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Intra-household sharing of financial resources: a review

Nevena Kulic and Giulia M. Dotti Sani

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Abstract

Since the 1960s, the allocation of resources in couples has been the object of much research in both the fields of economics and sociology. Today, the growth of women's economic independence and their increased potential to control economic resources within their households raise important questions about the dynamics of intra-household sharing and calls for a reconsideration of existing theories on the allocation of household resources. This article reviews, in a non-technical way, the two lines of research, in economics and sociology respectively, which have focused on the sharing of financial resources within a common unit of analysis: the household. After outlining their alternative applications and highlighting the similarities and differences between the two – starting from the unitary models of behaviour and encompassing bargaining theory, collective goods, and transaction cost approach – we discuss new developments in the form of the dynamic models and preference theory. Finally, we reflect on the challenges that the field currently faces and suggest possible pathways for future research.

Keywords

Intra-household sharing; women; financial resources; bargaining; transaction costs; preference theory.

Nevena Kulic
Max Weber Fellow, 2016-2017
European University Institute

Giulia M. Dotti Sani
Collegio Carlo Alberto

Introduction

Women's economic and social standing in Western countries improved dramatically throughout the second half of the 20th century. The increase in female enrolment in education (Breen et al. 2010) and the greater presence and competitiveness of women in the labour market (Bettio et al. 2013; OECD 2014) led to important changes in the way women's employment is perceived and acknowledged (Treas and Windmer 2000). The diffusion of gender equality at the societal level implies that gender relations at the individual level have also been changing (Bolzendahl and Myers 2004; Cunningham 2008). In particular, the growth in women's economic independence and men's economic dependence (Sorensen 2003; Karmessini and Rubery 2013) in recent decades raises important questions about the current gendered division of paid labour, and has implications for a shift in control over economic resources in households (Bennett 2013). Consequently, the societal move towards more equality has triggered much theoretical reasoning, as well as empirical research, on intra-household sharing dynamics (cfr. Bennet 2013).

Since the late 1950s, scholars of economics and sociology have been producing two parallel bodies of literature that share the same unit of analysis, that is, the household¹, and that revolve around a number of commonalities. Efforts have been made in the past to review and unite some of this work on a broad range of within-household activities that are shared between partners (Grossbard-Shechtman, 2001), and with the goal of providing a more inclusive framework. Unlike previous studies, this article reviews, in a non-technical way, one particular aspect of the two lines of research on within-household allocation – monetary and non-monetary factors influencing sharing of financial resources – in the light of the historical changes in gender roles. General theory on intra-household sharing is applied to the specific cases of the division of financial goods. Both streams have developed in the context of societies evolving from being based mainly on the male breadwinner/female homemaker model, as in the 1960s, to societies where the dual-earner household has become predominant (Blossfeld and Drobnič 2001). The societal changes that have taken place over decades have posed challenges to the study of the allocation of resources, and still require constant re-evaluations of the dynamics underpinning household sharing. Here, we compare the rational choice framework with the sociological literature in a broader context, rather than focusing on a detailed review of selected theoretical stances as proposed in some of the previous field-specific review studies (Bennett 2013; Donni and Chiappori 2011; Himmelweit et al. 2013). We propose a unified framework for the topic of intra-household sharing and argue that the two lines of literature both reflect the reality of gender relations in different historical moments, or different subjects' perceptions of this reality, diverging in some interpretations and converging in others. The article reviews major theoretical contributions and selected empirical evidence from western industrialised countries, which are characterized by a specific institutional and cultural context. However, we acknowledge the existence of a broad literature on the household allocation of resources in developing countries, which contributed in a substantial way to the development of theory. Finally, we adopt a perspective to look at changes of women's rather than men's behaviour, as the historical change of roles principally affected women.

The article is divided in two parts. The first is devoted to what can be considered the three – theoretical and empirical – pillars of the study of intra-household sharing: a) the early unitary models of family behaviour in economics and sociology; b) the relative resources approach and bargaining theories; and c) the collective investments, collective goods and transaction costs approaches. In the second part of the article, we introduce new developments in economics and sociology by discussing

¹ The terms 'family', 'household' and 'couple' refer to different units of analysis. In this study, we focus on coupled women and men. While fully recognizing the differences between the three concepts, throughout the article we use the three terms interchangeably to avoid a large number of repetitions.

dynamic models of intra-household allocation and the relevance of preferences, i.e. the freedom of women and men to decide and re-examine their within-household allocation of resources.

