

Table 1. Decisions of Where and/or When to Retire, by Selected Factors (percent).

	N	Retirement Decision			
		Have Decided Where & When	Decided Where But Not When	Decided When But Not Where	Decided Neither Where Nor When
AGE					
40-45	(348)	11.2	13.2	12.9	62.6
46-50	(255)	20.8	22.7	13.7	42.7
51-55	(320)	26.3	18.3	20.9	34.1
56-60	(258)	34.1	17.8	21.7	26.4
61-72	(146)	43.2	21.9	18.5	16.4
Chi-Square = 157.60 P <.0000					
OCCUPATION					
Exec., Adm., Managerial	(136)	25.0	15.4	19.9	39.7
Faculty	(505)	21.8	15.2	17.4	45.5
Professional, non-faculty	(181)	22.7	14.2	15.5	47.5
Secretary, Clerical	(215)	19.5	27.0	14.9	38.6
Technical	(71)	25.4	23.9	16.9	33.8
Skilled Crafts	(78)	44.9	11.5	21.8	21.8
Service, Maintenance	(148)	33.8	24.3	17.6	24.3
Chi-Square = 67.26 P <.0000					
EDUCATION					
High School Grad. or less	(190)	36.3	18.9	18.4	26.3
Some college; trade school	(239)	25.9	25.5	17.2	31.4
Four yr. degree, bachelor's	(184)	25.5	20.1	15.2	39.1
Graduate degree, master's	(246)	22.0	19.1	18.7	40.2
Graduate degree, doctorate	(441)	20.4	12.9	16.3	50.3
Chi Square = 55.16 P <.0000					
PERCEPTION OF PLANNING					
A great deal	(420)	46.2	19.3	19.3	15.2
Some	(525)	19.2	22.1	19.6	39.0
A little	(327)	10.7	12.8	12.5	63.0
Not at all	(63)	1.6	6.3	6.3	85.7
Chi Square = 294.64 P <.0000					
PLANNING COMPARED TO OTHERS					
More	(296)	36.8	18.9	21.3	23.0
About the same	(745)	24.6	17.6	17.7	39.9
Less	(283)	13.8	17.6	11.3	57.2
Chi Square = 82.44 P <.0000					
ATTITUDE TOWARD RETIREMENT					
Look forward to retirement	(710)	35.6	16.3	22.4	25.6
Neutral	(502)	13.1	21.7	11.8	53.4
Do not look forward to ret.	(116)	9.5	15.5	9.5	65.5
Chi Square - 179.57 P <.0000					

Table 2. Pre-Retirement Action Index of Actions Taken or Planned, by Selected Factors (percent).

	N	Index of Actions Taken or Planned			
		1 - 8 Points	9 - 11 Points	12-15 Points	16 - 36 Points
AGE					
40-45	(314)	29.3	25.8	26.8	18.2
46-50	(230)	24.8	23.0	23.9	28.3
51-55	(288)	18.1	25.3	30.9	25.7
56-60	(235)	22.1	26.4	26.4	25.1
61-72	(133)	19.5	24.8	35.3	20.3
Chi Square = 22.68 P <.0306					
OCCUPATION					
Exec., Adm., Managerial	(126)	11.9	29.4	27.8	31.0
Faculty	(466)	22.2	25.5	31.5	21.7
Professional, non-faculty	(165)	21.2	25.5	26.1	27.3
Secretary, Clerical	(184)	27.7	23.9	25.0	23.4
Technical	(65)	27.7	15.4	26.2	30.8
Skilled Crafts	(66)	27.3	33.3	16.7	22.7
Service, Maintenance	(133)	32.3	22.6	30.8	14.3
Chi Square = 38.32 P <.0035					
EDUCATION					
High School Grad. or less	(163)	35.6	23.3	28.2	12.9
Some college	(216)	23.1	26.9	21.8	28.2
Four yr. degree, bachelor's	(164)	18.9	27.4	28.7	25.0
Graduate degree, master's	(228)	18.4	22.8	32.0	26.8
Graduate degree, doctorate	(405)	22.5	25.4	29.6	22.5
Chi Square = 31.71 P <.0015					
INCOME					
Less than \$24,999	(178)	36.5	23.0	23.6	16.9
\$25,000 to \$34,999	(209)	31.6	24.0	25.9	18.2
\$35,000 to \$49,999	(334)	20.4	29.6	28.4	21.6
\$50,000 to \$64,999	(268)	19.4	24.3	30.6	25.7
More than \$65,000	(182)	9.9	22.5	33.0	35.6
Chi Square = 60.98 P <.0000					
PERCEPTION OF PLANNING					
A great deal	(375)	9.9	21.9	33.6	34.7
Some	(472)	21.0	26.3	29.4	23.3
A little	(282)	37.9	29.1	22.3	10.6
Not at all	(53)	54.7	18.9	17.0	9.4
Chi Square = 138.30 P <.0000					
PLANNING COMPARED TO OTHERS					
More	(275)	6.2	19.3	35.3	39.3
About the same	(651)	23.0	28.3	28.1	20.6
Less	(249)	41.8	22.9	22.5	12.9
Chi Square = 129.95 P <.0000					
ATTITUDE TOWARD RETIREMENT					
Look forward to retirement	(636)	17.9	26.4	29.6	26.1
Neutral	(442)	28.1	24.9	27.1	19.9
Do not look forward to ret.	(98)	32.7	20.4	27.6	19.4
Chi Square = 22.84 P <.0009					

THE IMPACT OF THE HUSBAND/WIFE RELATIONSHIP
UPON DECISION MAKING INVOLVEMENT OF FARM
WOMEN IN FAMILIES UNDER ECONOMIC STRESS

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The main purpose of the study is to investigate the impact of the husband/wife relationship upon decision making involvement of farm women in families under economic stress. There are 263 farm women in the sample from farm couples who had completed mandatory Farm Credit Mediation. Factor analysis, correlations, and ordinary least squares regression are utilized in the study. Farm decisions were divided into three factors: long-term farm decisions, continuous farm decisions, and household decisions. Younger farm women are more involved in discussions about long-term farm decisions than older women. Satisfaction with marriage is a significant predictor of the involvement in discussions about both long-term and continuous farm decisions. Whether the woman works off the farm or not influences her involvement in continuous farm decisions.

The farm woman's decision making role in the farm operation has been a subject of some interest since the early 1970s. It has been measured by what has been referred to as "decision authority" (who makes the final decision). Decision making, however, has several components. It is the main purpose of this study to investigate the involvement of farm women in discussions about farm decisions.

In many farm operations, the husband and wife work very closely together to achieve the goals of the farm family enterprise. Studies on farm women's decision making have failed in the past to include variables to measure the influence of this relationship upon the involvement of farm women in decision making. Including such a variable as a predictor of farm decision making involvement of farm women is a second purpose of this study. A third purpose is to utilize a sample of farm families under economic stress in the analysis because even though many farm families have experienced changes in recent years, those under economic stress have had to make more adjustments (Rettig, Bauer, & Danes, 1988).

LITERATURE REVIEW

The decision making process involves three aspects: (1) the recognition of the need for a decision, (2) identifying and weighing acceptable alternatives, and (3) selecting or mediating an alternative and facilitating action (Deacon & Firebaugh, 1981; Paolucci, Hall, & Axinn, 1977). The farm family decision making literature focuses on the third aspect of decision making; it is often described as "decision making authority" (Bokemeier & Garkovich, 1987; Burchinal & Bauder, 1965; Lyson, 1985;

Rosenfeld, 1985; Sawyer, 1973; Smith, 1969; Wilkening, 1958; Wilkening & Bharadwaj, 1968; Wilkening & Morrison, 1963).

Operationalizing Decision Making.

The data on farm family decision making is usually collected by listing a series of farm and/or household decisions and the respondent is asked to answer as follows: (1) Husband decides and seldom discusses with wife. (2) Husband decides and usually discusses with wife. (3) Both husband and wife decide together. (4) Wife decides and usually discusses with husband. (5) Wife decides and seldom discusses with husband.

The major purpose is to ascertain the balance between husband and wife in relation to who makes the final decision (Bokemeier & Garkovich, 1987; Burchinal & Bauder, 1965; Lyson, 1985; Rosenfeld, 1985; Sawyer, 1973; Smith, 1969; Wilkening, 1958; Wilkening & Bharadwaj, 1968; Wilkening & Morrison, 1963). The implicit model in much of this literature is a zero-sum relationship.

However, there is much more to the family decision making process than who makes the final decision (Deacon & Firebaugh, 1981; McDonald, 1980; Paolucci, Hall, & Axinn, 1977; Rosenfeld, 1985; Wilkening & Morrison, 1963). If one is trying to analyze the involvement of farm women in decision making, it is crucial to emphasize the first two aspects of the decision making process which include recognizing problems and considering alternatives. The discussion surrounding the decision is an important indication of "involvement" in the decision process.

There is substantial evidence of joint decision making in farm families (Abell, 1961; Bokemeier & Garkovich, 1987; Boulding, 1980; Burchinal & Bauder, 1965; Rosenfeld, 1985; Sawyer, 1973; Wilkening, 1958; Wilkening and Morrison, 1963) which is further evidence that it is important to investigate the involvement of spouses in discussions about various kinds of decisions. In addition, Wilkening and Morrison (1963) reported that there was more agreement on whether or not the decision was discussed than whether the decision was usually joint or made by one spouse or the other.

Family decision making is not a matter of bargaining for one's own point of view as much as an attempt to allocate resources and guide activities around mutual goals and interests (Deacon & Firebaugh, 1981; Morgan, 1961; Paolucci, Hall, & Axinn, 1977; Wilkening & Morrison, 1963). Several authors (Beer, 1937; Sachs, 1983;

Smith, 1969) found that husband and wife were involved in those decisions involving family resources.

Factors Influencing Women's Involvement in Decision Making.

