FEMINIST APPROACHES TO ECONOMIC THEORY

A Report

Indian Association of Women's Studies

FEMINIST APPROACHES TO ECONOMIC THEORY

Report of a Workshop held at Bangalore
August 5, 6, 1995

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Indian Association of Women's Studies

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Preface

In addition to organising the large bi-annual National Conference on Women's Studies, the Indian Association of Women's Studies has always wanted to organise workshops in different regions of the country.

On the initiative of some of our members and in close collaboration with other organisations, the IAWS organised three workshops in 1994-95.

The first workshop was on "The State and the Women's Movement in India", held in Delhi in October 1994. The initiative for organising this workshop was taken by Kavita Srivastava, Abha Bhaiya, Nandita Gandhi, Nandita Shah and Amrita Chhachhi.

The second workshop was organised on "Feminist Approaches to Economic Theory" by Maithreyi Krishnaraj and Devaki Jain, at the Singamma Sreenivasan Foundation, Bangalore, in August 1995.

The third workshop, "Re-examining the Indian Family" was co-sponsored by IAWS, Jadavpur School of Women's Studies and Centre for Studies in Social Sciences, Calcutta, and held in Calcutta in July 1995. Nirmala Banerjee and Jasodhara Bagchi shouldered the entire responsibility of conceptualising and organising this workshop.

Working in close partnership with our members and their organisations has been an extremely valuable experience, and one that we hope will extend to other groups and institutions in the future.

We are happy to share with you the reports of the three workshops and we hope they will contribute to ongoing debates on these issues in the women's movement.

KAMLA BHASIN
General Secretary

November, 1995

1 PREAMBLE

There is today, in the 1990s, a great interest in relating gender as a dimension in economics. Recently, an International Association of Feminist Economists has been launched in the West. A journal of feminist economics has also come out. This interest in the link between gender and economics is not really new. Research on women's issues over the last three decades has in fact been preoccupied with the position of women in the economy. Women's studies scholars, development analysts and feminists have drawn attention to the deficiencies and distortions in conventional economic analysis. The first major initiative was taken here in India by Devaki Jain, who encouraged the formation of a network called Economists Interested in Women's Issues Group (EIWIG) in 1982. This was a precursor to other attempts made in other parts of the world and was in that sense a very prescient move on the part of Indian feminist scholars.

The first seminar was held by Devaki at Delhi where the theme was inadequacies in national data systems. She and her team had resurveyed the national Sample Survey blocks in some districts of Rajasthan and West Bengal using the time-use method to demonstrate how women's work was under-recorded in the official national sample data and how serious the consequences of this were for policy. The second seminar was organised by Nirmala Banerjee at the Centre for Studies in Social Sciences, Calcutta. The theme for discussion was intra-household gender dynamics. The papers were subsequently published in the book, *The Tyranny of the Household*, jointly edited by Nirmala Banerjee and Devaki Jain (Banerjee and Jain, 1995). The third seminar was organised at the Madras Institute of Development Studies, Madras, by U Kalpagam and Padmini Swaminathan. The papers were on the impact of technology on women's employment. The fourth seminar was at Ahmedabad, organised by Indira Hirway, on occupational diversification. While the first two seminars were interested in conceptual issues, the latter two were more empirical. EIWIG then lapsed into silence. For nearly eight years we have not formally met. In the meantime, much water has flown under the bridge. Events and scholarship have gone ahead. It is now time to go back and see what have been the major achievements in our critique of economics – concepts, analysis, theory. Can EIWIG (maybe an abbreviated one) pick up the threads and consolidate these into workable alternatives? Rather than go into a full-scale discussion of issues already highlighted in literature it may be more useful here to recapitulate important contributions that have implications for theory and practice.

The major critiques on areas of gender insensitivity in economic theory, which by now have been accepted as valid, though far from remedied are the following.