Part One: The three cornerstones of household sharing

1.1 Unitary models of family behaviour: Parsons and Becker

Over recent decades, there have been several attempts to frame the mechanisms underlying individual behaviour and exchanges within households. The first models of family behaviour were unitary models, in which individual behaviour was assumed to be intrinsically linked to the partner's behaviour. Following this approach, the family operates on the basis of common goals to which all members contribute with different means. The sociologist Talcott Parsons was the first to propose an ideal model of the family that followed this perspective (Parsons and Bales 1956). The core of Parsons' theory was sex role specialization between spouses. In his view, women play an 'expressive' role in the family, offering emotional support to both husbands and children, while men have an 'instrumental' role, providing the means of living. In this model, men are expected to fill the role of the breadwinner, while women's employment is welcome only to the extent that it does not change the standard allocation of obligations. One of the main norms that regulated the interaction between family members in the Parsonian model was equal access to family finance by both husbands and wives (Cheal 1999). Thus, for Parsons, family was 'one' rather than 'two', and decisions were made to benefit both equally.

Talcott Parsons's unitary approach was, to some extent, further developed in economics first by Paul Samuelson (1956), and later by Gary Becker (1981a), father of the so-called 'new home economics'², who contributed to economic theory by continuing to develop the joint welfare function of the household, originally proposed in Samuelson's consensus model (1956)³. Becker's work was an additional development of his models within the theory of marriage in which individuals have their own utility and may disagree on how to allocate the benefits from marriage (Becker, 1973, 1974). In Becker's Treatise on family, household members are assumed to rationally take on specialized roles based on their relative productivities, with the ultimate goal of increasing overall household utility. In the typical case, women specialize in home production and men in market production. However, there is no impediment to women specializing in market production and men in home production, as long as it benefits the interest of all. The fundamental aspect of the theory is that the head of the family is assumed to be altruistic in his distribution of family resources, guaranteeing equal financial wellbeing to all family members. Issues of inequality or conflict within the family are not ignored in Becker's analysis, but they are not seen as especially problematic as long as they are internalized within the utility maximization process. In other words, Becker assumed that specialization would minimize potential conflicts within families by creating dependencies between wives and husbands and by stimulating efficiency. Moreover, family members were expected to maximize the household utility, even if this did not appear to immediately benefit them (Becker 1981b).

The models proposed by Parsons and Bales and by Becker were developed in times and places where the male breadwinner model was predominant. Indeed, the period following WWII was a time when the economy flourished in many Western countries, characterized by very high male employment rates that allowed partnered women to refrain from paid work and concentrate on unpaid domestic work (Lewis 2001).

The unitary approach was developed in the socio-economic contexts experienced by its initial proponents (Parsons and Bales 1956), but was later challenged by the changing roles of women in society, which posed the problem of incorporating women as earners in models of family behaviour.

² The new home economics was founded in the 1960s by Jacob Mincer and Gary Becker. The economic theory was extended to incorporate the decisions that households make on the allocation of resources, ranging from consumption to health and fertility (for detailed review see Grossbard-Shechtman, 2001).

³ Samuelson (1956) proposes that family members by consensus maximize the joint function of their individual consumption.

Scholars from both economics and sociology attempted to overcome this issue over successive years with the so-called relative resources and bargaining perspectives, which, however, complemented rather than replaced the unitary models (Grossbard-Shechtman 2001).

1.2 Bargaining theories and the relative resources approach

As already acknowledged, the unitary family models were developed when the male breadwinner/female homemaker household type was very common in industrialized societies. Hence, it is not surprising that questions about the intra-household allocation of resources, within-couple sharing, and economic (in)dependence became prominent only when women started to become increasingly present in education systems and the labour market. These questions paved the way for more focus on the independent individual models of decision making within the new home economics, and the consequent development of non-unitary models in economics and relative resources theories in sociology (Blood and Wolfe 1960; Brines 1994; McElroy and Horney 1981; Manser and Brown 1980). The change of focus was further supported by the increasing availability of survey instruments that allowed initial analyses of within-household bargaining dynamics (e.g. the Panel Study of Income Dynamics for the US, which has collected data since 1968). Independent individual models of decision making do not assume joint decision making in families (Grossbard 2012). Similarly, in bargaining and relative resource theory models, both partners (husband and wife) can rely on their individual endowments, for example in terms of education and income, to try to reach a compromise on the decisions that affect the household.

