

## *The Study of Women and Gender in Economics*

*What if . . . economic theory creates myths that strengthen the hands of the most powerful, greedy, and short-sighted economic actors, while needlessly undermining normal human ethical sensibilities and normal human aspirations for a society that is prosperous, just, and sustainable?*

Julie Nelson<sup>1</sup>

### **Introduction**

Since the 1970s, feminist scholarship has had a profound impact on many academic disciplines. In the humanities and much of the social sciences it has challenged definitions and expanded the boundaries of knowledge by confronting and addressing gender issues that were previously excluded from accepted knowledge. These efforts have transformed the disciplines by altering many of the basic androcentric assumptions behind traditional knowledge. In economics the feminist critique has yet to have a transformative effect on the core tenets of the discipline, despite the presence of feminist voices since the 1970s and the attention that mainstream economics has given to questions about the division of labor in the family and about labor market-based inequalities. Unlike other fields, economics is largely characterized by a single orthodox core—also known as neoclassical economics—which has shut out heterodox alternatives and proved resistant to feminist critiques.

Despite this resistance, feminist economics has flourished, largely in a parallel universe, and can claim a substantial body of innovative work while at the same time maintaining its critical stance towards the discipline. Feminist economics is not a distinct school of thought in economics, but rather represents the use of gender lens for doing economic analysis. Born out of multiple intellectual traditions, feminist economics continues to be a

pluralistic field. The big tent of feminist economics encompasses neoclassical economists and heterodox economists of different perspectives, together with feminist researchers from other social sciences who examine the socio-economic aspects of gender inequality. Included are scholars who work with the "master's tools," as bell hooks would put it, some using these to critique the master's work and continuing the conversation with the mainstream, while others use them to build gender-awareness in the discipline; and yet others eschew these tools as they continue on alternative paths to doing economics.

This chapter tells the story of feminist economics, its origins, central principles, main contributions, discourses, and emerging research agendas. This review starts with the established approaches in the discipline—neoclassical economics and the primary heterodox alternatives of Marxian and institutional economics that provided the starting point of feminist critiques. A strong impetus for the development of contemporary feminist economics was its critique of the neoclassical mainstream—its assumptions, models, methodology, methods, and pedagogy. These critiques drew upon epistemologies and methodological developments in feminist theory in other disciplines. Much of the empirical evidence that challenged mainstream economics was generated by researchers dealing with developing countries, who provided valuable insights on the lives of women in diverse settings and new standpoints from which to construct knowledge.

Second, we examine the turning point in economics in the 1980s and early 1990s when feminist critiques achieved coherence and stronger consensus, building on the parallel efforts of many feminist scholars since the 1960s and 1970s. The founding of the International Association for Feminist Economics (IAFFE) in 1992, followed by the launch of its journal *Feminist Economics* in 1995, marked the growing feminist challenges to the discipline—what Albelda (1997) has called "disturbances in the field." The 1993 book *Beyond Economic Man*, edited by Marianne Ferber and Julie Nelson, captured some of the different aspects of the moment (Ferber and Nelson 1993). The capabilities approach, rooted in economic development discourses, was also articulated during this period, providing an example of an emerging feminist alternative framework. *Feminist Economics* created the space for conversation among feminist economists and other gender scholars from different intellectual traditions and disciplines.

Third, we examine the contributions of feminist economists. Drawing upon heterodox economic approaches and feminist research in other disciplines since the 1980s feminist economists have begun to reconstruct economics as the study of social provisioning for human life, through interdependent paid and unpaid economic activities mediated by markets, households/community, and the government. This approach has led to the

development of a body of knowledge that is more accountable to the diversity of the lived experiences of women and men. Using this social provisioning approach has led to a substantial body of research on gender inequalities in the key provisioning activities that use paid labor and unpaid labor, and on the key sites of these activities—labor markets, households, and communities. Feminist research efforts have also focused on macroeconomic policies that frame how (and how well) people are able to secure their livelihoods and to meet their needs. Our examination includes feminist analyses of dominant neoliberal macroeconomic policy and the relationship between economic growth and gender inequalities, and feminist ecological economics.

We conclude with comments on the extent to which gender analysis of the economy has altered the established economics traditions, including heterodox work that has a substantial theoretical and methodological overlap with feminist thought. We consider the fragmentation of heterodox approaches as a weakness that prevents the emergence of a coherent alternative to the dominant mainstream economics. We argue that the next step in the agenda has to be a greater engagement among heterodox approaches. We hope that closer partnerships in developing analytical frameworks to address the multiple crises and problems that face the world today—including the jobs crisis, the climate crisis, food crisis, and various forms of injustice—will result.

## Gender and Economic Analysis: A History

Feminist economics as a lens has emerged from disparate histories of engagement with gender questions in the discipline. Mainstream (neoclassical) economics, Marxian theory, and institutional economics are distinct strands that contributed to the questions raised by feminist economics. While historically Keynesian or post-Keynesian economics has not engaged with gender questions this approach could also well complement feminist economics, as recent engagements with this question argue (Danby 2004; Van Staveren 2010). In what follows, we briefly review the evolution of these approaches, bringing the discussion up to the 1980s and 1990s when feminist critiques in economics gathered significant momentum.

### *Neoclassical Approach*

Mainstream economics has a history of inclusion of questions pertaining to inequalities between women and men that goes back to the nineteenth and early twentieth century.<sup>2</sup> The discipline, born out of the classical economists, was further developed in the late nineteenth century in the context of capitalist industrialization that had moved production from the household into

factories and amidst the dominant Victorian gender norms and strict gender division of labor. This context and the privileged class and gender position of the mainstream economists shaped what they thought was worth studying as an economic problem with respect to women (Barker and Feiner 2004). Early neoclassical economists subscribed to the views that women belonged in the home, the work they did was unproductive, and if they engaged in paid work, they were not worthy of pay equal to that of men (Pujol 1992).

Neoclassical economists' interest in women's role in the economy increased in the late 1950s and early 1960s as a growing number of married, middle-class women in the US and Europe began leaving their socially assigned domain (home) and joining the workforce. The phenomenon in some sense was puzzling, since family (husbands') income was rising at that time and thus a decline in women's paid labor supply might have been expected. In a radical departure from the ideological stance of early neoclassical economists in analyzing women's economic status, the new generation used their economic theories to explain gender inequality. Jacob Mincer's explanation was that the rising educational level of women and increased demand for labor raised the opportunity costs of staying at home (Mincer 1962); that is, women's incentive to enter the labor force was stronger than the incentive provided by the rise in husbands' income to stay at home. In economics-speak, this was a classic case of the "substitution effect" offsetting the "income effect." Mincer formulated this analysis at about the time Betty Friedan wrote *Feminine Mystique* (1963), which detailed the multiple problems facing full-time homemakers in America's growing suburban society (Friedan 1963). Friedan's description of women's oppression and stifled yearnings and aspirations was in sharp contrast with the simplistic economic analysis of opportunity costs in Mincer's model. The contrast was symbolic of the tasks ahead if the feminist questions raised by Friedan were to be taken up by economic analysis. Much more than narrow economic explanations would be needed to explain women's experiences in the home and the paid labor force.

In the 1960s and 1970s neoclassical economics produced an explanation for the observed specialization of women and men in household and market work, respectively, and gender wage inequalities. In the human capital theory formulated by Nobel-prize-winning economist Gary Becker, women were said to earn less than men because they chose low-paying occupations, and had fewer years of and different kinds of schooling compared to men, since they prioritized their work in the family, wanted flexibility, and did not plan continuous attachment to the labor force. Thus, wage inequality was said to be due to women's own choices. Neoclassical economists also attempted to explain differences in educational choices and attainment, job training, and unemployment (Benham 1974; Lloyd 1975; Blau 1976; Beller 1979; Lloyd and Niemi 1979).

Economists' growing interest in using neoclassical economic analysis to understand the sphere of the household gave rise to New Household Economics (NHE). This approach applied key concepts and models of mainstream microeconomics to household production and decision-making. Gary Becker modeled "A Theory of the Allocation of Time" after the theory of comparative advantage and specialization used in describing the logic of international trade (Becker 1965). Accordingly, countries are said to specialize in goods they can produce at the lowest relative cost, or in which they have a "comparative advantage," and trade them for goods from other countries that specialize in different goods. Becker applied this analysis to the gender division of labor, that is, the pattern of certain household members engaging in paid market work while others specialize in home production. Relative productivities were said to make it rational for women to specialize in housework while men specialize in wage work, since women's earnings were less than men's on the job market. These choices, made within an assumed harmonious household, it was claimed, would promote collective household well-being in the form of a larger total household output.

The NHE analysis opened up new theoretical and empirical inquiry into other issues such as the economics of marriage, choices around labor supply, education, the number of desired children, and fertility rates. Methodologically, however, these neoclassical models followed what feminist scholars call the "add women and stir" approach. From a feminist perspective, the gender questions were "trapped" within the constraints set up by the orthodox analytical framework and its basic assumptions: individuals with given preferences seek to maximize well-being within their means (a resources or endowments constraint). Applied to the household, this framework was not conducive to asking, let alone answering, the kind of questions that the women's movement had generated about gender socialization, inequality, and asymmetric power relations. The framework treated preferences as exogenous, assuming away any discussion on how these are shaped.

In his *A Treatise on the Family* (1981) Becker introduced different preferences in the household by assigning altruistic motivations to the (male) head who gives transfers to other selfish family members (wife and "rotten kids") to induce them to act in his interest (Becker 1981). The model thus ruled out intra-household conflict as well as consideration of gender socialization in shaping preferences. It took as given beliefs about gender skills—such as that women are better than men at cooking and childcare while men are better at market work—just as feminists were questioning these.<sup>3</sup> Thus, taken together, the human capital theory of the gender wage gap and the NHE analysis of division of labor in the household provided strong justification for gender inequality: given the wage differential, the household division of labor made sense; given the household division of labor,

the wage differential made sense. The orthodox theory had explained away the problem of gender inequality!

The hegemony of the NHE within the profession and the dominance of unitary household models continued through the 1980s (and until the present, despite the development of alternative household models). Despite these trends within the profession, feminist concerns were often present in the work of women economists who raised many questions about the narrowness of the standard models and criticized them for their assumptions about exogenous preferences, individual ability to make choices, and the role of the market in producing optimal solutions for everyone (Ferber and Birnbaum 1977; Sawhill 1977). Bergmann (1974) used the supply and demand framework to construct a new model to explain gender inequality in the labor market.<sup>4</sup> Bergmann (1981) also provided a powerful critique of Becker's household model, emphasizing the adverse consequences for women of the traditional division of labor. Part of the disadvantages of specialization had to do with the loss of economic power for women who specialized in housework and who would suffer serious decline in economic well-being in the event of a divorce. The drawbacks of being a full-time housewife had to do also with gender socialization that contributed to male domination, and women's low level of autonomy and self-confidence.

### *Marxian Approach*

At the height of the second wave of the women's movement in the early 1970s some feminists adopted the Marxian approach in their search for a framework that argued for the transformation of political, economic, and social relations that would distribute wealth and power more equally, including along gender lines. In particular, the Marxian focus on exploitation, inequality, and the systemic tendency for capitalism and market forces to generate class inequalities seemed to be more conducive than the neoclassical framework to answering questions about inequality. It seemed more appropriate for analyzing social relations and power inequalities between men and women and more open to interdisciplinary approaches. There were also feminists who were socialists or part of progressive social movements and adhered to the international political economy school of thought, who sought to extend these frameworks to incorporate feminist concerns in their analysis of unequal social relations and gender subordination.

The Marxian tradition has a history of engagement, albeit short lived, with the role of reproduction activities organized around the family. In his Preface to *The Origin of the Family, Private Property and the State* Frederick Engels argued that production and reproduction activities were equally important for the maintenance of economic systems (Engels [1884] 1981).<sup>5</sup> His book

was partly an attempt to address the lacuna in Marx's writing. Although Marx referred to the role of women in reproduction and to problems when they are drawn into wage labor (for example, in *Capital* Volume I, Chapter 15, section 3), he focused mostly on the capitalist production process, and assumed that the livelihood of the worker was mostly secured by men's labor market work (Marx [1887] 1967). Thus Marx left out of consideration the family and unpaid labor, which are necessary for the reproduction of the very labor power he felt was central to accumulation and the maintenance of the capitalist economic system. Despite Engels's emphasis, the unpaid life-sustaining activities in the household dropped out of the Marxian scholarly focus until the domestic labor debate of the late 1960s and 1970s, which focused on the functions of domestic labor within the economic system. More specifically, participants in the debate examined the ways in which unpaid domestic work contributes to lowering the costs of maintenance and reproduction of the present and future generations of workers (Himmelweit and Mohun 1977). While this debate helped to legitimize feminist questions within the Marxian paradigm, feminist critics also pointed out that this extension of the Marxian framework failed to identify and analyze gender relations inherent in domestic work and the household division of labor (Molyneux 1979; Benería 1979; MacKintosh 1978).

A similar extension of the Marxian framework was applied to the role of rural women's subsistence work in low-income economies where men were engaged in wage labor in the capitalist sector of the economy (Deere 1976). The analysis underlined the crucial contribution of women's unpaid work to both social reproduction and lower wages of male workers engaged in the capitalist sector. Similar to the domestic labor debate, this effort introduced gender issues into the Marxian framework in development economics; and, similar to the New Household Economics, it represented a new application of economic analysis to the previously ignored areas of unpaid work. However, once again, the question posed within the framework—what function women played within the capitalist economic system—constrained an understanding of the dynamics of gender relations and their complexity in the household and in subsistence economies.

