

Unpaid Labor and the Critique of Political Economy in Home Economics and New Household Economics: From the Feminist Economics Perspective

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Abstract:

This paper investigates the relationship between home economics and new household economics. In particular, I consider what is “new” in new household economics from the feminist economics perspective. Home economics was established in the 1920s and 1930s by Hazel Kyrk, Margaret Reid, and Elizabeth Hoyt, while new household economics was established in the 1960s by Jacob Mincer, Theodore Schultz, and Gary Becker. Before the 1960s, mainstream economics concentrated on production for the market. Later, the mainstream economics of the family culminated in Becker’s new household economics. The family, within which unpaid labor is carried out mostly by women, again became an important topic in feminist economics in the 1990s. In this paper, I focus on the theoretical meaning of unpaid labor in these two Chicago schools, home economics and new household economics. I insist that new household economics is not “new” in terms of its approach and method. Rather, its novelty is in the domain of the application of standard microeconomics to the household. I firstly explore the feminist economics perspective. Secondly, I discuss the theoretical meaning of the analysis of unpaid labor in home economics. Thirdly, I examine new household economics from the methodological point of view and policy implications. I then conclude by discussing the relationship between these two Chicago schools.

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I Introduction: Feminist Economics Perspective

An analysis of the family organization and unpaid household labor, particularly care labor, has always been a critical issue in feminist economics.¹ In this section, I clarify the viewpoint of this article. I begin by proposing the way in which the “discovery of unpaid labor” has developed into an analysis of care in feminist economics.

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1. Domestic Labor Debate: Discovery of Unpaid Labor

Debates about the concept of labor in the Marxian conceptual framework took place in the 1970s, namely the “value theory”² and “domestic labor” debates. While these debates are also located in the history of feminist economics, there has been remarkably little progress in terms of developing the theoretical implications of the debates (for a recent critical summary of the debates, see Mohun 1994; Gardiner 2000; Himmelweit 2000). Jean Gardiner, who was involved in the debates as a key member from the outset, reflects on the domestic labor debate and its relevance to the study of gender and care in the 1990s. Gardiner writes as follows:

The ensuing “domestic labour debate” was subject to much criticism. However, one of the starting points for that debate remains valid, namely that a feminist political economy can only be developed fully if a way is found to integrate domestic labour into economic analysis. (Gardiner 2000, 80)

As Gardiner describes above, the main result of the domestic labor debate is to integrate domestic labor into economic analysis, although at that time the analysis rather concentrated on the differences between them. It is also crucial for feminist economics to lead to a broadening of the concept of labor, namely from the dichotomy of labor between paid labor and leisure to the trichotomy between paid labor, unpaid labor, and leisure. Hence, a helpful way forward for feminist economics is, as Gardiner suggests, to refocus on theorizing work in households as unpaid labor, particularly, as care providers (Gardiner 2000, 81).

1 The title of the 1990 American Economic Association annual conference was “*Does feminism find its own comfortable place in economics*,” which is memorable in terms of being the first conference to be capped by “feminism” in the United States. Following that, the International Association for Feminist Economics was founded in 1992, and subsequently, the first issue of *Feminist Economics*, its official publication, was launched in 1995. This was a methodological challenge to traditional economics in terms of “opening the gates that have for so long protected economic theories from fundamental critique” (Strassmann 1995, 1). A memorable event also took place in Japan in terms of the critique of traditional economics. The Japanese Association for Feminist Economics was founded in 2004, and the first conference was held at Hosei University in Tokyo.

2 From 1972 to 1976 or so, considerable efforts were devoted to the elaboration of what might be meant by socialist economics. This involved a resurgence of interest in and controversy about Marxist economics, with extensive debates on value theory, productive and unproductive labor, the theory of accumulation and crisis, and the theory of imperialism. Mohun (1994) reflects on the value controversy and has its origins in these debates with a postscript from the present point of view by each author.

At the same time, however, the domestic labor debate failed to recognize the precise meaning of unpaid care labor and of the structural analysis of the family in terms of social reproduction at the time. There are two reasons for that failure. Firstly, much debate was concerned with the precise nature of the relationship between patriarchy at home and the market economy as well as with the notion that women's responsibility for unpaid domestic labor is the key factor behind their oppression by both capitalism and men (i.e., patriarchal social relations; Hartmann 1976).³ However, the idea of articulation between patriarchal relations and capitalism is theoretically ambiguous and leads to "the relative openness of structural analysis" (Humphries 1995, xxii), because this issue is not based on an analysis of the family organization. Therefore, it leads to the dichotomy in which domestic labor is different from and not tied to the market economy. Whether the two spheres, the family and the market, are understood as connected in the capitalist production process is an important issue for understanding the social meaning of unpaid care labor.