Women's involvement in farm decision making varies by several factors. The literature on farm families indicates that the socioeconomic status increases, family decision making roles become more specialized and farm women make fewer decisions about agricultural production (Beers, 1937; Sawyer, 1973; Wilkening, 1958; Wilkening & Bharadwaj, 1968).

The age of the wife seems to have no relationship to which final decision she makes (Rosenfeld, 1985; Sawyer, 1973). On the impact of her education level, there is no agreement. Wilkening (1958) and Sawyer (1973) found no relationship. However, Rosenfeld (1985) found a positive relationship and Wilkening and Bharadwaj (1968) discovered a negative one.

The relationship between farm size and decision making is a curious one. Several authors found a curvilinear relationship (Sawyer, 1973; Wilkening, 1958, 1981) while Rosenfeld (1985) and Wilkening and Bharadwaj (1968) discovered that when farm size increased, farm women made fewer final decisions. These findings indicate that there are some other factors that must be confounding the relationship.

Wilkening (1958) found that as the amount of indebtedness increased, so did the involvement of farm women in making final decisions. Rosenfeld (1985) found no relationship between off-farm work and wives' responsibility for final decisions; Lyson (1985) discovered that the organization and operation of the farm business was most sensitive to whether the husband was working off the farm.

Sawyer (1973) included family size as a variable that might impact the farm woman's involvement in final decisions and reported that larger families deter farm decision making involvement for wives. Rosenfeld (1985) found, however, that the number of children had no relationship to responsibility for decision making.

These variables have either an individual theoretical perspective or a structural theoretical perspective (Bokemeier & Garkovich, 1987; Ross, 1985). The individual perspective seeks to explain women's involvement in the context of personal and family characteristics. Structural perspectives seek explanations from the nature and organization of the farm system. Ross (1985) argues that neither perspective alone provides a sufficient explanation for variations in women's involvement in the farm operation. An integrative framework can best explain the interaction of the farm operation, the household economy, family dynamics and gender-role identity that influences the work-family interaction on family farms (Garkovich & Bokemeier, 1988; Murray, 1981).

Until 1973 when Sawyer included family size as a predictor variable, the emphasis in the literature was solely on the impact of individual characteristics of the farm women from the individual perspective and it had a heavy emphasis on the structural perspective. Even though decision making and family relations has an integrated link (Deacon & Firebaugh, 1981; Flora, 1981; Hill, 1981; Murray, 1981; Paolucci, Hall & Axinn, 1977), no study has included a variable which focuses on the relationship between the farm husband and wife despite the fact that that relationship is crucial to achieving the overall goals of the total farm family enterprise.

The recent years of turmoil in the agricultural economy have created changes in farm families as they compensate. Many farm families have one or more spouses working off the farm. When resources are scarce, it is more critical within the farm enterprise to have consensus upon which goals those limited resources will be spent. However, no study has investigated the decision making involvement of farm women in families under economic stress.

PURPOSE OF THE STUDY

The purposes of this study are:

- (1) To investigate the decision making involvement of farm women in families under economic stress.
- (2) To analyze farm women's participation in decisions by the degree of involvement in discussions about decisions.
- (3) To determine the impact of the husband/wife relationship on the involvement of farm women in farm family decisions holding constant individual and structural factors.

THE DATA

Questionnaires were mailed to recently completed mandatory Farm Credit Mediation cases from a list of cases in 29 randomly selected counties in the southern two-thirds of a Midwestern state. Data were collected between March and May of 1987 from both husband and wife. Responses were received from forty-seven percent of the mediation cases.

Respondents include 592 persons representing 329 mediation cases. There were 263 husband and wife couples in the sample. Since this study is investigating the involvement of farm women in discussions about farm family management decisions, it includes 263 farm women.

THE VARIABLES

The involvement in farm decision making was operationalized as the level of involvement in decision discussions on a scale from "not at all" (0) to "very much" (6). Eighteen different kinds of decisions about the farm business operation as well as family and household decisions

TABLE 1. Factors in Decision Variables.

Variable	Factor 1	Factor 2	Factor 3
Buy major farm equipment	.841		
Try new production practice	.777		
Rent more or less land	.776		
Produce something new	.769		
Sell products	.729		
Buy or sell land	.727		
Someone will take off-farm job	.508		
Planning/coordinating farm work		.778	
New information about improved practices		.754	
Pay farm operation bills		.727	
Recordkeeping		.659	
Buy major appliance			.786
Determining family living amount			.781
Allocating money to individual needs			.745
Improve house vs. business			.735
Planning/coordinating home work			.725
Pay family bills			.685
Borrow money			.633

	<u>Eigen value</u>	<u>Percent of Variance</u>	<u>Cumulative Variance</u>
Long-term Farm Decisions	10.08	56.0	56.0
Continuous Farm Decisions	1.29	7.1	73.9
Household Decisions	1.94	10.8	66.8

were included. Table 1 reports the list of decisions and the three different types of farm family decisions that are represented based on principal components factor analysis with varimax rotation.

The total group of decisions were first hypothesized to fall into two groups of home and farm operation decisions. However, with some additional analyses, it became clear that there was perhaps more than these two groups.

Factor 1 is labeled "long-term decisions" because these decisions are not made everyday and they have major long-term effects on the family farm operation. The alpha reliability for the seven decisions in this factor is 0.937. The mean of the long-term decision index is 24 and the scores of the index range from 0 to 42.

Factor 2 involves the more constant day-to-day type decisions that need to be made in a farm operation and will be identified as "short-term decisions". The range of scores on this factor is zero to 24 with an alpha reliability of 0.881.

Factor 3 includes decisions that directly impact the family and will be identified as "household decisions". The range of the index is zero to 42; the mean is 31. The alpha reliability for the index is 0.916.

The educational level of the farm women is a continuous variable which measures the highest number of years of school that the respondent has completed. The average farm woman in the study has completed high school. Approximately 8 percent had not completed high school

and 34 percent had some training beyond high school. Eight percent were college graduates.

The number of children are those presently living at home and for families in this study, the average number is two. Thirty-four percent had no children living at home. The age of the farm woman is 47 years with a range of ages from 23 to 78.

The total crop acres are the total number of acres under production in field crops, vegetables, fruit and nut trees or in horticultural specialties. The average number of total crop production acres for respondents in the study sample is 408 acres.

The working off-farm is a dummy variable which indicates whether the farm women works off the farm or not. Those women not employed off the farm are coded as 0 (38%) and those farm women employed off the farm are coded as 1 (62%).

Although the actual level of income was asked of respondents in the study, it was not possible to use the variable in the analysis because the number who answered the question was too low. Perceived income adequacy is used as a substitute for actual income in the analysis.

Respondents were asked how adequate they felt their income was on the following scale: (1) not at all adequate, (2) can meet necessities only, (3) can afford some of the things wanted can afford about everything wanted, and (5) can afford about everything wanted and still save money. The mean and median of this variable is 2.

Satisfaction with marriage is used as the variable to measure the husband/wife relationship. The satisfaction with your marriage question was asked on a 7-point delighted, terrible scale. The mean was 5 and the median was 6.

ANALYSIS

The preliminary analysis for the study included frequencies and cross-tabulations. Principle components factor analysis employing varimax rotation was performed on the decision making items to obtain the three dependent decision making variables: long-term decision making, continuous decision making, and household decision making.

Pearson-Product Moment correlations and ordinary least squares regression analyses are used in this study. Correlations ascertain whether multicollinearity is a problem in the regression analyses.

The regression analysis consists of three different equations with two steps in each equation. In the first step of the analysis, the individual and structural variables are entered. The second step enters the variables that integrate the farm and household. The regression analysis is done in this manner to ascertain the impact of the integrated variables over and above the individual and structural variables.

Correlation Matrix.

The correlation matrix (Table 2) includes the dependent and independent variables in the model. Only the significant correlations are discussed here.

Those farm women with a higher level of education have more children, are younger, and are more likely to be working off the farm. As might be expected, the younger farm women have more children living at home.

The younger farm women are more likely to work off the farm. The older farm women feel that their level of income is less adequate than younger farm women. The older farm women are probably more likely to have experienced a high level of income in the past with which they are comparing their present level of income. This situation would be true particularly with this sample who are defined as being under economic stress. The younger farm women are involved in discussions about household decisions more often than the older farm women.

The higher the number of total crop acres under production, the less is the probability that the farm women will be working off the farm. The farm women who work off the farm are less involved in discussions about continuous farm decisions than women who do not work off the farm.

Those farm women who do not work off the farm have a high satisfaction with their marriage. There is also a higher satisfaction with the marriage for those farm women who feel their income level can more adequately provide for necessities.

TABLE 2. Pearson Product - Moment Correlation of the Variables.

	1	2	3	4	5	6	7	8	9
1. Education level	.----								
2. Number of children	.172**	.----							
3. Age	-.255***	-.563***	.----						
4. Total crop acres	-.011	-.016	-.049	.----					
5. Working off-farm	.166**	.041	-.252***	-.263***	.----				
6. Income adequacy	.108	.072	-.282***	.064	.035	.----			
7. Satisfaction with marriage	.005	-.032	.028	.055	-.165**	.212**	.----		
8. Long-term farm decisions	.047	.030	-.119	-.087	.022	.054	.207***	.----	
9. Continuous farm decisions	-.056	-.023	-.005	-.052	-.123*	-.019	-.148*	.725***	.----
10. Household decisions	-.102	-.017	-.185**	.017	-.016	.155	.201***	.674***	.637***

* p < .05
 ** p < .01
 *** p < .001

TABLE 3. Factors Influencing Involvement in Discussions About Long-term Farm Decisions.