Within the Marxian framework the debate about the nature of gender relations in the household was also sparked by the focus on the history of working-class struggles of the late nineteenth and early twentieth centuries (Humphries 1977; Hartmann 1979a). According to Jane Humphries (1977), the struggle of the English working class to reduce the length of the working day and seek a family wage was an attempt to prevent proletarianization of all members of the family and the erosion of the wage. Underlying this argument was a notion of the working-class family and kinship network as a unit of solidarity against the capitalist class. While emphasizing the

well-being effects of having fewer family members in the labor force, this perspective downplayed the adverse consequences of the family wage on women: women ended up dependent on men and, if they were engaged in wage labor, they were only entitled to lower wages as the secondary earners. By contrast, Hartmann (1979a) emphasized gender interests of working-class men as the motivation underlying the historical struggles over the family wage and hours legislation; they sought to reserve better-paying jobs for themselves and to confine women's labor to services in the household.

The shortcomings of the notion of the family as a unit of solidarity led some feminists to integrate Marxian categories within a feminist framework (Hartmann 1981; Folbre 1982). Hartmann (1981) posited the family as a "locus of struggle." The emphasis thus shifted from the household as a harmonious unit to a unit of conflict. Further, Folbre (1982) examined the extent to which the concept of exploitation can be applied to work carried out at the domestic level. Her analysis raised the question of commensurability of work at home with market work. At a more general level of analysis, harking back to Engels, a Marxian framework was also used to produce explanations for gender inequality, invoking the connections between capitalism and patriarchy, reproduction and production, and between patriarchy, the household, and the labor market (Hartmann 1979b; Benería 1979).

The development of the Marxian analysis of women and gender issues has been uneven. In the United States, feminist engagement with the Marxian framework developed with little interaction and insufficient dialogue with liberal feminists, since the Marxian paradigm in general and feminist analysis within it was relegated to the margins of the economics profession.<sup>6</sup> This was not the case in Europe and Latin America however, where feminists applied a Marxian framework to understanding the gender dimensions of capitalist development (Deere 1977; Safa 1986; Saffioti 1986; Deere and León de Leal 1987). As Albelda (1999: 539) points out, "Marxist methodology provides a powerful springboard for thinking and theorizing about gender relations." Methodologically, the Marxian approach contributed to subsequent framing of gender questions within the workings of the capitalist economic system, focusing attention on social relations of production (as opposed to market exchanges) in shaping people's daily lives, considering interrelationships between unpaid and paid work, and emphasizing attention to differences among women and men in terms of social class (Benería and Roldán 1987; Picchio 1992; Power 2004; Folbre 1994). More recently, feminists have applied a Marxian framework to understanding the gender dimensions of crises of capitalism, including the 2007–08 financial crisis (Eisenstein 2005; Fraser 2009; Roberts 2012; Ezquerro 2012).



*Institutional Economics*

Institutional economics provided another avenue for feminist analysis that is increasingly recognized and claimed by a variety of economists. Since the 1980s theories of institutions have evolved and gained prominence in development economics. They focus on the nature of the interaction between institutions, defined as social rules and conventions (laws, regulations, norms) that guide the interaction of individuals and organizations, and economic processes.

The institutionalist school of thought was first introduced by Thorstein Veblen and John Commons in the late nineteenth century with their examination of the economy as a social organization aimed at human provisioning. Veblen recognized the importance of power and ideology, in particular gender norms, in affecting the economic process of provisioning. Institutional thought has since evolved into different strands, under the umbrella of New Institutional Economics (NIE). Two strands, in particular, became influential in modern economic thinking: the transaction costs approach that draws from the work of Ronald Coase, Oliver Williamson, and Douglass North to name a few; and the school associated with the theory of imperfect information developed by George Akerlof, Joseph Stiglitz, and William Spence among others.<sup>7</sup> The former strand has to do with the presence of transaction costs and the development of institutions, which reduce the uncertainty of social interaction and thus prevent prohibitive transaction costs, thereby shaping human interaction (Williamson 1985; North 1990).<sup>8</sup> North (1990) and Elinor Ostrom (1990) argued that the presence of transaction costs provides the impetus for the development of institutions shaping human interaction, which they considered as key to understanding economic change.

The NIE strand associated with imperfect information emphasizes the presence of asymmetric information faced by the transacting parties as the rationale for institutional arrangements and contracts (Hoff et al. 1993). In this approach, the design of economic contracts reflects the strategic behavior of market agents under conditions of asymmetric information, moral hazard, and pervasive risks. These approaches challenge the separability of efficiency and equity, a principal result in mainstream economics. Institutionalists demonstrate that when transaction costs and imperfect information are important, the terms and conditions of economic contracts, for example in land, labor, credit markets, which directly affect the resource allocation efficiency, also crucially depend on ownership structures and property relations (Bardhan 1989).

A third, political economy strand extends the idea of Marx ([1904] 1967), which explores the underlying power relations in the rules of the game. This

approach examines how changes in the material productive forces and in the conflicting interests and shifts in power among groups can bring about changes in institutions or rules of the game to favor the powerful (Harriss-White 2003; Bardhan 1989). Harriss-White (2003: 489) elaborated on this point, arguing that "market exchange is better understood not in terms of allocative efficiency but rather as a mechanism of extraction of surplus by one class from another." Hence, according to this perspective, the outcomes of market processes of buying and selling, such as wages, prices, output, are also outcomes of political processes.<sup>9</sup> The social and political power involved in market exchange that is emphasized in this approach can lead to maintenance of or change in institutions governing surplus appropriation by a dominant class (Bardhan 1989).<sup>10</sup>

All proponents of institutional economics emphasize the importance of institutions that shape human interaction in understanding economic processes and outcomes. Of particular interest to feminist economists are the socially constructed norms or rules and societal attitudes that are learned and internalized pertaining to the roles, codes of conduct, and acceptable behavior of women and men. These gender norms regulate market exchanges through the ideology of subordination and rules of market that are prejudicial to women (Harriss-White 2003). They include both what women are prohibited from doing and under what conditions they are permitted to undertake certain activities. Another important aspect of institutional economics that resonates in the work of feminists is the notion that power relations are embedded in market exchange. Not only are gender roles socially constructed as part of the rules of the game in societies, but so are the economic and social advantages and disadvantages, entitlements and penalties associated with those gendered roles.

Institutional economics is also featured in the work of labor economists in the United States who during the 1970s and early 1980s combined Marxian and institutional approaches to describe labor market stratification/segmentation and its relationship to class, racial and gender inequalities (Edwards et al. 1973; Gordon et al. 1982). This approach allowed them to discuss the historical and contemporary processes of labor market segregation and discrimination, which implied a critique of the competitive labor market model of the mainstream. It also provided an alternative perspective to the understanding of wage inequalities and other differential labor market outcomes. Labor market segmentation theory had many implications for an analysis of gender inequality (Reich et al. 1980).<sup>11</sup> Feminists made use of this approach by drawing the connections between labor market segmentation and sex segregation and by emphasizing how both were linked with gender stereotypes and socialization processes outside of the workplace where they were reproduced and transformed (Hartmann 1979a; Strober 1984).

Other contributions from institutional economics have emphasized the notion that social processes are not governed by universal laws and do not have universal meanings, hence the importance of placing feminist analysis within cultural and historical contexts, including changing institutions in order to explain disadvantages faced by women (Jennings 1993).

## Feminist Economics: A Critique of the Mainstream

In the 1980s and early 1990s feminists joined other heterodox economists in examining the biases in neoclassical economics. With a strong influence from postmodernism and postcolonialism, discussed in Chapter 1, this was also a period when there was some convergence of approaches in feminist scholarship around the category of gender, the importance of paying attention to varied experiences of women by race and ethnicity, and in particular, the move away from the use of universal and general categories in scholarly research (Benería 2003). The confluence of these intellectual developments gave strong impetus for feminist critiques of economics. For example, they identified masculine, or androcentric, biases in the self-definition of the discipline, the models used, topics, methods, and the teaching approach. Nelson (1992; 1995) argued that the discipline is permeated by a dichotomy of gender values that privilege stereotypical masculine traits over stereotypically feminine ones. Accordingly, the characteristics that are most highly valued in the practice of economics are associated with masculinity and men (in US/Western capitalist society), such as objectivity, detachment, logical consistency, individual accomplishment, use of mathematics, and lack of emotion (Nelson 1995). An important moment for feminist economics had begun.

### Critique of Homo Economicus

Much of the feminist critique of the discipline has focused on the core assumptions behind mainstream analysis and the characterization of the economic behavior of individuals. Mainstream analysis assumes that the economic system comprises self-interested individuals (*homo economicus*) each of whom makes autonomous decisions by engaging in maximizing (more generally, “optimizing”) behavior based on their preferences and their capacity to meet them. Their calculating behavior—economic rationality—refers to weighing different options in light of income and time/resources constraints and expressing their preferences and choices in consistent ways. Individual preferences—the likes and dislikes for particular consumer goods or activities—are assumed to be stable, not comparable to others’ preferences,

and not influenced by family, friends, community, or advertising.<sup>12</sup> The maximizing individual is assumed to interact with others in markets through the mediation of price signals and engage in voluntary and harmonious exchanges (England 1993). This concept of human nature is assumed to characterize all behavior in markets and, in the absence of any other interaction admitted by mainstream theory, its concept of society is the agglomeration of millions of autonomous, rational individuals. The choices of each of them underlie the operation of markets, which for the mainstream is the key institution for the promotion of human well-being, understood in terms of consumption of goods and services.

The discipline's defense of this starting point of economic analysis is that it is a simple, useful approximation of representative economic behavior, whereas feminist economists see flaws in it. As Power (2004: 4) has put it, "starting points matter," since they tell us what will be included and what will be left out of the analysis. This "separative-self" model of human agency "presumes that humans are autonomous, impervious to social influence, and lack sufficient emotional connection to each other to make empathy possible" (England 1993: 38). Furthermore, it is an unbalanced conception of human behavior, focusing on only one side of implicit dichotomies: autonomy (vs. dependence), reason (vs. emotion), self-interested (vs. caring) behavior, competition (vs. cooperation) (Nelson 1992; Strober 1994). England (2003) further pointed out that, in contrast to the separative selves in the market, the theory presumes "soluble selves" in household interactions, where the harmonious household is presumed to have Becker-type unity of interests.

Historically, women have been viewed as being motivated by non-maximizing objectives, their choices and actions often associated with love, cooperation, empathy, norms, traditions, and the division of labor within their households.<sup>13</sup> This is of course subject to change, influenced by factors such as women's incorporation in the labor market, socialization, and changing traditions. On the other hand, many people, women and men, also behave in ways quite different from those assumed by mainstream models. Frank (2004), for example, has investigated this issue extensively, showing that many individuals and even firms do not behave in purely self-interested ways but can instead be motivated by other objectives such as altruism, cooperation, and the "moral high road." In addition, he as well as other authors have argued that self-interest and individual choices are also socially constructed (Skidelsky and Skidelsky 2012).

Furthermore, the economic individual of the mainstream is a "mushroom man," who has no childhood or old age, and springs into optimizing behavior as an adult (Nelson 1995). This individual does not care for nor is cared for by anyone. By definition, care labor has been left outside of the starting point

of economic analysis. Thus, for example, standard labor economics has historically started its discussion of human capital and wage determination with the individual choice of whether or not to invest in more education, for example a college degree; care of children and the imparting of skills through the unpaid work of caregivers is not part of the analysis.<sup>14</sup> Similarly, another foundational assumption is that the world is characterized by scarcity, which then leads to optimizing behavior as the characteristic economic behavior. Strober (1994) problematizes this characterization as it overlooks the human-made nature of scarcity caused by either maldistribution (for example, the hunger problem is a result of uneven distribution of food supplies, rather than not enough food being produced) or advertising, which creates wants and induces scarcity. And the mainstream's emphasis on scarcity and optimization behavior may only exacerbate true scarcity in a world of finite resources.

### *The Rhetoric of Economics*

Feminist economists also have deconstructed the rhetoric of economics and its tendency to obscure questions that matter and to silence non-mainstream ways of conceptualizing economic behavior. These efforts at deconstruction, which cut across heterodox approaches, reflect the influence of postmodern critiques emanating from the humanities, whereby meaning, rather than causality, is the focus of the analysis (McCloskey et al. 1989). For example, Strassmann (1993) questioned the "disciplinary authority" through which the mainstream has imposed its views about what constitutes economic analysis. Blank (1993) has questioned the rhetoric of choice. As she stated, the assumption of an empowered individual in economic models does not leave room for the fact that an individual might "feel dominated, repressed, passive, stuck, ill, unsure about his or her abilities, or unaware of alternatives" (p. 141). Women's ability to enter the labor market, for example, is often hampered by tradition and sexist norms and institutions. Similarly, feminist economists have examined the tale of Robinson Crusoe, a common character in economics textbooks as the quintessential economic man. He is seemingly self-sufficient when in fact he depends on the labor of another. He lives outside of society and has no obligations to anyone. As Grapard (1995) and Hewitson (1999) argue, this powerful image does not reveal relationships of power and unequal exchange in society and ignores elements of domination and exploitation while avoiding engagement with issues of race, gender, and sexuality.<sup>15</sup>

### *What Are We All Striving For?*

Feminist economists have also questioned the pursuit of efficiency as the criterion of economic success (Elson 1991b; Barker 1999). According to the

mainstream, successful economies are ones that promote efficiency, not equity, equality, or fairness. The beauty of market-provided solutions, according to mainstream economics, is that they are efficient, which means they have come about as the result of the optimization efforts of millions of individual entities—businesses, consumers, workers—and offer the best possible solution for the well-being of market participants. Efficiency, whether in terms of maximum output or minimum cost, is measured in terms of marketed resources. The concept of efficiency does not take into account spillovers of market transactions into the household or other domains, that is, the externalities. Efficiency may have been achieved as a result of downloading of costs onto the household or reliance on resources that were not paid for (Elson 1991b). For example, the public health services system may achieve efficiency (in terms of reduced budget deficit) through cuts in spending or introduction of user fees that result in increase in women's unpaid work caring for the ill in low-income households. Such spillovers that adversely affect the well-being of women will not be captured by the use of market-based measures of efficiency.