Secondly, as Himmelweit (1995) mentions, the "discovery of unpaid work" in the home, namely the expansion of the concept of labor, directly led to considering unpaid labor to be the same as paid labor in the market and thereby to the exclusion of "what is distinctive about domestic activities, such as their caring and self-fulfilling aspects" (Himmelweit 1995, 1). Indeed, as the capitalist economy developed, much domestic labor such as cooking, cleaning, and washing was included in the social division of labor. Thus the invisibility of care labor such as childrearing and elderly care increased.

On the contrary, I also add that the discovery of unpaid labor in the home leads to an expansion of the concept of living standards, which is another important contribution of the domestic labor debate. As Humphries and Rubery (1984) state, the family has "relative autonomy" from capital accumulation; moreover, unpaid labor in the home as well as paid labor in the market jointly comprises our living standards. In other words, there is a quantitative difference between real wages in the market and living standards in the family. The welfare of the family thus consists of both unpaid and paid labor. The domestic labor debate therefore helped clarify that unpaid labor also produces welfare for the members of a family.

3 Hartmann (1976) provides a typical patriarchal theory, namely that the patriarchy exists in articulation with capitalism and that men have organized to ensure that they maintain their patriarchal power within the workforce and home. This represents a strand of the "feminist standpoint tradition" (Humphries 1995, xxii).

2. Feminist Economics Perspective: From Unpaid Labor to Care

As mentioned above, in the domestic labor debate in the 1970s, feminists attempted to incorporate women's domestic activities into the domain of economics. Under the domestic labor debate, feminists insisted that women's domestic activities should be seen as forms of work and applied the concept of labor to the non-monetized domain of the family. However, although this debate contributed to "the discovery of unpaid work" (Himmelweit 1995, 6), the definition of labor is modelled on the relations of capitalist wage labor in the market. Therefore, as much domestic labor was gradually included in the social division of labor in the market, the invisibility of care labor, such as childrearing and elderly care, increased.

On the contrary, since the mid-1980s, the emphasis on care and the theorizing regarding it within economics has become "a defining feature of the new field of Feminist Economics that has grown up in the 1990s" (Himmelweit 2000, xviii). There are two contributions of feminist economics for the analysis of care theoretically and methodologically.

Expansion of the labor concept and care

The first contribution of feminist economics is to clarify the theoretical difference between much domestic labor, which has gradually been included in the market as women have entered the labor market, and care labor, which is likely to remain in the home. Feminist economics reconsiders the consequences of the expansion of the concept of labor under the domestic labor debate. In this respect, domestic activities are split into two groups as more women have participated in the labor market. According to Himmelweit (1995), the definition should be considered in terms of three aspects in line with that of labor in the market. Himmelweit states that it firstly has the substitutability of domestic labor, that is an opportunity cost, secondly is a part of the social division of labor, and thirdly is the ability to separate the labor from the person who did it.

Himmelweit writes about these three aspects of labor as follows:

In the first place, the implication of calling housework "work," was that it was not something just done for its own sake. It was purposeful actively done with an end in mind. Women cooked food, cleaned houses, and wiped bottoms not because they loved doing so, or because those activities were aspects of femininity, or for any other reason to do with the processes themselves. . . .

Second, housework was "work" in the sense that it formed part of a divi-

sion of labor. There was a division of labor within the household between the earning of money to buy consumer goods and the direct production of goods and service in the home. . . .

Finally, housework is “work” in that it did not inherently matter who did it. . . . It was the results rather than the involvement of the person in the process that mattered. (Himmelweit 1995, 3–4)

Himmelweit confirms that the definition of labor is a purposeful activity that takes time and energy; in addition, it forms a division of labor and is separable from the person who does it. However, although the first and second aspects are applicable to care labor, the third aspect is not, regardless of whether care labor is paid or unpaid. The relationship between a carer and his or her work is crucial, because care labor is “an activity which is inseparable from the person doing it” (Himmelweit 1995, 9). In other words, care labor involves personal activities such as emotional care and support. It is an irony that as many women have entered the paid labor market, so the original meaning of care labor by women at home has been clarified. Hence, although the expansion of the concept of labor led to the discovery of domestic labor in the 1970s, this is abstracted from “the salient features of wage labor producing manufactured products for capital” (Himmelweit 1995, 4), under which work and nonwork take a particularly stark and clear form.