	Step 1		
	b	beta	t score
Educational level	-.158	-.022	-.322
Number of children	-.421	-.051	-.639
Age	-.207	-.178	-2.175*
Total crop acres	-.003	-.097	-1.424
Constant	=	38.268	
R ²	=	.031	
df	=	4,211	
F-Ratio	=	1.686	
	Step 2		
	b	beta	t score
Educational level	-.213	-.030	-.436
Number of children	-.360	-.044	-.547
Age	-.210	-.180	-2.041*
Total crop acres	-.003	-.108	-1.540
Off-farm work	-.071	-.003	-.037
Income adequacy	-.198	-.014	-.190
Satisfaction with marriage	2.084	.203	2.839***
Constant	=	27.974	
R ²	=	0.071	
df	=	7,208	
F-Ratio	=	2.266*	

* p < .05
 ** p < .01
 *** p < .001

Those farm women who have a high level of satisfaction with their marriage are more involved in discussions about long-term farm decisions and household decisions than the farm women who are not satisfied with their marriage. However, the women who are satisfied with their marriage are less involved in the continuous farm decisions than those who are not satisfied.

There is a high correlation among the three decision variables which is expected. However, since each decision variable is treated as a dependent variable in separate regression equation, multicollinearity is not a problem.

Regression of Long-term Farm Decisions.

The regression equation with wives' involvement in long-term farm decisions as the dependent variable is a two-step regression (Table 3). The first step is the regression analysis of long-term farm decisions on the structural and individual variables. The second step adds the variables that affect both the household and the business part of the farm enterprise.

Only the t-score for age is significant in the first step of the regression analysis. The younger farm women are more involved in discussions about long-term farm decisions which explains three percent of the variance for this dependent variable.

When off-farm work, income adequacy, and satisfaction with marriage are added to the regression analysis of involvement in long-term farm decisions, seven percent of the variance is explained. The t-score for age remains significant. Of the three variables entered in the second step, only satisfaction with marriage is significant. Neither off-farm work nor income adequacy are significant. The F-ratio for the entire model is significant.

The difference in the explained variance between the two steps of this regression analysis is significant, so satisfaction with the marriage adds significantly to the involvement in long-term farm decisions above and beyond the effect of age (Marsden, 1981). Those farm women who are more satisfied with their marriage are more involved in discussions about long-term farm decisions than farm women who are less satisfied with their marriages.

Regression of Continuous Farm Decisions.

The first step of the regression equation of involvement in continuous farm decisions (Table 4) indicates that none of the individual or structural variables is significant in predicting involvement in continuous farm decisions. As a result, the F-ratio for the entire model is not significant.

The second step of the regression analysis adds off-farm work, the assessment of income adequacy, and satisfaction with marriage. The t-scores for off-farm work and satisfaction with marriage are significant as well as the F-ratio for the entire model. Those two variables explain six percent of the variance in the involvement in discussions about continuous farm decisions.

Those farm women who do not work off the farm are more involved in discussions about continuous farm decisions than those who work off the farm. The women who are satisfied with their marriages are more involved in continuous decisions compared to those farm women who are not satisfied with their marriages.

Regression of Household Decisions.

The only two variables that significantly predict involvement in household decisions in either step of the analysis are number of children and age. Holding the other variables in the model constant, 11 percent of the variance of involvement in household decisions is explained by age and number of children. The F-ratio for the entire model is significant.

The coefficients for both variables are negative. Younger farm women and farm women with fewer children are more involved in household decisions compared to older women and those with larger families.

TABLE 4. Factors Influencing Involvement in Discussions About Continuous Farm Decisions.

	Step 1		
	b	beta	t score
Educational level	-.443	-.117	-1.676
Number of children	-.271	-.062	-.764
Age	-.027	-.044	-.532
Total crop acres	-.001	-.056	-.819
Constant	=	22.279	
R ²	=	.019	
df	=	4,211	
F-Ratio	=	1.012	
	Step 2		
	b	beta	t score
Educational level	-.413	-.110	-1.571
Number of children	-.340	-.077	-.960
Age	-.054	-.087	-.982
Total crop acres	-.002	-.100	-1.425
Off-farm work	-1.838	-.133	-1.766*
Income adequacy	-.067	-.009	-.119
Satisfaction with marriage	.780	.142	1.975*
Constant	=	20.486	
R ²	=	.060	
df	=	7,208	
F-Ratio	=	1.90*	

* p < .05
 ** p < .01
 *** p < .001

SUMMARY AND CONCLUSIONS

This study investigated the level of involvement in discussions about three different types of decisions within a farm enterprise: long-term farm decisions, continuous farm decisions, and household decisions. The farm families in the sample were families under economic stress.

Younger farm women are more involved in discussions about long-term farm decisions and household decisions than older women, at least for farm families under economic stress. The level of satisfaction with the marriage is another factor that is important in predicting the level of involvement in farm decisions for these families. Employment off the farm influences involvement in continuous farm decisions. The size of the farm and the income adequacy are not significant in predicting involvement in any of the various kinds of home and farm decisions.

The husband and wife in the farm enterprise often work closely together. It is frequently stated that family and business matters in a farm enterprise are difficult to separate. The nature of the relationship between the farm husband and wife is crucial to achieving the overall goals of the total farm operation.

However, studies prior to this one have neglected to examine these relationships. Levels of marital satisfaction of women in this study are significant in predicting involvement in the long-term and continuous farm decisions of wives. Since the sample for this study included families under economic stress, generalizations cannot be made to the entire population of farm families. However, this evidence suggests the importance of including a variable indicating relationship qualities in future analyses of decision involvement. The findings from this study provide some evidence that supports Ross's (1985) argument that an integrative framework can best explain the interaction of the farm economy, the household economy, and family dynamics.

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TABLE 5. Factors Influencing Involvement in Discussions About Household Decisions.

Step 1			
	b	beta	t score
Educational level	.303	.054	.789
Number of children	-1.285	-.196	-2.497**
Age	-.264	-.284	-3.546***
Total crop acres	.001	.001	.011
Constant	=	41.746	
R ²	=	.067	
df	=	4,211	
F-Ratio	=	3.801**	

Step 2			
	b	beta	t score
Educational level	.288	.051	.759
Number of children	-1.287	-.196	-2.517*
Age	-.251	-.270	-3.150**
Total crop acres	-.001	-.037	-.547
Off-farm work	-1.866	-.091	-1.243
Income adequacy	1.287	.115	1.590
Satisfaction with marriage	1.100	.135	1.931
Constant	=	33.861	
R ²	=	.119	
df	=	7,208	
F-Ratio	=	4.013***	

* p < .05
 ** p < .01
 *** p < .001

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CAN EDUCATION EMPOWER MIDLIFE AND OLDER WOMEN TO
TAKE CONTROL OF THEIR FINANCIAL DESTINY?

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The objectives of the CES/AARP "Take Charge of Your Life and Financial Destiny" workshop series were to enable midlife and older women to 1) increase their financial planning knowledge, 2) develop confidence in their ability to handle their finances and 3) adopt financial planning practices that would assist them in gaining control over their lives. Information on series effectiveness received from 115 of the 186 participants indicates that objectives have been met. Nearly all respondents had increased their financial planning knowledge as a result of series participation while an overwhelming majority felt better about their ability to handle their finances. Almost all had adopted or planned to adopt financial planning practices that could help them gain control over their lives. Because of series effectiveness, another CES/AARP financial planning workshop series was conducted and another is being planned.

INTRODUCTION

The significant number of midlife and older women experiencing financial insecurity continues to concern policymakers and other professionals interested in individual and family economic well-being. This concern was a factor in the University of Connecticut Cooperative Extension Service (CES) and the American Association of Retired Persons (AARP) Women's Initiative/Consumer Affairs co-sponsoring "Take Charge of Your Life by Taking Charge of Your Money," a financial management lecture/workshop series aimed at midlife and older women. Hartford was one of four cities pilot testing the seven-part series which was offered both Thursday mornings and evenings from October 8 to November 19, 1987. Around 250 persons attended the seven sessions which covered such topics as money management, health care and housing options, insurance and estate planning.

Because of the pilot project's success, a follow-up series, "Take Charge of Your Life and Financial Destiny," was scheduled for Thursday evenings and Friday mornings beginning May 5, 1988. Although open to the general public, the specific objectives of the series were to enable midlife and older women to:

- 1) Increase their financial planning knowledge,
- 2) Develop confidence in their ability to handle their finances,
- 3) Adopt financial planning practices that could assist them in gaining control over their lives.

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The following topics were covered in the four-part series:

- Session I "Your Financial Planning Status"
- Session II "Housing Issues and Your Options"
- Session III "Health Care Issues and Financial Implications"
- Session IV "Wills, Probate and Legal Issues"

At each two-hour session there was a panel of three speakers and a moderator. The first two panelists discussed specific aspects of the covered topic while the third speaker provided a general overview of financial implications. Each speaker was allowed 20 minutes for her presentation and 10 minutes for questions. At the end of the session, workshop participants were able to ask additional questions of any of the panelists.

Nine men and 177 women participated in the series for which \$10 was charged to cover the cost of resource materials. Weekly attendance ranged from 145 to 176, with three the average number of sessions attended. Forty percent of the participants attended all sessions, while 27 percent attended three sessions, 19 percent two sessions and 14 percent only one session.

DEMOGRAPHIC INFORMATION

At the end of Session IV, participants were asked to complete a two-page evaluation form. Usable questionnaires were returned by 115 participants for a 62 percent response rate. The form also elicited demographic information which is summarized in Table 1.

As may be seen, almost all respondents were white females. The average age was 58, with a range of 25 to 85. Although the greatest proportion (29.1 percent) was 65 and over. Only 7.8 percent were between 25 and 44, while almost 16 percent were 45 to 54. Although the greatest proportion (44 percent) was married, nearly a third were widowed. About 10 percent of the respondents were divorced, while 11 percent had never married and two percent were separated.

The greatest proportion (40.5 percent) had some college training, while 18 percent were college graduates and nearly 21 percent had an advanced degree or had done postgraduate work. Around 20 percent were high school graduates and only one respondent (one percent) had less than a high school education. Average household size was 1.9 members, with the majority of respondents living in one- or two-member households.

