

## UNDERSTANDING MAINSTREAM ECONOMICS OF THE HOUSEHOLD

MARIA FLORO

### 1. Main objective of the session:

This introduces the New Household Economics (NHE) and the assumptions and features of the Becker Model of the Household, particularly the household gender division of labor, and policy implications.

### 2. Brief description or outline of subtopics that will be discussed in each lecture slot:

I. Overview of New Household Economics

II. Becker's Model of the Unitary Household

- Rational Economic Man (Homo Economicus)
- Utility and Production Functions
- Specialization and Division of Labor

### 3. Learning objectives:

At the end of the session, students are expected to:

- Understand the basic elements and features of the economic model of the unitary household;
- Learn about the underlying assumptions, particularly the rational economic man (homo economicus);
- Identify the predictions regarding the household division of labor and their policy implications.

### 4. Contents or topics of the session or sessions:

The content is expected to take into account the following:

- Key concepts: New Household Economics, Homo Economicus, Comparative Advantage and Specialization, Gender Division of Labor.
- Gary Becker's Model of the Household (Theory of the Family) and relevant equations (e.g. Utility Functions and Production Functions)

### 5. Required Reading (1 per lecture slot)

- Becker, G. (1991) A Treatise on the Family. Cambridge: Cambridge University Press, Chapters 1 and 2.

### Reference:

Eswaran, Mukesh (2014). Why Gender Matters in Economics. Princeton: Princeton University Press, 2014, Chap 3.

### Supplementary Resources

Pollak, R. (2003) 'Gary Becker's Contribution to Family and Household Economics,' Review of Economics of the Household, 1(1-2), 111-41.