Real Abstraction: Methodology

As mentioned above, the definition of labor is abstracted based on wage labor producing manufactured products and is applied to domestic labor in the 1970s. However, its definition is not applicable to care labor, both unpaid as well as paid care. Hence, it is obvious that the methodology of abstraction is crucial to the feminist perspective. The second contribution of feminist economics is thus its methodology through which the real world is analyzed. So-called “real abstraction” means that the “abstraction that we built into theory should lie a real process that carries out that abstraction in reality” as well as meaning “its ability convincingly to explain the world” (Himmelweit 1994, 171).

Himmelweit (2000) writes on the methodological quest for care as follows:

Although feminist economists deal with all issues concerning women from a variety of theoretical positions, they are also engaged in a continuing methodological quest for a way of encompassing care within economic analysis. Care is becoming seen as an important economic issue at a mac-

ro-level too, as it is increasingly being recognized by policy-makers that any individual's labour market availability depends on the extent to which they or others are carrying out caring responsibilities.

(Himmelweit 2000, xviii)

Further, real abstraction is also at the core of the methodology of Marxist economics (Himmelweit and Mohun 1978; 1981; 1994). Himmelweit writes a postscript to her article about the Marxist value theory as follows:

. . . value theory has not been a major preoccupation of mine in the intervening fifteen years, so looking back on this led me to consider the way in which its general approach has been pertinent to my work in other areas. One idea stands out for me: the notion of *a real abstraction* (emphasis added), the idea that behind the abstraction that we build into theory, as abstraction in thought, should lie a real process that carried out that abstraction in reality. This idea that all theoretical categories must be historically grounded was very useful to me in developing my work on the relation between production and reproduction. (Himmelweit 1994, 171)

According to Himmelweit, real abstraction is the idea that all theoretical categories must be historically grounded. Although the aim of most theories aiming to build explanatory models is to capture real abstractions in thought, the validity of real abstraction depends on the extent to which their categories between different theories correspond to real-world processes. As mentioned earlier in this section, the methodological idea is crucial for analyzing the meaning of care labor, because in the differences in the explanations of care among economists, particularly among home economics, new household economics, and feminist economics, lies the basis for the differences in their methodology. We thus must recognize that methods carry their own ontologies (see Lawson 1997).

II Home Economics and Unpaid Labor: The Critique of Political Economy

In 1995, an extraordinarily diverse international group of women gathered at the United Nations Fourth World Conference on Women, held in Beijing. The conference document insisted that all women's work should be counted as well as men's work (United Nations 1995, 50). Following that, in 1996, the Canadian Census asked how much time was spent on unpaid housework, yard work, home maintenance, childcare, and caring for seniors in order to "provide a much more accurate picture of trends in economic well-being and help estimate the value

and productivity of non-market work” (Folbre 1996, xi). At the same time, *Feminist Economics*, the journal of the International Association for Feminist Economics, put together a special issue on Margaret Reid’s accomplishments⁴ (Folbre 1996, Yi 1996, Forget 1996). Reid is a prominent home economist. However, “not until the 1980s were her conceptual insights heralded as a major contribution to economic theory and widely cited in a growing field of applied research” (Folbre 1996, xi).⁵ The journal particularly focused on her theoretical contribution to the analysis of unpaid labor in her classic book, *Economics of Household Production*, first published in 1934. Folbre writes that Reid “has changed the way that economists thought (or rather, didn’t think) about non-market work” (1996, xi).