When explaining intra-household relations, economists rely on several applied game-theoretic models, namely cooperative, non-cooperative and collective models. The major concept in these theories is Pareto efficiency, which can be defined as a state in which any improvement in individual wellbeing will negatively affect the wellbeing of the other negotiator. In cooperative models (also known as Nash bargaining models), the bargaining stance of each partner is determined by the availability of alternatives outside the relationship, and these are compared with the current cooperative relationship (e.g. marriage). The balance between the two defines a ‘threat point’, at which both ‘outside’ and ‘inside’ options are equally attractive. Importantly, partners in the relationship can reach an efficient agreement as the result of a cooperative game. Manser and Brown (1980) and McElroy and Horney (1981) introduce the cooperative model with divorce as a threat point, whereas Lundberg and Pollak (1993) suggest an alternative specification where the divorce threat is replaced by a non-cooperation threat, which is internal to marriage. In the latter, when the threat point is reached, each member may contribute to the household public good through personal choice, which leads to a low-functioning marriage with separate spheres. A second group of game theoretic models extends the focus (Browning and Lechene 2001; Kanbur and Haddad 1994; Lundberg and Pollak 2003) to the principle of non-cooperation and self-binding agreements between partners. Following this approach, both partners autonomously decide on the amount of commonalities they are willing to provide and share, maximizing at the same time their own (financial) wellbeing independently of the behaviour of the partner. The result of their agreement is not necessarily Pareto efficient, as it is still possible to improve the position of one partner without the other’s position deteriorating; indeed, these models do not set efficiency of outcomes as a requirement. The presence of inefficiency might also be influenced by social factors, such as gender norms or cultural bias, which can shape individuals’ power within and outside the family, and might alter the way individuals interact. Lastly, collective models encompass both the unitary framework and cooperative models so that each becomes a special application of the collective approach (Chiappori 1988, 1992). The basic features of this approach are efficiency of outcomes and the presence of the ‘sharing rule’, which means proportions of the household expenditure being attributed to different household members. The sharing rule is affected by individual bargaining power (distributional factors), although the final outcomes of the negotiation will also depend on household preferences. Hence, the model allows the influence of non-economic factors in bargaining, paving the way for further links with sociological stances that we discuss below.

Indeed, economic theory assumes that bargaining takes place in the household, leaving aside as exogenous all institutional factors, such as the labour and marriage markets. But what if the

economic models do not represent the real game because ‘the “real action” is elsewhere: in the game before the game’ (Pollak 1994:150)? Individual preferences and human behaviour might already be shaped by external factors such as breadwinning norms, gender-biased attitudes, culture and institutions, leaving little space for a true bargaining outcome as modelled in economics. The challenge for bargaining research has been how to encompass these (social) factors when modelling complex household dynamics. Some of these issues are, however, considered more by sociologists.

Sociological theory also encompasses a variety of approaches to intra-household sharing of financial resources. The bargaining view in sociology, as a direct sociological equivalent to the economic theory, takes the form of a resource theory of power, and was first found in the writings of Blood and Wolfe (1960). Their findings, based on over 900 interviews with wives in and around Detroit, indicated that decision-making processes within American households were driven largely by the spouses’ individual resources. In other words, women’s economic resources, their employment and the length of employment gave them more power within the household, also to influence the relative share of expenditure. Blumstein and Schwartz (1984) reached similar conclusions when looking into the role of wives’ income contributions in the balance of power between spouses. Finally, Sorensen and McLanahan (1987) developed the so-called ‘economic dependency’ sub-approach, suggesting that the power structure of the family is a function of the married woman’s economic dependency. More recent literature in this stream emphasizes that women benefit from distinct intellectual capabilities and achievements that matter more than income in the sharing of resources within the family (Gerson 1985, 1993; Hakim and Blossfeld 1997; Hochschild and Machung 1989; Kulic 2014). In this view, diversity of work trajectories, type of job and career potential are additions to the ‘power’ of relative income in relative sharing of expenditure.

