

Changing Role of Gender in Economic Theory

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The term 'gender' is usually used to mean the differences between sexes. However, more than just physical differences, women are exposed to several prejudices caused by social, political and economic conditions. This brings into focus the important distinction between sex and gender. Whereas the term sex refers to the biological differences between males and females, the term gender, on the other hand, refers to the social, political and economic handicaps that a culture/society constructs on the basis of actual or perceived differences between men and women.

Feminism is basically about remedying the disadvantages historically borne by women (Nelson, 1995). And feminist economics is a rethinking of the discipline of economics for the purpose of improving women's economic condition. As a by-product (or external benefit) of this rethinking, feminist economics provides an improvement of economic theory and policy (Strober, 1994). Feminist economics is an endeavor aimed towards the improvement of women's economic condition. It questions the notion of objectivity in economics and argues that theory formulation and policy recommendations are dependent on one's culture, their position in society and life experiences.

Feminist economics challenges several disciplinary assumptions of economics like the value of efficiency, the existence of scarcity, the omnipresence of selfishness, the independence of utility functions and the impossibility of interpersonal utility comparisons. Feminism's basic assumption that the oppression of women exists and has to be eliminated is a fundamental challenge to the supposed impossibility of interpersonal utility comparisons (Strober, 1994).

Beginning in the 1980s, feminist economists started emphasising not only on the women's situation but also with the underlying structure of economics as a discipline. Blau (1981) wrote on the impossibility of value-free scholarship in economics, Bergman (1987) wrote on the question of economists' knowledge of what they think, Strober (1987) wrote on the role of values and emotions in economics and Waring (1988) dealt with the negative repercussions for women on the exclusion of nonmarket work from the national income accounts, to mention a few. The writings in late 1980s and early 1990s emphasised on the sexism inherent in fundamental concepts in economics like the focus on scarcity and choice, and assumptions of self-interest, rationality and exogenous preference formation. Paula England, Nancy

Folbre, Heidi Hartmann, Ann Jennings, Julie Nelson, Michele Pujol and Diana Strassmann are some of the economists who wrote extensively on the above mentioned issues.

All these writings challenged some of the basic assumptions of economic theory. Economic theory is found to focus on the individual and individual decisions whereas the household has been left out of the purview of economics. However, no individual can take decisions in a vacuum. In feminist economics, the household is treated as an important economic institution and it engages in different market and non-market (food preparation, child birth and rearing, house cleaning, care of sick and elderly, the list goes on) activities which are economic in nature. Preparing food for the family, taking care of children, sick and elderly, cleaning the house, etc., are non-market activities but they are economic in nature. Feminist economists also emphasise that these unpaid works, which is an essential aspect of any economy, must be recognized. This has become more important due to the fact that an increased proportion of women have entered the workforce bearing the primary responsibility of household duties. Another aspect of standard economic theory which has been criticized by feminist economists is of ignoring the power relationship that exists within the economy. However, understanding the effects of power on economics is crucial to understanding the actual functioning of markets, especially labour markets. Standard economic theory considers the sale of labour as a mutually beneficial exchange that benefits both parties. It, however, does not take into account the power inequities in the exchange which give power to the employer over the employee. The difficulties of women in the workplace are mainly because of the way in which the male-dominated economic institutions function and women are usually placed at a disadvantage in the workplace. Thus, power and patriarchy are explored in full in feminist economic analysis. Barbara Bergmann has established "that any person who specializes in non market work not only becomes vulnerable to the abuse of a more powerful partner, but also faces a high economic risk in the event of marital dissolution" (Folbre, 1998). Feminist economics do not consider people just as rational human beings interested in maximizing their own utility. Thus it includes the terms abundance, altruism and co-operation, which are the other half of the dichotomy of terms in economic theory like scarcity, selfishness and competition. By including the above mentioned terms in its analyses, there is more emphasis on redistribution of goods and services and feminist economics have reclaimed a wider range of human economic behavior.

Incorporating Gender into Economic Theory:

It becomes important here to examine what economists, since the time economics developed as a social science, have treated the concept of gender in economic theory.