The pedigree of new household economics can be traced to the early work by Hazel Kyrk, Margaret Reid, and Elizabeth Hoyt (Kirk 1923; Reid 1934; Hoyt 1938). In this section, I discuss the contribution of home economics to the analysis of unpaid work connected with the feminist perspective at that time. As I argued in the previous section, particularly following Gardiner (1997) and Himmelweit (1994, 1995, 2000), feminist economics contributed the definition of care labor, on the one hand, and the methodology of real abstraction (Himmelweit 2000), on the other. I discuss, in this section, the contributions of home economics from the feminist economics perspective and the relationship between home economics and new household economics. As mentioned below, the theoretical contribution of home economics is the discovery of unpaid work, which is mainly taken by women, and the critique of economics by defining domestic consumption activity as production activity behind the demand curve (Kyrk 1923), which produces the living standards in the family together with the real wage. Although home economics did not argue that care labor is theoretically different from many domestic activities such as cooking, washing, and cleaning, I think that this issue of home economics is connected to real abstraction, which is based on the real world as well as on the critique of classical economics and the marginal utility school.

4 Folbre wrote in the Introduction to a special issue on Margaret Reid, “For Margaret, With Thanks.”

5 Margaret Reid published a paper titled “How New is the ‘New Home Economics’?” (Reid 1977, 181) in the *Journal of Consumer Research*, Vol. 4, No. 3, in 1977. Reid comments on this paper by Ferber and Birnbaum, “The ‘New Home Economics’: Retrospects and Prospects (Ferber and Birnbaum 1977),” in which they criticize Becker’s theory in the context of the relationship between the increase in women in the labor market and the family theory of new household economics.

1. The Development of a National Accounting Framework and Home Economics

The American Home Economics Association was established in 1909 as a result of the “home economics movement,” which was a women’s movement in which women had continued to ask for home economics to be recognized as an academic discipline since the end of the 19th century. In this section, I refer to the theories of Kyrk, Reid, and Hoyt. These three home economists have the common characteristic that they were engaged in both economics faculties and home economics faculties.

Kyrk was a professor of the Faculty of Economics at the University of Chicago. Reid was Kyrk’s successor and her view influenced Theodore Schultz, Franco Modigliani, and Gary Becker at the University of Chicago in terms of the theory of household production. Hoyt was a professor in the Department of Home Economics at Iowa State College, where Reid was a colleague of Hoyt’s before moving to the University of Chicago. Thus, there were theoretical interchanges between home economics and economics in the 1920s and 1930s. Regarding the curriculum at Iowa State University, Thorn (2000) writes as follows:

At Iowa State, all second-year students on campus, no matter what their majors, were required to take two courses in principles of economics. Home economics students had their own classes in economics separate from the rest of the campus but used the same textbook. Following their two courses in principles they then took third course, in consumption economics. In this way Hoyt and Reid could encourage student interest in their new field. (Thorn 2000, 217)

I suggest that an analysis of unpaid domestic work mainly carried out by women at home and of living standards, which include paid work in the market as well as unpaid work at home, are the most important contributions to economic thought in terms of the formation of the economics of the family.

While the background to the introduction of the economic perspective into home economics is as above, two further points can be mentioned. On the one hand, I think that the movement towards the evaluation of women’s unpaid work in the census is important. Indeed, this is inevitably connected with the women’s rights movement that has existed since the end of the 19th century. As an example, I would cite the movement of the Association for the Advancement of Women in the United States. In 1878, an officer of the Association wrote a letter protesting the U. S. Census’s notion that home-keepers were “not gainful

workers” (Folbre 1991, 463). In the letter, they argued about the assumption that housewives were unproductive workers because they earned no pay, writing “we pray your honorable body to make provision for the more careful and just enumeration of women as laborers and producers” (Folbre 1991, 483–484). Indeed many census categories appear objective and value-free. These, however, were laden with cultural and political values.⁶

On the other hand, I can point to the historical background whereby some economists had attempted to estimate national accounts, particularly in Sweden, the United Kingdom, and the United States in recognition of the productive nature of household work (Jefferson and King 2001, 74). In particular, in the United States, much of the early work on censuses was vigorously carried out by Simon Kuznets at the National Bureau of Economic Research. Kuznets stresses the “subjective nature of national income estimates” (Jefferson and King 2001, 74) as follows:

Exclusion of the products of the family economy, characteristic of virtually all national income estimates, seriously limits their validity as measures of all scarce and disposal goods produced by the nation. The line of division between the business and the family economy differs from country to country, and for the same country from time to time. The temporal differences are especially important for our estimates, since they occur not only over long periods but also, given violent cyclical fluctuations, over short.

