The Challenges of Feminist Economics

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"Die sozialen Fortschritte und Übergänge von einer Periode zur anderen erfolgen auf Grund des Fortschritts in der Befreiung der Frauen [...] die Erweiterung der Privilegien der Frauen ist das Prinzip allen sozialen Fortschritts"

(Charles Fourier cit. in Meyer 1977: 69)

1 Introduction

The position of women in a society is an indicator for the general quality of its social system. Already at the beginning of the 19th century this opinion was expressed by Charles Fourier.

However, the actual deconstruction of the Soziale Marktwirtschaft in Germany seems to worsen the situation of women especially. In Germany 3.7 million women are working in companies with only some employees - in retail trades, doctor’s or lawyer’s surgeries and hairdresser’s salons for example. Whereas in the past an employer with up to three employees didn’t come under the law of protection against wrongful dismissal, now this exception concerns employers with up to ten employees. A result of this change is that much more women are now without a legal protection against arbitrary dismissal (Mönig-Raane 1996: 19).

In extending our visual angle it is obvious that in many societies the position of women is not as well as that of men. When, for instance, all countries in the world are compared according to the Human Development Index, that combines life expectancy, literacy and income development, the Netherlands is ranked 4th and Germany 18th. When this is adjusted for gender, Holland drops to the 11th place whereas Germany goes one rank up. Interesting is also Japan that drops from the 3rd to the 12th rank when gender is considered (DGVN 1996: 165-170; (Dutch) Ministry of Social Affairs and Employment 1995, Appendices). The position of women in these countries, generally considered to be

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1 Erasmus University Rotterdam (the Netherlands) & RWTH Aachen (Germany).
emancipated countries, are mostly still worse than that of men. Another indication of the disadvantaged position of women is their presence at universities, or rather their absence. In the Netherlands e.g. 31% of the PhD students are women, whereas in the academic staff only 15.2% and among the professors only 5% are female. In Germany the situation is similar: in 1995/96, 35% of the student beginners in economics were female, but only round about 5% of the professors are women (Statistisches Bundesamt 1996; Burkhardt 1995: 52). Bosch (1994) has shown how women were seen as 'naturally' incapable for academia and thus expelled from universities. In other realms women were underrepresented as well for the same reasons (Dutch Ministry of Social Affairs and Employment 1995, Appendices). Nowadays, more and more women are studying economics and an increasing part of them are doing their PhD, but the production and distribution of knowledge - that is research and teaching - are still predominantly tasks of men.

One effect of this dominance of male economists is that the merits of women economists are nearly unknown. Asking students about women economists the answer will be probably limited to Joan Robinson, a great economist who waited in vain for the Nobel Prize that she deserved. The names of Anna Wheeler or Harriet Taylor, closed collaborators of Robert Owen and John Stuart Mill - two famous classical economists - seem nearly to be forgotten.

One could argue that economics is an objective science and because of this independant of the gender of the researcher itself. This is criticized by feminist economists. They say that economics is socially constructed and, as a consequence, gender-biased. In their opinion the gender-blindness of the dominant neoclassical mainstream economics is one reason for the marginality of women in economics.

Feminist economists believe that uncovering the gender biases in economics is a necessary prelude to constructing an economics which can encompass the perspectives and embody the realities of both women and men. If gender biases do indeed permeate the discipline, then the positivist notion that norms do not influence economic research is called into question. Radical economists would probably be comfortable with this since they recognize that all theories are shaped by social forces. Mainstream economists, on the other hand, may find such a project antithetical to their vision of economics as a universal, value-free science (Kuiper & Sap 1995: 4).

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2 Kuiper & Oomes (1994). Figures pertain to the University of Amsterdam.
In part 2, the methodological and epistemological aspects of feminist economics will be discussed whereas the repercussions of this methodology in economic theory and policy are the main topics of part 3 and 4.

2 Methodological and Epistemological Aspects in Feminist Economics

Currently, feminist discussions concerning science are challenging many dominant disciplines, methods and theories. Initially, feminist studies dealt mostly with the woman question, especially the equality of the sexes and women rights. The science question became more and more important in the last years (Harding 1990: 11).

Many feminists who criticize the sciences believe that to remove the inequality of women it is not sufficient to incorporate women into the existing, patriarchal structures and institutions of science. It is desirable "to give voice to the previously voiceless" and "to illuminate the previously unseen" (Perlich 1992: 15), but not enough. The feminist point is that the underlying structures of theoretical, methodological and epistemological foundations in science are gender-biased.