Defining, measuring women's work

Women's work is under-counted, under-remunerated because –

(a) work is defined as only that which obtains exchange value;
(b) women's domestic work is perceived as having no value;
(c) much of women's work being part of family labour is not visible;
(d) apart from what is generally accepted as domestic work like cooking, cleaning, child care etc., there are many activities in rural areas all over the third world which are in fact 'productive' but may not be marketed, such as collection of fuel and minor forest produce, collection of water, post-harvest work, livestock rearing etc., but which get dismissed in data because they are done within the courtyard or sometimes merely because they are done by women. Thus many non-market activities by men which are for self-consumption, such as crop cultivation, are included. So even the criteria as applied here have no logic or consistency, but a strong gender bias.

Consequences for policy

Women's existing burdens are not taken into account; this means often programmes expect additional work from them. Many services of the State do not, in their delivery mechanisms, keep these burdens in mind with the result that women cannot access them. Undervaluation of women's economic contribution results in lack of entitlements to productive resources for women and indifference to reducing their drudgery.

Household

The concept of the household treats it as a unified homogeneous entity disregarding the unequal relations of age, gender and other hierarchies. Further, the use of the expression 'head of the household' wherein the cultural norm of male as the authority figure, confers this title on a man irrespective of a women's substantial contribution to the economy of the household.

Consequences for policy

As entitlements to assets and rewards are usually based on perceived contribution of a member to the household, women become losers. In addition, this practice excludes women from making critical decisions that affect them as well as the household; in policy or programmes, women are not consulted on the assumption that the male head knows best and acts in the interests of all members. Consumption theory treats the household as a single decision-making unit ignoring differences between members, power relations and the role of perceptions on the part of women and society. The theory thus collapses a woman's individual interest as totally identical with the household collective. In policies regarding household welfare this has a negative effect for women. Population policies and health policies are clear examples where a woman's interest is often at variance with that of the household. The household may demand she get many children where as she may wish to escape the burdens of too many pregnancies. A general

neglect of women's specific needs is what usually happens. In addition, their insufficient entitlement to credit, training, inputs, etc. as producers, affect their productivity negatively. They are unable to access services meant for them. All these compound to perpetuate women's subordinate status.

Sexual division of labour

Reproductive work or family maintenance is the total and sole responsibility of women, whether or not they engage in other economic activity, paid or unpaid; this inflexibility affects women's opportunities for all activities outside the home: economic, political, social, educational, etc.

Consequences for policy

This spills over into the labour market as occupational segregation; creates the notion of women's primary role as domestic and their role in the labour market as secondary, regardless of actual facts, and leads to discriminatory treatment.

Assumption that all players are equal in the market

Prices, wages, costs are all assumed to be gender-neutral. There is the assumption that resource-use by men and women are the same whereas they are often gender-specific. The treatment of women as unimportant economic actors results in discriminatory practices in hiring, wages, training, etc., but the theory behaves as if the market was non-discriminatory. There is plenty of documentation on the negative impact of growth/development on women in many ways. Women's unequal power in the economy and polity distorts the allocation of resources in the economy. Studies have shown that women generally spend what they earn for the family's needs, especially children's needs, but men do not necessarily do so.

In reality, formal, informal, domestic, market, production, consumption and so on tend to have boundaries that are shifting, unclear, overlapping whereas theory assumes strict dichotomies. This affects the gender impact of processes and policies.

Alternatives for gender sensitive theory

In terms of theory, alternatives have been proposed only in modified Home Economics to incorporate gender relations in the household; more recently, bargaining models have tried to overcome conventional limitations of micro analysis. At the macro level, some modifications in the data systems have taken place.

The bulk of economic theory, however, stands resistant to gender. The political economy angle suggests how gender impact of policy can be brought out and suitable amendments made. In the macro theory of development, the critique is about development priorities which are insensitive to the poor and to women; a plea for recognising basic needs of people and so on. As yet we do not have a gender sensitive worked-out model of development that integrates all sectors and has predictive power. If we were planners, what would we do?

Some questions remain: whereas economics can take cognisance of why certain actions will have predictable consequences for

women, can it by itself indicate where and how to alter those conditions that lead to those results? Can these be tackled only by politics – e.g., against rigid sexual division of labour?

Our task, as we see it, is how to incorporate our understanding, gained from the last two decades, of women's issues into economic theory and practice. What kinds of economic tools are still valid and useful? What kind of conceptualisation will have greater explanatory power?

