On private incentives to acquire household production skills

Steinar Vagstad

Department of Economics, University of Bergen, Fossuinckelsgate 6, N-5007 Bergen, Norway
(Fax: +47-55-58-9210; e-mail: steinar.vagstad@econ.uib.no)

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Abstract. In non-cooperative family models, being good at contributing to family public goods like household production may reduce one’s utility, since it tends to crowd out contributions from one’s spouse. Similar effects also arise in cooperative models with non-cooperative threat point: improved contribution productivity entails loss of bargaining power. This strategic effect must be traded against the benefits of household production skills, in terms of increased consumption possibilities. Since cooperation involves extensive specialization, incentives to acquire household production skills are strikingly asymmetric, with the one not specializing in household production having strong disincentives for household skill acquisition.

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1. Introduction

The nature of the sexual division of labor has undergone vast changes the last few decades. The traditional pattern of specialization, with a breadwinning father and a mother solely working at home, is fading in importance.

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However, also modern households practice a substantial degree of specialization, for instance with women choosing working arrangements that are compatible with having the main responsibility for children. Also in families without small children we find a pattern of women taking more than half of the household work, while men typically spend more hours than women in paid work. The existence of comparative advantages is one explanation of this phenomenon. Gary Becker (1991) has pointed out that even small comparative advantages may lead to substantial specialization. Moreover, in order to maximize family output the family members should allocate their productive investments (their “education”) according to the sector of specialization: the one specializing in household production should invest to improve his – or rather her, to frame the discussion using traditional gender stereotypes – household production skills, while the one specializing in market work should undertake investments that improve his labor market performance. This implies that even if “natural” differences between men and women may be rather small, these differences tend to increase as a consequence of investment decisions. If there is learning-by-doing this would work in the same direction.

A problem with Becker’s explanation of how comparative advantages may have evolved is that it cannot account for the fact that already at the date of marriage the family members have developed substantial comparative advantages, along traditional gender roles. It is well-known that women and men educate in different directions. Perhaps even more striking are the differences between the sexes in what can be called domestic skills: an average woman about to be married is much better skilled to keep and maintain a house than is her coming husband, and this difference is found for a broad range of housekeeping activities: caring and nursing children, washing and mending clothes, shopping, house cleaning, cooking, baking, etc. These are skills that are rarely acquired through formal educational, but rather passed on from parents to children or acquired by self studies.

Another problem with Becker’s explanation is that what is in a family’s joint interest is not necessarily in the interest of the individual family members. In particular, the investments (“education”) required to maximize family output is not necessarily serving the interests of the individuals who have to make those investments. Therefore, families and households should not be treated as single-person decision-makers, but rather as a collection of individuals with some degree of conflicting interests. Consequently, the fact that specialization maximizes family output is not a fully satisfactory explanation of the observed division of labor: it has to be verified that specialization is in the individual’s interest. This applies in particular to decisions that are made before families are formed.

Often, skill acquisition, choice of education and many other decisions in life do not reflect rational decision-making but can rather be seen as responses to some social norms. This raises the question how these social norms have developed. The present paper also attempts to give an answer based on individual incentives – measured by private returns to improve one’s household production skills.

Our point of departure is a non-cooperative model of family decisions, as laid out by Konrad and Lommerud (1995). On the topic of private provision of public goods, see Bergstrom et al. (1986). In their model, each of the two family members divide their time between market work and household work.