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# Feminist Political Economy

## A Global Perspective



Pluralist Economics  
Certificate Project



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# Chapter 5 Households

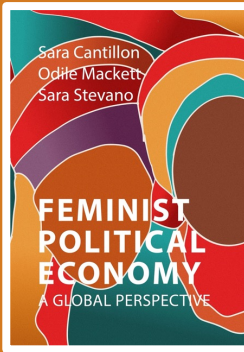


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# Outline

- PART I. What is the household and why does it matter for feminist analysis?
- PART II. New Household Economics and the feminist critique
- PART III. Households in Feminist Political Economy







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# PART I

What is the household and why does it matter for feminist analysis?



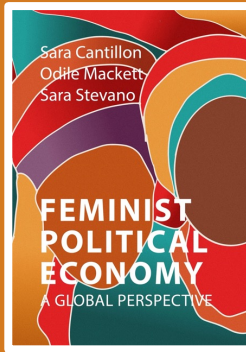
# Definitions

‘The household is a unit of residence comprised of one or more individuals who reside together and who share resources linked to the daily reproduction of life, including shelter and food, as well as some social activities. Very often people who reside together (in a household) are related by ties of kinship and marriage and hence are also part of a family.’

UN Women 2019, p. 23

‘The household, defined as a group of persons who make common provision of food, shelter and other essentials for living, is a fundamental socioeconomic unit in human societies. Households are the centres of demographic, social and economic processes. Decisions about childbearing, education, healthcare, consumption, labour force participation, migration and savings occur primarily at the household level.’

UNDESA 2017, p. i





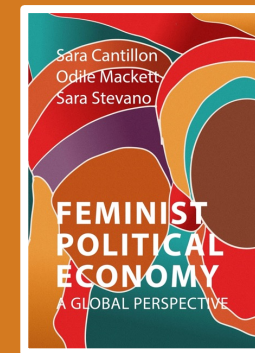
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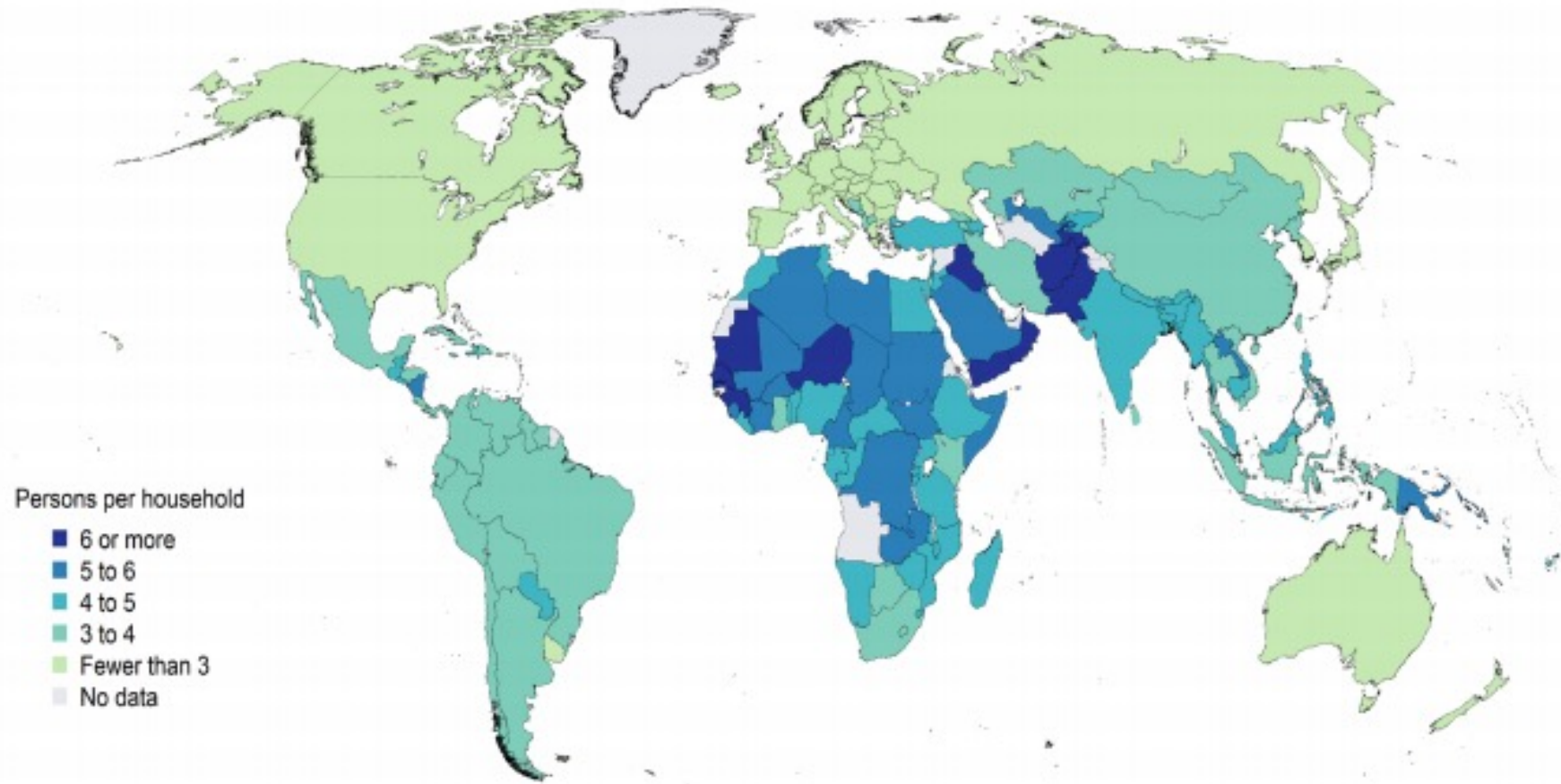
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Data source: United Nations Database of Household Size and Composition 2017.