Can we undertake the task of identifying these? There is some work done already. Maithreyi Krishnaraj and Joy Deshmukh did an exercise (based on the former's effort to collect this material over many years) of reviewing attempts made in this direction by economists. Somehow, our book that grew out of this concern to first take stock of what people have said, went unnoticed in academia as well as among women's studies people in India. Partly the result of shoddy production, for which the absence of both of us was responsible; partly, lack of promotional follow-up. There have been attempts by economists like Gary Becker, Amartya Sen and many others on incorporating gender into micro economic theory. The bargaining model in micro economics of the household, attempts to capture the decision of a woman to undertake paid work or be a housewife by representing this as the result of preferences. The household is modelled as a husband-wife team each of whom maximises his or her utility. Institutional economics provide some alternative analyses, for instance, by analysing of the market itself as an institution, subject to manipulation or structuring by interested parties/classes, and not an impartial arbiter of supply and demand. We must look at these efforts carefully to see whether they really help us and what their limitations are. In examining some of these alternatives several questions arise.

Can gender be best treated as an interdisciplinary field exemplified by Bina Agarwal's innovative work on land rights? (Agarwal, 1995). Can we build theory from practice, as Devaki argued a few years ago? (Jain, 1990). Do we have to go outside economic theory to find explanations for women's situation?

Is institutional economics more hospitable to gender? In any case there has never been one variety of economics. Which approach is productive in generating a better theory? Can one change the fundamental premises of economics, of whichever variety?

Do bargain models replicate the very assumptions of neo-classical theory like individual motivations, rational, maximising behaviour, which are the problematic from the feminist point of view?

Many such questions demand scrutiny.

Maithreyi had been interested for some time in this area and felt strongly that EIWIG should be revived to tackle these theoretical issues. Several off us were working individually on women's issues,

absorbing new literature but were groping for solutions. An important task was to put our heads together, to share our ideas and to formulate a concrete agenda with a time schedule.

Two fortunate circumstances speeded up this process. The first was this: the Indian Association of Women's Studies (IAWS), our national organisation, is organising its bi-annual conference in December 1995. The theme of the conference is: Alternatives in Paradigms, Theory and Practice. The Association felt that we have talked enough about our oppressions and critiqued the existing state of affairs; we have to seek ways of bringing about change. An important dimension is knowledge systems—how they are constructed, how they are maintained, whom they exclude and why, and the consequences for women and other groups. Beliefs and actions flow from these. While several sub-themes of the Conference will focus on different issues, a few pre-Conference workshops were planned. Maithreyi suggested she could hold a workshop on "Women and Economic Theory" or rather "Working Towards Feminist Economic Theory". The IAWS was willing to fund these efforts. The second was the offer of a grant by the network, "Women for a Healthy Planet: Women and Economics Global Network" whose main spirit is Eleanor Heiss in Canada. Maithreyi is a member of this group. The network has several partners in different countries. So the workshop found financial assistance and was jointly sponsored by the IAWS and Women and Economics Global Network.

2 PREPARATIONS

Devaki Jain offered to help with the organising of the workshop and in addition made available the facilities of Singamma Sreenivasan Foundation at Bangalore. To begin with, it was decided to restrict the discussion to some of the core members of EIWIG who had taken initiative in organising the earlier seminars and each of whom had been playing an active role in women's studies as well as in influencing policy and action, some more than others. To that extent they were thoroughly familiar with the debates in this area. The group chosen was a homogeneous one which could engage in meaningful discussions without having to brief each other on concepts and theories, for all were economists by training. (See appendix for list of participants.) Prior to the workshop Maithreyi sent a short write-up to all the participants to assist in our deliberations. This is reproduced in the preamble above. Her theme paper "Feminist Economics: Going Beyond Critiques", along with a few other articles on alternative economics, were also circulated among the participants. The paper dealt with how alternatives exist and invited the group to deliberate on their validity and usefulness. In addition some other papers that were critical of mainstream development and economic theory were also circulated among the participants. The dates fixed for the workshop were August 5 and 6, 1995. Those who accepted the invitation were enthusiastic about the endeavour. The following report records the collective contribution of the group. It was felt that after we made some headway, we would widen the participation. At this stage we wanted to keep it to a small group.