TABLE 1. Demographic Characteristics

Characteristic	%
Sex (n=115)	
Female	98.3
Male	1.7
Race (n=115)	
White	98.3
Black	1.7
Other	0.0
Age (n=103)	
25-44	7.8
45-54	15.5
55-64	47.6
65+	29.1
Marital Status (n=111)	
Married	44.0
Divorced	10.2
Separated	1.8
Widowed	33.0
Never married	11.0
Education (n=111)	
Elementary (0-8 years of schooling)	0.0
Some high school (9-11 years)	1.0
High school graduate (12 years)	19.8
Some college (13-15 years)	40.5
College graduate (16 years)	18.0
Post graduate, advanced degree (17 or more years)	20.7
Household Size (n=107)	
One	44.9
Two	31.8
Three	12.1
Four	7.5
Five or more	3.7
Income (n=96)	
Under \$10,000	1.0
\$10,000-\$19,999	9.4
\$20,000-\$29,999	24.0
\$30,000-\$39,999	10.4
\$40,000-\$49,999	14.6
\$50,000 or more	40.6
Employment Status (n=106)	
Employed full-time	20.8
Employed part-time	17.0
Self-employed	5.7
Retired	36.8
Full-time homemaker	19.7
Other	0.0
Homeownership Status (n=111)	
Homeowner with mortgage	44.1
Homeowner, no mortgage	48.6
Renter	6.3
Other	1.0

Respondents provided information on total 1987 pretax income from all sources. Only one percent (one respondent) had income of less than \$10,000, but nearly 41 percent reported income of \$50,000 or more. About nine percent indicated income

between \$10,000 and \$19,999, 24 percent between \$20,000 and \$29,999 and one-quarter between \$30,000 and \$49,999. The overwhelming majority were homeowners, with nearly one-half owning their homes free and clear. Few (6.3 percent) were renters and only one percent (one respondent) gave their status as other.

Although the greatest proportion (43.5 percent) was employed, a substantial proportion (36.8 percent) was retired; nearly 20 percent indicated that they were full-time homemakers.

SERIES EFFECTIVENESS

Information from the respondents shows that the objectives of increased knowledge of financial planning and development of confidence in financial management ability had been met.

Thirty-five percent of the respondents indicated that their knowledge of financial planning had substantially increased as a result of attending the series, while 54 percent stated that it had increased somewhat. Only eight percent indicated that their financial planning knowledge had increased very little and few (three percent) stated that it had not changed. As a result of series attendance, 41 percent felt much better about their ability to handle their finances, 45 percent felt slightly better and 14 percent felt the same. None of the respondents felt worse about their ability to handle their finances.

The evaluation form contained a listing of 13 financial planning practices which, if utilized, could assist individuals in gaining control over their lives. Respondents were asked whether they had adopted any of these practices as a result of series participation. The average number of practices adopted was two, with 70 percent of the respondents adopting at least one practice. As may be seen in Table 2, the proportion adopting a particular practice ranged from a low of three percent to a high of 30 percent.

Reviewing and/or revising their health care plan was the practice most often adopted as a result of series participation. It is interesting to note that the proportion planning to adopt this practice was slightly higher than the proportion actually adopting this practice. Given the importance of health care planning and the fact that few respondents had done much planning before series participation, these findings are encouraging.

Assessing housing options was a close second in terms of practices adopted, but twelfth in terms of intentions to adopt. As may be seen, nearly one-third of the respondents did not plan to assess their housing options. One explanation for the relatively high proportion of nonadopters is that many respondents were content with their housing situations and did not feel the need to explore alternatives. Another explanation is that resource constraints may have precluded many respondents from effectively considering any alternatives.

TABLE 2. Financial Planning Practices Adopted as a Result of Series Participation

Practice	Yes %	No %	No, but Plan To Do So %	Already Did Before Attending %
Set financial goals (n=109)	23	8	39	30
Improved household record keeping (n=108)	23	11	41	26
Prepared a net worth statement (n=107)	25	10	39	26
Developed or revised a written spending plan (n=109)	9	36	37	18
Begun to save on a regular basis (n=112)	13	21	15	51
Set up or revised an investment plan (n=110)	16	17	35	32
Reviewed and/or revised insurance coverage (n=107)	19	29	30	22
Reviewed and/or revised credit file (n=107)	13	41	25	21
Consulted a financial planning professional (n=108)	6	54	21	19
Assessed housing options (n=104)	29	33	16	22
Reviewed and/or revised health care plan (n=107)	30	24	34	12
Written a will or reviewed an existing will (n=111)	15	10	34	41
Set up an estate plan (other than writing a will) or reviewed an existing plan (n=106)	3	25	59	13

Setting financial goals, improving household record keeping and preparing a net worth statement are considered basic steps in the financial planning process. As may be seen, as a result of series participation about one-fourth of the respondents had adopted these practices, while nearly two-fifths intended to do so. The low proportion of nonadopters makes these findings even more encouraging.

A written spending plan is often considered an integral part of a successful financial plan. Few respondents, however, had developed or revised a written spending plan either prior to, or as a result of, series participation. Even though 37 percent indicated that they intended to adopt this practice, almost as many (36 percent) indicated that they did not intend to do so. The high proportion of nonadopters may reflect the fact that some respondents had been managing household finances long enough to have developed sufficient expertise to do so without a written spending plan.

Even if they were not successful money managers, resistance to change may have been an influence on other nonadopters.

As may be seen, 19 percent of the respondents had reviewed and/or revised their insurance coverage, while 30 percent intended to do so. Although risk management is an important part of a successful financial plan, the complexity of insurance products often diminishes a consumer's ability and subsequent willingness to assess present levels of coverage. For this reason, the fact that nearly half of the respondents either adopted or planned to adopt this practice can be considered a positive step.

Because 32 percent of the respondents had set up or revised an investment plan before participating in the series, the low proportion (16 percent) adopting the practice as a result of series participation is understandable. The fact that 30 percent planned to adopt this practice, however, is encouraging.

Over half of the respondents had been saving on a regular basis before attending the series. Therefore, it is not surprising that only 13 percent had adopted and 14 percent planned to adopt this practice as a result of series participation. The 21 percent who did not plan to save on a regular basis may have included retired persons who were using previously accumulated assets to meet current expenses.

Only six percent had consulted a financial planning professional and 21 percent intended to do so as a result of series participation. As may be seen, this category had the highest proportion (54 percent) of nonadopters. It is uncertain whether this finding reflects a distrust of financial planning professionals or respondents' confidence in their ability to do their own planning. It is also possible that some respondents were nonadopters because they believed that they could not afford the services of a financial planning professional.

Because most of the information on estate planning was presented in Session IV, the low proportions adopting the last two practices are not surprising. Prior to series participation, 41 percent of the respondents had drafted a will or had reviewed an existing will, but only 13 percent had done any additional estate planning. Written comments indicated that Session IV was the most valuable for many of the respondents. This may have contributed to the relatively large proportions planning to adopt these practices.

It should be noted that the relatively short time span covered by the series may have prevented many respondents from actually adopting a particular practice. This may be why, in most instances, the proportion planning to adopt a particular practice equaled or exceeded the proportion actually adopting the practice. In some instances a relatively low adoption rate may have reflected the fact that a substantial portion of respondents had adopted the practice prior to series participation.

CONCLUSIONS

Almost all respondents had increased their financial planning knowledge as a result of participating in the "Take Charge of Your Life and Financial Destiny" workshop series, and an overwhelming majority felt better about their financial management ability. In addition, nearly all had adopted or planned to adopt financial planning practices that could help them gain control over their lives. Because of the effectiveness of the series, an additional CES/AARP financial planning workshop series was held in the New Haven area in March and April of 1989, and an additional series is being planned for the Danbury area.

An encouraging aspect of the series was the sense of empowerment it engendered in many of the participants. For example, one (female) respondent wrote that the series "opened my awareness that the way I've addressed financial matters in the past need not stay the same, but I have and can learn

more productive ways to gain control over incoming monies!" Such empowerment is important, because previous research (McKenna 1988) has found that midlife women who feel in control of their lives are more apt to plan for retirement. Although retired women often have inadequate financial resources, increased knowledge of financial planning will not be effective unless women believe their efforts can make a difference.

Because Extension educators are interested in the personal as well as financial concerns of people, programs such as "Taking Charge of Your Life and Financial Destiny" can provide the knowledge and sense of control needed for effective financial planning.

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TOPICS IN FAMILY DECISION MAKING: DISCUSSION

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The three papers discussed analyzed some aspect of family decision making or planning with regard to financial well-being. One paper looked at the results of a financial management lecture/workshop series for midlife and older women. Another paper examined factors that affect decision making in farm families under economic stress. The last paper examined factors that affect planning decisions related to retirement.

The papers in this session illustrate the continuing need to understand decision making processes and planning behaviors of individuals and families. As family/consumer economists one of our roles is to help individuals and families develop skills to make better decisions about their financial well-being. The papers presented in this session provide us with additional information about how individuals and families are making decisions, when they are making decisions, and when they might need information related to financial decisions.

Let me note that the comments I make today are based on copies of the papers I was provided prior to the Conference and may not reflect the versions presented here today. My comments will be of two types: some are related to clarity of the current papers while others are related to changes for future analyses.

FOSTER AND HOLDEN PAPER

This paper presents information about the participants' responses to a series of lecture/workshops on financial management. The series was aimed at midlife and older women. The authors concluded that the participants did increase their financial planning knowledge/abilities. Knowledge of financial planning practices of midlife and older women can help us in the development of educational programs and information. The results of this program give additional support to the notion that what we are doing through our family and consumer economics programs is beneficial and needed.

It is important to evaluate our programs to determine whether or not we are meeting the needs of our audience. That is why this research is important. However, many questions can be raised about our programs which were not addressed in this paper. How important is

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financial education in the latter years versus a lifetime of experience? When does education have its greatest effect? Have we reached these individuals early enough to make a difference in their financial well-being? Is the lecture/workshop format the most effective use of our resources? Are there other means of reaching more individuals that would be more effective such as Cooperative Extension publications? The Cooperative Extension Service is a valuable component of the education process for adults and we need to know more about what adult learners find helpful and what forms of education are most effective.

