

Children's Resources and Poverty in Single-mother and Male-headed Households: A Collective Consumption Evidence from Ethiopia

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Abstract

We estimate a collective complete demand system model to recover children's resource shares and analyze their poverty. Identification of the sharing rule between children and adults relies on private assignable goods and distribution factors. Based on Ethiopian LSMS-ISA data for two sub-samples of families with children (married male-headed and single female-headed), we observe inequalities in intrahousehold resource allocation and welfare. We find that children command less household resources and are poorer than adults which worsen with the number of children. Resource allocation is affected by parental differences in education and age, child education, proportions of female children and women, and number of non-biological children. Single-mothers not only are more altruistic to their children, but also avoid higher child poverty than married male heads although this seems to disappear when the number of children increases. Unlike the general belief that poor children live only with poor adults and households, our estimates show that non-poor families and adults also host poor children. Further, traditional poverty measures, which ignore intrahousehold resource allocation, are found to understate child (and adult) poverty. Lastly, regional and rural-urban disparities are found to exist. Findings have implications for fertility, gender, targeting and spatial redistribution issues.

Keywords: Collective AIDS model, resource shares, sharing rule, intrahousehold resource allocation, child poverty, Ethiopia

JEL codes: D13, I32, J12, J16, O12