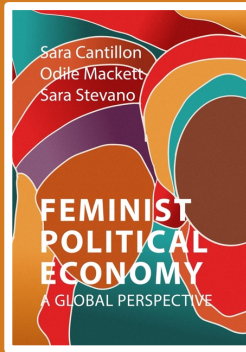
Sara Stevano, SOAS University of London, UK





# Why economists are interested in the household

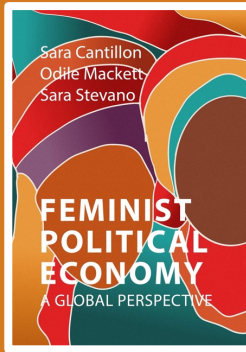
- The household is seen as an economic unit where allocative decisions on production and consumption take place (Roberts, 1991)
- Idea of household as a unit of economic activity to be traced back to Chayanov's *Theory of the Peasant Economy* (1926) – interest in resource allocation in peasant households
- In 1960-80s, the study of non-market production in the household became a new core area of mainstream microeconomics (part II)





# Why feminists are interested in the household

- The household is a key site where reproductive work – largely performed by women and young people – is made invisible and devalued
- The allocation of responsibilities for reproductive work in the household is one root cause of inequality
- The household is an important space where inequality is reproduced







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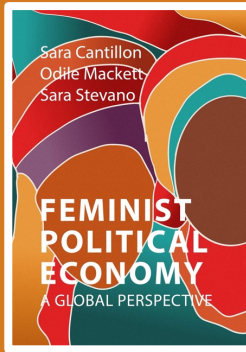
# PART II

New Household Economics and the feminist critique



# Neoclassical economics and the household

- Economic theory reliant on the principle of methodological individualism has a problem with the household because it is a collective unit
- How to transition from each member's individual preferences to a household utility function? How can individual preferences be collapsed into a single utility function?