I hope the authors of this paper have collected data from the additional workshops that were planned. With more responses additional procedures could be performed that may prove helpful--such as controlling for the effect of age, educational level, income and employment status on whether or not participants adopt or plan to adopt a particular financial planning practice. This additional information would be helpful in tailoring programs for specific audiences as well as identifying when information on a topic might be most helpful. Further research comparing individuals who have received various forms of financial planning education and those who have not participated in a program is needed to help answer the question posed by the title of this paper "Can Education Empower Midlife and Older Women to Take Control of Their Financial Destiny?". Also follow-up data on those participating in the programs is needed to determine whether or not they do in fact adopt the practices discussed in the workshops.

DANES, RETTIG, AND BAUER PAPER

The impact of the husband/wife relationship upon decision making involvement of farm women in families under economic stress was addressed in this paper. This paper is important for two reasons. First it provides us with more information related to farm families experiencing economic stress which is of great concern in many states today. Second and perhaps more important is that this paper looks at decision-making processes in families. As much as we know about how people should make decisions (normative model) we have done little to determine how they really are making decisions.

I have several concerns with this paper, however. First we need to carefully consider the causal model that is being proposed. Danes, Rettig, and Bauer suggest that the quality of the marital relationship (from the wife's perspective) is a causal factor in the degree of

input the farm wife has in the decision making process. The question I raise is whether the causation runs in the direction proposed or in both directions? In other words, the quality of the marital relationship might affect degree of participation but how comfortable the farm wife feels about her level of input into decisions might affect how she perceives the quality of her marriage. I suggest that a nonrecursive model may be more appropriate.

Factor analysis was performed and three factors were determined to reflect long-term farm decisions, continuous farm decisions, and household decisions. I do not see a clear distinction between long-term and continuous farm decisions. What criteria were used for selection of three factors? What was the total variance explained? It would help the reader if factor loadings of all variables on all factors were reported.

The independent variable, satisfaction with marriage, needs to be given careful consideration. One variable that asks how satisfied are you with your marriage may not adequately measure this construct. I would prefer to see multiple measures on this variable. The family relations literature is full of measures of marital satisfaction and could be used as a guide. Frequencies on the dependent variables would be helpful. If there are a large number of responses at zero (in other words, if responses are not continuous over the range of zero to 24 or 42), then OLS regression may be producing biased and inconsistent estimators. In such a case, tobit analysis may be necessary. The paper states that a two step OLS regression was performed and it was determined that the explained variance between the two steps of the regression analyses was significant. It would be helpful to know what test was done to determine whether or not the difference in the explained variance was significant.

This paper just begins to address an area that needs much study. How individuals and families make decisions and the input of members into the decision making process is important if we as professionals are going to help families develop skills for better decision making. Further research needs to be conducted to determine whether or not economic stress affects the level of participation in decision making and whether or not farm wives are different from non-farm wives in their level of input into decisions.

DILLMAN AND JUNK PAPER

Decisions related to when and where to retire was the topic of the last paper I want to discuss. Knowing when people begin to make decisions related to retirement can be very beneficial to retirement planners and counselors and educators. Knowing where people plan to retire could be valuable information for local and state decision makers. The Dillman and Junk

paper found several factors that were related to when and where retirement decisions. These included age, occupation, education, marital status, income, perception of planning, and attitude toward retirement. Two dependent variables were analyzed: pre-retiree's decisions of when and/or where to retire, and pre-retirement planned actions or actions already taken.

There are a number of issues that I would like to raise regarding the authors' paper, beginning with the comment that "we need to examine what decisions are made well before retirement and what decisions are avoided." My problem with this statement may be more one of choice of words than substance. My question is whether decisions are actually avoided or simply postponed because of uncertainty about the future or for other reasons. Are people avoiding decisions because they are not looking forward to retirement or just waiting for a clearer picture of their retirement years--such as whether or not their health will prevent them from working until 62 or 65. The degree of uncertainty people feel and the amount of risk they are willing to take may influence when they make decisions regarding retirement. A better phrase would reflect avoidance as well as postponement of decisions.

In the review of literature statements are made that many people are relocating when they retire. Is there data about how many are relocating and projections about future relocation behavior? This information would help substantiate the importance of your research.

My major concern with this paper is the analysis. The Chi-square test only indicates whether two variables are or are not statistically independent--not the strength or form of the relationship. At least some measure of association summarizing the strength or degree of relationship in the two-dimensional cross classification is necessary. Further, the procedures used consist only of bivariate analyses. I would suggest that multivariate analyses would be more appropriate. What effect does age have once we have controlled for income, occupation, etc. Is age more important than perception of planning or attitude toward retirement? Given the nominal data used in the decision variable either analyses of multidimensional tables or log linear analysis are feasible. For the pre-retirement index variable OLS regression might be appropriate if the responses are continuous over the range of zero to 36.

Several other issues need to be addressed. Why were the "non-planners" and "separated" excluded from the analysis? Were the non-planners significantly different from those that scored 1 to 8 on the pre-retirement index? How would being separated be different from being divorced? Your reasons for these decisions need to be clarified.

I hope future research will address some of my other questions which include:

1) How does one's time orientation and the degree to which one feels that they have control over what happens in their life affect their pre-retirement planning? The variables related to perceptions of planning may reflect these constructs.

2) How does one's feelings of uncertainty and level of risk one is willing to take affect planning for retirement?

3) Do the respondents' feelings about their current location affect their future retirement location? Where are their children living? To what degree has the respondent been mobile in the past?

4) Is the "when" decisions related to social security benefits or perceived financial status at retirement?

SUMMARY

The papers presented in this session are a good step in helping family/consumer economists and educators understand decision making and planning behaviors of individuals and families. The data used in these studies appear to be great sources for additional insight into managerial behaviors. I hope we will see more work in these areas in the future.

DOUBLE STANDARDS: CONSUMER PROTECTION IN
AN UNEQUAL WORLD

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When markets are developing, they sometimes fail in ways which give the largest rewards to those who produce hazardous products, or to those who use the most dangerous technologies. An essential part of economic development in the wealthier countries in the North has been the creation of a suitable market framework and appropriate standards. Poorer countries in the South might choose to set different standards. But since many such countries lack the institutions which protect workers and consumers elsewhere, their citizens represent an easy target for unscrupulous sellers. Exploitation of consumers in the South has reached startling dimensions. Fortunately, the policies so urgently needed can be identified and assessed for implementation.

INTRODUCTION

The wanton disregard of generally accepted standards causes the poor to suffer from neglect, misinformation and even the most callous form of exploitation. New and challenging dimensions are emerging to add to earlier problems thrust upon unsuspecting workers handling dangerous pesticides and to the scandals surrounding the aggressive marketing of breast-milk substitutes. To some extent it is the advance of standards in wealthy countries which has led to the marketing of banned pharmaceutical in countries without protection and to the migration of dangerous technologies to jurisdictions not fully aware of the dangers. This is highlighted by the enormity of the tragedy at Bhopal and by revelations about shipments of toxic wastes from jurisdictions aware of the hazards to ill-informed potential victims in Africa. In addition there are concerns that women in some countries are being used as 'guinea pigs' for frontier birth control technologies and that this double standard applies to other unproven technologies like food irradiation.

STANDARDS AND DOUBLE STANDARDS

A Standard

A standard is the degree of excellence required for a particular purpose. A standard may be the legal specification of the minimum quality required (or the maximum harm or threat permitted) in a good, a service, or in a process.

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A Double Standard for Exports

The use of a performance level for one's own country when this is not required for exports. Sellers may also use different standards for products made by subsidiaries or affiliates in other countries or for production techniques used elsewhere.

A Double Standard in Practice

Unknown hazards faced by individuals who would be protected elsewhere. Consumers or workers may be subjected to double standards even when the exported product or process is the same as the one in the home country whenever the local circumstances in the South make the product or process inappropriate. Additional claims may be made for products. Complementary inputs like clean water may be absent. Known dangers may not be noted. A standard depends firstly, on the purpose, and secondly on the physical, economic or social environment in which consumption (or production) takes place.

Awareness

All too often consumers (or workers) at risk are completely unaware of a hazard, of the existence of standards elsewhere, or of the reasons why a product or process has been banned or subjected to restrictions.

Can Double Standards Be Justified?

In certain circumstances there is solid support for a double standard. A tire rejected for high speed highway use in the North may, if the price is appropriate, be suitable for a farm wagon in North or South. A low priced fabric which is somewhat flammable might save enough lives in the South by providing warmth to compensate for the risk. But risk-assessment may require government resources and scientific support. Rules must be enforced, and awareness is essential.

TRADE AND BEHAVIOUR

The enormous expansion in international trade since 1945 has significantly increased the standard of living in many countries. New inventions, changes in technology and wondrous new products which run the full gamut from the sublime to the ridiculous, have made consumer choice more rewarding - and at the same time more challenging. These products are now marketed with the most sophisticated expertise that money can buy. Many of the new products are technically complex and well beyond the

ability of the individual consumer.

Is it possible to measure the world trade in hazardous products or in technologies subject to double standards? Probably not, though some rough estimates are possible. These include the following:

- i) In 1988, a UNICEF report stated that "adequate provision of drugs for primary health care can be made by using no more than 30 or 40 essential drugs at a cost of less than U.S. \$1.00 per head." A Report of the World Health Organization observed "In the main, the developing countries were sinking under the sheer weight of pharmaceutical products: some, indeed, had more than 40,000 different brands on the market... For example, a huge number of largely ineffective drugs were stocked and sold for the very common diarrhoeal diseases" (WHO and UNICEF, 1986). Scarce resources are wasted on such products, and the losses cannot be small. Dr. Hye, Director of the Drug Administration office in Bangladesh, states: "Almost 40 percent of the foreign exchange allocation to Fisons (Bangladesh) Ltd. for the import of pharmaceutical raw materials was used for making non-essential, practically useless preparations." (Tiranti, 1986; p. 17.)
- ii) Evidence indicates that large numbers of mothers in North and South choose breast milk substitutes over breast milk, and in so doing they increase the mortality and morbidity rates of their infants. In Ghana and the Ivory Coast for example, this unhealthy choice has been estimated to cost the average family more than \$300 per year in goods and time. If even 30% of the sales of a billion dollar industry constitute unwise choices, this comes to \$300 million per year in economic harm, quite apart from mortality and morbidity effects. (Almoth and Grenier, 1979.)
- iii) Another measure of the potential scope for double standards (justified or unjustified) is provided by the magnitude of product recalls in developed countries. In Europe and the U.S. it appears that there were over 35,000 product recalls in the 1980s. In the ten years to 1985 the U.S. Consumer Product Safety Commission reports that it initiated action to remove from retailers' shelves and consumers' homes more than 327 million hazardous items. It is all too tempting for sellers to replace the lost market with sales in countries that have no consumer protection.