Moreover, Pareto optimality, which is the gold standard of efficiency, can only be achieved under very restrictive simplifying assumptions that do not reflect the nature of most contemporary economies. Pareto optimality refers to any arrangement between two individuals where it is not possible to make one person better off without making the other worse off.<sup>16</sup> Yet, mainstream economists argue in favor of market solutions as if efficiency actually characterizes the outcomes of the operation of markets. Thus debates over government intervention in the economy often turn on the efficiency that needs to be sacrificed if policies were to regulate markets, the classic example being the setting of (or raising) the minimum wage or other labor standards. The standard mainstream objection focuses on the loss of jobs that such policy would bring about. The trade-off that this argument sets up between higher pay for some workers and loss of jobs for others prevents exploring how the trade-off might be overcome or whether a trade-off even exists; regulating the market is ruled out as inefficient.

Pareto optimality also constrains discussion of distribution questions in economics since any policy that redistributes income from the rich to the poor will make the rich worse off, and hence, will not be Pareto optimal (King 2008).<sup>17</sup> As a result, the mainstream perspective is only interested, at most, in promoting equality of opportunity (for example, the chance to seek education or employment), and not in lessening inequality in outcomes (for example in wages, income, or wealth). And on this view, equal opportunities can only be promoted by fostering market competition through removal of legal barriers.

The capabilities approach pioneered by Amartya K. Sen in the 1980s provided another entry point to critique the mainstream's concept of well-being and contributed to the development of feminist economics. Sen and philosopher Martha Nussbaum argued that the income or output approaches to understanding well-being and their underlying utilitarian frameworks are not adequate for evaluating the efficacy of a successful economy or a good life (Nussbaum 2003; 2004; Sen 1999b). First, inferring well-being from income (and consumption) levels is flawed. One's income level (or ownership of resources, or the capacity of the economy to produce goods and services) can at best be a means to a good life, but it does not define that life. The income-based approach, which measures economic success by aggregate or average measures such as GDP per capita, tells us little about people's well-being. It does not take into consideration inequality in the distribution of that income. Nor does it take into account differing needs of groups and the fact that the same income level can generate more well-being for one group/individual than another. In other words, the ability to convert a given income level into well-being is contingent on personal, social, and environmental factors, what are termed "conversion factors." For example, to achieve the same level of well-being, a physically disabled person (group) would require more income than an able-bodied person (group). Similarly, Nussbaum (2004) argues that in order to overcome a history of discrimination society has to devote more resources to historically disadvantaged groups to achieve the same level of well-being as the groups who have not experienced such discrimination.

Second, the utilitarian underpinning of the income-based approach, which asks individuals how well-off they are, is also problematic. Sen and Nussbaum highlight the inadequacy of our subjective declarations of well-being, arguing that our pronouncements invariably reflect "adaptive preferences," that is, how we adapt to our circumstances. If one does not see any possibility of improving one's life options, then one may declare contentment with one's lot, when in fact any outsider could see shortfalls of well-being (for example, malnourishment or the inability of women to leave the house due to restrictions on their physical mobility).<sup>18</sup>

Nussbaum and Sen also argue that "freedom of choice" touted by the *homo economicus* model can only be an abstract, "suggested feasibility" of choice, unless one considers the material and social preconditions that impinge on that choice. For example, a woman who has a "feasible choice" to start a business may not be able to do so due to social conditions and economic circumstances that make it very difficult or impossible. Although she has the freedom in the sense that no law prevents her, she may actually be prevented from enjoying that freedom by prevailing patriarchal norms, the enormous

burden of caregiving and household maintenance responsibilities she faces, or by simply lacking assets or access to affordable credit.

### *What is Economics?*

The discipline's self-definition has also been another focus of critique by feminist economists. Mainstream economics defines the discipline principally in terms of optimizing the behavior of individuals: where there is exchange, it can be analyzed in terms of choices and markets. For example, the field of New Household Economics incorporates the family and women in its analysis by representing the household as a domain of exchange (that is, unpaid labor exchanged for upkeep provided by market labor). In addition, the discipline celebrates the application of its standard choice-theoretic methodology beyond markets (for example, the economic problem for a rational couple is to optimize their time allocation and specialize in different household tasks at least to some degree). Such extensions to mathematically formulate a broad range of questions in many other disciplines as optimization problems are viewed by the gatekeepers of economics as a strength of the discipline's analytical power (for example, Lazear 2000). Yet this approach marginalizes or obscures the importance of social provisioning, that is, how societies organize the activities involved in making a living. It also assumes away questions of "how much is enough," assuming that human wants are limitless and should be satisfied through market exchange. Feminists have joined established heterodox critiques that have questioned this neglect of the process of provisioning (Nelson 1993) and the discipline's "extraordinary indifference" to shortfalls of provisioning as represented by problems of poverty, lack of healthcare, and deteriorating social conditions (Heilbroner and Milberg 1995).

### *How Do We Know What We Know?*

Feminist economists have criticized the discipline's emphasis on mathematical modeling to the exclusion of other methodologies, such as analytical description and qualitative analysis. Until recently the only valid, and still the most valued, methodology in mainstream economics, is the use of a formal, or mathematical, model that is then tested through econometric analysis.<sup>19</sup> According to its practitioners, formalism accompanied by econometric testing (and more recently, experimental methods) imparts the semblance of rigor and precision, and context-free generality to the analysis. That it can also produce "thin" analysis, which has little relevance to explaining or solving major economic and social problems, is of little concern to the core of the discipline.

The arm's-length treatment of the data used in most empirical work is a related shortcoming of the mainstream approach, which also underlies the



mainstream's skepticism of qualitative research methods. Such a stance, practiced in the name of producing unbiased analysis, can conceal arbitrary judgments performed in the selection of underlying sample and choice of variables and prevent generating reliable insights from empirical analysis (Nelson 1995; MacDonald 1995; Berik 1997). This is the case, for example, with the recent economics literature on gender and risk aversion. Nelson (2014; forthcoming) shows that analyses supposedly supporting the broad claim that women are more risk averse than men are in fact based on weak empirical foundations: they tend to exaggerate and overgeneralize findings of sex differences as these studies are mainly based on samples of specific subgroups of the population in particular contexts. A more careful interpretation of the results, she argues, indicates that differences in risk attitudes and behavior between and within the sexes are more likely due to researcher biases, rather than sex difference *per se*.<sup>20</sup>

In addition, feminist economists have vigorously opposed the mainstream's claims that their preferred quantitative methodology offers unbiased analysis. This opposition has been based on developments in feminist theory around standpoint theory and the notion of situated knowledge, which recognize that values can be part of good, rigorous science. Feminists argue that knowledge is often constructed, not discovered, and knowledge producers are embodied and have values that are reflected in the research (Kabeer 1994; Harding 1995; Robeyns 2000). As Barker and Feiner (2004: 11) expressed it, "a view from nowhere" is impossible. "Every view is a point of view, and every point somewhere." In reality, economic methodologies are value-laden and certain standards are used by the dominant paradigm to "discriminate against or empower specific social groups" by turning "the experiences of everyday life into categories of people . . . that reflect prevailing political arrangements" (Harding and Norberg 2005: 2009).

Standpoint theory has been used by feminists to critique mainstream development economics—its concept of economic development and its preoccupation with GDP growth. For example, Sen and Grown (1987) argued that economic development must be evaluated from the perspective of poor Third World women who are the most disadvantaged group, and development strategies must be reconceived so as to transform the lives of those who are at the bottom. Similarly, Kabeer (1994) demonstrated the underlying hierarchy of knowledge upon which the dominant notion of development is constructed. She argued that the development establishment favors certain kinds of knowledge (produced by formal models that rely on decontextualized universal concepts) over others (local, contextual, experiential knowledge), which leads to budget priorities that disadvantage poor people. She argued that the use of the seemingly neutral criterion of GDP growth obscures the bulk of work performed in developing countries

that is unpaid and this criterion is not of much use in assessing the impact of policies on the groups who perform unpaid labor. Furthermore, the methodological reductionist approach to knowledge construction separates economics from politics, culture, and the ecosystem and leads to neglect of the important interactions between different spheres of knowledge. This fragmentation of knowledge obscures the interests served by maintaining the development policy agenda that promotes economic growth; it also obscures the extent to which those who command material resources and wealth also exercise enormous power over the lives of others and over the ideas of their times. Kabeer argues that, by reversing the standpoint and assessing development policies from the perspective of poor Third World women, a different development agenda is possible.

The feminist methodological critiques thus emphasize pluralism in research methodology, validity of variety of standpoints, and challenge the notion of value-free knowledge production.

### **A Methodological Convergence**

While feminist economics emerged from multiple critiques of mainstream economics, the project continues to have a big tent approach and is still evolving. Feminist economists accept the possibility, and indeed desirability, of different paths of analysis into the research agenda. This pluralism applies to their visions of social change and political action as well. While some feminist economists use mainstream frameworks, most eschew these, and others are on the continuum in between.

Given this pluralism, what is distinct about feminist economics? Our working definition draws upon Alison Jaggar's definition of a feminist theory—a theory that seeks to explain and to change women's subordinate position in society—as a starting point (Jaggar 1983). Thus, feminist economics has two central goals: to produce explanations for the causes, nature, and role of gender inequalities and to strive for a society that is more gender equitable, where women's subordinate position is eliminated. Feminists (and feminist economists) tend to interpret the goal of gender equality in the sense of equality of outcomes, albeit equal outcomes require the presence of equal opportunities (Phillips 2004).<sup>21</sup> To these goals we add the third goal of disciplinary scrutiny to reduce androcentric biases and produce more adequate explanations of economic life. Given the interdisciplinary nature of this effort, disciplinary scrutiny can contribute to feminist work in other social sciences as well. Many feminist economists believe that producing economic analyses will lead to progressive visions of

social change that shape policies for a better world for women, men, and children (Longino 1993; Nelson 1995; Robeyns 2000; Benería 2003; Barker and Feiner 2004).

This working definition of feminist economics makes gender a central category of analysis. Beyond this central concept, since the early 1990s a commonality of approach emerged from feminist critiques of both mainstream and established heterodox theories and the WID approach in the gender and development field. Power (2004; 2013) refers to this common ground as the “Social Provisioning Approach” and identifies five areas of agreement that characterize it: the need to value caring labor, the use of human well-being as the yardstick for economic success, the belief in the importance of social agency, of ethical judgments, and of the relevance of various social stratifiers that differentiate among women and men. Critics in the gender and development field—the proponents of the GAD approach—discussed in Chapter 1, have also generated research that bears similar methodological features, as identified by Young (1992). We believe that these principles come the closest to providing coherence to feminist economics as an intellectual project and, from our perspective, a tool to build progressive policies and social change. While some feminists draw upon neoclassical economics in their work as we pointed out, we believe that embracing a social provisioning methodology means fundamentally rejecting neoclassical economics, and that the main tenets of neoclassical and heterodox economics cannot both be accommodated within feminist economics.

### *Gender as a Central Category of Economic Analysis*

Gender is a key category of analysis for feminist economists, who commonly examine gender divisions of labor and gender inequalities in access to resources in the household and in labor markets, while seeking to promote gender-equitable provisioning and expansion of capabilities. The economic agent of feminist economics is gendered. Gender has been incorporated in the analysis based on insights from interdisciplinary scholarship in women’s and gender studies and the concept has evolved in tandem with developments in feminist theory. Gender conveys what it means to be born female or male in a given society at a given point in history. As such, the gender difference shapes the experiences, options, and economic outcomes of individuals. However, the gender systems, or the gender value systems, which define the ideal behaviors, attitudes, and activities for women and men vary by society and are subject to change. The notion of gender as a social construct, constantly shaped and reconstituted, reflects the rejection of essentialism by feminist theory—the idea that there is an essence to being a man or woman that transcends time and place.

The gendering of individuals occurs through the process of socialization, that is, individuals who are born female and male become women and men in the context of family, schools, communities, workplaces, and under the dictates of social norms and the threat of social, sometimes legal, sanctions. The process entails as much conformity to norms as active creation of gendered behaviors. This conceptualization of gender as a product of individual agency opens up the possibility of multiple gender identities that defy the gender (man–woman) binary. While there is room for various forms of non-conformity, the rewards for gender conformity (and sanctions against non-conformity) often lead individuals to “do gender,” that is, to live up to the ideals appropriate for their gender in a given social context. Evidence supporting the doing gender hypothesis is seen in situations where women or men appear to be deviating from gender norms. For example, feminist economists are finding that, in cases where husbands are unable to conform to the male breadwinner norm due to unemployment, women with full-time jobs are taking on a greater share of the housework (Bittman et al. 2003; Sevilla-Sanz et al. 2010; Baxter and Hewitt 2013).

Moreover, feminist research on gender norms has shown that gender is not a static category that defines women’s and men’s experiences throughout their lives. Over a life course as women (men) assume different positions in the household and in society the meaning of gender changes. This variation is prominent in parts of the world where classic patriarchy prevails, namely the region that runs from North Africa through the Middle East and South Asia. For example, woman’s power in the household increases as she ages, if she has sons, and when she becomes a mother-in-law (Kandiyoti 1988).

Inspired by both feminist scholarship and institutional economics, since the 1990s feminist economists have increasingly analyzed gender as a hierarchical value system that is embedded in the workings of all institutions, indeed as we discussed, in economics as a discipline. This conceptualization of gender enables the systematic analysis of gender aspects of economic phenomena or gender implications of policy and the conveying the power relations, structures, and mechanisms that make and sustain gender relations. Such analyses set off from the premise that gender norms permeate all aspects of social life, and are central to understanding the functioning of the economy; for example, how labor markets operate in gendered ways (Elson 1999). Researchers have also made gender norms the object of analysis to explain how, even when a particular norm is gender-symmetric, it might produce disadvantages for women in a context where it is dominated by asymmetric norms enshrined in customs and laws marked by gender inequality (Van Staveren and Odebode 2007).<sup>22</sup> Close examination of gender norms can thus provide insights into why an apparent increase in bargaining power of women

(for example, when their assets or income increases) may not alter gender-unequal outcomes, and how gender equality policies cannot solely focus on improving women's fallback position.