Resource theory mainly emphasizes economic or, more broadly, human capital as bargaining tools towards a more equal share of financial resources. Yet, a few years ago, Catherine Hakim (2010) took a different direction by turning her attention⁴ towards an asset that had generally been ignored in sociological and economic theories: physical and affective characteristics in the form of ‘erotic capital’. Hakim defines erotic capital as a set of assets encompassing beauty, sexual attractiveness and social skills in interaction that women and men can rely on to obtain their objectives: ‘attractive people are more successful at wielding influence to get what they want, in the workplace and in business as well as in private relationships’ (Hakim 2000:199). Hakim argues that, overall, women are more endowed with erotic capital than men, a fact that, on average, increases their bargaining power in marriage⁵. Men, however, also have their stock of erotic capital, which, according to the author, has actually increased over recent decades. The major limitation in the study of erotic capital and of its relevance in the bargaining process is the difficulty in measuring it. Indeed, not only do definitions of beauty, sexual attractiveness and social skills vary cross-nationally and over time, but scholars are still struggling to understand how much of these are defined by individual subjectivity and how much is shared among the collectivity (Langlois et al. 2000; Hönekopp 2006). Indeed, including erotic capital in empirical research could yield significant contributions to our understanding of within-couple exchanges, including those of material resources, but the difficulties in obtaining high-quality data for this special type of capital – especially in large-scale surveys – explains why few attempts have been carried out so far.

Sociological theory also accounts for norms, culture and institutions as factors that additionally affect the intra-household distribution of resources (Vogler 1998). These are explicitly studied in the literature on the management of finances within households (Bennett et al. 2012; Himmelweit et al. 2013). Theories of money management (Pahl 1983; Vogler and Pahl 1994; Vogler 1998) enrich the resources approach with an important additional dimension; that is, the way in which money is managed and organized once it enters the household. Resource theory assumes that the

⁴ Although other authors had proposed something similar to erotic capital in the past (See Hakim 2010 for a detailed literature review).

⁵ The general argument refers to all heterosexual (and homosexual) interactions and should thus include cohabitating couples, although not explicitly mentioned.

economic characteristics of partners influence their common decision making. Hence, the more women earn, the more power and control over decision making in finances they will be able to exercise. However, gender inequalities in sharing could derive even more from women's access to money than women's relative income. And women's access to finances is highly dependent on societal values. Sociologists Vogler and Pahl (1994) define two types of power: power over executive decisions and power over strategic decisions. The latter is used as a proxy for power relations within households, although power in strategic decision making will also depend largely on power over executive decisions, net of the economic characteristics of the partners. That is, systems of money management are related to differences in power and living standards between partners, as well as to other socio-demographic characteristics. In their study, they identify four different types of allocative systems – or money management systems – among couples: the female whole wage system, the male whole wage system, the housekeeping allowance system and joint pooling. Full female executive control of all income, except for the husband's personal spending money, characterizes the first system, whereas, in the male whole wage system, the executive control of money is in the hands of the husband. The housekeeping allowance system allows the wife a housekeeping allowance while the rest of the money is managed by the husband; finally, in the joint system couples pool and manage their money jointly. This typology does not explicitly deal with various forms of income, but is empirically (and theoretically) extendable to considering various sources. Several empirical studies find that the organization of finances is sensitive to whether income derives from regular or sporadic employment, individual or family state benefits, inheritance, investments and so on (Nyman 2002; Pahl 2008), and that it further depends on how these forms of money are viewed by men and women in different societies and in different historical periods (Nyman and Reinikainen 2007).

Understanding the factors that influence the executive control of money is partly a 'which came first' exercise, since having direct access to economic resources, e.g. in the form of earned income, is likely to be an advantage in accessing control over them. Nevertheless, research has shown that women can have little control over economic decision making despite having their own earnings (Pahl 1994; Vogler et al. 2008a; Vogler et al. 2008b). Indeed, ideological and cultural values, in particular those of men, play an important role in balancing out (increasing or decreasing) husbands' initial economic power. An example of such an ideology is breadwinning. The theory of money management in the household relies on Lukes' more general three-dimensional model of power, which takes into account the ideological factors in decision making as a third dimension of power (Vogler 1998). Certainly, the advantage of money management theory is that it provides us with an explanation that goes beyond traditional resource theory, distinguishing between who brings in (various forms of) income, who spends the money, and who is the end consumer (Bonke 2015; Himmelweit et al. 2013).

Another important limitation of the relative resources approaches lies in the assumption that partners are independent members whose interests often conflict. Pure bargaining, however, does not always fully represent household behaviour, and scholars have striven to develop additional theories to account for this.