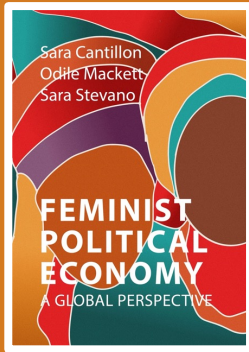
Theodore W. Schultz



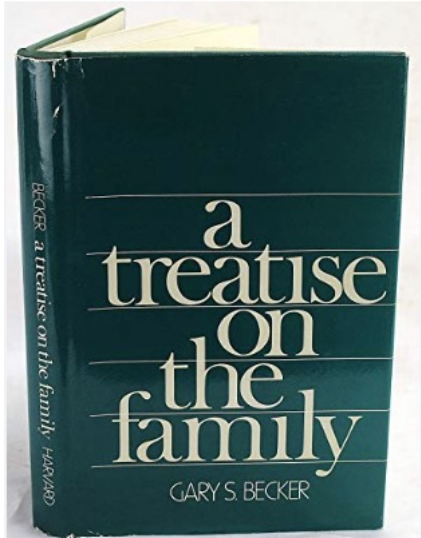
Gary Becker



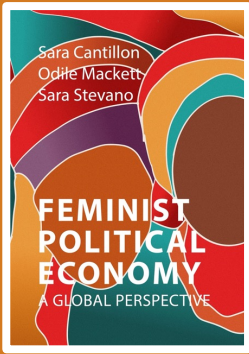
Jacob Mincer

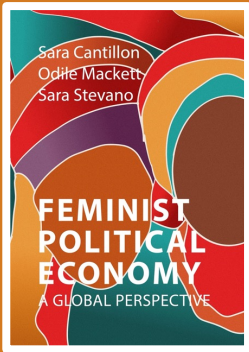






*'This volume uses the assumptions of maximizing behavior, stable preferences, and equilibrium in implicit or explicit markets to provide a systematic analysis of the family'*



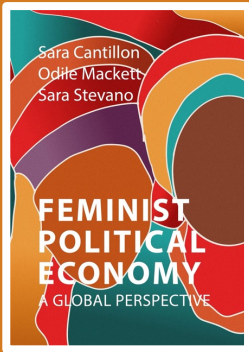


# Becker's New Household Economics (1)

- Household as both a producer and a consumer
- Time and income are the two scarce resources that shape decision-making in the household – utility is maximized under a budget constraint including income and time
- The household has a single utility function (unitary household models)
- In 1992, Becker was awarded the so-called Nobel prize for economics ‘for having extended the domain of microeconomic analysis to a wide range of human behaviour and interaction, including non-market behaviour’







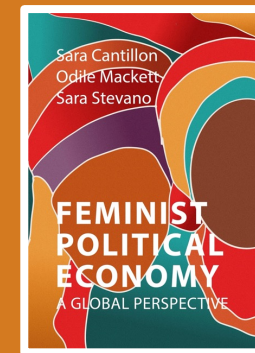
# Becker's New Household Economics (2)

- The household is treated as a small firm that produces market/non-market goods and services
- Main market good = labour; non-market goods/services = meals, clean clothes, shopping, caring activities
- Primary input for household production is the time of household members
- The value of household production is measured in terms of the market value of commodities produced by the household (e.g. wages) and opportunity cost of household members' time in market activities (e.g. cost of reducing the amount of time spent in employment)

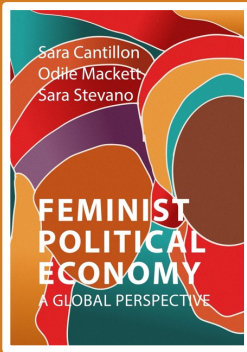


# Comparative advantage

- Comparative advantage drive specialization in specific activities – the household member with access to lower-paid employment has a comparative advantage in specializing in unpaid care activities
- In turn, specialization leads to increasing returns
- Specialisation reflects rational investments in human capital, which are determined by and contribute to reinforce biological differences between men and women







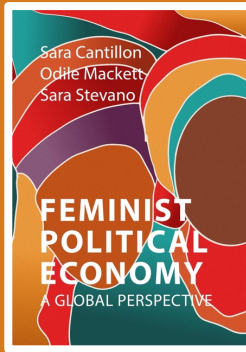
*‘Biological differences in comparative advantage between the sexes explain not only why households typically have both sexes, but also why women have usually spent their time bearing and rearing children and engaging in other household activities, whereas men have spent their time in market activities. This sexual division of labour has been found in virtually all human societies, and in most other biological species that fertilize eggs within the body of the female.’*

Becker, A treatise of the family, 1981, p. 39



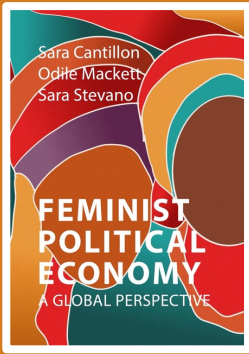
# Single utility function

- The household maximises its single utility function under a budget constraint (income, time)
- Two underpinning assumptions:
  - Income-pooling hypothesis – household members pool their incomes
  - Altruistic household head – the head has interdependent preferences, hence their utility depends not only on their consumption but also on the consumption of other household members