In contrast to feminist economic research where gender figures in the "thick" sense, which goes beyond the characteristic disaggregation of data by male and female, in mainstream economic analysis gender is often used in the "thin" sense, and mentioned in a "token" or "by the way" manner (Robeyns 2000: 13).<sup>23</sup> This type of analysis that does not go beyond gender disaggregation of data is also likely when feminist economists conduct econometric analysis with macro-level data (at national or cross-country levels). For example, when investigating the relationship between gender inequality in education levels and economic growth the gender concept tends to be reduced to the sex difference as recorded in official datasets and gender inequality is assumed to have the same meaning across countries. Moreover, in the absence of wage data, it may be not possible to sort out the transmission mechanism between gender equality in education and growth. What fuels economic growth? Is it the higher productivity of more educated women or the added advantage of wide wage gaps?<sup>24</sup> And in cross-country statistical analysis it is difficult to strengthen the gender content of the analysis, given the challenge of using insights from interpretive data (compiled using interview, participant observation methods), and analysis of secondary sources from country case studies.

### *The Economy as Constituted by Provisioning Activities*

Feminist economists have shifted the subject matter of the discipline away from exchange towards provisioning activities, which are broadly defined to include both unpaid and paid activities aimed at generating the basic necessities of life (Nelson 1993). As reflected in this book, what is distinct in the feminist focus on provisioning is the emphasis on the importance of unpaid caring labor for provisioning individuals and communities on a daily basis and reproducing the labor force in an intergenerational sense, thereby contributing to social reproduction. Feminist economists argue that wage work and unpaid work are both important in determining the well-being of individuals and families. While in contemporary economies paid employment is the predominant mode of securing a living for oneself and one's family, considering solely paid work as economic activity overlooks important non market activities—care work, subsistence production—that undergird labor market activity.

Feminist researchers have problematized the invisibility of unpaid subsistence work in national statistics since the 1970s, when Ester Boserup (1970) remarked on the importance of unpaid work by women in subsistence

production and as family helpers in farming in developing countries. An extensive body of research was launched on the issue of invisibility of and accounting for women's work. For example, Devaki Jain's work in the 1970s on time allocation by women, men, and children in India provided some of the earliest data that demonstrate the substantial amount of unpaid work provided by women, especially among the poor (Jain and Chand 1982). Benería (1981) called attention to the underestimation of women's economic activities and to the need to re-conceptualize the labor force. Deere (1982) showed how the population censuses undercounted women's farm labor in the Andes. Bhattacharya (1985) analyzed the Indian data collection system and statistics and problematized its failure to capture all the relevant work activities performed by women and children. Similarly, Nash and Safa (1985) provided evidence on how unpaid work in the daily lives of peasant women in the Andes and those of female factory workers in Brazil, Mexico, Puerto Rico, and Jamaica, affects the manner and terms in which they engage in paid work. These studies also imply that if policies do not take account of the extensive amount of unpaid work women perform, and assume women have unlimited time on their hands, they may adversely affect the well-being of women by increasing their workloads.

In sum, by identifying the economic agent as an individual who is interdependent in a network of social relations in and outside of the household, feminist economics parts ways from the mainstream's isolated individual or unitary household. And by identifying the economy as the domain of interdependent provisioning activities, feminist economics thus transcends the monetary–non-monetary dichotomy and defines economics as the study of social provisioning.

### *Human Well-being as the Central Measure of Economic Success*

Over the course of the 1990s and 2000s, the focus on gender analysis of the economy moved from concern about economic experiences of women at home and in the labor market to broader questions of well-being that affect men as well as women. Instrumental in this move were not only feminist critiques of development economics using for example standpoint theory but also the development of the capabilities approach, mentioned earlier, and other theoretical and practical approaches such as the human rights perspective (see Chapter 1) that challenged the mainstream concept of well-being. Many feminist economists have adopted the capabilities approach as the normative complement to their work and define well-being in terms of capabilities of individuals, rather than average or aggregate measures of income and wealth; feminists agree that the latter measures are at best inputs to human well-being and often are not sufficient for meeting human needs.

According to the capabilities approach, the goal of economic policies and social arrangements should be to promote the well-being of individuals defined in terms of capabilities. A good economy or a good life, then, is one that expands what people are able to do or to be. In this approach, capabilities represent the valuable options from which one can choose. A basic list of capabilities includes the capability to be healthy, to lead lives free of violence, to be free from discrimination, to participate in decision-making in society.<sup>26</sup> Some of these capabilities can be the means for promoting others; for example, the ability to be educated helps promote the ability to make informed choices for family well-being or in elections.

Much of Sen's and Nussbaum's work includes illustrations of capability deprivations experienced by women, especially in developing countries (Sen 1990a; 1990b; 1992; Nussbaum 2000a; 2000b). Sen's work on "missing women" examines the sources and underlying causes of deprivation of the ability to live. As Nussbaum (2004: 241–42) articulates the gendered well-being problem, "Women in much of the world lack support for fundamental functions of human life [. . .] [U]nequal social and political circumstances result in women's unequal human capabilities." She proposes a basic list of capabilities that are relevant for women's lives universally. Nussbaum insists on the notion that the goal of policy should be the promotion of capabilities in the form of constitutional guarantees in all countries (Nussbaum 2000a; 2011b). The approach allows for individual choice in leading one's life: The actual outcomes for individuals represent their "functionings," that is, their achievements, given the capability options. Thus, someone might choose to go into a violent sport and put their health in grave danger and end up with poor health (or worse) due to that choice. A life cut short or damaged due to that choice represents that person's functioning, but it is the result of a choice made in the context of the capability to lead a life free of violence.<sup>26</sup> By contrast, if a woman is subject to her spouse's violence, not only is her functioning impaired but also we can infer that her capability to lead a life free of violence does not exist. Capabilities or functionings are typically measured at the group level (for example, the maternal mortality rate for a given geography rather than one mother's pregnancy and childbirth outcome).

What enables capabilities? Individual or household income is an obvious means but often it is not sufficient. The logic of the capabilities approach flows from means (resources for provisioning) to capabilities to functionings. The means include endowments of each individual (labor power, assets) that generate the income to support livelihoods (or an individual's entitlement to a share of household resources) plus the entitlements that are guaranteed by the state or community. The capabilities approach views it as imperative

that governments make sure that adequate means (resources) are available for promoting capabilities of all and that social restrictions creating unequal access for certain groups are removed: if the capability in question is health, then the resources (mostly financial) have to be generated and devoted to promoting the capability to be healthy, for example, in the form of clean water, access to medical care, basic health knowledge, immunizations, sanitation. In addition to resources, promoting capabilities requires institutional arrangements to support them: for example, establishing a system of health clinics, or in the case of other capabilities, institutions that guarantee political and social freedoms, provision of a social safety net, transparency in public office. Since the capabilities approach is only a normative framework to assess well-being and to infer the efficacy of social and economic arrangements in providing well-being, it does not elaborate on how these means for promoting capabilities can be developed or strengthened (for example, what kind of macroeconomic policies or development strategies should be pursued).<sup>27</sup>

Thus, the capabilities approach has been instrumental in extending feminist economists' focus from gender inequalities in provisioning activities in the household and labor markets to gender inequalities in well-being, and to examine the connections of well-being to inequalities in provisioning. The approach has also made ethical questions more explicit in feminist writing in economics.

### *Human Agency is Important*

Feminist economists are as interested in the process that generates economic outcomes as in the outcomes themselves. This position implies that attention to agency underlying the outcomes is relevant for research. For example, typical outcomes of interest for feminists are gender inequalities in wages, assets, unpaid hours, or consumption levels. Feminist economists are interested in examining how these inequalities come about, which groups are involved in maintaining (or benefit from) them, and how inequalities might be reduced. Attention to process and agency, in turn, has methodological implications. In some instances it entails complementing statistical analysis with analytical description of the workings of the household, the labor markets, and the state. This stance implies paying attention to quantitative as well as interpretive data. In other instances, it calls for moving away from the discipline's preferred data sources and crossing method boundaries in generating data (Nelson 1995; Berik 1997; Starr 2014), for example through interviews or small-scale sample surveys. In general, feminist economists hold that the choice of method depends on the research question, which gives rise to methodological pluralism. This position implies that feminist economists



are not averse to formalization as one possible approach to economic analysis. If gender inequality is to be examined for its connections to macroeconomic outcomes—to examine, for example, whether gender inequalities help or hinder economic growth—reliance on formal modeling of the macroeconomy and econometric testing can be very useful.

In order to generate information on human agency and process however, feminist economists tend to use evidence generated by other social scientists or collaborate in cross-disciplinary research projects.<sup>28</sup> Certain topics that concern power, domination, or oppression may require analytical description or theoretical discussion and research methods such as interviews, focus groups, participant observation, and primary surveys to generate the relevant data. These interpretive methods also fit closely with the feminist goals of giving voice to women and gaining insights into how to make change to promote socioeconomic justice (Esim 1997). In addition, such data can be used to formulate hypotheses that are to be examined through formal methods (Van Staveren 1997) or to provide validity to quantitative analysis or interpret results of statistical analysis (Berik 1997; Olmsted 1997).

### *Ethical Judgments are Integral to Economic Analysis*

Arguing that there is no value-free analysis, feminist economists reject the distinction between positive and normative analysis. Instead, they tend to make explicit their values (for example, the pursuit of gender equality or social justice), while adopting a rigorous (though not necessarily formal) analysis that produces insights relevant to solving the economic problems identified. These positions emerge from feminist critiques of orthodox thinking, and they emphasize that each researcher is a product of his/her social circumstances—social class, gender, race, as well as his/her professional training. The social and historical location of the researcher shapes the research process from the selection of the research question to the method used, and it produces “situated knowledge.” This position implies that at the level of the individual researcher one cannot speak of objectivity. Instead, feminist economists have argued that the goal of good science should be to achieve “strong objectivity” that emerges at the level of the research community, through interaction and debate in the larger research community by researchers who bring a variety of perspectives (Harding 1995).<sup>29</sup> To achieve strong objectivity in her/his research efforts, each researcher should make explicit her/his perspective and examine the values and hidden cultural assumptions in existing theories.

The shift in the definition of economics from the study of individual choices to the study of social provisioning entails a shift in values, which feminist critiques make explicit. Contrary to the mainstream’s pretence of

value-free science, it should be noted that an economics that views well-being in terms of the fulfillment of unlimited wants of individuals is narcissistic and potentially destructive as it encourages unlimited extraction of resources to satisfy the unlimited wants (Strober 2003). On the other hand, making social provisioning the centerpiece of economics invites concern about the levels of provisioning being achieved by everyone, and a willingness to address shortfalls in provisioning by state-based entitlements, and to regulate production and trade to ensure adequate quantity and quality of goods and services.

### *Intersectional Analysis*

Feminists agree that it is not possible to speak of gender differences in isolation from other social stratifiers such as class, caste, race/ethnicity, national origin, sexual orientation, and age, which further differentiate options for provisioning one's self and family and may compound disadvantages for subordinate groups. This position calls for intersectional analysis that is attentive to differences among women (and men), which is another legacy of the developments in feminist theory.

Attention to race/ethnicity/sexuality and other social differentiations produces a rich analysis, sometimes with unanticipated results. For example, the effect of sexual orientation often differs by gender. Badgett (1995a) shows that in the US gay and bisexual men earned considerably less than equally productive heterosexual men (on the order of 11 to 27 percent), whereas among women, the effect of sexual orientation was less precisely estimated. On the other hand, lesbians' earnings were only about two-thirds of those of gay men, indicating that gender is more important than sexual orientation in determining earnings for lesbians. Likewise, analysis of the 2007–08 US financial crisis shows that racial/ethnic differences and family type were more important in shaping the impact of the crisis than gender alone (Fukuda-Parr et al. 2013). The groups in the US that were most adversely affected were people of color and single mothers across racial groups.<sup>30</sup> In the aftermath of the crisis, poverty rates for single mothers rose in all racial groups, whereas examining the trend in incomes by gender shows a more positive outlook for women compared to men.

In practice, however, most feminist economists do not engage in empirical research that is attentive to all these stratifiers. Researchers are often hampered by lack of data on some dimensions of stratification. For example, sexual orientation often is left out of the analysis, even though it is clear that gender analysis is not sufficient in explaining economic outcomes of lesbian, gay, bisexual women and men (Badgett 1995b). When researchers wish to consider how sexual orientation differentiates economic outcomes by gender and

race/ethnicity, they rely on special surveys (Badgett 1995a). Another common obstacle in the path of intersectional statistical analysis is the lack of datasets with samples that are large enough to examine economic outcomes of multiple groups, which may prevent consideration of, for example, race/ethnic breakdown of gender-differentiated data.<sup>31</sup> Data constraints thus may render invisible the diverse experiences of women (men), unless alternative research methods are utilized, such as small surveys, interviews, and focus groups.

## Gender Inequalities in Provisioning Activities

Most people provide basic necessities for themselves and their families on the basis of income or output generated by their own labor: wage labor, income based on informal activities, self-employment, subsistence or market-oriented agricultural work. However, unpaid labor in the household is necessary to transform the proceeds of this work into family well-being. Feminist economists have shown the interdependence of both paid and unpaid forms of labor in producing livelihoods. In this section, we focus on contributions of feminist economics to the analysis of labor markets (wage labor and informal activities), non-market forms of labor such as unpaid family labor on market-oriented farms, and the dynamics of household relations.