In response to the increased complexity of marketed products, wealthier countries of the North have developed public and private consumer protection agencies to assist individuals. They have also developed a framework of market institutions to ensure that exchanges are fair.

But if these institutions have done much to eliminate deceptive selling and shoddy merchandise from markets in the North, they have made it relatively more attractive for sellers of useless or harmful products to do business in countries without such consumer protection. This incentive structure explains why the snake oil salesman has gone international. It is the difference in consumer protection, North and South, which explains why part of the enormous expansion in trade is composed of useless or harmful products whose existence is explained solely by the unconscionable exploitation of double standards. It is not in the interest of human health that these products or practices exist - nor is it in the interest of sellers with superior offerings. And it is not in the long run interest of any country North or South.

CONSUMERS IN NORTH AND SOUTH: ASSESSING THEIR DIFFERENT RESOURCES AND RISKS

Challenges and Threats in North and South

In an ideal world no consumer and no government would ever face a challenge which is beyond the knowledge available to make an effective decision. The key to understanding where problems arise is in the recognition that there must be balance between the difficulty of the choices to be made and the resources available to make the best decision. Fortunately the individual does not always have to rely solely on his own knowledge because expert help is available. But technical expertise is very unevenly distributed among individuals, among nations and between North and South. And to make matters worse, selling efforts are sometimes used to convince or confuse unsuspecting consumers.

The differences in consumer resources begin at the level of the individual. A pesticide package which states "Fatal if taken internally" may be successful for most who are literate in the language, yet tragically inadequate for other consumers. Differences in individual consumer skills are undoubtedly large. Even more important to the well-being of consumers are differences in public resources, and in the framework for fair market exchanges. An appropriate standard, therefore, depends not only on the technical hazard presented by a product, and not only on the marketing zeal, but also on the stock of skills available for interpretation and comprehension. This means "information" by itself is inadequate.

Consumer protection must first of all include a framework which permits informed individuals to make wise decisions. Secondly it must provide individuals with the scientific and legal support which distinguishes threats from opportunities. The Food and Drug Administration in the United States has a budget of over \$400 million per year. But in countries which do not have this scientific support, product claims are often extravagant, untrue or dangerous. For

example the product insert in a major brand of anabolic steroid claims it can be used for one purpose in the United States while the insert for the same brand sold in Malaysia lists no fewer than ten purposes. Without the essential infrastructure, risk assessment by individuals is a fond hope, but utterly unachievable.

The Scientific Lag in Information

We have long had a history of introducing products before they are fully tested. Risk appraisals therefore change with new information. In 1988 the U.S. National Institute of Health was collecting data on "leukemia clusters" near to nuclear plants in that country ... this for a technology already introduced. It is also one for which there is considerable export competition. Thalidomide is a clear example of a product which was pushed onto the market too soon and, unhappily, one which was being promoted in developing countries long after its hazards became known elsewhere. Not all of the scientific facts are yet available on food irradiation. But the clearest illustration of the scientific gap may be with pesticides. The United States has been making an effort - since 1972 - to register or re-register over 600 active ingredients in pesticides. By 1987 only 2 active ingredients had been assigned final regulatory standards (Gianessi, 1987). Two out of 600 is not impressive, and the fact that some sellers voluntarily withdrew certain products from the market instead of having them tested, is not entirely reassuring. And scientific tests in a squeaky clean laboratory may not give the needed information about complex interactions which actually occur in practice. "In its 1987 Report Regulating Pesticides in Food: The Delaney Paradox on cancer risks due to the ingestion of pesticide residues in food products, the National Academy of Sciences could make only a 'worst case' assessment, since detailed usage data for most of the crops and pesticides of concern were not available." (Gianessi 1987: p. 3). There is little doubt that this problem is more serious as a threat to consumers in the South.

Economics, Information, Misinformation and Bribery

A major component of a consumer protection program is a set of arrangements which oblige sellers to discover and to reveal product hazards. It is a short step from "not discovering" disadvantages to devoting effort to misinformation (for example, by having sellers of breast milk substitutes dress like nurses). To many observers, this activity is corrupt. Braithwaite (1984) provides examples of how bribes have been used extensively to secure sales of aircraft and of pharmaceuticals (1984, Ch. 3). Bribery is one factor in the creation of harmful double standards because it is more important whenever products are difficult to sell on their own merits (Kerton and Bodell, 1987). One response to this is that bribery is "normal business practice" in some countries. A

seller who won an award for ethics suggests - one hopes in jest - that customs officials have been "privatized". But the private payment is often a reward for thwarting the public interest and for putting consumers at risk. A 1976 report filed by a multinational cigarette company admitted to payments of \$2.4 millions to the president of a "Latin American state" (Stebbins, 1987; pp. 527-8). Is it acceptable to make contributions to encourage politicians to decide not to enact standards which already apply in the exporting country? Overall, corruption, bribery and fraud are all too frequent. The resulting harm to health and pocketbook saps the national effort at economic development.

Risk/Benefit Ratios

Public welfare is best served when citizens and decision-makers have accurate perceptions of the true risks and the real benefits of a product or technique. As noted above, accuracy is made more difficult by the incentive structure facing sellers who stand to lose by presenting information about hazards. This is worsened when the legal system lags behind technology or where scientific support is not available. In addition, it appears to be the case that significant swings in perception can occur over a short time even in one population. In Pennsylvania, for example, Sachs, Blair, and Richter (1987) found sharply higher concern about the impact of pesticides in 1985 compared to 1965. This was true for concern for wildlife and for the farmer using pesticides. For respondents who were responsible for grocery buying, 42% of a 1965 sample expressed "some" or "a great deal" of concern about the danger to the person eating fruits or vegetables sprayed with pesticide. By 1984 concern had increased from that 42% level to 71% (1987; pp. 102-103). This is a remarkable shift.

It is virtually certain that between those two years the population at risk lost faith in the regulations employed. In the Pennsylvania study, "In 1965 the overwhelming majority of consumers (98 percent) responded positively when asked if the government adequately regulates chemical use in or on food. In 1984, only 46 percent of consumers agreed that the government does an adequate job of regulation.

Differences in the evaluation of risks might mean that it is pointless to search for absolute standards. But that still does not rule out informational and other standards essential for intelligent choice-making. And there is much agreement among consumers that life-threatening choices are below some absolute standard which must be maintained. Agreement is even more certain for products like clioquinol which are hazardous, expensive, and are not useful for the purpose claimed. But a country which is too poor to have the institutions it needs will be unable to assess risks and benefits in the first place.

WHAT DOES INTERNATIONAL EXPERIENCE SHOW?

Information Policies

The least controversial policy tried is one which provides consumers with some or all of the missing information. Yet even though people are troubled by the shipment of toxic wastes or hazardous product or by the horrors of a Bhopal, our efforts seem timid and tentative. But a major step was taken in 1982 with a U.N. resolution which included the statement that all countries that have severely restricted or have not approved the domestic consumption and/or sale of particular products, in particular pharmaceuticals and pesticides, should make available full information on these products with a view to safe-guarding the health and environment of the importing country, including clear labelling in a language acceptable to the importing country. The most explicit information policy of this type is known as prior informed consent.

Full Information - The Concept of Prior Informed Consent.

To prevent harm to workers and consumers from hazardous pesticides and to reduce the chances that tropical products would contain pesticide residues, the European Parliament passed a resolution in October of 1983 stating that pesticides can only be exported on the conditions

- a) that the government of the importing country is informed of the particular nature of the product and of the restrictions to which it is subject in the exporting country and the reasons for such restrictions, and
- b) that the government of the importing country, having received such notification, explicitly requests the purchase.

The transmission of a complex technical message does not guarantee that the recipient country has been informed, and even less does it guarantee that consumers or those ultimately at risk have understood the full consequences. Successful communication occurs when the interpretation skills of the recipient are equal to the task. When this is achieved, the recipient is in a position to know why the good can be consumed locally-even though it is banned or restricted in countries using higher levels of scientific expertise and testing facilities.

In the effort to provide full information, there is a role for scientifically sound "lists" provided by international bodies. These are of two types: the first certifies that products are effective, the second specifies those which are not.

Positive Lists.

The most impressive example of a positive list is the WHO List of Essential Drugs. After

considerable debate about having the WHO provide information on hazardous or ineffective pharmaceuticals the body agreed to provide a (short) list of drugs which are efficacious and which would meet most of the health needs of a country. The List therefore works much like a certification scheme: it verifies that a drug is useful and important. Out of some 40,000 brands of pharmaceuticals on the market - many of which are harmful or ineffective - the WHO Expert Committee recommends some 220 drugs and vaccines as essential to good medical practice. Countries can overcome double standards by using health budgets to purchase products from the Essential Drugs List.

Negative Lists.

A negative list tells precisely what is to be avoided and why. It can therefore defeat the double standard problem by permitting informed use of products which have been restricted while it does permit those at risk to avoid hazards by avoiding products banned or restricted elsewhere. Such a list Banned and Bannable Drugs has been prepared in India. The Voluntary Health Association of India states: "This peaceful resistance against hazardous and irrational drugs is needed in the self-interest of the individuals and in the interest of the society. Consumers call it "Boycott", Gandhi called it "Satyagraha" and we can call it "Rational Drug Use" (1986; p. 3).