3 PROCEEDINGS

The Workshop Setting and the Mood

Gathered amidst the sylvan surroundings of Tharanga where the Foundation, our venue, was located, and where Devaki had made available rooms for our stay in her own house, we set about our task. We were well taken care of with ample meals, refreshments and staff assistance. We record our grateful thanks to Devaki for all the comfort – something women sorely need. To get away from our responsibilities to our families and to be fed and feted is an experience all women cherish. We spent two days and part of the night, too, in our deliberations on issues we were grappling with. We talked a lot about feminist ethics in the workshop trying to figure out how one brings it into alternative conceptualisation. Was our own manner of engagement with ethics, at the outset, in itself a very significant pointer to feminist methodology? Our discussions were free, open and invigorating; ideas, feelings, flowed freely in an atmosphere of cooperation, with no one trying to impress another or forcing a point of view; where each person expressed herself without any reservations. We had no audience to address outside our group. It was a mental hand-holding exercise to tunnel through ideas among friends who trusted and respected each other.

Saroja very kindly agreed to take notes. Maithreyi also kept track of discussions and Devaki had her own jottings. The proceedings were also taped. Piecing these together, this report has been written trying to reproduce as faithfully as possible the ebb and flow of ideas, to capture the process as it took place and to retain the voices of each participant. It might read as a clumsy report not so neatly tied up. Such a tying up is attempted at the end of each session as a sum up. A draft report was first prepared by Maithreyi and sent around for comments. On the whole the report was accepted by the participants of the workshop as a faithful reflection of the proceedings. The comments sent on the draft were more in the nature of clarifying a couple of points, giving emphasis to a point or two and adding on some omissions.

Session One

Opening remarks

It was agreed that a useful way to begin would be to discuss Maithreyi's background paper as it raised some important points. She was asked to make a brief presentation.

Maithreyi: This is an informal meeting to revive EIWIG. We constitute a core group that had played an active part in EIWIG activities. In the years since the last EIWIG seminar in 1986, women's

studies has moved ahead, opening up new areas, developing new perspectives, new understanding on women's position in the economy, women's actual contributions and the impact of policies and economic processes on women's lives. We have not yet succeeded in pulling all these together.

It is important to influence mainstream theories if we are to be taken seriously and to make a dent on policy. To demonstrate how a particular course of action leads to particular outcomes is an achievement but it is not enough. We have to see how we can incorporate these into the framework of economic analysis.

Over the last decades we have drawn attention to inappropriate definitions and measures of women's work; of how women's position in the household affects what they can expect by way of responsibilities and rewards; how consumption theory does not take cognisance of the actual process of decision making but assumes individual autonomy; how sexual division of labour shapes economic behaviour of women and how market economy excludes dimensions significant for women's lives. I see two tasks before us – examining theory and working out alternatives – not just visions and goals but how to get there. Not just saying basic needs must be met, employment created or strengthen informal sector etc., but work out step by step what investments are needed where; what policies where; what conditions to be created; what can be dismantled and how, where at what pace; what cannot be and why. We need to build a theoretical framework that can answer these queries.

Economics as a separate discipline arose with the growth of the market economy but real life is not so compartmentalised and least of all in the third world. Hence what we say gets dismissed as not the province of economics proper.

My paper gives some available alternative treatment of gender issues within economics. I am not advocating these as models to follow but to see what we can learn from them to evolve methodologies. Having said that, we must admit that these new methodologies are within micro economics only. How do we translate them to macro economics? How do we build on our practical experience to improve conceptualisation? New institutional economics tries to do what Marxist theory does, i.e. brings in power relations. Do such departures have a potential for us? In these two days let us work out an agenda for ourselves, evolve a project.

The paper is based on some work I did at The Hague. Some of the main ideas were presented in a seminar and as it was appreciated, I elaborated it for our discussion. It does not cover all new work or all authors but whatever I was familiar with and hence, there may be many things left out.

