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Social norms and financial decision-making in Zambia: technical brief

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**Social Norms and Financial
Decision-Making in Zambia**
Technical Brief

Funded by





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INTRODUCTION

This document presents the summary findings from the project “Financial decision-making, gender and social norms in Zambia”.¹

To generate insights into the normative environment within which spouses in Eastern Province, Zambia, make decisions about money holding and saving, we undertook a two-staged research project. During the first stage in July-August 2019, we engaged 352 married couples across 22 villages in a series of specially designed decision-making tasks involving real money and a short survey. During the second stage in July-August 2020, we engaged 30 men and 30 women across 5 of the same villages in a series of focus group discussions (FGD) about the findings from the first stage (in *italics* below).

1. This study was completed by principal investigators and researchers from the University of Nottingham, Leiden University, and FSD Zambia. It was funded by FSD Zambia (DFID project number 203000, Financial Sector Deepening Zambia Programme) and NWO Westerdijk Talent Scheme project number 014.041.029.

FINDINGS

Finding 1: Husbands and wives often sacrifice household-level income in order to maintain individual control over income and, in part, this is due to disagreements with respect to money about who should do what and who is entitled to what.

In a task designed to reveal the extent to which spouses are willing to sacrifice household-level income in order to maintain individual control over income, on average the decision-makers prefer to have ZMW37 in their own hands rather than ZMW45 in the hands of their spouses -- they are willing to sacrifice over 17 percent. When the decision-makers know that their spouses will find out about these decisions, wives and husbands are similarly willing to sacrifice household-level income in order to maintain individual control over the money. However, when they know that they will be able to keep their decisions secret, wives become even more willing to sacrifice household-level income.

A task designed to explore spouses' opinions about what wives and husbands should do when facing such household-versus-individual-income decisions revealed that while there is considerable variation, in general, both wives and husbands consider it inappropriate for husbands to sacrifice household income in order to maintain individual control. However, while husbands also tend to consider it inappropriate for wives to sacrifice household income in order to maintain individual control, wives tend not to agree, indicating that they see advantages to a wife maintaining individual control over income. It is disagreements such as this between spouses that is driving the wives to sacrifice household income more often and in larger amounts when they can do so in secret.

When exploring reasons in focus group discussions (FGDs) why individuals tend to prefer smaller amounts of money in their own hands rather than larger amounts in their spouses' hands, the FGDs consistently invoked wastefulness of the spouse and individual desires to have full control over money. The nature of the wastefulness varies. Women worry that their husbands would spend the additional money on alcohol and other women and view themselves as being more responsible when it comes to managing household expenses. Men recognise that their wives may have such concerns, but believe that wives are wasteful in other ways, such as spending money on gifts for themselves (clothes and hairdos) and sending money to or helping their relatives.

Women added that husbands were reluctant to give them any money for discretionary spending. Therefore, they have no choice but to hold onto whatever is available when they get the chance.

Women and men who expressed a need to have control over money associate that control with power in the household. There was little indication that savings belonged to the household as a whole. It would seem that whoever controls a sum of money tends to believe that they will do a better job of storing, saving and spending the money than their spouse.

The FGDs further explored how these opinions are informed by feelings of entitlement. In general, men and women agree that husbands get what they deserve. However, opinions were more divided about whether wives get what they deserve. Men think that wives get what they deserve, while a considerable proportion of women think that wives do not get what they deserve. Women complain that often money and decision-making power is not shared, and husbands keep the money after harvest, although it is mainly the women who work in the fields.

The general agreement seems to be that more effort in household production should lead to a larger say in household financial decision-making over money but, for wives, only to a certain extent and not more than their husbands. Both men and women reference culture, with people arguing that the man is the head of the household so compared to him the wife will always get less. In the end it should always be the husband who has the larger say independent of effort, otherwise “there can’t be peace” and the “husband would look like the wife”.

Finding 2: Handing “spare cash” over to one’s spouse is good, but it is understandable when wives do not do this.