In their opinion, science and knowledge are strongly influenced or even determined by social, political and economic institutions that are fundamentally fraught with gender biases and power structures. Important in this connection is the differentiation between sex and gender. Gender is "something quite different from biological sex. Gender is the social meaning given to biological differences between the sexes; it refers to cultural constructs rather than to biological givens (Ferber & Nelson 1993: 9f)." Being children of their time, scientists adopted and still adopt gender biased structures - consciously and unconsciously. As a result, the sciences create 'situated knowledges' (Haraway 1988: 575), embedded in social history. Science is not detached from personal experiences of the researchers and fellow researchers, and it is linked to patriarchal structures. As a consequence of its socially constructed character, sciences can not be objective, universal and neutral (Nelson 1996: 39ff).

With Perlich (1992: 34) we have to ask ourselves: "Why [is] economics in need of a huge dose of feminism?" Feminist economists try to take the findings of feminist studies to heart and undertake to show that economics "hides behind claims of objectivity and neutrality (Perlich 1992: 16)." It wants to expose

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3 Pujol (1992) gives a good summary and overview of initial classical and neoclassical feminist economics.
gender biases in their discipline. In their opinion, gender biases in economics provide the fertile soil for discrimination against women and produce economics policies that hurt the interests of women. Examples are the kind of policies for the labour market we discuss in Section 4.

A further aim of feminist economists is to enrich economics in general. That means investigating “how a richer conception of human understanding and human identity could broaden and improve the field of economics for both female and male practitioners (Nelson 1992: 103).” This aim is informed by the idea that one of the most important problems with economics is due to its conception of people: the homo economicus is an inadequate, a-social human.

In contrast to the feminist standpoint that economics are socially constructed, the dominant mainstream economics is based on the doctrine of positivism. With the help of descriptive, analytical and mostly mathematical methods they are certain that they will reach value-free, universal and objective truths. Lionel Robbins, the philosopher of economics that has had a strong influence in the field, puts it thus:

Economics, as a positive science, has no status as ethical or political prescription [...] Political economy in my vocabulary is not scientific economics, a collection of value-free generalisations about the way in which economic systems work (Robbins cit. in Hyman 1994: 62).

The roots of this conception of the possibility of an objective and universal science lie in the western thinking of the 17th and 18th centuries. In analogy to the natural sciences and following their deistic world view, people believed that it would be possible to find in economics natural laws with the help of rational, logical thinking as well. Main support for this trust in the human intellect - 'ratio' - was the influential 17th century French philosopher René Descartes. He divided the world dualistically in 'res cogitans' and 'res extensa'. The thinking substance, 'res cogitans', he linked to such characteristics as reason, mind, spirit, objectivity, universality and logic. 'Res extensa', the extended, mechanistic world, was connected with subjectivity, emotions and intuition. After and through (?) the cognitive connection of 'res cogitans' with masculinility and 'res extensa' with femininity, the latter one was devalued as inferior to the former (Bordo 1987: 97ff; Perlich 1992: 19f). The 'demarcation line' - as it is expressed by the economist McCloskey in a book called The Rhetorics of Economics (1985) - lies between scientific and humanistic, fact and value, truth and opinion, positive and normative, precise and vague, cognition and feeling, hard and soft, and, of course, between male and female (McCloskey 1985: 42).
Feminist economists suggest that this dualistic, hierarchical and value-laden way of thinking became a fundamental principle in economics. The present methods and theories of neoclassical economic discipline were originally established in Descartes 'res cogitans'. Through the positive valuation of the masculine part of the world in the Cartesian sense, the ideal of science since the Enlightenment - driving the development of modern sciences, especially classical and neoclassical economics - is the accumulation of 'objective' and 'value-free' 'facts' that can be known by autonomous individuals. The narrowness of such economics lies in the fact that methodological and theoretical possibilities of the "res extensa" are ignored because of their negative connotation. Economics is limited to the world of rational thinking. Reductionism, categorisation and decontextualization are constituents of this ideal that led to individualism, atomism and positivism in economics. The consequence of this development is that it was forgotten or ignored that sciences' methods and contents, that claimed to be objective, were gender-biased because they had sprung from 18th century European thought.

So, how do Feminist Economists break the dualistic and hierarchical way of thinking? One attempt is that of Julie Nelson, a neoclassical economist who tries to reach a higher level of thinking about gender with the aim to improve economics in general.

