

Labor Supply and Wages Among Nuclear and Extended Households: The Surinamese Experiment

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This paper explores labor market behavior of members of extended and nuclear households in Suriname. Previous analyses have found that cooperative childcare opportunities within the extended household increase female labor force participation. Such cooperation implies correlated participation decisions among household members, which invalidates standard assumptions made in estimating labor force participation with profits and wages with regressions. We employ a GMM estimation procedure that allows correlation among household members. We find that extended and nuclear household members are not significantly differentiating participation propensities, but do differ significantly in the wage equation. We argue that a population evenly divided between extended and nuclear households, a well developed labor market, dramatic changes in real wages over the sample period, and an unanalyzed data set make Suriname a promising laboratory.

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