1.3 Collective investments, collective goods and the transaction costs approach

While bargaining reflects a competitive interaction between individuals, union formation relies on collective investments: when people marry, they combine 'individualism' with 'collectivism', and they not only negotiate but also invest in the new relationship. This is the dimension of human behaviour that easily relates to profit-oriented organizations, which operate on the basis of common investments and efficiency. Indeed, a concept from the economics of organizations, namely the transaction costs approach, serves as a model to explain family behaviour, in addition to the relative resources and bargaining perspectives.

The transaction cost approach was developed in the early eighties within organizational theory (Chandlers 1962; Feller 1973; Macneil 1974; Williamson 1981). The concept was different from other organizational theories because it dealt with how firms generate efficiency by minimizing the cost of each individual transaction. Williamson (1981) initially suggested that the concept was conceived for

profit-oriented organizational environments, but he did not exclude other possible specifications, given its potential adaptability. This approach was only extended to non-commercial settings by Pollak (1985), whose work on bargaining models was essential to explain the intra-household distribution of material resources. He recognized the importance of a common objective in the behaviour of family members, explaining that it helped to minimize the transaction costs of family life. Hence, Pollak argued that marriage works as a 'governance structure' that influences the behaviour of family members by adding a non-market dimension to market-based, intra-family bargaining. This must not be confused with the household utility function that was central to the unitary approaches discussed earlier. According to the transaction cost approach, in fact, individual bargaining is influenced by the collective character of the investments involved, but is not overridden by it. Hence, the interests of each household member enter the equation along with some common utility. In sociology, the transaction costs approach has been used to explain efficiency gains in relation to the choice of household money management system. Treas (1993: 723) argues that in American families there are 'competing pulls between the individual and the collective', specifically in relation to how spouses pool their economic resources. As we discussed earlier, the motivation for choosing one type of money management over another depends on many factors but it is also related to the minimization of transaction costs. Hence, couples prefer organizational forms (e.g. total pooling vs. separate purses) that help them better coordinate their relationship, reduce disagreements and facilitate monitoring. The right choice of financial organization means more relationship efficiency. For this reason, couples with high relationship investments, children and common property often choose pooling regimes to facilitate transactions (Bonke and Uldall-Poulsen 2007). Thus, the minimization of transaction costs would represent what economists call a 'collective good', the pursuit of which is assumed to influence the extent to which individuals defend their own interests.

The meaning of collective good, however, has been changing with newly emerging forms of relationships in contrast to marriage. This brought new ways of controlling and sharing money among the standard financial organization systems such as independent (separate) management. In the independent management system, individuals have separate responsibility for their personal finances, or alternatively some money is collectively owned and some is private. Although the new systems, along with the new forms of relationship, were initially associated with more equality of power (Giddens 1992) and more efficiency, empirical confirmation of this has not emerged. On the contrary, several studies (Vogler et al. 2008a; Vogler et al. 2008b) find that, with independent management, the higher earner exercises more control, and the principle of equal financial contributions by partners is more harmful to women, who traditionally earn less. By and large, according to management theory, pooled regimes maintain their position as the most egalitarian management practice, equating the pursuit of efficiency with the pursuit of pooling income.

2 Part Two: Revisiting the intra-household sharing of material resources: dynamic models of intra-household sharing and preference theory

In the late 20th century, the meaning of women's economic dependence was revisited to question previous theorizing. New views accounted for the dynamic nature of couple relationships, and for women (and men) acting *only* according to their preferences as a consequence of (nearly) achieved gender equality in many areas of life.

Economic research has grown to model explicitly dynamic settings by questioning the static nature of the sharing rule in collective models. In fact, the allocation of expenditure over the life cycle depends on how bargaining power and preferences evolve over time in relation to the changing opportunities of household members (Himmler et al. 2013; Mazzocco 2004, 2007; Lich-Tyler 2001, 2003). The new models distinguish between two types of efficiency: full commitment efficiency and limited commitment efficiency; the former assumes that the first negotiation of a sharing rule remains intact, whereas the latter implies several re-negotiations of the initial agreement out of choice and as the result of new opportunities. In fact, inter-temporal re-negotiation is more realistic in a contemporary couple where the constant pursuit of a 'higher standard of human happiness' (Hochschild and Machung 1989: 167) in marriage is a norm, and it impacts on the nature of mutual

commitments. New empirical evidence has also highlighted the role of public policies in affecting the change in the negotiating power of women in a couple (Mazzocco 2007).

