, the researcher must be constantly on the watch for fuzzy-headed thinking of all varieties.

---

1 See, for example, Marianne A. Ferber and Nelson (1993) for arguments on these issues.
I mean for the first part of the title of this paper, "I, Thou, and Them," to be taken two ways. First, "I and Thou" can be taken to refer to the two persons directly involved in a marriage, with the last term simply being a reminder to pay attention to how the actions of "Them"—the legal constraints, social norms, and market conditions outside the marriage—affect the economics of marriage. The second sense, however, is to recall Martin Buber's (1958) famous philosophical piece on identity and relation, _I and Thou_. James Duesenberry once wrote, "Economics is all about how people make choices. Sociology is all about why they don't have any choices to make" (1960 p. 233). To put it in Buber's terms, the economist "imagines the world...embedded in the _I_, and that there is really no world at all," while the sociologist (or sociobiologist) creates an image of "the _I_...embedded in the world, and there is really no _I_ at all" (1958 pp. 71–72). The difficulty in theorizing in the space between individual autonomy and social determinism can be seen as a consequence of what Buber saw as a failure to understand the nature of the _I and Thou_ relationship, of failing to understand how a person can be an individual yet at the same time be naturally and socially constituted.

There is nothing particularly mystical about focusing on individuals in relation. The study of economic inequality yields one example, in Amartya Sen's (1993) notion of "capabilities." An individual's advantage, according to the capabilities approach, is not judged by his or her subjective, individual happiness, nor by the set of external resources at his or her command, but by what those resources would allow the person to be or to do. Advantage is judged according to an _I and Thou_ relationship between the individual and his or her environment, which recognizes the agency and individuality of the person while at the same time recognizing his or her constitution in physical and social relationships.

If I would modify Sen's (1993) analysis in one regard, it would be in giving greater emphasis in one area. What may be missing in Sen's analysis is a notion, of parallel importance to his notions of "agency freedom," and the "standard of living," of the social _Thou_; of attachment to other people, or belonging, or mutual constitution, or, as Buber put it, the "a priori of relation" (1958 p. 69). Robinson Crusoe myths notwithstanding, affiliation with other persons (both intimate and as part of a larger society) is not just a choice issue, or a feel-OK issue, but rather a developmental necessity, and, even as adult, a psychological necessity for full human functioning.

Might one consider the economy of marriage, instead of as taking place within the space of utilities, as taking place in three dimensions: living standards, agency, and affiliation? In marital compromises one may observe deals being struck which trade off one factor for another, sometimes to extremes. "I will take care of all your material needs, as long as you pledge me obedience," goes the trade of living standards for agency freedom between the upper-class husband and his wife, in some traditions. Or, since actual and current arrangements are more complex than implied by that one cultural image, one might see living standards and agency freedom offered in place of affiliation: "Here's the checkbook, now don't bother me." Or one might see affiliation and agency offered in place of living standards: "I will love you and let you do what you want, but don't expect me to hold a job."

It may be argued, of course, that one form of marital structure may dominate because of its superior efficiency, thus simplifying the structure of the problem in need of economic analysis. In the "traditional" marriage the husband specializes in agency, as demonstrated in personal achievements in the market as well as chief decision-maker status at home, and the wife in affiliation, as demonstrated by caring and nurturing activities, as well as a willingness to bend to another's will. In such a household, agency and affiliation issues are apparently forever solved, and the problem for the social scientist reduces (conveniently) to that of the standard of living. Yet casual observation suggests that the presumed benefits of such specialization may be far overrated: women
in particular have, in large numbers, “voted with their feet” in favor of lives with increased agency freedom, even if this means still shouldering all the affiliation tasks as well. One may therefore want to treat with skepticism attempts to sanction the highly specialized marital structure as natural, or as most economically efficient.

It is certainly at least as plausible to posit that marriages in which the spouses each explore a wider range of “doing and being” have welfare-enhancing properties that outweigh any losses from lessened specialization. Such couples are likely to have more joint interests and be better able to understand and empathize with each other’s problems. It may be less burdensome to have a broad range of responsibilities, shared, than a narrow range entirely on one’s own shoulders. At the level of activities, this may arise from a simple preference for variety in daily tasks, or from the advantages of diversification as a form of insurance in the face of uncertainty about future job opportunities, marital status, health, and so forth. One might even argue that a partner who resists developing agency, or resists developing affiliation, is settling for a form of “being” that is suboptimal. Few people would regard the “Here’s the checkbook, now don’t bother me” marriage as exemplary.