### *Wage Labor*

Feminist analysis of inequalities in capitalist labor markets has moved the field beyond the conventional work on discrimination and occupational segregation. As we pointed out earlier in this chapter, feminists began with a critique of human capital theory that posited women's secondary position in labor markets as the outcome of their own choices. Accordingly, women are choosing the amount and type of education and training and occupations that destines them to lower pay. Feminists contend that this argument overlooks discriminatory practices that exclude women from well-paying jobs and the societal discrimination in the socialization process of boys and girls that produce the different preferences. Moreover, the labor market discrimination against women—whether in hiring or on the job—also shapes women's occupation or job choices.<sup>32</sup> In other words, women's choices are endogenous, feminist economists argue, with plenty of discrimination in play, contributing to gender wage inequality.

In empirical analysis, the debate with human capital theory boils down to attempting to identify the relative contributions of labor market skills and discrimination to the gender wage gap (Blau et al. 2014). Human capital

theorists argue that data shortcomings stand in the way of a full accounting of the productivity differences between men and women (for example, there is rarely data available on motivation, work effort, and other relevant job qualifications); if these productivity differences were to be properly measured, they argue, they would show that women are less productive than men. Feminist critics, by contrast, argue that much of the gender wage gap that is unmeasured (also referred to as “unobserved” or “unexplained”) in empirical analysis actually reflects discrimination against women. The two positions have different policy implications for closing the gender wage gap: an emphasis on closing the education gaps as sufficient condition versus addressing discrimination through equal opportunity legislation and greater scrutiny of gender socialization, especially in schooling prior to higher education. Even when human capital theorists acknowledge discrimination may be at work, they expect market competition to eliminate it over time by making employers realize that discrimination is not good for their bottom line.

Empirical studies of labor markets in developing countries have also been framed in terms of this methodology of differentiating between discriminatory and productivity-related sources of wage inequality. Much of the research finds a sizable unexplained component attributable to discrimination, lending support to strengthening equal opportunity policies. In addition, a flurry of research, mostly on developing countries, has shown that discrimination does not disappear with increased market (international trade) competition (Kongar 2007; Oostendorp 2009; Menon and van der Meulen Rodgers 2009; Gunewardena et al. 2008). In fact, discrimination may intensify (Berik et al. 2004). This is not surprising, of course, when one brings into the picture the low bargaining power of women workers vis-à-vis employers, and discrimination as a practice that benefits employers in their quest for lowering labor costs.

Stepping outside the mainstream framework further shows that the debate is built on questionable mainstream assumptions: that wages are an objective measure of individual labor productivity and discrimination is the differential in wages over and above the productivity-determined wage (Albelda and Drago 2013). Also this type of empirical analysis tends to use gender as a dummy variable, stripping the concept of gender of much of its content (Figart 1997). Dissatisfaction with this type of analysis has led to alternative feminist formulations which are more consistent with heterodox economics and feminist research in other disciplines. These formulations recognize that gender norms (for example, the undervaluation of women’s labor or traditions that predetermine the gender division of labor) are embedded in the workings of the labor market, which makes it more difficult to root out discrimination via equal employment policy alone (Elson 1999; Figart, et al. 2013).

Moreover, feminist research has shown that legislation on equality of opportunity has not been sufficient to improve women's labor market position in any society (Strober 1984; Power and Rosenberg 1995; Trzcinski 2000; Rubery et al. 2001; Blau et al. 2014). Active labor market policies, such as work–family reconciliation policies, social security, welfare rights, and other institutional changes are necessary (Laufer 1998; Rubery et al. 1998; Bruegel and Perrons 1998; Antonopoulos 2013; Razavi et al. 2012). Some of these policies were introduced in the European Union in recent decades, though the 2008 economic crisis has stalled or reversed these policies in many countries (Benería and Martínez-Iglesias 2014). Feminist economists have also engaged in debates about policy initiatives regarding increases in the minimum wage and the promotion of basic income guarantee schemes, both of which would disproportionately benefit women (Bernstein et al. 1999; Kabeer 2000; McKay 2001; Rubery and Grimshaw 2011; National Women's Law Center 2014). Tackling labor market inequalities also requires framing these policies in a macroeconomic policy framework that is conducive to the growth of decent jobs. Otherwise, improving women's access to good jobs may come at the expense of men, and thus not only face policy opposition but also fail in terms of the feminist goal of expanding livelihoods and well-being in an equitable manner.

### *Beyond Wage Labor*

As will be discussed in Chapter 4 in more detail, in developing countries, a large proportion of women engage in agricultural and informal sector activities and most of this labor is not performed under regular wage relations. Since the 1970s, feminist scholars, including economists and development scholars, have challenged development studies, agricultural economics, and labor economics in their assumptions that men alone are the farmers and informal sector participants. They have also challenged conventional labor force data collection, which supported the notion that agricultural systems in Asia, Africa, and Latin America and the Caribbean are based on male labor. They amply demonstrated the substantial agricultural activities of women, whether in performing certain tasks such as weeding, harvesting, and milling or in cultivating food or subsistence crops. For example, Jain and Banerjee (1985), Croll (1985), Deere and León de Leal (1987), Agarwal (1994), and others noted the diversity in the gender division of work and women's participation in agriculture, by region, and according to race, ethnicity, and caste.

The nature of women's and men's activities in the informal sector has also been examined by feminist economists. As in agriculture, the early research on the informal sector tended to overlook the gendered aspects of these

activities. But such neglect was addressed by the work of Caroline Moser (1981) on market sellers in Ecuador, the study of lacemakers in India by Maria Mies (1982), and the study of homeworkers in Mexico City by Benería and Roldan (1987). These studies helped pave the way for feminist reconceptualization of the informal sector. They also provided evidence on the gender bias in measurement of labor force participation that consistently underestimates women's economic activities. The gender analysis of the informal sector showed the importance of women's economic contribution to household earnings, for example, in the case of the Mexico City study, through subcontracted activities from a variety of sources that included plastic polishing and toy assembling. These studies also demonstrated inequalities in access to means of production, credit, technology, and market information that constrained the incomes of women. Given that the household is the locus of production of many self-employed activities, feminist studies of self-employment brought attention to the intra-household inequalities in resource allocation and well-being. And they raised the question of whether women's income has more beneficial effects on the family, particularly for children, than men's income, an issue that has been emphasized by studies that show the long-run economic growth impacts of household-level gender inequalities, discussed below.

### *Asset Ownership, Credit, and Risk*

Assets are one of the main endowments of individuals, besides their own labor, that can contribute to individual and family livelihoods and in turn enable capabilities. Gender differences in ownership or control of physical and financial assets thus have important implications for well-being of women and their families (Deere and Doss 2006). Women's ownership of land or a house has been shown to increase children's capabilities to be well-nourished and increase women's decision-making power (Allendorf 2007) and to affect the incidence of physical violence against women (Panda and Agarwal 2005; Bhatla et al. 2006; Bhattacharyya et al. 2011). In addition, where agriculture is important as a source of livelihood, ownership of farmland is important for food security (Agarwal 1994). Yet feminist research on gender asset inequalities is relatively recent compared to the attention devoted to gender earning inequalities (Deere and Doss 2006; Deere et al. 2013). The main reason for this lag in attention is the lack of gender-disaggregated data on asset ownership, which is slowly being remedied as surveys include questions on individual wealth.

As farmers, women in many countries have fewer rights over land compared to men. Land rights refer to use rights enshrined in customary law or formal rights to own and manage property backed by laws. While women's formal land rights have improved since the early 1990s in Latin America and

Sub-Saharan Africa, there are many obstacles to women's land ownership.<sup>33</sup> Even where women have legal rights to own land, in many parts of the world they are still unable to exercise these rights, handing control over land to male relatives (Agarwal 1994). On the other hand, the introduction of private ownership of land has undermined women's customary use rights over land in some parts of Sub-Saharan Africa (Lastarria-Cornhiel 1997) while strengthening women's land rights in other parts of Sub-Saharan Africa (Behrman et al. 2012).

Feminist researchers have traced the inequalities in asset ownership to a number of sources: women's lack of property rights renders them unable to inherit property; low earnings and limited access to credit can hinder purchase of land by women; and gender norms and legal regulations prevent women from promoting their interests. For example, marital regimes that govern the sharing of property within marriage and upon its dissolution are fairly common and can contribute to gender inequality in assets. In a comparative study of individual asset ownership in Ecuador, Ghana, and the Indian state of Karnataka, Deere et al. (2013) show that there are major differences in married women's ownership of wealth depending on the type of marital property regime and inheritance laws which prevail.<sup>34</sup>

Credit, along with savings, is one route through which women can acquire assets and establish a small business. In recent years, much attention has been given to women's access to credit and its role in promoting women's self-employment. In fact, a voluminous literature on microcredit and its role in reducing income poverty and empowering women has emerged. The complexity of the relationship between access to credit, productivity, and empowerment has made this subject contentious. While many donor agencies and international organizations have touted the benefits of microcredit programs that target women, many feminist scholars have cautioned against viewing microcredit as a policy for either reducing poverty or empowering low-income women. Evaluations of microcredit programs have raised a number of concerns about its role in providing income security for women borrowers. Microcredit may not generate a sustained increase in income because women's activities are typically low-return and unstable activities while the size of loans might be too small (Mayoux 2000); only if women are able to rely on other income sources can microcredit provide a pathway to increase women's income (Jahiruddin et al. 2011). The group lending feature of microcredit, especially in the context of commercial (for profit) loans, ties low-income women's and their families' livelihoods to the uncertainty and risk of financial markets (Karim 2011; Wichterich 2012). In addition, microcredit studies focus almost exclusively on production loans, ignoring the consumption debt to meet health emergencies, etc. (Floro and Messier 2010).

With regard to the questions of agency and empowerment, the feminist debate has focused on whether women control the loans or the income from the microenterprise (or are simply a conduit for the loan that their husbands use) and how empowerment should be measured (Goetz and Gupta 1996; Kabeer 2001; Parmar 2003; Garikipati 2008). Feminists have also been critical of the tendency to isolate evaluation of the impacts of microcredit from the prevailing social relations and type of economic environment, which can either strengthen or weaken its effect on women's well-being (Goetz and Gupta 1996; Adams and Mayoux 2001; Rankin 2002).

Feminist economists have also explored the gendered dimension of attitudes and behavior towards risk, which influence the returns to investment as well as business earnings, at least in the high-income countries. Feminist research builds on experimental research as well as empirical studies from other social and behavioral sciences, some of which found statistically significant differences in average risk preferences between the sexes (Hinz et al. 1997).<sup>35</sup> Some early research found that in retirement plans, US married women were, on average, more conservative in their asset allocations compared to married men (Sunden and Surette 1998), which led to lower average investment returns (Jianakoplos and Bernasek 1998).<sup>36</sup> The proposed explanations have ranged from sex difference in preferences in competitive situations and overconfidence on men's part, to a possible greater incidence of negative outcomes experienced by women, which make them more risk averse. However, there is debate about the extent to which these results may reflect the specific situations that frame the decisions and affect the behavior of individuals rather than actual differences between women and men (Nelson 2014; forthcoming; Filippin and Crosetto 2014).

### *The Dynamics of the Household*

The household is one of the key sites of interest to feminist economists. It is the locus of unpaid caring activities and provisioning based on incomes generated by household members; it is also the site of gender inequalities in workload and resource allocation, and power relations that mediate well-being outcomes. As mentioned above, feminist frameworks of the household grew out of critiques of Becker's unitary and harmonious model of the household. In several cases, the impetus was provided by developing country research that challenged Becker's model. In addition, within the mainstream there was a methodological shift to game-theoretic formulations of intra-household relations.

A large body of literature on households in developing countries pointed out the unrealistic and simplistic assumptions of unitary models that do not reflect the variety of ways in which families and households function across countries and cultures (Dwyer and Bruce 1988). In her analysis of agricultural



households in Africa, Koopman (1991), for example, illustrated how the assumptions of shared preferences and pooled resources were at odds with the separate productive enterprises of men and women within households. Moreover, presuming that households function according to the unitary model can frustrate the anticipated supply response to various agricultural policies. For example, due to the rigidity of the gender division of labor and non-pooling of incomes, cash-crop production may not rise when crop prices increase.<sup>37</sup> Or it may increase only if women have weak bargaining power vis-à-vis their spouses and end up substituting work on cash crops controlled by their spouse for work on food crops, which may undermine food security for women and children (Darity 1995).

The methodological shift away from the unitary household model came with the bargaining models of Manser and Brown (1980) and McElroy and Horney (1981), who used game theory to analyze intra-household allocation. These models assumed household members, invariably a couple, were individuals with different preferences and different options on which they could fall back if their relationship did not work out. The strength of those options—for example, having a well-paying job, divorce laws, effective control over assets, or absence of dependents to support or care for—gave different degrees of bargaining power to each individual, who in turn could bargain over the allocation of resources in the household. While bargaining models allow for differing preferences within the household with the potential for disagreement and discord, otherwise they are thoroughly within the neo-classical microeconomics mold: each individual is a *homo economicus* driven by self-interest, with a very clear idea about her/his preferences and options, and equally capable of bargaining.

An important contribution towards the construction of feminist models of the household was made by Sen (1985; 1990a), who argued that the household is a site of both cooperation and conflict, where conflict is subsumed under the appearance of cooperation. Sen's innovative formulation of the household as the site of "cooperative conflicts" advanced the analysis of the household beyond the earlier economic conceptualizations of the family: (a) the neoclassical view of a harmonious unit; (b) the Marxian view of the family as a source of unity and survival for the working class; and (c) the feminist view of the family as a locus of conflict and struggle.<sup>38</sup> Sen argued that gender inequalities in even the most basic aspects of life, such as survival, nutrition, health, and literacy were the result of differences in bargaining power. A long-time critic of neoclassical models, he argued that these models were incapable of explaining the systematically inferior social status of women in many societies; both the harmonious rational choice model and the game-theoretic bargaining models of neoclassical economics were flawed in capturing the nature of gender relations and inequalities within families, particularly in developing countries.