(Kuznets 1941, 10)

Kuznets tentatively estimates the value of household production in the United States in 1929 to be 35% of GNP. Kuznets’ work followed other efforts in the United States that aimed to quantify national income and encountered similar difficulties (Jefferson and King 2001, 75). The most significant contribution of Kuznets and his successors has been to highlight the monetary value of the household work carried out mostly by women.

2. Home Economics and the Analysis of Unpaid Work

Hazel Kyrk: Consumption Analysis and Critique of Political Economy

Kyrk was one of the forerunners of home economics and consumption economics. Throughout her academic career, she took a special interest in women, being

⁶ Scott writes on the “Statistical Representation of Work” in her *Gender and History* as follows: “Statistical reports exemplify the process by which visions of reality, models of social structure, were elaborated and revised” (Scott [1988] 1999, 115; see also Folbre 1991, 464).

aware of the work by Wesley Mitchell and his associates, and encouraged her students (including Margaret Reid) to examine possible methods for measuring the contribution of household production to the economy (Yi 1996; Dimand et al. 2000; Jefferson and King 2001). In Kyrk's (1923) classic book *A Theory of Consumption*, she defines the object of home economics as the consuming process that "lies behind the individual's market choices" as follows:

Any attempt to appraise the welfare results of our wealth-producing activities leads inevitably to the consuming process, to an analysis of the motives, purposes, and interests which lie behind the individual's market choices. (Kyrk 1923, 10)

Kyrk's theory has two characteristics. On the one hand, as mentioned above, she attempts to connect the economic perspective with home economics. As Ikegaki (2010) also states, I think that the home economics of those days was different from the traditional one that continued from the end of the 19th century, and is situated during the transition to a new field, such as family economics. Kyrk writes as follows:

It must be understood, the present study is not conceived as a problem in price theory, nor as a problem in commercial organization, nor is it conceived as a study of household budgets to show how a certain class or community lives. Rather it should be regarded as an attempt to analyze an important set of human activities, and to comprehend the way in which they are carried on. (Kyrk 1923, 4)

Margaret Reid: Home Production Function and Theory of Unpaid Labor

Reid attempts to clarify the concept of home production and criticizes Ellen Richards' comment, "The home has ceased to be the glowing centre of production . . . and has become . . . a place of consumption not of production" (Richards 1915, 25; Reid 1934, 3) as well as Delisle Burns' comment, "In modern industrial countries women are generally consumers and men are generally producers" (Burns [1925] 2015, 202; Reid, 1934, 4). Regarding the reason for the neglect of home production at the time, Reid (1934) also states in her book, *Economics of Household Production* the following:

This neglect of household production is partly due to the fact that we tend to be especially blind to things which are close at hand. But perhaps it is due even more to the fact that the household is not a money-making institution. The more we have concentrated on money value the more we have

overlooked that part of our economic system which is not organized on a profit basis. (Reid 1934, 3)

Reid then clearly defines household production as unpaid activities and attempts to measure the economic value of women's housework by the use of opportunity cost, as follows:

We are now prepared to complete our definition of household production. It consists of those *unpaid activities which are carried on, by and for the members, which activities might be replaced by market goods, or paid service, if circumstances such as income, market conditions, and personal inclinations permit the service being delegated to someone outside the household group.* (Reid 1934, 11)

Although, as Yi (1996) highlights,⁷ Reid contributed to the theory of the value of time and time allocation before Becker's new household economics, I insist that Reid's important contribution was to define women's domestic work as unpaid work and consumption as household production, in which women's labor time as well as market goods were invested.

Elizabeth Hoyt: Consumption Analysis and the "Value of Living"

Hoyt was both an economist and an anthropologist, and she studied consumption as culture throughout her life. She supervised a survey of the value of living of 147 Iowa farm families from 1926 to 1929. Thorne writes that "her study is unique because, in addition to the usual account of expenditures, she sought information on intellectual, aesthetic, social and leisure activities" (Thorne 2000, 216). Hoyt was also the pioneer of today's consumer price index. However, the theoretical context of these economic and anthropological studies was "somewhat ambivalent" (Jefferson and King 2001, 77). She tentatively placed her work within the framework of marginal utility analysis as follows:

Marginal analysis in a deeper sense, however, is at the heart of consumption. . . . In this deeper sense it implies exploration into the nature of types of satisfaction over a period of time. In order that the greatest sum total of satisfaction may be secured we must study potential satisfactions of all

7 Yi (1996) writes as follows: "Throughout her academic career, Reid inspired several of her male colleagues, notably Schultz, Friedman, Franco Modigliani and Gary Becker, all of whom went on to receive Nobel Prizes in economics. Modigliani even cited her work in his 1985 Nobel lecture, stating that his own accomplishments were greatly inspired by Reid's work. He acknowledged Reid's contribution to his Life Cycle Model" (Yi 1996, 20).

sorts and their relationship to one another; we must know also the relative costs to us of securing satisfactions in order that not only our money but our time and our energy may be most economically bestowed.