Gender did not receive much attention during the days of classical economists. Thoughts on the economic and social status of women were not mentioned in “The Wealth of Nations” but did appear in a Series of his lectures on the historical development of law, government and society, as “Lectures on Jurisprudence”. Thomas Robert Malthus and David Ricardo too made no mention of women’s condition in their writings. It was John Stuart Mill who first commented that only with ending the subjection of women, fertility could be checked and life would not be nasty and brutish. Throughout the nineteenth century, the core treatises and primers on political economy did not discuss women’s economic role either inside or outside the household. These 19th century writings were only in the nature of expressions of fond hopes and opinions than in the form of a theory.

Although Adam Smith made no mention of women in his ‘Wealth of Nations’, women did pay for work. Women and men worked together making nails, chains, saddles and harnesses. As Berg (1985) has written, “A survey of *Aris’s Gazette*(in Burmingham) from 1752-90 indicates that women were taking over husbands’ businesses or dealing with various problems which arose in the traders over a wide range of processes. Notices appeared from nine female ironmongers, eight plumbers and glaziers, seven buttonmakers and seven bucklemakers, six watchmakers, six watchmakers, five brass manufacturers and braziers, five toolmakers, and five chain and toy makers. There were notices from three women running ironworks, three women plateworkers, two nailworkers, two women running coalworks, as well as individual locksmiths, wireworkers and file cutters”. Women were engaged in these diverse occupations even before Adam Smith’s time, but they were absent from his ‘Wealth of Nations’. Mention of women’s paid employment in “Wealth of Nations” is found in the case of eating potatoes where it is mentioned that all people, including prostitutes, have the habit of consuming this root. Another mention of women in the ‘Wealth of Nations’ is of the innkeeper, Mrs Walker, who refused to part with the marriage bed of King James 1 even for a high price, but later presented it to the Earl of Elgin. Smith was of the opinion that productive labour creates tangible goods while unproductive labour creates services. He also put forth the view that productive labour is hired out of capital and creates a product that is sold to replenish the capital at a profit whereas unproductive labour is hired out of revenue and does not create a product for sale, however useful or necessary such labour may be

(Dimand, 2004). Thus, Smith included the armed forces, government bureaucracy, the royal court, the clergy and domestic service as productive employments. Household production for direct consumption and reproduction, like child rearing, cooking, cleaning etc. were thus considered unproductive labour. Thus, though reproduction was useful and necessary, it did not create a commodity or contribute to capital accumulation.

Smith invoked rational self-interested calculation to analyse topics such as competition between churches, which ranged far beyond the sphere of production for profit, but never extended it to the household sphere of domestic production and reproduction. Household labour was not only explicitly unproductive, but he also regarded it as guided by altruism such as mother's love, rather than rational calculation (Dimand, 2004). Smith puts a lot of emphasis on self-interested rational calculation and no mention is made on the sexual division of labour (though the first three chapters deal with the concept of division of labour) or on the inequalities of wages and profits in different employments regarding women's wages.

However, in his 'Lectures on Jurisprudence', Smith does bring in the discussion of women's position. He stated that human beings- both male and female are born with certain inalienable rights. The biological differences between the sexes (like muscular strength and the capacity to give birth) are constant. However, the society in which a person lives determines the social significance of this difference. As society progress, physical strength becomes less important. Thus the development of commerce and industry would lead to an improvement in women's social and economic position by giving them an opportunity to take part in economic activities. Being guided by the principle of self-interest, Smith said that legislators, who are mostly men, impose laws which are severe on women. However, Smith did not oppose the legal oppression of women. It was left to John Stuart Mill, who in a very different political and social environment a century later, made a protest against this oppression.

After Adam Smith, who discussed in length on the economic role of women in his 'Lectures on Jurisprudence', no mention on women and their condition is made in the writings of Thomas Robert Malthus and David Ricardo. Not only is there no discussion on women as rational agents, their wages, property rights and work inside and outside the household, women do not appear as decision makers, even as determinants of population growth.