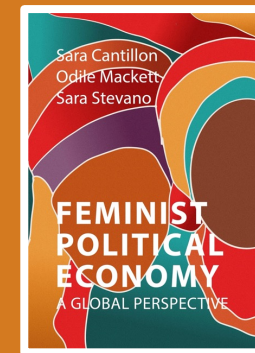


# Feminist critique

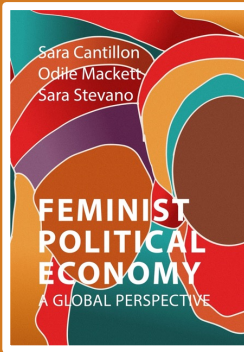


# Inequality and conflict

- In Becker's formulation of altruism in the households, welfare differentials among household members are possible – e.g. household members have different levels of production/consumption – but this distribution is the outcome of 'voluntaristic decision-making process' (Kabeer, 1994: 100)
- Empirical evidence rejects the idea the household members have shared interests and maximise a joint welfare function
  - Studies showing gender bias against girls (malnutrition, child mortality) – does this bias maximise a joint utility?
- Paradox of altruism in the household and selfishness in the market place – wrong to rule out non-altruistic motives in the household (Folbre, 1986)







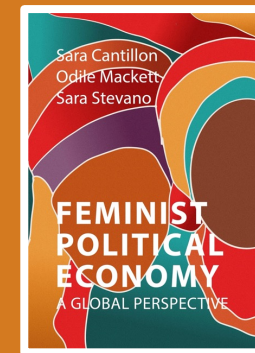
Why are both the neoclassical and the Marxian paradigms so “silent” on the issue of inequality within the home? Their convergence is somewhat ironic: On the one hand, we have a paradigm, largely unconcerned with issues of conflict, which offers a well-developed theory of nonmarket production. On the other hand, we have a paradigm with a well-developed theory of conflict that is largely unconcerned with nonmarket production.’

(Folbre, 1986: 247)



# Rigidities in replacing household labour

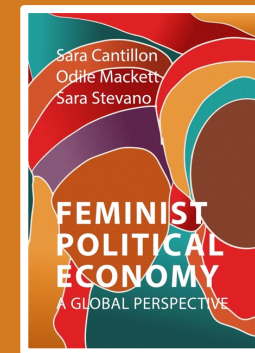
- According to comparative advantage and time allocation theory, women will increase their participation in the labour force if their earnings increase
- Household labour is perfectly substitutable factor of production – time can trade off for money
- Household labour is differentiated by gender, age and status - this differentiation is a barrier to mobilisation of labour to various forms of farm and non-farm activities
- Common rigidity observed empirically is that male labour does not substitute female household labour when women spend more time working for a wage

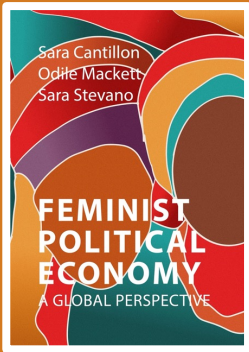




# Income pooling?

- Much empirical evidence that income is not pooled in households – especially from anthropologists and feminist economists
- Assumptions are simplifications of reality, so we do not expect the reality to completely conform to the assumptions – but assumptions should invalidate the insights of the theory
- When household members retain control of their individual incomes, their allocative decisions may not maximise the household welfare





# What is the household?

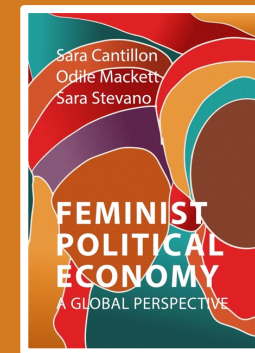
- The New Household Economics portrays the household as a nuclear family structured around heterosexual marriage with an altruistic male head
- Nuclear family is the most common type of household, but there are extended-family, single-parent, same-sex households – we have no adequate analytical tools to understand the functioning of these households and they may be excluded from policy initiatives (Bergmann, 1995)
- Households are not self-contained units – there are many important/consequential inter-household relations
- The question a researcher should ask on the household is not “Where is the household in this context?” but “What are the significant units of production, consumption and investment in this region/ group/ people?” and “What are the major flows and transfers of resources between individuals and units?” (Guyer and Peters, 1987)





# In your own time

- The feminist critique of unitary household theories/models contributed to a shift in economic theory from unitary to collective household models – characterized by conflict and/or cooperation among household members
- ❖ Read section 5.5 on collective household models and their limitations







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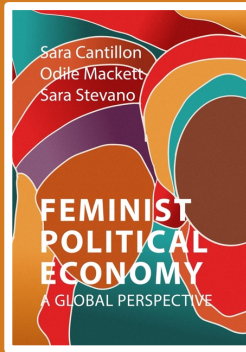
# PART III