As an alternative, Sen (1990a) proposed a bargaining *framework* that included three factors relevant to the bargaining process: (a) the fallback position feature of the bargaining models, which he termed “breakdown well-being response” (what a person has to fall back on, were s/he to physically survive outside the family), and two innovative elements, (b) “self-interest response” (one’s perception of her/his self-interest) and (c) “perceived contribution response” (one’s perception of her/his contribution to the family).

Sen argued that these perceptions are relevant to understanding how gender inequalities emerge and how they are maintained. His reasoning was that women, especially in developing countries, tend to have limited perception of their individual well-being since they view themselves as part of the family unit and their care for others leaves little room for having an independent sense of their own interests, needs, and well-being. A weak sense of self-interest thus makes women more likely to go along with arrangements that leave them disadvantaged. In addition, Sen argued, in family-owned businesses or family farms, some of them in subsistence agriculture, women’s contributions to the family enterprise might be less visible both to themselves and others around them compared to a setting of wage labor. Such weak perception of one’s economic contribution would disadvantage women in the intra-household distributional processes.<sup>39</sup>

Sen has used his bargaining framework to explain the problem of “missing women,” which continues to be prevalent in China and India (Sen 1990b; 1992). Accordingly, the lopsided population sex ratios in countries or regions within a country were the result of the low bargaining power of women in the household. The solution then was to increase women’s bargaining power and agency by improving each of the three components of bargaining power (Sen 1990a). This, in turn, could be achieved by improving women’s employment opportunities in paid work outside the network of kinship relations (in his words, “gainful work outside”), increasing women’s educational levels, and consciousness raising.

Sen’s formulation has been conducive to analyzing the factors behind women’s subordination, powerlessness, and low bargaining power. As such, it has subsequently been developed by other economists with a more specific feminist lens (Katz 1991; Seiz 1991; Agarwal 1992a; 1997; Carter and Katz 1997; Kabeer 2000). For example, Agarwal (1997) focused on relatively neglected dimensions of Sen’s bargaining approach, providing a rich analysis of bargaining power, informed by her empirical work on India. In her analysis, the factors affecting women’s fallback positions and relative bargaining strength go beyond individual sources of power to include social norms, market institutions, the community, and the state, each subject to transformation through policy and action. Agarwal made the case for the interrelated nature of bargaining within and outside the household, given

the embeddedness of households in a larger institutional context. Under-valuation of women's work in the labor market thus has feedback effects on women's bargaining power over family subsistence via both limited perception of their contribution and their low earnings. More recent empirical evidence also shows that women's ability to exercise the bargaining power they derive from employment and earnings is affected by gender norms, values, and inequalities at the institutional level (Van Staveren and Odebo 2007; Mabsout and Van Staveren 2010; Bittman et al. 2003).

Feminist economists have also engaged with Sen's bargaining framework. Agarwal (1997) argued against Sen's view that women lacked a perception of self-interest as well as the feminist arguments that women are more altruistic than men due to their gender socialization. Lack of protest against inequality does not mean lack of awareness of it, Agarwal argued; gender constraints often prevent women from acting overtly in their self-interest and may result in the appearance of compliance. She also argued that self-interest and altruism often coexist.

Sen's emphasis on paid work outside of kinship networks as an instrument for strengthening the three components of women's bargaining power has also been subject to critique. Critics argued that paid work is important but may not be sufficient to give women greater say in the household and to improve their well-being: women wage workers end up with the dual burden of household work and paid work; and low-waged work can have only a weak effect (Koggel 2003; Domínguez et al. 2010). Other studies show that participation in paid work is not necessary to ensure higher survival chances of females. Quite the contrary, the prevalence of unpaid family work in rural settings, which is extremely valuable for the viability of smallholder agriculture, is associated with higher female-male sex ratios among children (Berik and Bilginsoy 2000). The notion of the capitalist workplace as free of patriarchal relations, suggested by Sen's emphasis on "gainful work outside," has also been long challenged by feminists. Elson and Pearson (1981) emphasized how companies make use of traditional gender norms to organize the workplace and thereby reinforce these gender norms, which weakens the potential of large factory settings to raise women workers' consciousness. In addition, the trend in India's sex ratio at birth also challenges Sen's argument in favor of women's education as a tool for strengthening women's agency and bargaining power in the household. Indian evidence shows that while women's labor force participation is positively related to the greater survival chances of girls, women's increasing education level is associated with rising male-female sex ratios at birth, a sign of son preference exercised through sex-selective abortion (Mukherjee 2013; Srinivasan and Bedi 2008; Sen 2001). Nonetheless, the cooperative-conflict bargaining framework continues to inform empirical analyses of intra-household bargaining, even though

empirical studies do not always uphold its predictions. For example, based on experimental evidence from Uganda, Jackson (2013) finds limited support for Sen's framework. In a gender system that is patriarchal and patrilocal and where husbands formally have complete control over money management in marriage, there is no difference in women's and men's perceptions of self-interest, and monetary contribution-based power does not hold. Also since marital success is important for upholding masculine identities, wives end up having a stronger fallback position.

In terms of methodology, while both Sen and Agarwal argued for a broader approach unconstrained by formal models, the empirical analysis of intra-household allocation and decision-making has taken off in highly quantitative directions. The quantitative turn has been the result of increasing recognition of the importance of women's bargaining power for children's well-being and the interest in establishing causality in what drives child well-being outcomes (Doss 2013). The World Bank's "gender equality is smart economics" argument hinges on women's bargaining power in making decisions. The argument posits lower gender inequality as the contributor to economic growth, and the primary mechanism is women's spending patterns that benefit children. The growing empirical literature on intra-household bargaining can thus be attributed to the impact of feminist economics on policy circles, which have taken an instrumental interest in intra-household bargaining. Yet, as Cheryl Doss (2013) points out, neither bargaining power nor women's preferences for particular outcomes are observable and therefore any empirical research will have to rely on the use of proxies, such as women's earned income, assets, and education level. This literature has presumed that a positive effect on a desired outcome (for example, child educational attainment) reflects women's preference for that effect. The variety of proxy measures for women's bargaining power has sometimes led to different findings, thus stimulating a debate among feminist scholars and policymakers alike.

Moreover, the interest in sorting out causality, and unambiguously establishing the effect of women's bargaining power on a desired outcome (rather than vice versa) increases the bar for standards of rigor. Thus, nearly two decades after the feminist economic critiques of the hierarchy in research methods, a hierarchy is prevalent in research on women's bargaining power: natural experiments and randomized control trials are considered as the most rigorous sources of data, and the econometric studies invariably are expected to address the problem of endogeneity (that is, rule out reverse causality—when in fact most aspects of social life both shape another aspect and are shaped by it). Doss (2013) points out that less rigorous data provide important insights while Jackson (2013) argues in favor of combining evidence—from experiments, surveys, and ethnography—to provide external validity to the

analysis. We agree with these views and believe that quantification for its own sake can undermine insightful gender analysis of socioeconomic relations.

### **Macroeconomic Policies, Provisioning, and Well-being**

Parallel to the focus on labor markets and households where gender relations are visible, feminist economics has made considerable headway in engaging with the broader questions of how to bring about an economy that is equitable. This latter question, on the agenda of feminist economics since the 1980s, is based on the recognition of the crucial role of macroeconomic policies in shaping conditions for provisioning of livelihoods and well-being. The basic macroeconomic policy instruments of fiscal policy, monetary policy, exchange rate and trade policy are designed to address the problems of unemployment, inflation, and economic stagnation. However, until the 1980s, both the policy objectives and the instruments were assumed to be gender neutral, affecting women and men in a similar manner, and the impacts were assumed to be confined to the monetary economy. The implementation of structural adjustment programs (SAPs) in severely indebted developing countries in the 1980s and 1990s provided feminists ample opportunities to challenge this assumption.

The project of "engendering macroeconomics" grew out of studies that showed the gender and class bias of the SAPs and set the stage for integrating gender in macroeconomic models from the 1990s onward (Çağatay et al. 1995; Grown et al. 2000).<sup>40</sup> Feminist research examined both the impact of fiscal or trade policies, economic growth, and financial crises on gender inequalities and the effect of gender inequalities in the household or in the labor market on macroeconomic outcomes. In this section we highlight the contributions of both research projects.

#### *Critique of Neoliberal Macroeconomic Policies*

SAPs were designed by the International Monetary Fund (IMF) and the World Bank together with other international financial players as a condition for new loans to developing countries on the brink of default due to heavy indebtedness to international creditors.<sup>41</sup> The test case for the World Bank's structural adjustment lending (SAL) took place in the Philippines during 1979–82 (Broad 1988).<sup>42</sup> By 1982, the debt crises erupted in several developing countries starting with Mexico. A SAP was implemented whenever a country announced its inability to meet its debt payments, enabling these multilateral financial institutions to play major roles in the country's development process. Thereafter this program became the typical IMF/World Bank model that was

implemented throughout the 1980s and 1990s in Latin America, Asia, and Africa, and in the Eastern European countries during the post-1989 period. In a nutshell, SAPs focused on cutting government budgets, privatization of public assets, deregulation of industries, and liberalization of trade and investment in order to bring about economic stability.<sup>43</sup> In the early 1980s these policies were also adopted in the US, UK, and Canada, under the label of supply-side economics. At the time, British Prime Minister Margaret Thatcher famously pronounced "there is no alternative" to these policies. Since then, they have been referred to alternatively as market reforms, structural reforms, austerity packages, or neoliberal policies. By the end of the 1990s, the IMF and the World Bank dubbed them "sound" macro-economic policy and they were mainstreamed. After the 2007–08 financial crisis several European nations also were subjected to strong austerity measures representing some variation of the SAP model.

Soon after SAPs began to be implemented, it became quite clear that the burden of adjustment was not equally distributed among the population. Studies showed that many countries registered an increase in poverty levels, income inequality, and social polarization (Cornia et al. 1987; ECA 1989; Commonwealth Secretariat 1989; ECLAC 1990; 1995). Furthermore, mostly based on country case studies, feminist research showed that these macroeconomic policies were gender biased as they had specific negative impacts for women.<sup>44</sup>

Building on evidence produced by feminists, Elson and Çağatay (2000) argued that inherent in these policies are three biases that disproportionately hurt the low-income groups, especially women among them: *deflationary*, *commodification*, and *male-breadwinner* biases. First, the emphasis on budget cuts puts the economy on a recessionary or deflationary path. The deflationary stance is manifest in the policy attention given to financial variables (inflation, budget deficit), rather than job creation, whereby the goal of policymakers is to signal to the financial markets that the real returns on assets will be high, and taxes and expenditures will be low. This austerity approach contributes to low employment growth and lay-offs for formal sector employees which, in turn, reverberate through the economy. Where formal jobs are mostly held by men, lay-offs are followed by pressure on women to enter the labor force, searching for jobs. The hardships generated by SAPs, together with export-orientation that generated jobs for women, contributed to the accelerated entry of women into the labor force in the 1980s and early 1990s (Çağatay and Özler 1995). The Asian financial crisis provided evidence for the gendered labor-market effects of deflation. Lim (2000) showed that unemployment rates of both women and men increased in the Philippines, but paid hours of women increased while men's hours declined. And because the increase in relative and absolute paid work for women came in the

context of unequal unpaid care work, Lim (2000: 1305) concluded that there was "a tendency toward 'overworked' females and 'underworked' males."

Second, in the name of promoting efficiency and "getting the prices right," the World Bank and the IMF encouraged the privatization of public services and public firms.<sup>45</sup> The introduction of user fees for public services or their privatization contributed to the commodification trend in the economy. Every public service—hospitals, schools, utilities, health insurance, pensions—becomes available for purchase for those who can afford them. In addition, as quality of public services (healthcare, education) deteriorates due to shrinking budgets, families seek to send their children to private schools or go to private health clinics, thus putting poor families under pressure if they cannot afford the fees. As household budgets shrank, securing the resources to pay for these more expensive or new budget items meant increase in domestic work; women sought to make do, substituting home-prepared items for market-bought goods and services (for example, more food preparation or repairs done at home). Women served as "providers of last resort," bearing increased overall workloads, albeit these effects cannot be fully documented in the absence of time-use surveys. Intensification of women's work combined with a rise in the costs of keeping children in school often brought interruption of children's education—girls' education, in particular, as their help was needed at home—as well as increasing the risks to health of women. These costs of "getting prices right" are not visible in the macro-economic measures (the GDP growth rate) that are the basis of policymaking. The efficiency gains that are assumed to result from implementation of SAPs (for example, by balancing government budgets) are achieved because the programs focus on the market and the sphere of paid production while disregarding unpaid economic activities and the sphere of reproduction.

By contrast, groups that are (potentially) internationally mobile (TNCs, financial capital, and the wealthy who derive most of their income from asset ownership) either benefit from these reforms or are unscathed by their adverse effects. If they are unhappy with a country's economic policies, these groups can threaten to leave and move to another country. Moreover, this policy approach contributes to the increasing divide in many countries between the rich and the poor in terms of income levels, consumption patterns, and capabilities. The reforms are welcomed by the well-off, who can afford to send their children to private schools, obtain healthcare in private hospitals, and do not have to pay the taxes to support the public services. These deflationary and commodification policy biases clearly reinforce each other: budget cuts encourage privatization and, as privatization proceeds, the financial interests (rentier groups and financial institutions) and satisfied consumers of private services become more resistant to relaxation of the deflationary bias. As Elson (2002a: 15) points out, "[u]nder this

pressure, social policy becomes a branch of financial policy and [. . .] the risks of liberalized international financial markets are compounded by funding social provision through financial markets.”