Nelson's starting point is that "the central program of economics is metaphorically linked with the hierarchical, dualistic conception of gender and a 'privileging' of a particular conception of masculinity (Nelson 1992: 107)." Metaphors are understood as a cognitive instrument to organize our thoughts. As a consequence metaphors are not an addition to language but a constitutive element, an ability of our thinking and communication (see Klamer & Leonard 1994). Nelson defines gender distinctions as follows:

4 See Perlich (1992: 20). In the mid 18th century the number of published dictionaries and encyclopaedias increased strongly. Well-known is especially the Encyclopédie ou Dictionnaire Raisonné des sciences, des arts et des métiers (1751-1780) by D'Alembert and Diderot. It is a real mirror of its time. What is interesting for our discussion is that dictionaries can be considered as a forme of pure decontextualization and categorisation. The alphabetical order deprives information of the context that gives it its meaning. It is consistent with the positivist idea that information speaks for itself and needs no interpretation. It's meaning is immediately apparent to everybody.

5 The positivist method was critized before the feminists did it. Joan Robinson, for instance, wrote: "to eliminate value judgements from subject matter of social science is to eliminate the subject itself (cit. in Hyman 1994: 61)."
I define gender distinctions as cognitive organizers built on an experience of sexual dimorphism. As such, I see them not as 'created' by 'society' in order to 'maintain' some particular order, but formed as a part of the development of human mental organization in early childhood (Nelson 1994: 200).

Therefore, gender is more than a sexist difference, it is a cognitive aid like grammatical articles are classes for substantives. The problem with these metaphors that permeate (economic) thought is, in Nelson's view, the hierarchical valuation and the one-dimensional perspective.

To illustrate this point to her critics, Nelson developed a 'Gender-Value-Compass'. One can distinguish between strong-hard that has a positive connotation in economics on the one hand. Weak-soft, on the other hand, 'sounds' negative and undesirable. The 'hard' subdisciplines of economics, like econometrics, deal with facts and try to establish mathematical proves or show statistically significant evidence, whereas the 'soft' subdisciplines are more like sociology. The former (pretend to) do quantitative research, and the latter are more often inclined to qualitative studies. Nelson doesn't overthrow this dualism with its attached valuation, but she enriches this thinking by adding further dimensions: weak can be flexible and positive whereas strong can be rigid and negative. Figure 1 illustrates the point.

![Figure 1: Julie Nelson’s Gender-Value-Compass](image)

Nelson tries, in this way, to break with the limited, narrow and one-dimensional perspective of economic mainstream thinking. "Including both masculine- and feminine-identified positive qualities [...] makes possible a practice that is flexible, attentive to context, humanistic, and rich as well as strong, logical, scientific and precise (Nelson 1995: 139)."
Up to here, the feminist economists seem to be a homogenous group, but they differ in their methodological and theoretical degree of critique. Below are some remarks on perhaps three of the different movements within ‘Feminist Economics’:

* Feminist constructionism try to expose, as it is described above, gender-biased influences on theories, methods and believes. We believe this is the most fruitful approach.

* Supporters of the affirmative action approach are convinced that the only task of feminist economists is to improve the position of women and to boost the representation of women in economics without developing a critique of economics itself.

* Feminist empirists are similarly uncritical concerning economics. They say that methods and theory are in principal gender-neutral and objective; discrimination and promoted inequalities of women are results of a wrong or lack of application in economics.

(Ferber & Nelson 1993: 8ff)

3 Feminist Economic Theory

For many feminist economists the methodological considerations discussed in Section 2 of this paper have repercussions in terms of economic theory. The standard, neoclassical economic theory that assumes that all humans are equal and maximize given and unchanging preferences is wrong according to them. Before discussing some of the alternatives suggested, we will first shortly discuss neoclassical economics and the possibility of a feminist economic theory based on these grounds. We will do so by taking the case of a well-known neoclassical economist and Noble Laureat whose ideas have attracted a lot of attention from feminist economists.

Gary Becker is known for applying the neoclassical framework in contexts of which one would not tend to think economic theory is applicable. He is also not afraid of drawing the conclusions that logically follow from the theory. Marriages, drug addictions, preferences for classical music, the giving of alms, criminal activities, decisions to educate oneself, etc. are all utility-maximizing activities. Economists are urged not to discuss the formation or change of preferences. These are assumed fixed and unchanging: De Gustibus Non Est Disputandum. People usually prefer more of one thing over less of it, ceteris
paribus,⁶ and thus we can assume that they maximize their preferences. Such behaviour we call rational. The point is not so much if these assumptions are ‘realistic’, but if they ‘work’: do the assumptions allow us to make predictions that will come true?