Households in Feminist Political Economy

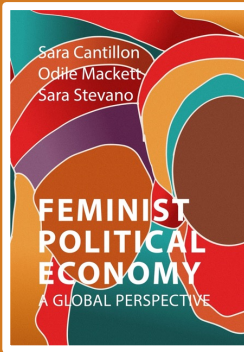


# Beyond the microeconomics of the household

- In mainstream economics and some of the feminist economic critique, the household is a socio-economic unit that matters for practices of consumption, time and labour allocation
- In feminist (international) political economy, households are institutions that operate in the global capitalist systems – and they matter to global processes of change
- Shift from what happens within the household (see next chapter) to households through their external relations and as embedded in the wider socio-economic system







# Devaluation of work in households

- With industrialization, a separation between the home and the factory occurs – what was previously produced in the home economy (primarily by women) starts being produced in factories
- The separation is not only physical but structural – factory production generates profit, housework does not (Davis, 1981)
- Feminist intervention to assert that domestic labour is value producing (Dalla Costa and James, 1975) – see chapter 3



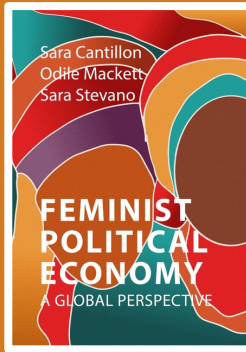
# Maria Mies' housewifisation

- Subordination of women as one component of global processes of capitalist accumulation
- Parallel between colonization underpinning the international division of labour (chapter 2) and 'housewifization' underpinning the household division of labour
- The family becomes 'the colony of the little white men' (Mies, 1986: 103)
- In the former colonies, where women could not afford to be housewives, their wage work was often confined within the household and, as a result, made less visible and devalued
- Much empirical evidence on the reliance of global value chains on the outsourcing of work to informal producers, who are often low-paid homeworkers (Chen, 2012)



# Exclusion of unpaid household work from economic indicators

- Households falls largely outside the production boundary (Waring, 1988)
- GDP statistics do not include unpaid household services – e.g. cleaning, acquiring food, cooking and caring
- The exclusion of unpaid household services is wrong because this work is vital to the functioning of local, national and global economies (Waring, 1988; Hoskyns and Rai, 2007)





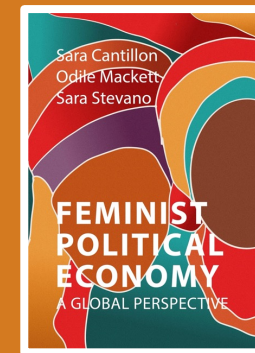
# Rejection of public-private divide

- Accepting the household as a 'private' sphere leads not only to the devaluation of work that occurs within it, but also to its de-politicization (Elias and Roberts, 2016)
- The household is a site of production and social reproduction with internal relations of power and external socio-economic relations
- The state mediates the relations between households and global markets – e.g. disputes between Malaysian state and the countries from which Malaysia receives migrant labour led to strains on the reproductive capacities of middle-class Malaysian households (Elias and Louth, 2016)



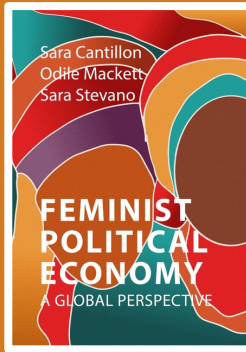
# Context of financialization

- Financialisation implicates households into financial markets – as both investors and debtors
- Household indebtedness is necessary to sustain household consumption and welfare – in essence, we see a process of financialization of social reproduction (Roberts, 2016), social reproduction not only about reproduction of labour-power but about maintaining debt repayment and payments linked with financial markets
- In the Global South, additional feminist engagements with financial inclusion and micro-credit exposed the gender inequality embedded in these interventions to reduce poverty (Natile, 2020; Garikipati et al., 2017)



# A feminist conceptualization of the household

- a) Households are not self-contained units but have elusive boundaries (Kandiyoti 1999); households are connected through economic, social and cultural relations as well as obligations in the local and global economies.
- b) Households are internally fragmented, as they are sites where inequalities and power differentials are reproduced (O’Laughlin 2014).
- c) Households change over time, in response to internal and external processes of change; hence, households have their own developmental cycle (Guyer & Peters 1987).
- d) Households are best understood through qualitative and mixed- method analyses, which allow the capture of complexity and diversity in terms of household formation and composition (Kabeer 1994; Berik 1997).





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**Thanks for watching! 😊**



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