I start by making a distinction between levels in what goes by the name of Feminist Economics. There is the position of women in

the economy; there is the fundamental critique of economic theory and there is modifying theory to accommodate gender. Picking up on the fundamental critique of neo-classical economics and its assumptions of rationality, I make a plea for a more informed approach; in our concern with the limitations of such assumptions, we do not discard the need for objectivity. At the third level, in considering modifications of method/theory I point out some of the problems. Improved measurement of women's work still works with the same conceptual tools; new household economics holds on to maximising, contractual behaviour; bargaining models cannot deal with long term changes e.g., while it explains why women specialise in household production, it cannot show how this lowers their maximising utility because the longer they stay here the more they lose out in the market by loss of necessary skills, experience etc. In this whole analysis, the critical role of background assumptions has to be understood.

Discussion

Nirmala: In your paper there is an implication that the notion of rationality begins with capitalism. It begins with the renaissance. There is also the Judeo-Christian patriarchal tradition which feminists have critiqued. Vandana Shiva for instance criticises only western science and capitalism. What about sexual division of labour? It is not true that prior to capitalism sexual division of labour was equal.

Maithreyi: I do not disagree with the fact that rationality was the gift of Enlightenment [1] and that patriarchy predates capitalism. The point I was making was that before capitalism, religion, ideology etc. were enmeshed with the economic. The emergence of a separate sphere as the economy begins with capitalism, whose instrumentality was the market. Before this, one had either tradition as the decision maker for the fundamental questions what to produce, how to produce and for whom. Another alternative is the command economy where a central authority decides these questions. Where the economy gets separated, it is difficult to bring in non-market factors. Becker skews the notion of rationality by reducing all behaviour as maximising. The criminal who commits a crime is rational, weighing the advantage of getting what he wants with the risk of being caught and the degree of penalty he is likely to incur if caught. Likewise, parental altruism is self-interested, based on the hope of getting old age support. Almost any action can then be analysed this way.

Devaki: I want to draw attention to the question of values and the use of language. The paper talks of gender metaphors e.g., rational as masculine, where as one can as well see non-rational as that which encompasses other criteria such as flexibility. Feminist discourse can up turn, re-evaluate, by renaming. To give examples from my experience of how naming can marginalise. Women are engaged in collection of minor forest produce – leaves, berries, twigs, medicinal herbs, resins – this is termed minor produce, while timber is called major produce because men are engaged in it. Yet even by pure economic criteria such as contribution to the Gross

Domestic Product or number of persons engaged, the so-called minor sector is larger! Take the definition of home and work place. How will it be if we define the home as a work place? We can look at many similar things through the looking glass of feminist sensitivity, re-articulate masculine, feminine.

Regarding rationality: the alternatives proposed by feminists are unsatisfactory – they are vague, flabby concepts; some kind of holism as in DAWN (Development Alternatives for Women in a New Era) or the ecofeminist depiction of women as nature. In international feminism, there is a preoccupation with spiritualism or rather defining trust, love and so on as spiritualism. By doing this we move away from an examination of rationality by escaping into some other plane. What I find missing in discussions of rationality is examining the underlying notion of the human being. How do we conceptualise the human? As born good but corruptible or as born evil needing shaping to become good. If we see the violence around, I am inclined to agree with the Western political philosopher, Hobbes (1958) who described human life as nasty, short and brutish, [2] We must try and see the concept of the human in philosophy, social theory and many other areas. I like Rajnikanth's statement about the requirement of theory which Maithreyi has quoted, "to designate any system of ideas as ideological requires us in terms of alternate theory, to explain most or all of the phenomena covered by it; to account for its historical genesis; to indicate the conditions for its reproduction and its limits; to locate its present function." (Rajni Kanth, 1992). Using this, we can attempt building theory from practice. Our understanding of women's position in the labour market can help us in formulating a better labour theory; micro economics can be refined by how firms actually work; political economy can be improved. We can look at economics in relation to what we have learnt about women in the economy. Let us not call it Feminist Economics.

Padmini: Shall we say "we are economists with a feminist perspective"?

