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# Bargaining power and preference reconciliation in couples

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- 1. Research Question**
- 2. Theoretical Background:  
Couple Bargaining & Indicators of Bargaining Power**
- 3. Empirical Design & Bargaining Concept**
- 4. Data & Methods**
- 5. Results & Discussion**

- **Background:**  
Decision making in couples  
Decision making over central life goals and key transitions
- ***Research focus:***  
„How do couples reconcile their life goals if they have differing preferences?“  
→ Negotiations
- ***Research question:***
  - „What determines individual success in couple bargaining.  
i.e. which indicators determine bargaining power?“

## Theoretical Background: Couple Bargaining & Indicators of Bargaining Power

### „Evolution“ of theoretical approaches to decision making in households and couples

- **NHE: Conjoint household decisions** (Becker 1993)
  - Household head decides
  - Lack of individual preferences
  - Assumption of income maximisation leads to a deterministic model
- **Individual centered RC approach** (Lindenberg among others)
  - Consideration of individual preferences
  - Uncertainty of how to implement couple interaction
- **Bargaining approaches / Exchange theory**
  - Foundations in game theory (von Neumann & Morgenstern 1944, Nash 1950, 1953)
  - Realization and reconciliation of individual goals
  - cooperative and non-cooperative games (Lundberg & Pollak 2007; Chen & Woolley '01)
  - Bargaining power as key mode of exchange

### Applications in fertility bargaining

- Eswaran 2002, Rasul 2005, Seebens 2005
- Thomson & Hoem 1998:  
Reconciliation of differing fertility goals over time  
Veto option
- Ott 1998  
Base model:  
$$N = [U^m(x) - D^m] * [U^f(x) - D^f]$$
  
Dynamic Bargaining  
Problem of endogeneity with income as bargaining power

### Common Concepts of Bargaining Power

#### *Bargaining Theory / Microeconomics:*

- **Income**
- **Working hours / allocation of time for household & market work**
- **More generally: Determinants of outside options**
- → Human Capital? Obtainable income?
- **Problem of endogeneity with income as bargaining power**
  - Dynamic bargaining (Ott 1989)
- **Key areas of couple Bargaining:**
  - Division of household labour
  - Allocation of household vs. market work
  - Bargaining over life goals. fertility bargaining in particular
  - **Application to bargaining over first parenthood**

### Alternative concepts of Bargaining Power

#### Alternative determinants of bargaining outcomes

- **Alternative exchange currencies**
  - Attractiveness (Rosenblat 2008) / Sexual capital (Hakim 2010)
- **Stabilizing Factors / Pull Factors**  
(Refrain from defect/separation // Increase in partnership value)
  - Satisfaction
  - Attachment to partner
- **Value or Personality based indicators**
  - Dominant personality
  - Veto - given asymmetry in key preferences

## Indicators of bargaining power

### Individual and relational determinants of bargaining power

#### Ego & Partner

#### *Common indicators of bargaining power*

- ***Income***
  - Net income last month
  - Relative income
- ***Labour market attachment/Activity***
  - Working hours
  - Relative working hours
  - Type of earner/breadwinner model



## Indicators of bargaining power

### Individual and relational determinants of bargaining power

#### Ego & Partner

- ***Satisfaction***

Overall, how satisfied are you with your relationship?

All in all, how satisfied are you with your sex life?

- ***Dependence***

Sometimes I'm afraid that partner would rather spend time with others than with me.

Partner clings to me so much that I feel like I'm suffocating.

I have the feeling that I like partner more than (s)he likes me.

Sometimes I'm not sure if partner enjoys being with me as much as I enjoy being with him/her.

I'm often afraid partner will think I'm silly or stupid if I make a mistake.

## Indicators of bargaining power

### Individual and relational determinants of bargaining power

#### Ego & Partner

- ***Dominance***

How often does partner make you do things his/her way?

How often does partner get his/her way when you can't agree on something?

- ***Attractivity***

Interviewer: How attractive do you find the respondent?

