

Valuing Human Milk in GDP: Market Values for Imputation of Non Market Household Production through Breastfeeding

Julie P. Smith

ANU

julie.smith@anu.edu.au

This paper addresses debates about future reform of the SNA and its boundaries, through a focus on encompassing human milk in core GDP. For over half a century, the UN System of National Accounts (SNA) framework has shaped how economies are viewed, economic performance is measured, and public policy priorities are set. Its central element, GDP, is facing heightened pressure to make it more relevant and useful as an indicator of economic advancement. In 2014, reforms to the SNA framework were implemented in European countries through national statistical offices acting to including illegal prostitution in GDP. Reflecting on how GDP is measured The Economist asked, ‘Is a nation really doing better when its sex- and drug-trades are growing more quickly?’ In contrast to reforms for including illegal sex services in GDP, and despite the emergence of national and international markets in human milk, and established SNA rules for including imputations for non-market subsistence production of households in core GDP, little priority has been given to this reform. Yet the issue of trade and exchange of human milk is of increasing policy relevance.

In 2017, for example, the Australian government approved a local dairy entrepreneur, Neolacta, importing and selling breastmilk (<http://www.abc.net.au/news/2017-06-15/indian-company-neolacta-looking-to-sell-breast-milk-to-australia/8619020>)(<http://www.dailymail.co.uk/news/article-4607058/NeoLacta-Lifesciences-importing-milk-Australia.html>.) The company proposes that milk donated by mothers in India will be shipped and sold to Australian hospitals. Another company has been selling breastmilk in the United States since 2015 (1, 2). Unlike Neolacta’s Indian proposal, Ambrosia Milk paid Cambodian mothers for their milk. The biggest player in the US and globally remains Prolacta, a for profit company which has been collecting milk through milk banks for around US\$30 a litre and turning into a commercial product sold to US hospitals for nearly US\$300 a litre. This expansion of international trade in human milk reinforces arguments that national accountants should address the issue of imputing the value of non-marketed human milk into GDP (3-5). Human milk has been demonstrated to fit SNA criteria for inclusion, yet is not counted in GDP. The influential French Presidential Commission on Measuring Economic Progress cited human milk as an example of how excluding non-market household production from GDP distorted key statistics and public policy:

‘There is a serious omission in the valuation of home-produced goods – the value of breast milk.

This is clearly within the System of National Accounts production boundary, is quantitatively non-trivial and also has important implications for public policy and child and maternal health.’

(6)

This paper examines how market values can be used to value non market household production of human milk, and argues for countries to prioritize experimental estimates of human milk, illustrating how this influential global institution can be reshaped to generate more accurate and gender inclusive measurement of economic well-being within current SNA production boundaries.

1. Clark E. Utah Company Finds Alternative to Formula with Breast Milk Purchased from Cambodia. In: Good4Utah.com: Nexstar Broadcasting, Inc.; 2016.
2. Jackson W. Local breast milk for sale in the US. Phnom Penh Post 2015.
3. Smith JP, Ingham LH. Mothers\' milk and measures of economic output. *Feminist Economics* 2005;11(1):41-62.
4. Smith JP. Including household production in the System of National Accounts (SNA) – exploring the implications of breastfeeding and human milk provision In: International Association for Research on Income and Wealth General Conference - August 5-11, 2012 2012; Boston, U.S.A.; 2012.
5. Smith JP. Presentation: Increasing GDP relevance and usefulness in a changing, globalising world - arguments for measuring a unique and complex food - human milk - in GDP. In: IARIW-Bank of Korea Conference “Beyond GDP: Experiences and Challenges in the measurement of Economic Well-being,” Westin Hotel, Seoul, Korea,; 2017.
6. Stiglitz JE, Sen A, Fitoussi JP. The measurement of economic performance and social progress revisited; Reflections and overview. Paris: French Observatory of Economic Conditions - Economics Research Center; 2009.