The most important example of a negative list is the United Nations' Consolidated List which has proven to be extremely useful for addressing double standards with pesticides, pharmaceuticals, hazardous consumer products and industrial chemicals. Its full title explains its purpose: The Consolidated List of Products Whose Consumption and/or Sale Have Been Banned, Withdrawn, Severely Restricted or Not Approved by Governments. Information is supplied by participating countries, North or South. On economic grounds this method of sharing information is far superior to the small effort which could be mounted by individual countries which would be obliged to undertake expensive and elaborate tests to rediscover what is already known elsewhere. Once the Consolidated List came into existence it made it far more difficult for exporters to abuse double standards. At its best, the brief explanation (for bans, restrictions) provided in the List by WHO or FAO allows an importer or a final user to understand the risks of one or another choice. The preliminary version available in December 1983 covered 397 products: 195 pharmaceuticals, 69 pesticides, and 133 other products. Revised and enlarged in 1984 and 1986, the U.N. Consolidated List now covers some eight thousand brand names. It has proven to be a highly effective policy for reducing the threats posed by double standards.

The Code Approach; Guidelines

In April 1985, the General Assembly of the United Nations unanimously adopted Resolution 39/248, the U.N. Guidelines on Consumer Protection. This code of behaviour is intended to make it easier for developing countries to establish appropriate health, safety and market measures and to address the issue of double standards. Safety and/or quality standards and consumer information have specific guidelines. No international enforcement mechanism exists, though the code asks governments to "work to ensure that the quality of products, does not vary from country to country in a way that would have detrimental effects on consumers." Likewise the U.N. Code of Conduct of Trans-national Corporations asks that companies provide hazard information including "...prohibitions, restrictions, warnings and other public regulatory measures imposed in other countries." This respects each country's sovereignty but clearly lacks any international enforcement mechanism.

The guideline approach can be criticized for being naive about the relationship between income and safety: At low levels of income some relatively unsafe (but low cost) products may be better than doing without the product entirely. "Too much" safety can be required. In addition, a standard which is "too high" serves as a barrier to trade, restricting choices. It is possible to over-state this argument by presuming that guidelines eliminate only choices which would increase well-being. On occasion some "North-centeredness" seems to be evident in a belief that all countries already have well functioning weights and measure laws and basic rules protecting health. Any higher standard is thought by some well respected theorists living comfortably in the North to be a movement away from the current, optimal level. The evidence for many developing countries is compelling, there are indeed trade barriers sought by certain producers, but in general there is little to suggest that consumers are afflicted with excessive health protection.

An alternative system makes use of industry guidelines which are voluntary. A large company may obey a code out of concern for its reputation. But this may be a temporary victory at best because one or two person companies soon spring up to fill the gap. For example, it was a small Italian waste brokerage firm, Ecomar, which arranged to send 8,000 leaking drums of waste to Koko, a tiny port in Nigeria. There, Mr. Sunday Nana who owned a small construction firm and who knew virtually nothing about toxic waste, was paid about \$25 per week for his storage yard. Voluntary guidelines by some industrial leaders are wasteful delusions, no matter how well intended. When the stakes are high there is a hasty retreat to the 'rascal standard' of the lowest available ethics.

International codes adopted by countries have some of the same defects. Is there a reason to

be more hopeful for them? There probably is: An official from the Food and Agricultural Organization has explained that the Code of Conduct for pesticides is a co-operative effort "...in countries lacking an adequate infrastructure. It is designed to be mainly an interim measure until national regulations are instituted" (Adam, 1987; p. 45). In the survey of practices titled Violating the Pesticide Code, Hansen and Rengam found one example, the Philippines, where the international guideline had been used as a model which was codified into a national law, and with results which were most encouraging (1987).

In sum, for economic reasons international Guidelines are more likely to be too weak than too strong, though the potential exists for both. They are "ready-made," and can be used as a lever for political action by those at risk in importing countries.

Collective Action Through N.G.O.s

At the Stockholm Conference of the International Organization of Consumers Unions (IOCU) in 1972, members resolved to examine export policies with regard to double standards. In response:

"IOCU member organizations cooperated in a case study on international drug labelling and information. The results were shocking: 55 packs of chloramphenicol from 21 countries were examined, but not a single one warned against all the conditions or which the use of chloramphenicol was contra-indicated. Many packs failed to warn against serious and possibly fatal side-effects, notably irreversible damage of the bone marrow - and there were also wide variations in the warnings given with identical brands sold in different countries." (Fazal, 1983; p. 266).

By 1989 IOCU had 160 members in more than 60 countries sharing information and initiating action on major international issues. One activity of special significance for ending double standards was the formation of Consumer Interpol in 1981. By early 1989, Consumer Interpol had issued 80 warnings about products. In 1983 IOCU published The Global Trade in Dangerous Products, a press kit giving details on specific cases of double standards. These initiatives provide missing information to consumers at risk. They also provide lobbying material for longer run changes to the rules governing international trade.

There is a reason why the lobbying voice of those affected is essential. The main organizations of the United Nations cannot - for political reasons - provide the "framework pressure" for a change to existing rules. Yet major progress depends on these changes. This is why non-governmental organizations (NGOs) are vital for progress on economic issues like double standards. With the specific case of double standards, NGOs in the South are particularly well posed to act because the risks are so

directly a threat to the unsuspecting Third World consumer.

The International Baby Food Action Network (IBFAN) included a well known consumer boycott of all products of the largest company, chosen as a target. In 1981 some forty groups of consumer, religious, technical and development action organizations banded together to form Health Action International (HAI). Since 1982 the comparable group working on pesticides has been the pesticide Action Network (PAN). And double standards are very much the target of the Coalition Against Dangerous Exports (CADE) headquartered in Brussels. These NGOs have a significant role to play in introducing the voice of the consumer in worldwide discussions about trade and the rules which govern it.

Institution-Building

One of the most powerful causes of double standards is rooted in the differing abilities of countries North and South to assess harm and to enforce regulations. For this reason, efforts to create the organizational capacity to address these matters are especially important. UNCTAD's Advisory Service on Transfer of Technology is a vital contribution - and one which should be augmented. The Service develops the infrastructure by creating organizational capacity and an appropriate skill profile. With careful forethought, much can be gained by the deliberate twinning of governmental and non-governmental consumer protection agencies. Such efforts develop indigenous talent to create consumer protection capability which can end the most distressing examples of double standards.

Single Standards

There is a time and place for the minimum single standard. A double standard may be appropriate where a product offers a mix of benefits and threats, and where operating environments differ by enough to justify different risk/benefit outcomes. But market incentives provide sellers with reasons to exaggerate the benefits, and to underestimate the hazards. And science will not always provide the needed answers because, for technical and economic reasons, its progress will lag behind requirements.

Consumers in the European Community who urged the harmonization of safety standards feared that the effort would provide a second chance for lobbyists to weaken current standards. But there are some recent successes (such as the acceptance by the U.K. of limits for pesticide residues in food). The last two decades have seen - worldwide - the rapid proliferation of standards whose chief purpose has been the creation of non-tariff barriers (NTBs) to trade. NTBs are sought by producers but they directly harm consumers by raising prices and reducing choice. Thus far, the movement toward single standards in Europe has, somewhat surprisingly, shown keen awareness of the distinction between standards which are NTBs and those which really

protect health. Consumers can win on both counts.

The Equal Treatment Principle

An alternative method of approaching a single standard has been supported by national and international consumer organizations and by the European Consumer Law Group (1987, p. 24 and Bourgoigne, 1985). This is the equal treatment principle. Under this rule a product which has been prohibited at the national level, or one which has not yet been approved, cannot be exported. For example, 40% of the drugs sold by German companies in Brazil during 1981 were not drugs offered for sale in Germany. Most OECD countries have used a "clearinghouse system" since 1980. It allows exporters to inform developing countries on one single occasion - that export of a dangerous pesticide has already taken place. How can a pesticide be collected after use? From this starting point, the equal treatment principle is a welcome change.

ACHIEVABLE POLICIES

With the growth of international trade the world has seen the burgeoning of the dark side of the marketplace. This includes the marketing of goods banned or restricted in some countries to unsuspecting consumers in other countries, the movement of toxic wastes to countries unable to appraise the hazards, and the migration of dangerous production technologies to countries poorly prepared to deal with them. Yet in spite of the economic pressures to continue these unconscionable practices, experience has shown that progress can be made - and is being made, albeit too slowly, to improve consumer and public protection throughout the world.

Policies for Exporters

One set of policies is available to exporting countries. The equal treatment principle, for example, is a golden rule which states that a product prohibited or not yet approved for national use may not be exported. Less restrictive is a policy which allows double standards under certain conditions. The principle of prior informed consent, a rule that a product or process may be exported only if - prior to any shipment - the importer has been informed of hazards, has understood the implications of the message, and has explicitly requested the imports. This principle is a great hope of many, including leaders in Europe, in the OECD countries and in international consumer organizations, largely because it allows informed double standards. Unfortunately, most countries lack the recording system which can track thousands of products and processes. A third type of policy for exporters is the voluntary industry code. This is an attempt to address the issue on an industry-wide basis, because one firm, following an ethical high road by itself, is merely abandoning the market to less ethical competitors.

Policies for Importing Countries

Those at risk have the strongest possible motivation for action - life itself in many cases. Information policies are the first priority. But this must be accompanied by action which can produce change. Consumer groups in the South fill both needs, as do victim groups, religious organizations or groups dealing with foods, pesticides or the environment. Especially effective have been local health professionals and other leaders who have been outraged by abusive practices. Local action is essential to address consumer protection mechanisms which are inadequate, corrupt, or simply non-existent.