A task designed to reveal both individual opinions and collectively held social norms about what wives and husbands should do with “spare cash” revealed that a very large majority of both wives and husbands acknowledge the existence of a social norm prescribing that husbands should give their spare cash to their wives. A corresponding social norm prescribing that wives should give their spare cash to their husbands might also exist. However, especially wives, but also husbands, are tolerant of wives holding onto spare cash.

Given the existence of the social norm prescribing that husbands should give their spare cash to their wives, the willingness of the husbands to sacrifice household income in order to maintain individual control over the money in the first task is even more puzzling.

In the FGDs, women explain this behaviour by husbands with reference to the husbands’ character and wastefulness as well as the quality of their marital relationships (lack of love, trust or respect for their wives). Men excused husbands who behaved in this way with reference to wives’ wastefulness in the form of unsanctioned spending on themselves and their relatives.

Finding 3: Saving is good, saving in secret is bad and, for wives, may lead to a backlash.

The task designed to reveal both individual opinions and collectively held social norms about what wives and husbands should do with “spare cash” also revealed that a large majority thinks it is very appropriate for both wives and husbands to save when their spouses know about the savings, but that there is a social norm forbidding saving in secret from one’s spouse. Wives are especially intolerant of husbands violating this norm, while both wives and husbands tend to be considerably more tolerant of violations by wives.

When exploring the reasons for this strong norm against saving in secret in the FGDs, women express fear about the money going missing in the event the secret saver dies unexpectedly. Both men and women strongly believe that if a wife saves in secret, it raises suspicions about where she is getting the money (some women are fearful of being accused of prostitution) and that saving in secret can lead to marital tension. It can even end a marriage. It is worth noting that concerns about the source of secret money are not as important if men are saving in secret.

The relative tolerance of secret saving by wives notwithstanding, just under one in three wives and one in six husbands think that a man is justified in beating his wife if he discovers that she is saving secretly in an e-wallet or has joined a savings group secretly. Thus, as grounds for wife beating, saving in secret is on a par with neglecting the children. Women’s individual savings activities thus may result in backlash and conflict in the household. Thus, as a grounds for wife-beating, saving in secret is at par with neglecting children. Women’s individual savings activities may result in backlash and conflict in the household.

Finding 4: Household unity depends on unity in financial decision-making and vice-versa.

When asked about the unity in their own marriage in the FGDs, men overwhelmingly state that in their marriage there is unity, while the responses of women are much more diverse. Both men and women went on to mention that unity and peace within the household comes from unity in financial decision making, whereas a lack of unity in this dimension can lead to conflict and induce spouses to hide money from each other. One woman even stated that it would be appropriate for a wife to hide money from her husband if there is no unity in financial decision making even though, in general, hiding money is a bad thing and can threaten a marriage. In two male discussion groups, it was thus suggested that in cases where there is no unity, a marriage counsellor should be contacted to solve the problems.

RELEVANCE FOR THE DESIGN OF FINANCIAL SERVICES AND FINANCIAL LITERACY PROGRAMMES

These findings indicate that when spouses face decisions involving trade-offs between what is best for the household and what is best for themselves as individuals, distrust and disagreements between spouses about who should do what loom large and can both lead to and be exacerbated by self-serving behaviour.

Within this context, financial services that are attractive to individuals may not be beneficial to their households and/or may not be viewed as beneficial by their spouses. One consequence of this is that individuals, especially wives, who use such services secretly may experience a backlash from their spouses if discovered. This is particularly concerning, given the expectation in many households that wives are responsible for household food and water, emergencies, and child education costs and many women experience challenges when meeting these needs.

If we are to avoid potentially harmful outcomes to families and particularly to women, we need to apply great care when designing new financial services. Further, there may be scope for enhancing the positive effects of financial service inclusion by bundling such services with interventions aimed at directly engaging with the normative environment within which financial decisions are made. It would be worth considering financial education programmes that engage with husbands and wives together and incorporate discussions about social norms and individual normative opinions.



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