The improvement over the previous views in economics on the family to which it was a ‘black box’ is that decision making problems are explicitly addressed by Becker cum suis. Thus, Becker (1991) argues for instance, that the way in which families are arranged in many Western countries is a rational one. Production and consumption tasks are efficiently distributed. If there would have been a better way to divide the labour within a family, it would have developed off its own. Arrangements as they exist are considered to be efficient in that they apparently maximize people’s preferences.⁷

This almost circular argument flies in the face of many people’s personal experiences. Inequalities that are not the result of some process of optimization but of historical developments or of differences in people’s power abound. The positivist methodology and ideological underpinnings of neoclassical economics do not allow for considerations of power, the questioning of extant circumstances and the incorporation of supra-individual concepts into the framework. Certainly there must be something wrong with a theory that favours and defends the status quo in which many people are disadvantaged? As Van Velzen (1994) puts it: families can also be arenas where interests conflict and bargaining power decides on how labour is divided among its members.⁸

Still you will find female or feminist economists adhere to the neoclassical economics, saying that it is a simple yet powerful theoretical construct that allows economists to address many issues in a rigorous manner (Gustafsson 1993, 1994). The only thing that is wrong and can easily be mended. The conclusions drawn from economic theory and analysis can be interpreted in different ways but are usually interpreted by default in a way that favours men. As developments in the sociology and philosophy of science since Carnap and Popper finally trickle down in economics, however, the scope for an economic theory different from neoclassical economics broadens. No longer is it possible

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⁶ Ceteris paribus means that all other circumstances are assumed not to change. Using the p.c. clause is an important trick economists use to make the theory work in real life.

⁷ See Van Velzen (1994) for a more elaborate treatment of this subject.

⁸ Economics has attempted to get rid of ‘ideology’ and thus become a ‘hard’ and ‘positive’ science, but has never really grasped that this is impossible (Ridley 1983). As a consequence, power as an analytical concept is looked upon with suspicion.
to dismiss institutional, rhetorical or marxist economics off-hand (see a.o. Maki 1993 and Dolfsma 1997).

Feminist economics has not developed a coherent theoretical framework yet. Thus, the question of what holds feminist economists together if it is not a common and agreed upon theoretical core of ideas becomes acute. It was implicitly raised in a discussion on the internet discussion list FEMECON-L by Luigi Bini in September 1996. Bini asked if it would not be a good idea to change the label of feminist economics to human economics. Susan Feiner’s reply is in the same vein as the discussion between Bergmann (1995) and Woolley (1996) on Becker’s theory of the family is. Feiner said that feminist economics ‘addresses a literature and a politics of CHANGE’, and thus allows for a multiplicity of strands of thought. Bergmann is concerned with the same thing. She argues that Becker is apologetic of the status quo and that therefore his theory should be rejected. Woolley does not entirely agree. She said there are or might be some things that feminist economics can learn from Becker. “Yes, Becker has written on the family. It is important to acknowledge his contribution, along with the contributions of all the other women and men who have furthered our understanding of families” Woolley (1996, p.118) says.

It is not just our own personal preference that we would like to make a case for a tie between institutional economics and feminist economics. Waller (1995) has persuasively argued that these two strands of thought share many methodological points and can easily be reconciled. Both reject simple dualistic thinking, both see knowledge and value as socially constructed and both reject an economic approach of phenomena that take place outside a market (Waller 1995, p.167). Institutions, like the family, are supra-individual entities that are by no means necessarily socially efficient. Institutional economics has ‘institutions’ as its central concept. In recent years institutional economics is in the advent; in its history it has developed a number of theories of how institutions change or emerge.

The unequal position that many women find themselves in, could for instance be understood from a marxist perspective, but will not venture into that here. What we want to try to develop here is how an institutional economist could

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9 Everybody can follow and take part in the discussion on this list by sending an email message to: listserv@bucknell.edu, with in the main body the text: subscribe FEMECON-L mail <your name>.