International Policies

Double standards are, in essence, international problems, so the solution must be international too. A completely fair framework for international trade, and a mechanism for enforcing fair rules is the ultimate "public good." Without worldwide government there is no easy way to finance the creation of such a public good. Some of the unconscionable practices have so shaken public sensibilities that international voluntary networks have arisen to fill information-sharing and social action needs. Given the enormity of the problems they face and overwhelming odds, these groups have had remarkable success in motivating those affected, in galvanizing world opinion, and in correcting the inappropriate incentives which encourage or allow problems with double standards.

Victory is not by any means won, but progress which is truly encouraging has been made by U.N. agencies like the World Health Organization (WHO), the General Assembly, The Food and Agricultural Organization, the Center on Transnational Corporations and the U.N. Commission on Trade and Development (UNCTAD). Funding can be precarious if an active or progressive posture is taken, but some U.N. agencies operate with designated project-based funds from specific donor countries. An important example is the WHO Action Programme on Essential Drugs and Vaccines. In all of this there is reason for cautious optimism.

CONCLUSION

While the expansion of international trade has undisputed benefits, the export of goods or services which have failed to pass the test of fitness in countries with consumer protection agencies is much less likely to have long run value. And the export of harmful technologies or of toxic wastes may frequently be explained by a "standards lag" in countries too poor to have assessment mechanisms. The abuse of double standards has fostered cynicism, distrust and fear among countries in the South. And certain examples which have come to the attention of the world press have horrified people everywhere.

Practical policies exist for improvement. Progress will not be immediate for reasons based in science, in economics and in politics, but if each country does what it can - individually and multilaterally - (eventual) success is virtually certain. It is really a matter of extending consumer protection mechanisms to countries which have entered the market era without them. It is the absence of these institutions that provides the operating space for the unconscionable abuse of double standards. It certainly cannot be in the interest of human well-being to ignore the problem of double standards - nor is it in the interest of the world trading system. Experience has been a stern teacher, but it has taught us, as we grope and stumble toward a solution, that with deliberate attention - and the will - most of the policies we need are now within reach.

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The lot of Chinese consumers has improved significantly since the Communist revolution in 1949. However, in 1979 there was a need to reinvigorate the economy. Radical changes were made, e.g., to introduce private enterprise, to forego the principle of equality in income distribution, and to improve further the welfare and status of Chinese consumers. In markets governed mainly by the state and secondarily by market forces, neither the state nor competition gives them adequate protection.

INTRODUCTION

In the twenty minutes I have at my disposal, I want to help you understand the changing status of consumers in the Chinese economy and the principles which seem to govern their fates. I start by reminding you that the Chinese date their national state back to their first dynasty (Xia) from 2200-1700 BC. The Manchu dynasty governed from 1644 to 1911, when it was overthrown by Sun Yat Sen and the Republic of China was established. That lasted until Chang Kai-shek was overthrown by the Communists and the Peoples Republic of China was established on October 1, 1949. Two threads, therefore, the long dynastic history and the Marxist ideology continue to color the pattern of life in China. There is also a long religious-philosophical heritage that adds a third thread to this pattern. These should not be forgotten as I concentrate on the more prosaic statistical details delineating the lives of urban Chinese consumers. I say urban because while having lived in Shanghai for four and a half months and having visited other including many poorer parts of the country for another month, I think I know the urban situation best.

IDEOLOGIES, PLANS, AND PROGRESS

Planned Economic Progress

After the 1949 revolution, there was a need to re-establish the hegemony of the central government - something that had disintegrated under the Japanese occupation (1931-1945) and the internecine strife between the Communists under Mao and the Nationalists under Chang Kai-shek. Accordingly, it wasn't until 1953 that the first five-year plan, strongly influenced by the Russians, was introduced.

In general, the Chinese have made great economic strides since the revolution, except for two

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interruptions which you know as the periods of THE GREAT LEAP FORWARD (1953-1960) and THE CULTURAL REVOLUTION (1966-1975). After each of these interruptions in economic progress, Mao turned to others to repair the damage.

The notorious GANG OF FOUR grabbed power after CHOU En-Lai's death in January 1976 - it was he who rescued the economy after the Cultural Revolution - but Mao's death later that year permitted Deng Xiaoping and Hua Guofeng to oust the "Four" and to return to the pragmatism instituted by Chou En-Lai. In 1979 the National People's Congress pronounced a new program, THE FOUR MODERNIZATIONS, referring to agriculture, industry, national defense and science and technology, to overcome the major obstacles to economic development.

To do this, it proposed to:

- 1) Extend the decision-making power of enterprises so as to leave daily operations a local responsibility while keeping macro control at the national level,
- 2) Reduce the scope of mandatory planning and to expand indicative planning,
- 3) Establish a more rational price system in line with market realities,
- 4) Assign responsibilities in the productive system and reward people more in line with their productivity,
- 5) Established diverse forms of economic organization including private ownership,
- 6) Create a more open economy internally and externally,
- 7) Promote a new group of technicians to manage enterprises and the economy,
- 8) Expand the exchange of science and technology and their application to China,
- 9) Strengthen Party leadership, and
- 10) Accelerate agricultural development by a) restoring and enlarging private agricultural plots, b) raising agricultural prices, c) diversifying output away from emphasis on grains, and d) establishing lines of authority and responsibility for agricultural production.

The MODERNIZATIONS program was designed to strengthen China as a SOCIALIST state. The intent clearly was NOT to create an economy based on consumers sovereignty, i.e., to have resources allocated to production in accord with consumer demand although, as noted above, there was to be increased attention paid to consumer needs. I sense that the western press has put on its own ideological blinders in depicting China's reforms as congruent with Reagan's and Thatcher's attempts at privatization. Unless the Party has unleashed forces beyond its control - and there is only slight evidence of this - SOCIALISM remains the name of the game.

The World Bank, which tracks the economies of the nations of the world, uses Gross National Product per capita (hereafter GNP/pc) as one of its main

benchmarks. It classifies nations by this standard and those with a GNP/pc in U.S. dollars of \$370 or less in 1979 and \$400 or less in 1984 and after, were considered to be Low Income Developing Countries (LIDC). In 1979 there were 36 such countries and China with GNP/pc of \$260 was one of them; in 1984, there were again 36 and China with \$310 was again included and remains an LIDC as of 1987.

Industrializing China has not been easy and the job is not finished yet. During this period of modernization, extensive intellectual rationalizing was carried on in China. Apparently, the return to private enterprises, inequality in income distribution, and the raising of consumers to prominence in the economy at a time when significant capital formation was crucial, were matters that had to be explained in Marxian terms. (Cf. Luo Romgqu, 1988 and Yu Guangyuan, 1988)

Ideological Issues

Rationalizing the FOUR MODERNIZATIONS in Marxian terminology has created an industry using manpower and time that might better have been spent on more productive enterprises.

One might call the enterprises, BENDING MARX WHEN YOU HAVE TO, but that might trivialize this serious intellectual exercise. I will touch upon the two issues which most interest us, first, the meaning of socialism in China today, and second, the heightened concern with the welfare of consumers.

Transitional Socialism.

It now seems to be settled that SOCIALISM need not mean the transfer of all productive facilities from private to public hands. Rather, it is maintained in China that when Communist revolutions occur in predominantly agricultural countries (where else have they occurred?) a transitional stage within the SOCIALIST stage is needed wherein a mature industrial productive system can be created, one Marx envisaged would be present at the time of revolution. In order to create such a system, a return to private material incentives including profits from private enterprises is needed. If I were to comment on this, I think I'd only be emphasizing the obvious.

Improved Consumer Welfare.

It is the new concern for the consumer that interests us most today. I can remember when the GANG OF FOUR accused the Soviet Union of selling out Marxism as a revolutionary ploy, i.e., it had become a 'consumerist' society. The apathy of the post revolution generations of Soviet citizens has not been lost on the present Chinese leaders. They recognize first, that Chinese consumers are not totally isolated from knowledge of consumption trends elsewhere, and second, if the population is going to feel it has a stake in the system, it must be given rewards as the economy develops and not just promises for some

mythical future.

However, I find that there is theoretical conflict between American Marxist Paul Baran and Guo Shiping, a Chinese scholar, when it comes to the nature of the future socialist consumer. Let me read to you what each has written so you can appreciate what I'm talking about.

Baran once wrote these lines:

Neither I nor any other Marxist writers with whose works I am familiar, have ever advocated the abolition of consumer sovereignty and its replacement by the orders of a commissar Holding that mankind has now reached a level of productivity and knowledge which make it possible to transcend this system and replace it by a better one, he/the Marxian socialist/ believes that a society can be developed in which the individual would be formed, influenced, and educated not by a profit- and market - determined economy, ... but by a system of rationally planned production for use, by a universe of human relations determined by and oriented toward solidarity, cooperation, and freedom. (Baran, 1962)

Succinctly put, Baran foresaw an idealized Communist society creating a country of consumers with a common set of values. Guo Shiping, using the ideas of Ma Hong in an article on the economics of consumption in China wherein the problems of a Socialist pattern of consumption is raised, wrote the following:

We can neither emulate the capitalist countries' patterns of consumption, nor the consumption patterns of other socialist countries; rather, we should establish China's own pattern of consumption. (Guo Shiping, 1988)

Baran and Guo Shiping/Ma Hong are in conflict as I read them. I would ask Ma Hong how he would manage to isolate Chinese consumers from the rest of the world in these days of instant world-wide communications, and I would also want to know from him, who the "we" are in the above quotation. Does "we" include the commissar whom Baran apparently despised? The well-springs of values which determine the patterns of consumption in a market economy are many and diverse; it is unlikely that there would be many fewer in a socialist economy given age differences, ethnic differences, rural-urban differences, personality differences, etc. I should add that when I questioned my students about Ma Hong's view of a socialist pattern of consumption (mentioned above as cited by Guo Shiping), they scoffed at the idea that they should be motivated by "socialist" norms of personal behavior, e.g., as now defined in the program for the FOUR MODERNIZATIONS, i.e., (THE FIVE STRESSES: decorum, manners, hygiene, discipline and morals; THE FOUR POINTS OF DECENCY: of the mind, of language, of behavior, and of the environment; and THE THREE LOVES: of