Third, SAPs were often designed under a male-breadwinner bias, reflecting the assumption that men are the first to be entitled to decent jobs or first to be hired in economic recovery, while women are assumed to be secondary earners and economically dependent on men. To illustrate, in the 1990s when the IMF, World Bank, and policymakers in Latin America became aware of the difficulties facing poor households as a result of SAPs, safety nets with the name of Social Emergency Funds were designed as a way of dealing with basic needs; women were entitled to these safety nets but they were viewed as dependents of male family members (Benería and Mendoza 1995; Elson 2002b).<sup>46</sup>

In the late 1990s, the IMF and the World Bank softened the conditionalities placed with the policy packages and allowed for some debt relief to heavily-indebted poor countries. This shift was in response to the IMF's experience with the Asian Financial Crisis and the ongoing debt problem experienced by very low-income countries.<sup>47</sup> As of 1999, SAPs were replaced by Poverty Reduction Strategy Papers (PRSPs) as a condition for loans to low-income, heavily indebted countries. As part of the borrowing process, countries had to prepare, abide by, and take ownership of a document akin to a national development plan that is expected to address poverty reduction and facilitate growth (IMF 2001). While this innovative initiative emphasized country ownership, participation by local NGOs in the design of the PRSP, and poverty reduction as a goal, evaluations have shown that these features have not been realized in practice (Dijkstra 2011; Cypher and Dietz 2009). Importantly, PRSPs carried over the gender blindness of SAPs by their insistence on the same macroeconomic stabilization measures and structural adjustment as SAPs, which feminist economists had shown to be neither conducive to reducing gender inequalities nor fostering long-run economic growth (Van Staveren 2008; Elson and Warnecke 2011).<sup>48</sup> Thus, while SAPs may be history, their problematic features have continued in PRSPs and its successor program that has replaced PRSPs since 2010.<sup>49</sup> Feminist economists have argued that any new formulation of SAPs that does not reform the macroeconomic policies that create the problems in the first place is an ineffective response; instead, alternative macroeconomic policies are needed (Elson and Çağatay 2000; Elson 2002a; Elson and Warnecke 2011; Van Staveren 2008).

In addition to engaging with fiscal austerity, feminist research has examined the impact of economic growth, trade liberalization, and financial liberalization on gender inequalities, each of these being major determinants of the livelihoods of people. Feminists have questioned the synergistic



argument that posits a win-win relationship between economic growth and gender equalities, posited, for example, by Dollar and Gatti (1999). Seguino (2002; 2008) showed that growth is not sufficient to reduce gender inequality. While methodological and data constraints hamper the gender analysis of trade reforms, feminists have produced substantial research that shows certain trends. Trade liberalization and expansion since the early 1980s has contributed to the growth of women's employment in labor-intensive export sectors in many countries, and reduced the labor force participation gaps between men and women; yet, women workers predominate in low-wage and low-productivity export sectors. The record on export sector-wage levels is mixed and does not support a general decline in gender wage inequalities (Berik 2011).<sup>50</sup>

Financial liberalization, on the other hand, has heightened market volatility, induced more unstable growth, and increased the incidence of financial crises and economic downturns (Singh and Zammit 2000; Floro 2005). Its resulting impact on business foreclosures and factory closedowns, job loss, credit availability, and social services is not gender-neutral; in the end, many women tend to shoulder the burden of economic downturns in terms of higher incidence of violence against women, lower earnings, and more unpaid work.

Feminist economists also examined the macroeconomic effects of gender inequalities in the household and in labor, credit, and product markets. This research has identified multiple channels through which gender inequality can affect macroeconomic aggregates. For example, unpaid caring work affects various macroeconomic variables such as labor supply, consumption, savings, and investment (Van Staveren 2010). Empirical studies show that gender equality can both be a stimulus to growth and hamper growth. Studies find that reducing gender gaps in education, labor force participation, and employment boosts economic growth. By contrast, Seguino (2000a; 2000b) showed that gender inequality in wages was a stimulus to economic growth in a group of semi-industrialized economies over the 1975–95 period. In this case, gender wage inequality boosts export earnings and supplies the foreign exchange to fund new investments. The key question raised by these contrasting results is whether gender wage inequality can be reduced without derailing the long-run growth of the economy and the productivity-boosting effects of promoting gender equality in education. Feminist research also made the case for recognizing the adverse effects of gender inequality on the sustainability of economic growth—the coveted goal of the IMF and the World Bank. For example, in agrarian economies of Sub-Saharan Africa gender inequality in access to inputs, training, and lack of land rights accounts for low productivity in food production, which leads to food imports, exacerbating foreign exchange shortages and fueling price inflation. Financing

the programs to reduce these gender inequalities would thus boost economic growth.

Finally, drawing upon a range of social science research, feminist economists have shown that consumption patterns differ by gender and that these differences have macroeconomic effects. For example, research has established that a higher share of women's income tends to be spent on household consumption goods compared to the proportion from men's income, and women and men are often responsible for different categories of consumption expenditure (Dwyer and Bruce 1988; Hoddinott and Haddad 1995; Quisumbing and Maluccio 2000). These gendered practices imply that increasing women's relative income would result in greater well-being effects compared to a scenario where men's incomes increase. Improved well-being of children, in turn, contributes to economic growth. Thus, over the long term, gender wage equality can be good for growth.

### *Alternative Macroeconomic Policies*

Feminist research has also produced the criteria for the design of alternative macroeconomic policies to bring about broadly shared development. Accordingly, putting people at the center of development requires taking seriously the burdens of adjustment, being attentive to social constraints that prevent easy adjustment of people who are displaced from their jobs or their homes due to the reforms, and avoiding disproportionate burdens for low-income groups. In general, policies have to be designed with attention to their immediate gender and class impacts as well as their hidden costs that may entail long-term losses.

The primary goal of alternative macroeconomic policies should be to promote the livelihoods and well-being of people, rather than getting the prices right or maximizing efficiency and economic growth. To promote livelihoods it is necessary to pursue full-employment policies. These, in turn, require increasing tax revenues that have shrunk under neoliberal policies.<sup>51</sup> However, creating more fiscal space (by moving away from fiscal austerity) is not sufficient to ensure gender-equitable outcomes. The male-breadwinner bias in the workings of institutions also has to be addressed. Thus, complementary policies are needed to ensure work-family balance, to cover providers of unpaid care under social protection schemes, and to create decent work for women and men. In some countries, gender-responsive budgeting has been a tool to achieve more gender-equitable public finance; through participation in the budget process, civil society groups have increased public awareness of gender, class, and ethnic biases in expenditure categories. One major issue of concern in this approach has been to assess the impact of fiscal policies on unpaid work and total work burdens. In this way, gender-responsive budget exercises have tried to reduce these biases,

bringing about more accountability in the budget process (Budlender 2000; Sharp and Broomhill 2002; Austen et al. 2013).

At a different level, feminist economists have fleshed out broader strategies to make gender equality and economic growth mutually reinforcing by considering a combination of trade, industry, and financing policies (Seguino and Grown 2006; Berik and van der Meulen Rodgers 2010). Seguino and Grown have argued in favor of pursuing industrial policy in order for countries to move out of the low-wage export niches, which would in turn allow payment of higher wages to women workers in the export sector. Moving away from overreliance on exports as well as out of the low-wage export niche is also central to the international trade-linked strategy to improve working conditions that Berik and Rodgers identify.

As Çağatay (2003a: 36) argues, the ultimate goal of the project of engendering macroeconomics is to identify “macroeconomic policies that promote gender equality and types of growth that help reduce poverty and social inequalities in a sustainable and environment-friendly way.” While the feminist macroeconomics project has made considerable headway as a critique of neoliberal macroeconomics and in fleshing out an alternative policy program, the policy responses to the 2007–08 financial crisis show that neoliberal macroeconomic policies are alive and well (Ortiz and Cummins 2013) and the gender blindness of macroeconomic policies continues (Esquivel and Rodríguez Enríquez 2014).

## Feminist Ecological Economics

The overlap between feminist economics and ecological economics has been explored by several scholars since the late 1980s (Shiva 1988; Agarwal 1992b; Perkins 1997; Nelson 1997).<sup>52</sup> Both feminist economics and ecological economics increasingly recognize the interdependence of social provisioning and the environment and the links between the marginalization and exploitation of the natural world and women’s labor (Perkins et al. 2005; Veuthey and Gerber 2010). And both share a common vision of sustainable and equitable development that addresses and maintains the balance between the provisioning needs of the current generation and that of future generations.

In recent decades, the evolution and development of each body of writing has been enriched by the ideas, methodologies, and insights from the other and led to the development of feminist ecological economics. Ecological economics, much like feminist economics, criticizes the manner in which standard neoclassical economic models neglect the contributions of ecosystem services as with the unpaid work contributions of women. The orthodox

models' preoccupation with economic growth obscures the immense adverse impacts on the ecosystems, as in the case of the unrecognized unpaid work burden of women (Perkins 1997; 2007; O'Hara 2009).

The work of feminists and social science researchers on the valuation of unpaid care work links directly to the analysis of the value of ecological services. The work of ecology scholars has demonstrated that gender equality and social provisioning demands attention to the natural environment in which we thrive and live upon. As Nelson (2008) points out:

As members of the human race, we may be concerned about future generations because we reason that such concern for humanity in general is fair and just. Or we may be concerned because we can imagine the distress we might be bringing on our own children and grandchildren by failing to address climate change . . . if we allow our economies to run along a business-as-usual path, we will bequeath to future generations a world whose life-sustaining capacities will be severely compromised. (p. 444)

Feminist ecological economics focuses on social relations in the household, community, markets, and societies, and interrelationships between people and nature, all of which underlie the functioning of economies. Its analytical approach demonstrates the deep linkages and connections between concerns for nature and concerns for equity, including interspecies and intergenerational equity. In an economy where social provisioning is central, production, distribution, and consumption are guided by a different set of principles than those that currently guide market-based economic growth.<sup>53</sup> The gender lens used in feminist ecological economics helps identify the structural causes of the systematic exclusion of both the natural environment and unpaid work in mainstream economics and policy discourses. The expansion of markets guided by neoliberal policies has had negative impacts on the provisioning of care by often stretching the demands for unpaid work to levels that undermine the well-being of the worker, and on ecological processes, which can reinforce each other. Feminist ecological economics sees the "add women and stir" and "add environment and stir" approaches that have been applied in gender mainstreaming efforts and in conventional environmental and natural resource economics evaluations as shallow and capable of leading to misguided or erroneous recommendations. Feminist ecological economists argue that a meaningful analysis of the material and social constraints at work in market economies that lead to care deficits and climate change involves a feminist and ecological lens and methodological tools.<sup>54</sup>

Centered around social provisioning of basic needs within and across generations, feminist ecological economic analysis shows the importance of women's unpaid work, ecological destruction, and material throughput

without necessarily commodifying or monetizing these elements, which are regarded as externalities in mainstream economics. The work of creating sustainable economies, to the extent that it falls unequally on women and men, is considered to be ultimately unsustainable; hence, the promotion of sustainable development entails the promotion of gender equality. Finally, feminist ecological economics sees collective action and engagement in the process of social change as necessary in addressing gender and ecological concerns. Because of the importance given to collective and social processes, there is respect for diverse ways of knowing and valuing things, and methodological pluralism, thus allowing for the flourishing of the field in different directions.

### **Conclusions: Towards a More Inclusive Economics**

Feminist economists have moved beyond the critique of mainstream economics and produced a rich body of literature in many fields; they have also contributed to research in other social science disciplines through collaborative research or use of a variety of research methods and methodologies that go beyond statistical analysis. Feminist work has been incorporated in contemporary development policy initiatives, such as those that emphasize the economic returns to reducing gender inequality, or anti-poverty programs that provide financial help to women rather than men on the basis that women tend to use funds in a way that is more beneficial to children (for example, conditional cash transfer schemes, microcredit).

However, feminist research has largely moved on a parallel track to mainstream economics. Despite the burgeoning feminist literature, the economics profession has proven to be the least open of the social sciences to the challenges raised by feminism. While mainstream economics has evolved since the height of the feminist critiques of the early 1990s, its fundamental features have hardly changed. Feminist and other heterodox critiques have hardly made a dent in the core tenets of the discipline. While economic models have become increasingly sophisticated, these innovations are not influential in undergraduate teaching in economics. It is the core of the discipline that is hegemonic in undergraduate teaching, popular and political discourse, and the market reforms that are widely implemented (Kanbur 2002; Ferber and Nelson 2003b; King 2013; Wade 2011). And macroeconomic policy, for the most part, continues to be gender blind.

Gender breakdown of categories in statistical analysis has become almost routine in many fields of economics, spreading beyond its initial base of labor economics. However, this step is not sufficient. The discipline has continued to strongly privilege orthodox thinking and exclude heterodox

alternatives through a variety of means: from the nature of graduate school programs to screening in economics journals and simply ignoring research findings that are contrary to mainstream research. The narrow definition of the discipline and strong emphasis on modeling and quantitative methods of analysis makes the discipline unreceptive to epistemological questions and interdisciplinary inquiry. For these reasons, it has been difficult to alter deeply ingrained practices and entrenched “ways of knowing,” of theorizing and of “doing science.” Yet the interdisciplinary nature of feminist economics has made it relevant to other social sciences, establishing mutual interests and useful exchanges for research, teaching, and action.