Nirmala: That is better. To me the important question is what is feminist? I would say it means looking at a woman not as a given category but as an individual with a right to be herself. Notions of choice, autonomy are involved but they do not capture what it means to be an individual. We should come back to this point later.

Padmini: I would like to address this differently. There is this whole area of the individual and the collective. When we look at the household we argue that economics treats it as a collective while we want to disaggregate it to emphasise individual members' interests. At another level, we are also saying that economics treats women as individual, autonomous decision makers.

Nirmala: Let us not get into that at this stage.

Saroja: To go back to rationality. Essentially when we are thinking of rationality are we not implying self-interest?

Devaki: When we bring in self-interest we have to address individual rights and group rights. Economic theory does not deal with this. When we talk of politics or philosophy we tend to emphasise groups; as feminists we emphasise the individual. In my work on food security of the household I criticise the group approach because it obscures the differential entitlement of individual members – men, women, children. I do sympathise with the collective of group interests, yet precisely because women are too tightly embedded in groups/collectives I would argue for an individual perspective. Rational behaviour in economic theory is maximisation. We challenge this model. Yet is not maximisation taking place in reality? What is maximised is the household welfare. A woman is sent to wage work or she does this or that to maximise household income. The act may not be viable (hence not rational) if we look at each act in isolation; it is viable if we see the sum total of acts. Our task for theory building can begin by looking at current notions such as rationality, viability, rights of individuals or groups etc., in terms of how these are actually orchestrated, and through what institutions; where do mismatches occur, not in a descriptive way, but theoretically.

Indira: This business of individual and collective. In an index such as the gross domestic product or human development, usually the indicators deal only with individual characteristics or individual needs. Social development is also important and here we can arrive at some universals such as levels of education of the group as a whole, or the degree of violence a group is subject to such as race/ethnic groups, or a category like women.

Saroja: The implications of welfare maximisation depend on culture. A woman may prefer not going out to work in order to look after her child. To bring about gender equality several institutions like the work organisation, family, social groups will have to modified. The concept of welfare becomes different, for instance, in a nuclear family set up. So policy has to change the context in which choice/rationality is exercised. Suppose a person kills out of self-interest, a rational action from his point of view. We will have to have rules that proscribe certain actions like these because they harm the collective. In the case of a woman what will be her self-interest? To get maximum returns from her work?

Nirmala: Economic theory in fact accepts that people act out of self interest. What it does not acknowledge is that decisions are often group decisions. If you take Amartya Sen's article in the Tinker volume (1990), ultimately the conclusions are trivial. A woman is not doing well in the labour market because she has less skill etc. He does see it as her individual decision. Or take the role of institutions. These are different in each culture and yet economic theory tries to generalise these across cultures and regions, as in explaining the East Asian Miracle, and on this basis gives prescriptions. Are we interested in generalised prescriptions in building feminist alternatives? Another point. When we use new concepts like capabilities they are not helpful to us because they

do not link welfare to the relative position between men and women but treats individual welfare in an isolated self-contained fashion. (Cohen, 1993) To cite an example – if we applaud female longevity, we may be ignoring the fact that it could arise due to a relative decline in male longevity; men may be more exposed to risks that result in higher male mortality. As soon as we try to break out of the neo-classical bind we run into problems! Tools can not be fashioned independent of theory. Devaki Jain enlarged the concept of women's work by including elements ignored by conventional statistics but she ended up by saying a woman does not do only housework; she does so many other valuable productive tasks. This left the basic feminist question of valuation of housework untouched. Here we are using the standard theory of work only enlarging it to include unpaid work. I think therefore as the paper points out we must look at modifications to ask ourselves are we saying anything new? Are we modifying only contents? Some of the modified versions have brought in a time element. Are we able to get out of comparative static models this way? And how will it affect mainstream theory?