(Hoyt 1938, 381)

Kyrk, Reid, and Hoyt analyzed unpaid domestic labor as production behind the demand curve with a background of the development of the study of national accounts in the 1920s and 1930s. At the same time, there were few analyses of care labor in home economics. However, I think that the contribution of home economics offers a critical perspective to economics at that time (e.g., classical economics and the marginal utility school) and that its perspective leads to the analysis of unpaid labor in the home. Therefore, the methodology of home economics is not a mainstream one but rather a heterodox one connected with the gender perspective. In particular, Reid's family analysis practically inspired her male colleagues, notably Schultz, Modigliani, and Becker (Yi 1996, 20) and she is often considered to be a mainstream economist. However, I think that the critical perspective of her analysis of unpaid labor is practically inherited not by new household economics but by feminist economics in terms of the gender perspective.

III New Household Economics: Theoretical and Political Context

From the outset, feminist economics have challenged neoclassical family theory, which culminated in Becker's new household economics, in which the family organization is analyzed under the assumption that it is a kind of firm that consists of one employer (the husband) and one employee (the wife). By doing so, the division of labor in the family is rationalized. New household economics indeed highlights the importance of the household as the relevant decision-making unit, with significant implications for the analysis of labor supply. However, new household economics was not new in terms of approach or method. The novelty lay in the domain, namely "the application of standard microeconomics to choices made within the household" (Humphries 1995, xix).

1. Household Production Model⁸

Becker writes on the gender division of labor within the family and the allocation of time between alternatives as follows:

Increasing returns from specialized human capital is a powerful force cre-

8 Sections III.1 and III.2 are revised versions of material in Hara (2004, 92–94).

ating a division of labor in the allocation of time and investment in human capital between married men and married women. Moreover, since child care and housework are more effort intensive than leisure and other household activities, married women spent less effort on each hour of market work than married men working the same number of hours. Hence, married women have lower hourly earnings than married men with the same market human capital, and they economize on the effort expended on market work by seeking less demanding jobs. (Becker 1985, 33)

This well-known preamble to Becker's (1985) "Human Capital, Efforts, and the Sexual Division of Labor" has been used as a popular explanation of the gaps in the labor market, such as gender and racial wage differentials and the disparity between married and unmarried women. According to new household economics, a household economy is one in which the wife (or the husband) exchanges life (housekeeping) time for market goods and performs household production so that the firm can invest labor time, raw materials, and capital in the market and that market production can maximize utility. The concept of "household commodities" (Becker 1965) expresses this logic exactly. In this respect, Ben-Porath (1980) assumes the following three types of family transactions in the standard household production model that generates a surplus:

1. As a "producer cooperative", a family has members which can exploit comparative advantages by specializing in the market and work at home in conjunction with intra-family trade.
2. As a "consumer cooperative", the family allows the joint use of invisible goods and achieves decreasing costs through economies of scale.
3. As an "insurance group", the family produces security through the exchange of mutual promises for aid. (Ben-Porath 1980, 19–22)

In Becker's model, although a woman and a man initially start out with the same intelligence and the same education, it is assumed that if the couple has a child, the woman is biologically more productive at housework and she increases her advantage in household production. Therefore, she spends more time on this activity and invests in household-related human capital. At the same time, the "household commodities" in the family are expected to generate more welfare for family members than in separate single-person households.

Feminist economics has criticized this assumption of new household economics, in which the division of labor is based on biological sex differences in advance and therefore never considers the structural cause of gender discrimination.