While standard-of-living, agency, and affiliation issues may form the base of marital “cooperative conflicts,” sometimes one issue may come to the fore. For example, standard-of-living issues may be highlighted for study in countries and classes where lives are lived on the margin, so that discrimination against wives in health care and nutrition can have fatal consequences. Yet even a passing familiarity with the literature on women and development suggests that agency issues, such as access to outside jobs and control over earnings, and affiliation issues, such as fertility control and divorce law, play crucial roles in determining the standard of living. In the contemporary United States, I would suggest that the area of most social conflict, and of most interest for social-science research, is the affiliation question of who is responsible, in time and in money, for children. Much research (e.g., reviewed in Bergmann [1986]) suggests that wives’ increased agency has largely been permitted not so much by husbands taking on affiliative work as by decreases in wives’ standards of living, particularly in regard to time for rest and recreation.

### III. The Perils of Misplaced Scientificity

Instead of using this richer model, economists have tended to focus on marriage as a unidimensional process, where all factors are made commensurable within a utility function. The axioms of maximization and the methods of mathematical derivation are allowed to direct the development of analysis. Such procedure opens, not closes, the door to muddy thinking, misspecification, and poor analytical procedure.

First, there is a problem of confusing issues by mislabeling. Becker’s work on “altruism,” for example, muddied the waters by segueing from a sentimental, affiliation-oriented verbal explanation, to a formalization in which agency issues are arguably the more central. While Becker (1974 p. 1063) wrote that the altruistic “head” of a family is that member who “transfers general purchasing power to all other members because he cares about their welfare,” what actually distinguishes the “altruist” from the other family members in the model is not exceptional sympathy for his fellow members, but power. The “altruist” does not keep all the income for himself, it is true, but what makes him the head is that he is a person who has the power to transfer general purchasing power among all members (in early versions, net transfers to the “altruist” are not explicitly ruled out), as he happens to care about their welfare. Perhaps others in the family have even greater fellow-feeling; they will not have the opportunity to act “altruistically” in Becker’s sense, not because they lack sympathy, but because they lack power. Similarly, the treatment of children as “goods” in a parental utility function, on a par with beer and pretzels, puts a living-standards label on an issue with strong affiliation components. Certainly there are
times in which considering the influence children have on their parents’ standard of living is appropriate, such as in the case where children provide security for old age in the absence of social pensions. Yet, as traced in Nelson (1993), the image of children as arguments in adult utility functions has generated considerable confusion in the literature on measuring inequality across households.

Second, there is a problem of misplaced concreteness. For example, while the literature on marital bargaining or collective choice makes some headway over the “altruist” model in allowing for some discussion of agency (in that there are two agents, instead of one) and affiliation (negatively, in models that refer to divorce threats), the domain of the bargain is usually vastly underspecified. If, as argued above, marital bargaining takes place on many different levels and with strong outside influence, mathematical tractability of theoretical (i.e., thoughtful and analytical) formulations is likely to be the exception rather than the rule. Once one has forced tractability by getting rid of the problem of responsibility for child care by assigning it to the mother in the assumptions, or forced tractability by reducing the dimensionality of the joint decision-making problem all the way back to consumption and “leisure” (with no mention of household production), is it really so interesting just what functional form the allocation takes, or what the properties of the joint Slutsky matrix are? While the solving out of a difficult model may give one a great feeling of satisfaction and accomplishment, that feeling may be all that is produced.

IV. Conclusion

Studies of the economics of marriage which limit theoretical explanations to those of the mathematical models of maximization are surrounded by a comforting aura of precision and rigor. Such comforting narrowness, however, may be a handicap in understanding the processes of who gets what, who does what, how decisions are made within marriage, and marriage’s legal and social context. An enlarged domain of theory and models may provide a basis for clearer analysis, less prone to problems of misclassification and misspecification, and more useful for understanding.

REFERENCES


Folbre, Nancy. “‘Guys Don’t Do That’: Gender Groups and Social Norms.” Mimeo, University of Massachusetts, 1993.


