Introduction

It has been more than 60 years since Wesley Mitchell published the first formal study on household production valuation in the United States. In the intervening period, the study of household production definition, quantification, modelling and valuation has become a serious subject of inquiry within the economics discipline. On quantification and evaluation studies alone, no less than 100 papers are recorded in journals, books and monographs published in North America, Europe, Asia, Africa, Latin America and Oceania. While many of these studies are microeconomic in content — the focus being on cross-sectional household behaviour, housework and labour force participation, division of labour, modelling household production, and factors affecting quantity and economic value of homework — the rest of the papers are on a social or macro economic accounting of the aggregate value of household production.

The time seems right therefore that this paper surveys and brings to date some 20 major empirical studies on aggregate housework valuation in North America, Europe and Asia. A summary is provided for each of the study on the methodologies chosen, and findings on the quantity and economic value of household production. Because the resulting GNP values of household production vary by as much as 20 to 60 percent, explanations for this disparity are also offered.

* I am grateful to an anonymous referee for providing very constructive comments. However, I alone am responsible for any errors that remain.
Interest in Household Production

Before the seminal paper by Gary S Becker (1965), economists have often regarded the activities of households as purely consumption activities. The textbooks' version of the circular flow of income has always been that households supply labour to firms in exchange for money income, and the money income is then used to buy the firms' production. Thus, the traditional dichotomy is such that production occurs in the market and consumption occurs at home. Becker's household production model however changed this traditional thinking in toto. Modern economic theory now views the family-household as a firm engaged in the production of utility-yielding home goods and services using market-purchased goods and the time of family members as factor inputs.

Complementing the household production model are the increasing number of time-budget studies on households undertaken mainly by Cornell and Michigan economists (Walker and Woods, 1976). These time-budget studies provide comprehensive accounts of the use of time by households on market activities, home activities, and leisure. Improvements in data availability and collection, and advances in microeconomic theory have thus provided the stimulus for household production research.

Discussion of the contribution of household production centre mainly on two issues: the amount that is produced, and the economic value attributable to the time necessary to produce it. The amount of time used to provide the day-to-day services of cooking, cleaning, washing and the myriad other chores that are demanded by households is clearly not insignificant. It represents a very substantial portion of the total productive time available to members of a household and to any society generally. Concerns with the value of household production focusses social accounting of this significant but uncounted economic production, matrimonial property settlements, and assessing damages in cases involving loss of household services due to injury or death.

The original and continuing impetus for valuing household production stems from the observation that estimates of the total production of goods and services in a country — the Gross National Product — are deficient as they neglect to take into account the production which occurs at home. This results in a great deal of misinformation and deficiencies in the final set of estimates for use in public policy, inter-temporal growth calculations, market and non-market interactions.

Of increasing practical importance is the valuation of household production for use in matrimonial property settlements. Very often, the division of matrimonial properties during divorce proceedings is based on respective spousal contribution to the care of the household.

Deriving a measure for the value of household production has also important applications in the area of tort litigation or the settlement of legal