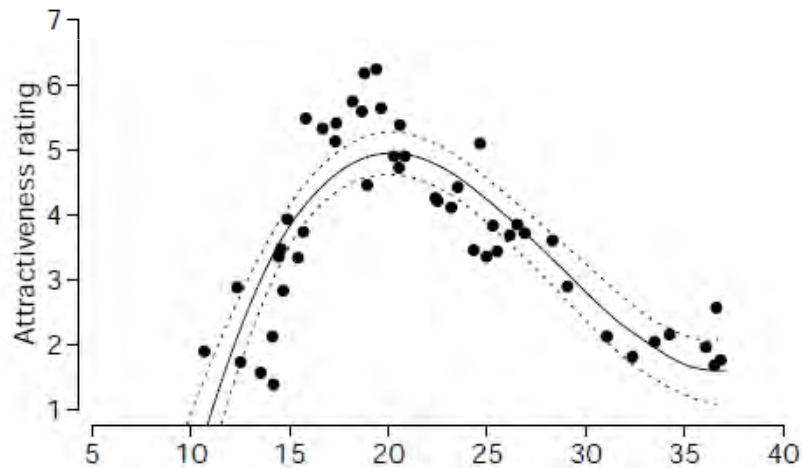
BMI

Transformation of BMI into attractiveness (Source)

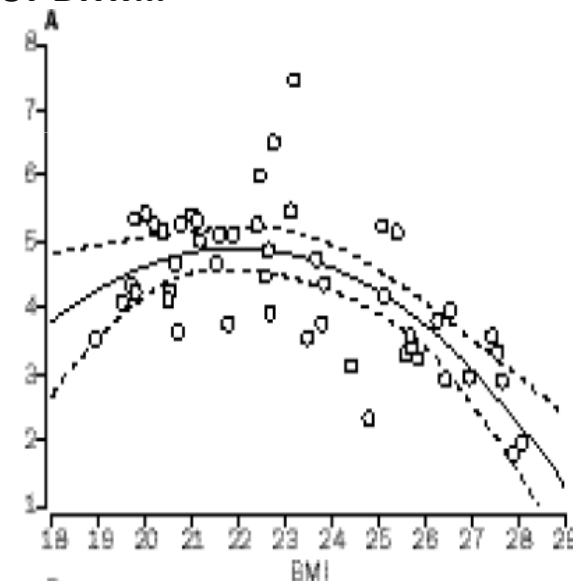
## Indicators of bargaining power

- **Attractivity:** Transformation of BMI into attractiveness

### Physical attractiveness as a function of BMI...



A. of women to men  
(Tovée et al. 1998)



Att. of men to women  
(Maisey et al. 1999)

***Study design***

**Semi-balanced panel (uncensored data)**

**Individual and partner data**

**Assessment of bargaining power based on starting wave**

**Subsequent childbearing post wave 1**

**Cloglog model of birth transitions**

**Conjoint model**

**Gender specific models**

***Population:*****Couples with distinct asymmetry in fertility preferences**

- Partner does not want (more) children → proxy info on ego (Q 138 / PQ 31)
- Becoming a mother/father within the next 2 years (Q 131 /PQ 32)
- Distinct differences in # of (additional) children wanted (Q 128 / PQ 29 & #childr. w1)
- Distinct differences in importance of having a(nother) child (Q. 6 / P:Q 3)

**→ Fertility preferences EGO > Partner****Cohorts 1971-1973 & 1981-1983****Omitted:**

**Couples with reported infertility (ego &/ partner)**

**Couples with pregnancy in wave 1**

**→ 770 respondents (ego & partner. 356 men. 414 women)**

***Dependent Variable:***

Transition to birth post wave 1 (2009-2011)

***Controls:***

# of children in starting wave

East-West

Cohort

Married/Cohabiting

Educational attainment

Net income last month & income squared

Relative income

Individual & relational indicators for:

Satisfaction, Dominance, Attractivity, Dependence

Separation 2009-2011 (~9% among equal preference couples ~14% among assym.)

Issued veto regarding further children (proxy info)

## Results

### Birth Decisions in Couples with Incongruent Fertility Preferences

	Full sample
<i>Preferences Ego &gt; Partner</i>	exp(b)
Veto	<b>0.357**</b>
Separation	<b>0.544**</b>
Net income (last month)	<b>1</b>
Relative income (-1 / +1)	<b>0.953**</b>
Dominance (individual. 0/2)	<b>1.135</b>
Dominance (relational -1/+1)	<b>0.952</b>
Dependence (individual. 0/2)	<b>1.812</b>
Dependence (relational -1/+1)	<b>1.806</b>
Satisfaction (individual. 0/10)	<b>1.140**</b>
Satisfaction (relational -1/+1)	<b>0.987</b>
Attractivity (individual. 0/6)	<b>0.883</b>
Attractivity (relational -1/+1)	<b>1.119**</b>
_cons	<b>0.088***</b>
n	<b>754</b>
Log-likelihood	<b>-330</b>