10 Institutional economics is not homogenous either, in the remainder we will focus on what is called neo institutional economics that is more akin to sociology and draws on the pragmatic philosophy of Dewey and Peirce (see e.g. Hodgson 1993).
shed light on the issue. One of the founders of institutional economics is Thorstein Veblen. Now, “Veblen saw women’s position in economic society as a reflection of the prevailing system of status and values” (Peterson & Brown 1994: XIII). The institutions of a society reflect its values; women were not considered worthy of working, at least when there was no strong need for it. In his influential book *The Theory of the Leisure Class*, Veblen showed how women were ‘used’ to gain status. The fact that they didn’t work was a sign of wealth. Although the book was published in the previous century, it’s analysis is still applicable. The institutions according to which people learn to behave as they grow up change slowly. However, when there is no clear alternative in sight, giving up the institutions that are repressive to women can be a difficult thing to do for people. Institutions do, of course, make sure that uncertainty is decreased. Letting those institutions go would increase that uncertainty. We think it is a valid assumption to believe that people strongly dislike uncertain circumstances. From experiments it is also known that - depending on how the circumstances are described to people - people prefer the sure small loss to the unsure big gain where the possibility of an important loss is also there. From this perspective it can be understood why parents/mothers teach their children to behave in a way that keeps women in a disadvantageous position. From personal experience, for instance, we know that the institution of dowry is most fiercely supported by the mothers Indian women. The mother particularly persists in paying a sum of money to the parents of the bridegroom for allowing her to marry him. Clearly, this can not be explained in terms of mainstream, neoclassical economics. We suggest, therefore, that institutional economic theory comes more natural to feminist scholars addressing economic issues.

4 Economic Policy

Feminist economic thought also permeates to the economic policy options advocated. This is what it is all about, improving the position of women in society. Where the position of women in Western societies is most disadvantageous is the family. For the purpose of the paper we propose to keep with this example. Not because we want to perpetuate and thus strengthen existing gender specific division of labour, but because here is where changes in policy has important effects on the

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11 In recent years the kind of research that Tversky & Kahnemann (1981) have initiated finally gets used more and more in economics. Institutional economics can easily incorporate those ideas (Dolfsma 1996).

12 Here the fact that feminist economics finds most of its followers in the United States possibly becomes most apparent.
position of women. Economic policy related to the family inspired by feminist thought ranges from the recognition that unpaid work is valuable too, to the participation of women in the money economy, to the problematic valuation of care-giving activities. We want to focus on these issues here.

Bruyn-Hundt (1996) shows how most of the work that people do is unpaid work. Women, however do most of that work and by not valuing it in terms of money, such work tends not to be appreciated. Bruyn-Hundt proposes that by trying to value such labour, many biases in economic policy can be avoided and the position of women will improve. She has a point: if we don’t see something, we tend not to incorporate into our analyses. Thus, in policy developed for Third World countries, the informal sector and ‘household’ production are often ignored. There are examples of such policy that have had horrendous consequences because of it, but that we will not go into right now.

The Dutch government is now, for instance, producing number of plans to make the distribution of paid and unpaid labour more equitable and to improve the relative position of women in general. One proposal from the Commissie Toekomstscenario’s Herverdeling Onbetaalde Arbeid (Committee Future Scenario’s of Redistributing Unpaid Labour) to redistribute unpaid labour more equitable among men and women was taken up, as well as the idea that more unpaid labour should enter the commercial realm. For this purpose some very concrete measures are proposed and taken. Men can take some time off to take care of their children, the possibility of bringing children to day-care centres is broadened, etc. Furthermore, women who have left the labour market to raise children and no longer have the adequate human capital are educated to take up a job again.

Nevertheless, there are important objections to valuing such household and informal activities in terms of money. As the German philosopher and sociologist Simmel (1907) has argued a long time, and social scientists today start to reappreciate, human relations change fundamentally when money is introduced and becomes a dominant factor. Care is a pertinent example. The young, the old and the disabled need to be cared for, but the way in which a societies takes care of this differs and changes.13

Not only do these changes have profound consequences on society, which makes it adamant to take ethical considerations into our analysis, but they lead us to

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questions about the methodology of economics as well. Which brings us back to the discussion on economic methodology in Section 2 of the text.

5 Concluding Remarks

Feminist economics is challenging the status quo in economics in many ways. First of all, it questions the methodological foundations of orthodox neoclassical economics. Based on these critiques, secondly, strides are taken to develop economic theories that are sensitive to many people’s experience that many things are unfair and means are unequally distributed on the one hand and have taken the methodological discussions that loom large in this field to heart. Economic policies that improve the disadvantaged position of women especially are discussed too. As we showed, concentrating more specifically on the economic theory of and economic policy for the family, that these themes are interrelated.

References


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