2. Feminist Neoclassical Economics

Feminist neoclassical economics (Gustafsson 1997) was fundamentally based on Becker's new household economics in terms of methodology. However, it was largely concerned with criticizing mainstream economics from within neoclassical economics by using new institutional economic theory such as the game theory model and transaction cost approach.⁹ Siv Gustafsson, a neoclassical feminist economist, presents the following three versions of the feminist approach. The first version rejects neoclassical theory and argues for the need for an alternative feminist economics, which I call feminist economics in this paper. The second version argues that the feminist perspective should be applied to existing economic theory (neoclassical economics), whereby different policy implications will be drawn. The third version argues that feminist economists will improve neoclassical theory by removing its male bias to reveal a mechanism by which the overall efficiency of the economy can rise. The second and third versions are based on the neoclassical economics framework, particularly on methodological individualism and efficiency maximization.

Thus, feminist neoclassical economics unites within itself the following two characteristics. Firstly, it seeks to improve neoclassical economics by using tools such as game theory and the transaction cost approach based on gender awareness. Secondly, it is essentially based on the neoclassical economics method. It seems that feminist neoclassical economics is theoretically based on methodological individualism, on which neoclassical economics is based. Politically, however, it applies the feminist perspective to existing economic theory. It is thus based on a mixture of neoclassical economics and the feminist perspective. Certainly, this prompts the question as to whether feminist neoclassical economics may not be inconsistent with neoclassical economics in terms of methodology and can deal with gender inequality in a structural context (see Humphries 1998).

Ott (1995) also assumes from the game theory standpoint that the above-mentioned three types of family transactions in new household economics actually require long-term contracts within the family, criticizing Becker's traditional view as too narrow in terms of a methodology for analyzing the family organization. Ott writes as follows:

Such situations can be analyzed with game theoretic bargaining models.

9 The International Conference "Out of the Margin" in Amsterdam in 1993 brought together hundreds of feminist economists explicitly to look at feminist perspectives on neoclassical economics (Kuiper and Sap 1995; also see Gardiner 2000).

Assuming family members are able to communicate and to make binding contracts, a cooperative game seems an appropriate approach. It offers solutions which are Pareto optima, satisfy the above conditions, and provide an internal distribution depending on the outside option.

(Ott 1995, 81)

Ott (1992) also shows that even if the division of work and trade is optimal in the short run, as Becker predicts, it is not optimal from a long-term perspective because it implies decreasing power and outside options for the partner specializing in household production and suggests that a suboptimal number of children will therefore be born. Ott analyzes the decision to have a child as a prisoner's dilemma. Although Ott examines the division of work within the family by using a bargaining model and seeks to improve Becker's model from a feminist perspective, my concern here is whether the feminist neoclassical economics approach is successful in terms of analyzing gender division within the family organization.

On the contrary, Rosén (1997) employs a discrimination model based on "an equilibrium search-matching framework" (Rosén 1997, 1598), showing "symmetric information and match-specific differences in productivities" (Rosén 1997, 1598–1599) between jobs and workers. Rosén assumes that employers have a taste for discrimination just like Becker. However, the discrimination mechanism is that women receive fewer job offers than men, in contrast to Becker's model in which women are paid less. The presence of discrimination then leads to a "unique stable equilibrium outcome," namely suboptimal matches with losses of economic efficiency. She also shows that discrimination will not disappear in the long run, because the discriminatory equilibrium is stable and affirmative action may be needed to bring about a more efficient non-discriminatory equilibrium. While Becker states that the discriminating equilibrium is unstable, destroying itself in time under some conditions, Rosén's discriminating equilibrium is stable and will not destroy itself. Rosén writes as follows:

Workers . . . start applying for jobs for which they are not particularly well suited, the average quality of applicants from this group is reduced, which in turn makes firms more reluctant to hire them. Thus, if some firm discriminates against this group (e.g. black, women) in the hiring decision, it is rational for every other firm to do so too. (Rosén 1997, 1590)

It has been shown that discrimination is the unique (type of) stable equilibrium in a model where no one has prejudices. Workers who are discrim-

inated against will be less likely to be hired for jobs they apply for. Therefore, they will be less choosy and will apply also for jobs they are not so well suited for, which in turn makes it rational for firms to discriminate against them. (Rosén 1997;1605)

Feminist neoclassical economics obviously uses the tool of neoclassical economics with gender awareness to seek gender equality and insists on an “equilibrium involving discrimination” (Rosén 1997, 1590), even in the long run. On the contrary, neoclassical economics is fundamentally about marginal changes