Source: pairfam 2008-20011; Weighed Data; Method: Complementary-Log-Log

\*  $p < 0.1$ . \*\*  $p < 0.05$ . \*\*\*  $p < 0.01$ ;

Exponentiated coefficients

## Results

### Birth Decisions in Couples with Incongruent Fertility Preferences

	Full sample	Men
<i>Preferences Ego &gt; Partner</i>	exp(b)	exp(b)
<b>Veto</b>	0.357**	<b>0,123**</b>
<b>Separation</b>	0.544**	<b>0,436*</b>
<b>Net income (last month)</b>	1	<b>1</b>
<b>Relative income (-1 / +1)</b>	0.953**	<b>0.997</b>
<b>Dominance (individual. 0/2)</b>	1.135	<b>1.086</b>
<b>Dominance (relational -1/+1)</b>	0.952	<b>0.936</b>
<b>Dependence (individual. 0/2)</b>	1.812	<b>3.906**</b>
<b>Dependence (relational -1/+1)</b>	1.806	<b>2.714</b>
<b>Satisfaction (individual. 0/10)</b>	1.140**	<b>1.271**</b>
<b>Satisfaction (relational -1/+1)</b>	0.987	<b>0.949</b>
<b>Attractivity (individual. 0/6)</b>	0.883	<b>0.955</b>
<b>Attractivity (relational -1/+1)</b>	1.119**	<b>1.040</b>
<b>_cons</b>	0.088***	<b>0.029***</b>
<b>n</b>	754	<b>346</b>
<b>Log-likelihood</b>	-330	<b>-138</b>

Source: pairfam 2008-20011; Weighed Data; Method: Complementary-Log-Log

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Exponentiated coefficients



## Results

### Birth Decisions in Couples with Incongruent Fertility Preferences

	Full sample	Men	Women
<i>Preferences Ego &gt; Partner</i>	exp(b)	exp(b)	exp(b)
<b>Veto</b>	0.357**	0,123**	<b>0,528</b>
<b>Separation</b>	0.544**	0,436*	<b>0,667</b>
<b>Net income (last month)</b>	1	1	<b>1</b>
<b>Relative income (-1 / +1)</b>	0.953**	0.997	<b>0.926**</b>
<b>Dominance</b> (individual. 0/2)	1.135	1.086	<b>1.129</b>
<b>Dominance</b> (relational -1/+1)	0.952	0.936	<b>0.986</b>
<b>Dependence</b> (individual. 0/2)	1.812	3.906**	<b>0.672</b>
<b>Dependence</b> (relational -1/+1)	1.806	2.714	<b>1.196</b>
<b>Satisfaction</b> (individual. 0/10)	1.140**	1.271**	<b>1.047</b>
<b>Satisfaction</b> (relational -1/+1)	0.987	0.949	<b>0.989</b>
<b>Attractivity</b> (individual. 0/6)	0.883	0.955	<b>0.846</b>
<b>Attractivity</b> (relational -1/+1)	1.119**	1.040	<b>1.152**</b>
<b>_cons</b>	0.088***	0.029***	<b>0.188**</b>
<b>n</b>	754	346	<b>408</b>
<b>Log-likelihood</b>	-330	-138	<b>-184</b>

Source: pairfam 2008-20011; Weighed Data; Method: Complementary-Log-Log

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Exponentiated coefficients

## Results

### Birth Decisions in Couples with Incongruent Fertility Preferences

#### Key findings:

#### Gender differences in prime bargaining domains...

	Full sample	Men	Women
<i>Preferences Ego &gt; Partner</i>	exp(b)	exp(b)	exp(b)
<b>Veto</b>	<b>0.357**</b>	<b>0,123**</b>	<b>0,528</b>
<b>Relative income (-1 / +1)</b>	<b>0.953**</b>	<b>0.997</b>	<b>0.926**</b>
<b>Dependence (individual. 0/2)</b>	<b>1.812</b>	<b>3.906**</b>	<b>0.672</b>
<b>Dependence (relational -1/+1)</b>	<b>1.806</b>	<b>2.714</b>	<b>1.196</b>
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Source: pairfam 2008-20011; Weighed Data; Method: Complementary-Log-Log

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Exponentiated coefficients

## Outlook

- **Extension with future waves**  
→ Event history analysis
- **Alternative bargaining domains**  
Career plans?
- **Welfare state impact on bargaining currencies**

Income/labour and welfare state support

→ comparison with liberal WFS

Potential impact on alternative bargaining indicators

→ comparison with scandinavian WFS

(gender equality affecting sexual capital?)