

A Side View on Collective Theory

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- Collective Consumption
- Collective Labor Supply
- Time Use, the Full Cost of Children and Fertility Choices
- Challenges for Collective Data: not only assignable information

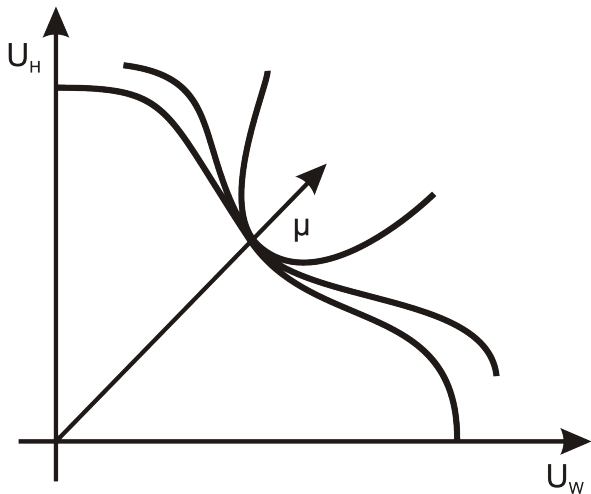
Collective Consumption

- Identification: is still an open issue?
- Specification of collective complete demand systems and recovery of individual demands of non-assignable goods (e.g. food)
- Aggregation of collective demand systems and collective social welfare
- Household technologies, public (mkt and non mkt) goods, individual specific shadow prices and stochastic sharing rules
- when does hh efficiency implies specialization? (Pollak 2015)
 - specialization" is about time allocation and the division of labor in multiple-person households.
 - what is the role that household technology (are spouses' time inputs perfect substitutes) and human capital play? Pollak: if the hh technology is "additive" and CRS, then efficiency implies specialization.

- *There are many attempts to estimate empirical versions of the collective labour supply model and use them for tax reform simulations.*
- *The most common approach is the “decentralized” (sharing rule) representation of the collective household program.*
- This approach has two drawbacks that make it inappropriate for the very same type of applications thought to be mostly relevant for this family of models: tax reform simulations.
 - 1 We can decentralize if budget sets are convex. However, both the actual tax systems, tax reforms and market imperfections might imply significant non-convexities! ... and the treatment of non-convexities is a major focus of empirical analyses of tax reforms.
 - 2 Sharing rules do change when the tax rule changes!

Budget Constraint Is Not Convex $\frac{\phi}{y} \neq \mu w$

A non separable approach?



Time Use, the Full Cost of Children and Fertility Choices

- Time Use data and Integrated data bases with consumption, income and wealth
- Full cost of rearing children and equivalence scales in a collective framework
- Fertility choices in a collective framework

$$C_p^b = C_{nec}^b + C_{-nec}^b + C_{time}^a = \mu (C_{nec} + C_{-nec}) + C_{time}^a$$

Challenges for Collective Data: not only assignable information

- Distribution of power within the family: "father deficits" as expression of internal or external environmental factors
- Distribution of resources in single mother households
- Collective Welfare in Fragile Families: case - control to "understand fragile society"