The importance of preferences in individual behaviour has been acknowledged by economic theory both in the past and in the present. As previously discussed, unitary models relied on the assumption of common household decisions, and collective models combined a resource-based perspective with household preferences. However, individual preferences play a more important role in recent developments in economic theory in studies of partners' changing bargaining power over the years.

Recent sociological theories are also beginning to focus on the role of preferences, and question the existence of unequal intra-household sharing in the light of the (nearly) achieved gender equality in the labour market, as 'men are increasingly dependent on their wives' income' in most industrialized societies (Sorensen 2003:295). This view is linked to preference theory, which argues that women's economic dependence is a choice (Sorensen 2003) that does not necessarily worsen their bargaining (and financial) position in the household. As such, the unequal position of women in intra-household sharing only becomes relevant for those societies where free choice is not possible. Unlike economic theory, preferences are seen in this literature as self-sufficient, and independent of the real conditions surrounding women and men. Two sociological explanations emerged that contributed to this perspective. One was developed in the United States starting from the 1980s in the work of Gerson (1985, 1993, 2009), while the other evolved in Europe from the early 1990s and is expressed in the work of Hakim (1991,1996, 2000). Both theoretical approaches are based on the principle of women's preferences to choose one particular life path. In Gerson's 'Hard Choices' (1985), we find the idea of a 'subtle' revolution in women's roles for the first time. Following the new reality of American society from the 1970s onwards, Gerson defines two possible female life paths: the domestic and the non-domestic. Domestic women are those whose focus is on family, homemaking and children. If they work, they do so mostly in female professions. By contrast, non-domestic women are oriented towards a career and continuous full-time employment, with or without children. The author elaborates on the motivations influencing women's choices between a career and homemaking, outlining reasons that are related to the past, such as family environment, or to the present, in the form of opportunities. In her 'Unfinished Revolution' (2009), Gerson continues her research on contemporary couples and suggests that, although women have faced many changes, the categories of women have not changed much. She distinguishes between three groups of women – self-reliant, egalitarian and neo-traditional – that correspond to her first classification of women's constrained choices (Gerson 1985). The European equivalent of Gerson's approach is Hakim's 'Work-life Style Choices in the 21st Century' (2000). As in Gerson's work, women's behaviour is ultimately grounded in their preference for a certain lifestyle. According to her theory, in 'affluent modern societies' women may choose whether to be employed, and how much to work, based on their preferred behaviour. Both theories, similar to feminist theories, are concerned with individuals rather than households, and focus on women making choices in their own best interest. Hakim's view, however, is somewhat more radical because of her argument that in recent decades equality between women and men has been reached, and thus women's behaviour is not determined by external constraints but is internally chosen. Hence, according to the author, within-gender differences, that is, the differences between home-centred, adaptive and career-oriented women are greater than the differences between a career-oriented woman and a man. The true gender difference lies in women being granted the choice of preferred life style, while men are not: 'The fact remains that women can do as well from marriage careers as men do from employment careers. More importantly, women today have a choice between using the marriage market or the labour market to achieve social status, self-expression and material wellbeing' (Hakim 2000: 161). According to some versions of relative resource theory, home-centred and adaptive women who choose to forego labour-related earnings are bound to a position of reduced power within the relationship. Hakim, however, emphasizes that achieved educational equality between genders is equally likely to protect a woman from an unequal allocation of financial resources in households.

A major drawback of the latest sociological theoretical stances, in particular of Hakim's, lies in the belief that there is equality of choice for women with a corresponding influence on equality of bargaining power and sharing of financial resources between spouses. As McRae (2003) points out, there is little, if any, empirical evidence supporting the notion that women's behaviour is guided by their preferences. Indeed, it is most likely that women – more than men – are faced with a number of constraints that force them into a lifestyle that is not necessarily their original preference: 'The existence of a continuum of work-family preferences means that women with similar preferences (but differing capacities for overcoming constraints) will have very different labour market careers.' (McRae 2003: 318). High childcare costs, for example, could coerce a work-oriented woman to stay at home to mind her children, while an unemployed partner could force a home-centred woman into employment. Even the partner's preferences regarding the woman's employment choices might have a constraining effect on her options. By focusing exclusively on women's preferences, Hakim overlooks the constraints that might impede women from reaching their desired lifestyles. Similarly, the author does not discuss how existing constraints at the societal level might influence women's preferences themselves (Vogler 1998). In other words, it is unclear how and why women develop different preferences and to what extent pre-existing social constraints (i.e. socialization) are related to women maturing diverging orientations. Ultimately, it is likely that the very high levels of liberalization and individualization that characterize the two countries that are the settings of preference theory – the United States and the United Kingdom – might be able to support the assumption that in contemporary societies women truly have a choice of the lifestyle to adopt. Nevertheless, it is hard to imagine women genuinely developing autonomous preferences in settings that have much stronger norms of gender behaviour that are likely to have implications for the sharing of material resources within families.