Maithreyi: What I was arguing in the paper was that because feminists are dissatisfied with economic theory and its modes of reasoning we cannot reject the enterprise altogether. We have to understand better this whole area relating to methods of reasoning, notions of reality and how we arrive at reality. There are several different ways in which we can begin. We can identify instances where naming excludes or marginalises, like informal/formal. Renaming may imply revaluing. But revaluing may not in all cases be the best solution. If we say women nurture, and nurturing should be valued, it often leads to the conclusion that women are only nurturers and nothing else so let them stick to it since they are so good at it. We end up essentialising. We have a perennial dilemma. How do we value our actions which have been undervalued yet escape the trap of exclusion from other things we may also want to do, like public administration or running a business? We can go back to the political economy framework but it does not have tools to analyse many micro issues.

Coming back to the question Devaki raised about the concept of the human that underlies notions of rationality, I do not agree that we have to think of the human as nasty by nature and hence in need of taming. As self-conscious beings we have a highly evolved sense of self and a feeling of power to manipulate others and the environment. It is a dual capacity, to do either good or bad. The sense of domination that seeks to assert its will over others is one; the other is the capacity to see the damage it does and be sensitive to others needs. The two have to balance. Socialism believed that a certain kind of re-structuring of society will lead to the emergence of a new human being. Today we understand that we probably overestimate the perfectability of the human. The human has limitations that we must recognise. We can experience freedom only by accepting boundaries. Unboundedness leads only to chaos where decision making is rendered impossible. However,

these boundaries have to be constantly redrawn as things change. We cannot talk only of freedom from, but must also see freedom for what. Which means the boundaries are set by human limitations and the ethics that become necessary to guard the boundaries.

Indira: There are many things other than gender which have to be incorporated. We can use the institutional framework provided we define institutions in a wider way. ILO is looking at labour institutions. UNDP human development approach is not enough; even sustainable development is not an adequate concept because it is still the language of the market, of allocation of resources. The notion of individual human rights excludes group rights. Feminists are arguing that women as a group need more rights.

Padmini: Do we really need to battle with mainstream economics and mainstream practices? Why not look at alternatives that exist? My study of export units of knitwear in Tirupur brought home to me a number of interesting things in terms of methodology, concepts and policies. The small units there have formed an association of their own (Kashta Kootu, i.e., distress group). The Small Industries Corporation is willing to extend loans to these small producers only if they form themselves into a corporate registered structure. These units do not want to do so. They want the banks to restructure their functioning and acknowledge their traditional, informal association. Their organisation works differently from a trade union; for instance, they do not bargain for higher wages but normal work hours, accommodations, transport etc.

Devaki: Notions of productivity, flexibility are all different in the informal sector. This sector achieves the same goals but in a different style. It is the formal sector that boxes itself.

Maithreyi: Can we really forget the mainstream? These units have a different organisational structure and styles of functioning but they are linked to the mainstream economy; they are export units selling to foreign markets under market criteria.

Nirmala: This is Indira's point that we can learn from institutions. I would add that institutions are specific to a society and are not easily replicable.

Devaki: Another caution. Traditional management practices have evolved in a particular setting and are selective in the support offered. Traditional modes of production achieved equilibrium at low levels. Do we want that to continue? To build appropriate frameworks, we have to examine the underlying ethics in the institutions we are examining, e.g., its caste, kin, age, hierarchy.

Padmini: To continue what I was saying. The State organisation is addressing productivity and capacity. But the units conceive these differently. To meet different kinds of orders and at different times, they maintain at any point, plants that appear to exhibit excess capacity. But if we see the situation over a period, this is what gives

flexibility. It is their way of optimisation. There is rationality there. We have to rethink what we mean by capacity.

Saroja: If we see rationality this way, we can also understand why a woman may reject an attractive job to look after her child.

Maithreyi: Here we get into subjective responses. A woman perceives "her" interest as identical with the family's. I would like us to go back to objective criteria of welfare like mortality, nutrition and so on.

Indira: To go to Padmini's point about the value of informal sector practices – can we not think of bringing to them the benefits of the organised sector? Some forms of social protection? Here we have to devise new institutional forms, innovative solutions. What people need is not so much "permanent jobs" but continuity of employment; may be we have to initiate not de-regulation of the market but re-regulation.

Padmini: Precisely. In the Tirupur case, one can think not so much of abolition of child labour by an external fiat, but make the workers agree to phase out child labour and provide facilities for children's education out of a welfare fund created for the purpose by the exporters association. Let banks also change their rules to deal with informal associations.