Table 1 Division of work within the family

Becker	Ott
<i>Division of work</i> and trade lead to specialization gains.	<i>Division of work</i> lowers the home working partner's threat point, leads to tied marriages and fertility decisions as prisoner's dilemma.
<i>Feminist goals</i> can be achieved by trading off efficiency equity.	<i>Feminist goals</i> can be achieved by policies which simultaneously improve Pareto optimality, i.e. economic efficiency.
<i>Policies</i> to promote feminist goals might decrease economic efficiency due to decreased specialization gains.	<i>Policies</i> to promote feminist goals, e.g. subsidized childcare, paid parental leave, and tax rules benefiting two-earner family, might increase economic efficiency.

Source: Gustafsson (1997, 44)

Table 2 Discrimination

Becker	Rosén
Employers have a <i>taste for discrimination</i> and discriminate against women by paying them a lower wage equal to their subjective cost of employing women.	Employers discriminate against women by <i>not making job offers</i> which results in women accepting less efficient job matches than men.
<i>Feminist goals</i> of equal wages can under some conditions be achieved <i>automatically</i> with time because non-discriminatory employers will make profits and drive discriminating employers out of business.	<i>Feminist goals</i> will not materialize without action because <i>discriminatory equilibria</i> are the only stable equilibria.
<i>Affirmative action</i> , quotas etc., that do not affect the coefficient of discrimination may result in less productive persons being hired and may decrease the efficiency of the economy.	<i>Affirmative action</i> will lead to <i>better matches</i> and may increase the efficiency of the economy.

Source: Gustafsson (1997, 50)

in prices and incomes in the short run. As mentioned above, Ott is concerned with the family organization from the game theoretical framework, whereas Rosén assumes a discriminatory job matching procedure. However, both Ott and Rosén insist that Pareto optimality, that is economic efficiency, is improved by affirmative action, and social policy such as subsidized childcare. However, there is a clear inconsistency in their political implication towards gender equality by introducing affirmative action and quota systems, and their theoretical distinction of improving Pareto optimality by doing so. Feminist neoclassical economics certainly criticizes the narrow framework of Becker's household model, however, it is fundamentally based on a methodology shared by Becker. This is because feminist neoclassical economics assumes that if long-term contracts and affirmative action are introduced into the family organization, they will finally offer Pareto efficiency. The theories of these two feminist neoclassical economists are compared with Becker's in Tables 1 and 2.

IV Conclusion

In this paper, I have argued the relationship between home economics in the 1920s and 1930s and new household economics in the 1960s from the feminist economics perspective. As mentioned above, feminist economics, which was established in the 1990s, has been engaged in a continuing methodological quest to understand the relationship between the family and the market. In particular, the analysis of unpaid care labor is a critical issue for feminist economics with regard to both the theoretical meaning of care and the policy implications such as sex discrimination in the division of labor in the family and in the market.

Furthermore, from the outset, the nature of feminist economics has tried to investigate the new household economics and to criticize its lack of gender awareness. Although mainstream new household economics has concerned itself with the time allocation between sexes, its analytical methodology is analogous to the theory of comparative productivity in the market. New household economics supposes that the family organization is a kind of firm, in which men are the employers and women are the employees. The analysis of the family has thus been left in a "black box" (Kuba 2002) in new household economics. I have also argued that feminist neoclassical economics is theoretically mixture of market equilibrium theory based on Becker and gender awareness such as affirmative action. However, as mentioned above, there is lack of structural analysis of gender inequality, particularly of the meaning of care labor, which is mainly provided by women at home.

In this paper, I am concerned with the three most prominent female home

economists, Kyrk, Reid, and Hoyt. The characteristics of home economics was firstly a critique of political economy of the time, such as classical economics and marginal utility theory, in which consumption in the home had been mentioned as subject matter only in relation to the market. Secondly, it was an analysis of unpaid labor and living standards in the home, which include unpaid domestic work and real wages. Indeed, “Decades before Becker’s theory of the allocation of time, Kyrk, Hoyt, and Reid had all recognized the importance of time in household production and consumption” (Jefferson and King 2001, 77).

Finally, I also discussed what is “new” in new household economics. Although new household economics highlighted household economics, its methodology is not new but rather represents a narrowing to microeconomics while ignoring the unpaid work elaborated on by home economics in the 1920s and 1930s.

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