3 Conclusions

In this article, we have discussed and summarized, in a non-technical manner, the main streams in research on the intra-household sharing of material resources in economics and sociology, starting from the emergence of the first theoretical considerations. Since then, both disciplines have witnessed similar trends that were shaped by societal developments in gender equality both within and outside the household. The article has contributed to a more comprehensive picture of the whole field by comparing and merging the theoretical stances deriving from different schools of thought. We have argued that the economic dependence of women was already acknowledged in the field in the early 1960s, although it was not seriously studied until the early 1980s. The mainstream view in sociology, economics, and also public policy, was that the dependency of women did not influence their economic position in the household: the assumption that years of economic and social research was based upon was that the head of the family transferred his material benefits to all family members equally, including his partner (wife) (Becker 1981a; Parsons and Bales 1956). Evidence suggests that a significant change in perspectives on intra-household sharing of material resources took place when (educated) women entered the labour market in large numbers, stimulating a change in the evaluation of women's work in terms of income. We have briefly summarized the theoretical interest in bargaining within the household from the perspectives of both economics and sociology (Blood and Wolfe 1960; Lundberg and Pollak 1996), and discussed the later consideration of collective instead of individual factors in bargaining. Recent developments in both disciplines represent a move towards new views: a dynamic modelling of intra-household sharing and a revisiting of women's economic dependence in the light of their preferred lifestyles. The article has also emphasized the lack of consideration of social contexts (norms, values, culture and geography) in the relevant economic and sociological theories.

Is there a need to further redefine previous theories on intra-household sharing (of material resources)? The changes in intimate relationships and in the definition of the family that have taken place in Western countries in recent decades suggest there is. Indeed, as marriage rates have declined there has been an increase in the number of consensual unions (Thornton and Axinn 2007) and of 'atypical' unions and marriages, where partners live in different locations – Living Apart Together

(LAT) – but share the same commitments as other married or cohabitating couples (Cherlin 2010; Liefbroer et al. 2015). The growth in consensual unions and LAT arrangements points towards a diffusion of preferences for independence and autonomy that might not mesh well with the assumptions underlying bargaining and collective investment theories. Also, the fact that homosexual couples have not been considered to any great degree up until now is another limit of the theory that has to be overcome. Hence, future theoretical developments on intra-household sharing will have to take into account the continuing development of intimate relationships, the preferences of the couples who inhabit them, and the inevitable evolution of the relationship between genders to fully account for the way contemporary couples share economic resources. This will also require improved and more complex survey instruments, both longitudinal and cross-national, to capture behaviours, attitudes, values, preferences, and lifestyle arrangements, not just at the individual level but also at the couple level.

Moreover, while some of the new forms of family arrangement stem from a decline in traditional views about gender roles and family formation (Inglehart 2008), others are the result of economic conditions and the changing employment opportunities for men and women. The recent economic crisis is an extreme example of an exogenous change in employment conditions that might have had an impact on intimate relationships. Indeed, the loss of jobs in manufacturing industry and in the construction sector in the first part of the crisis, and the cuts in welfare expenditure and the public sector in the second, have affected first men's and then also women's positions in the labour market (Bettio et al. 2012; Karamessini and Rubery 2014), albeit with different outcomes according to the context. On the one hand, the reduced employability of men resulting from the crisis could lead to improvements in women's relative position in the household. On the other hand, if jobs are scarce, traditional views about the division of labour between women and men might return. Thus, the impact of the economic crisis on living arrangements and on the subsequent dynamics of intra-household sharing remains to be seen. Taken together, all these developments pose new and important challenges for research on the intra-household sharing of material resources that scholars in both economics and sociology will be faced with in the coming years.

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