Within economics itself, we believe that there is much to be gained from greater collaboration across heterodox approaches towards the goal of toppling mainstream economics from its hegemonic position. While many feminist economists produce research that is in the heterodox tradition, other heterodox economists have often been unreceptive to engagement with feminist challenges to their schools or to calls for building on the considerable overlaps between them. For example, Danby (2004) and Van Staveren (2010) have examined the possibilities for progress towards a gender-aware post-Keynesian economics, while Fukuda-Parr et al. (2013) have argued for a more robust analysis of the 2007–08 financial crisis that draws upon feminist and heterodox macroeconomic perspectives.<sup>55</sup> Similarly, there are opportunities for feminist economists, ecological economists, and new developmentalists to engage in complementary work on development strategies that are both equitable and sustainable. A more robust economics is possible, for example, in addressing the environmental (climate) crisis by building on the contributions of two or more of these strands of thought (Nelson 2008; Power 2009; Floro 2012; İlkaracan 2013b; Berik 2014). As feminists we have to keep the vision alive to create a more equitable and sustainable future.

## Notes

- 1 “Poisoning the Well, or How Economic Theory Damages Moral Imagination” in *Oxford Handbook of Professional Economic Ethics* (ed. George DeMartino and Deirdre McCloskey, 2015).
- 2 Pujol (1992) evaluates earlier strands of feminism (and anti-feminism) in writings on the economic status of women.
- 3 Becker’s analysis of the gender division of labor also had biological-deterministic leanings. His positions represented a sharp contrast with the social constructionist approaches emanating from feminist theory and empirical work in the social sciences and in economics (MacKintosh 1978; Benería 1979).
- 4 In contrast to the mainstream human capital theory explanation of occupational segregation by sex and gender wage differentials, Bergmann’s crowding model

- emphasized exclusion of women from a range of high-paying occupations and their crowding into a small number of occupations as the cause of the gender wage gap.
- 5 Engels emphasized both biological and social aspects of reproduction as well as attaching equal importance to production and reproduction activities. However, in the same essay Engels also articulated the call to integrate women into the labor force as a strategy to reduce their subordination to men. In other words, his solution to women's subordination in capitalism was to move them out of the home and into wage labor, thereby emphasizing the determinative nature of production activities.
- 6 In addition, the postmodern critique of "grand theories" and their tendency to essentialize what is not universal paralyzed further development and the potential impact of the Marxian framework. Although postmodern critiques of grand theory apply equally to orthodox economics, the latter has remained more immune to it, in large part because postmodern critiques emerged from disciplines other than economics.
- 7 The transaction costs approach can be traced back to Coase (1937), who argued that when it is costly to transact, institutions are created to reduce the costs.
- 8 Transaction costs include the costs of gathering and processing information, making negotiation or agreement, monitoring and supervision, coordination and enforcement of contracts.
- 9 For example in rural markets, the practice of interlocking market contracts for labor, credit, and output by landowner-lenders or trader-lenders gives the propertied classes the ability to benefit from a more dominant bargaining position with a farmer-borrower.
- 10 To give an example, an interlocking of transactions in credit and labor markets in the form of a loan to a worker provided by an employer-lender can be explained, using the transaction costs approach, as a means of reducing transaction costs and as a substitute for an incomplete credit market. This type of market exchange itself may also act as a barrier of entry to third parties and can be a source of additional power for the dominant partner in such transactions. As Bardhan (1989: 1389) points out, these personalized interlockings of labor commitments and credit transactions also "divide the workers and emasculate their collective bargaining strength vis-à-vis employers, who use this as an instrument of control over the labor process."
- 11 Initially, women were added on to the analysis as a way of describing their location and conditions of participation in the labor market, rather than as a way of explaining why segmentation was gendered (Benería 1987).
- 12 These are the foundational assumptions of neoclassical economics: the rational, self-interested behavior informing individual decisions; impossibility of interpersonal utility comparisons; the exogenous and static tastes in economic models.
- 13 See Benería (2003) for a more detailed discussion and references.
- 14 More recently, James Heckman has focused on early childhood education, highlighting its social as well as individual benefits. See, for example, Heckman (2000; 2011).

- 15 While the use of the Robinson Crusoe trope in introductory economics textbooks has declined over time, it has not disappeared. Mankiw (2012) uses Robinson Crusoe's activities to explain the importance of specialization, trade, and productivity. He states that it is rational for the "shipwrecked sailor who spends his time gathering coconuts and catching fish" (p. 54) "and his friend Friday" (p. 56) to engage in trade. And in the discussion of the determinants of Crusoe's productivity there is no mention of Friday's contributions (p. 241).
- 16 This moment of bliss, however, can only be achieved when both persons have perfect information about their options, the markets are competitive, and there are no externalities, that is, individual decisions do not affect other persons either adversely or positively.
- 17 As King (2008) reminds, the Pareto optimality concept encourages thinking of growth as a desirable goal so that the possibility of redistribution is not entertained. If the pie grows, then the shares of everyone can potentially grow and poverty can be alleviated without resorting to any redistributive measures.
- 18 On the same grounds, Sen and Nussbaum view the recent turn to happiness measurement with skepticism. There is, however, a recent attempt that combines happiness measures with objective measures of well-being in terms of capabilities or livelihoods in order to identify desirable policies to promote well-being. See the recent effort by the Gross National Happiness (GNH) working group, which differentiates between well-being (objectively measured as GNH and the subject of policy), happiness skills (that are the object of personal change) and happiness (measured by subjective surveys) (Graaf et al. 2013).
- 19 Increasingly, experimental methods are being utilized in economics, challenging the supremacy of econometric testing. In the early 2000s, conducting controlled experiments has emerged as a contending research method in producing knowledge. Fashioned after medical trials, randomized control trials (RCTs) have been applied to an increasing number of research questions and viewed as providing definitive evidence on causality, i.e. the effect of one phenomenon on another. However, this methodology is designed to answer small questions and does not part ways with the foundational assumptions of mainstream economics (Basu 2013).
- 20 Nelson points to stereotyping and confirmation bias of researchers.
- 21 By equality of outcomes we refer to similar group distributions (for example, in women's wages vs. men's wages), and not equal means, even though within each group there might be inequality. Phillips regards equality of outcomes as a test of whether equality of opportunity exists.
- 22 Such is the case among the Yoruba in Nigeria where couples are expected to be financially independent and share contributions to the household. However, this egalitarian arrangement may not lead to increased well-being of women even when women's economic power increases. She may not be able to exercise bargaining power vis-à-vis her spouse since the gender-symmetric economic norm is undermined by men's stronger property rights and access to resources, symbolic value of male household headship, and patriarchal child custody rules.



- 23 Page number refers to the unpublished English version.
- 24 The empirical finding that countries that reduced gender gaps in education attracted more foreign direct investment, may be interpreted in two ways: either foreign companies are interested in employing highly productive women workers or there is the added draw of the lower wage rates of women workers which actually help reduce unit labor costs. If the latter is the case, then FDI may not generate secure livelihoods for women workers (Berik, et al. 2009).
- 25 See specific lists of basic capabilities drawn up by Nussbaum (2003), and Robeyns (2003a).
- 26 We borrow this example of the boxer and the woman subject to domestic violence from Robeyns (2005).
- 27 This means the capabilities approach has to complement a theory of economic development that focuses on how productive structures can be transformed to create the capacity to raise resources that ensure people's well-being. One promising approach is new developmentalism that has generated principles for economic development on the basis of experiences of East Asian economies (Khan and Christiansen 2011).
- 28 A third option is for the feminist economist to design and conduct her own research to generate primary data. While feasible, this option is potentially costly for the researcher in terms of time investment in learning the methods typically not taught in the economics graduate curriculum, acceptance of research results, and reputation in the discipline (Berik 1997).
- 29 Philosopher Harding (1995) has joined the debate on objectivity in economics, pointing out that models of scientific knowledge that are viewed as "objective," including in the social sciences, often "express and serve the projects only of dominant institutions" from which women have been excluded (p. 8).
- 30 The financial sector targeted these groups for subprime loans, putting them at greater risk for default and foreclosure as the financial crisis hit.
- 31 For example, it is impossible to carry out race/ethnicity- and gender-differentiated statistical analysis of training outcomes for the building trades in the US, which are dominated by white men. Statistical analysis founders due to the tiny numbers of Latinas or black women who are training for the trades.
- 32 One implication of this critique is that the demand side of the labor market (employer behavior) interacts with the supply side (women workers' choices), which violates the basic mainstream assumption about the workings of a market.
- 33 In several Latin American countries joint titling of land was introduced, making it possible for husbands and wives to jointly own land (Deere and León de Leal 2003).
- 34 Women fared much better in Ecuador where a "partial community property" regime prevailed, owning 44 percent of the couple wealth, while they owned only 19 percent and 9 percent of the couple's wealth in Ghana and India, respectively, where "separation of property" regimes holds.
- 35 Their results particularly noted that single women are more risk averse compared to single men.

- 36 In Sunden and Surette's 1998 study, the wealth holdings of single women are found to be relatively less risky than those of single men and married couples. Hence, investment decisions for retirement purposes are likely to be influenced by the interplay of gender and marital status rather than gender alone.
- 37 The price incentive may not translate into higher output, if the land for cash crops is controlled by men, the crops are sold by them and income is controlled by them, but at least some of the labor is provided by women. Under such conditions, women may prefer to work on their own plots rather than produce cash (or export) crops.
- 38 For more detail about these conceptualizations, see Benería (2009).
- 39 While Sen's primary focus is on the allocation of resources as the object of contention or bargaining in the household—for example, the amount and type of food consumption, expenditures on doctors' visits or children's schooling—the object of bargaining can also be in the area of labor allocation to household production; who does what work and when are often contentious issues.
- 40 For an accessible overview of the project of engendering macroeconomics see Çağatay (2003a).
- 41 This set of policies promoting market liberalization was later referred to, from 1990 onward, as the Washington Consensus.
- 42 The signing of the World Bank-Philippines SAL agreement took place in September 1980.
- 43 Although some details have varied from country to country, the basic characteristics can be summarized as being in four major policy arenas: (a) adjustments in the area of foreign exchange, often including a devaluation of the national currency; (b) drastic cuts in government spending and privatization of government-run firms; (c) deep economic restructuring and deregulation of markets, including labor and capital markets; and (d) trade liberalization and the easing of rules regulating foreign investment, thereby increasing the global integration of economies and shifting production towards exports relative to domestic markets. For an overview on SAPs, see Benería (1999a).
- 44 See for example Elson (1991a); Benería and Feldman (1992); Blackden and Morris-Hughes (1993); Floro and Schaefer (1998); Çağatay et al. (1995); Grown et al. (2000); Sparr (1994); Floro (1995).
- 45 "Getting prices right" refers to the setting of prices and quantities exchanged on any given market by the interaction of supply and demand, that is, without the government intervening to set minimum or maximum price levels.
- 46 The Social Emergency Funds were put in place in the mid-1990s partly in response to the evidence that SAPs were causing greater social stress than originally expected. These packages included some form of palliative for "the most vulnerable" and were sporadic, ad hoc measures aimed at alleviating the most extreme cases of distress and poverty and preventing social tensions.
- 47 The IMF and the World Bank began to insist that countries that borrow from the IMF have in place a social safety net (social policy) in order to prevent the

hardships generated for the most disadvantaged groups when deflationary programs are put in place. This shift was motivated in part by the experience of Asian countries that were forced by the IMF to implement SAPs when they had no social safety nets. As Elson and Çağatay (2000) argued, this add-on approach can be no more than a short-term palliative, unless the SAP-type policies are discontinued.

- 48 Van Staveren (2008) argues that PRSPs have not been gender aware, even when there is local gender expertise and commitment to pursuing gender equality goals. The problem lies in the gender-blind macroeconomic framework that is focused on monetary and fiscal stability and does not acknowledge the adverse impacts of stabilization policies for poverty in the short run and for underinvestment in human capabilities, which could undermine economic growth in the long run.
- 49 As of January 2010, the new Poverty Reduction and Growth Trust (PRGT) was created to extend new types of loans to low-income countries. The loan facility that funded PRSPs, the Poverty Reduction and Growth Facility (PRGF), was replaced by the Extended Credit Facility (ECF), which the IMF intends as a more flexible option than before for medium-term loans to low-income countries. While the new approach is more responsive to country needs, the conditionality of fiscal or foreign exchange reserve targets, which is the marker for restrictive fiscal policy, continues (IMF 2014).
- 50 Cross-country research shows that labor-intensive exports are associated with wider gender wage inequalities, underscoring the incentive for governments to maintain wage inequality (Busse and Spielmann 2006). In general, export sector wages are lower for both women and men compared to sectors that produce for the domestic economy. While in some countries women's wage rates in export sectors are above the country minimum wage or poverty line, in others they do not reach these levels. In some countries, over the long haul, the average real wage rate in the export sector has declined, while in the dynamic export sector of China they have increased. Even when gender wage gaps narrow on average, the gap between equally skilled women and men workers has widened, indicating rising wage discrimination against women. See Berik (2011) for a review of these studies.
- 51 For gender-aware overviews of the tax revenue effects of neoliberal policies see Çağatay (2003b), Berik (2011), and Williams (2007).
- 52 Ecological economics was defined by Costanza (1989: 1) as "including neoclassical environmental economics and ecological impact studies, as well as encouraging new ways of thinking." The subject has since evolved into an interdisciplinary field that examines the co-evolution and interdependence of human systems and ecosystems across time and space. See also Daly and Farley (2004).
- 53 See Perkins (2007) and Nelson (1997) for discussion of these principles.
- 54 See Perkins (1997) and Veuthey and Gerber (2010) for review of the various strands in feminist ecological economics.
- 55 According to Danby, if the post-Keynesian framework is to integrate gender, it needs to shed three institutional assumptions common to post-Keynesian analysis.

These are: (1) the capitalist entrepreneur who is assumed to behave much like the neoclassical rational economic man; (2) the concept of the economy that solely comprises monetized transactions where households are solely sites of consumption; (3) the notion of a neutral, all-powerful state, enforcing contracts freely entered by individuals, which reinforces a vision of society that is free of conflict, coercion, power differences, or inequality.