However, Millar (1771) was not in favour of gender equality brought about, as said by Smith, with the development of commerce. He was of the opinion that if women gained economic freedom, they would

also demand sexual freedom (till now enjoyed by men), undermining paternity. However, Priscilla Wakefield (1798) gave Smith's concept of productive labour a photofeminist turn, using it as a tool for ensuring women's careers outside the home. According to her, "It is asserted by Doctor Adam Smith that every individual is a burden upon the society to which he belongs, who does not contribute his share of productive labour for the good of the whole" (Wakefield, 1798). Although Smith did not extend this argument to women, Wakefield argued that since women are included in the human species, "their sex cannot free them from the claim of the public for their proportion of usefulness". She was strongly in favour of women education to prepare them for productive work (Sutherland, 1995).

By the middle of the 19th century, several economists came to recognize women as rational decision makers whereas others ignored the role of women as economic agents. Nassau Senior, Drummond Professor at Oxford (1825-30 and 1847-52), published Oxford lectures, even on population, ignoring the role of women. However, in his 'Letters on the Factory Act' (Senior, 1966) was in praise of the women and girls in cotton textile mills. However, in the 'Poor Law Repory' of 1834, written by Senior and Edwin Chadwick, was obsessed with the menace of women as amoral but all-too-rational agents mass producing children out of wedlock because of the incentive of being able to claim financial support from the putative fathers or from the parish. The only way to limit the incidence of illegitimate births (and, one passage in the report suggested widowhood) was to change the incentive structure by eliminating any legal claim of unmarried or widowed women to support by the parish or by the fathers of their children. This step would defend the patriarchal family and avoid a crushing burden of local taxation for parish relief by taking advantage of the responsiveness of female behavior to material incentives (Diamand, 2004).

Jean-Baptiste Say was in favour of the economic benefits of the 'natural' division of labour between the sexes, which confined women to household labour in exchange for support by men. He, however, wanted that certain professions like dressmaking, hairdressing and cooking be reserved exclusively for women. He even advocated establishment of working convents so that women without male financial support can earn a living.

There were also a few women writers who wrote on the classical political economy, the most famous being Jane Haldimand Marcet's 'Conservations on Political Economy' (1816), Harriet Martineau's 'Illustrations of Political Economy' (1834), to name a few. It was mainly Martineau who considered women as rational economic agents and was in favour of paid employment for women as well.

Amongst the last generation of classical economists, John Stuart Mill and Henry Fawcett emphasized on women's economic and social status. Mill's classic 'Principles of Political Economy' had no discussion on the economic role of women. However, both J S Mill and Harriet Hardy Taylor Mill held the same opinion as Smith, that with social and economic development, physical strength would become less important and women would be able to participate as equals in economic and political decision making. John Stuart Mill wanted women to remain in household production even if they were given the chance to work in factories as women; entry into the labour market would bring down wages. However, Harriet Hardy Taylor Mill, was in favour of women employment outside the household to gain economic independence. Henry Fawcett, one of the last classical economists, along with Mill, was strong proponents of women's suffrage and married women's property rights. Barbara Leigh Bodichon followed some of the economic themes of Mill and was deeply concerned about the effects of women's entry into paid labour market. According to her, the exclusion of women from many trades and professions crowded them into the remaining occupations depressing wages. She also argued that women's restricted opportunities for education and training limited their productivity and earning capacity (Diamand, 2003). Amasa Walker of Oberlin, in 1866, introduced the overcrowding theory in his economics textbook. According to him, low wages of women, even where physical differences do not matter, is because of their exclusion from many employments, which force women to crowd into the remaining occupations, forcing down wages.

Thus, the writings of classical economists, while upholding women's legal and economic rights, neglected women's economic roles both inside or outside the household. However, the discussion on women's economic status did advance, first with Smith's contention that women's social and economic position would improve with the development of commerce and industry; John Stuart Mill's belief that each person is the best guardian of his or her own interests; Harriet Martineau's opinion that women can make rational choice; and the analysis of the gender gap in wages by Barbara Bodichon.

By the 1850s and 1860s, John Stuart Mill and Harriet Mill, Henry Fawcett and Millcent Fawcett, Harriet Martineau, Barbara Bodichon and Amasa Walker established women as rational agents, capable of choosing employments and managing property/resources.

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