Maithreyi: To go back to rationality. The point Padmini is making about how traditional practices that look irrational from the point of view of 'modern' are rational is well taken, but what is rational or not depends on objective conditions. A certain practice may lead to viability. The concept of viability is usually thought of as creating surplus. Many activities of poor women supplement each other to create viability in the sense of maintaining basic security though if one takes any one activity by itself it is not viable. The concept of viability here for the household is different. The question here is, granted that their actions are rational given their poverty, it is not rational for society from the point of view of lifting them out of poverty. They should not have to engage in so many activities, each with such low returns, if our aim is to improve their productivity.

Indira: Viability can be expanded to include environment and collective welfare. We can modify the notion of human development. Institutions count. Are their commonalities across cultures? New ideas like continuity of employment not permanent jobs, zero defect management, quality and customer service as guiding principles, can be accepted as norms for restructuring institutions.

Nirmala: Agreed that we must have objective criteria and that institutions are important. Are institutions the best way of starting with alternatives in theory? Let me stick my neck out at this stage. Who is a feminist is an important question for me because I am an economist who wants to incorporate feminism in theory, which for me means looking at a woman as an individual and unwrapping her from the collective where she gets submerged.

Maithreyi: As we are constantly coming back to this dilemma of individual and collective, can we look at our task as reorganising the collective to give greater rights to women. Here the language of choice is not helpful. For example, it is not valid to talk of reproductive rights for a woman as the right to have children or not; as many as she wants; at any age she wants, including after menopause, through technological intervention. For one thing, a child is not a commodity she can possess. For another social resources are implicated in bringing up the child. The collective does come in whether one wants it to or not. The present is where a woman is swamped by the collective; it overrides her welfare but she cannot be totally free of the collective either because of its attendant benefits and restrictions in the interests of others – the common good. We cannot get away from norms and ethics. How do we replace those ethics to serve us and others better?

Devaki: I see what Indira is suggesting. Instead of pushing head-on to mainstream theory, she is suggesting that we backtrack and start, as it were, from the indicators of welfare/development on the basis of reformulated feminist ethics. Then see what institutional changes are necessary. I did some exercises as a member of the Planning Board, Karnataka. We took four sectors, four NGOs, two district officials. If we have to improve social and economic benefits to the poor how do we cut through administrative procedures, centralised delivery mechanisms? Coming to Maithreyi's point about recasting the collective to give greater presence to the individual, Gandhi wrote a lot about it. His attempts to improve collective welfare was through producing an ethically sound individual. Marx emphasised the collective; Gandhi's departure from him was to say the individual has to be made ready before the collective can function to the good of all. He advocated some principles – non-possession, living like the poor and being unafraid of death. Non-possession gives this fearlessness. 'You have nothing to lose but your chains'. Thousands of propertyless Indians joined the Satyagraha during the national movement, while the propertied hesitated. At present, when collectives are formed they break up due to ego problems. This is because the individuals who join are not operating from a strong ethical base. This is why I raised at the beginning of our discussion the problem of how we conceive the human. Gandhi believed in training, in the need for disciplining, to become human. He emphasised self-abnegation. Feminists are wary of self-abnegation because that has been their special cross. Can we instead of rejecting such ethics somehow fly over them? Take breast-feeding. We agree it is good for the baby but it is used to deprive mothers of opportunities in other ways. We have to demand that conditions be created that make breast-feeding not a trap for women, but fulfilling, and specify what those conditions would be.

Nirmala: We do not want to go to the neo-classical version where the socialised individual is treated as if he/she is autonomous of the collective; we at the same time wish to create space for the individual by giving her/him some autonomy.

Indira: What is clear is that we cannot think of social betterment without individual development. We badly need some idealism. It is dismissed now as a romantic notion.

Padmini: In the measure for development we have to include women's development; not just women's but all other oppressed, deprived sections. (*Devaki*: 'women' is again a group concept; also what kind of woman? Who is a good woman – one who optimises? That takes us back to optimisation as self-interest.)

If you see the ethic involved in the Kashta Kootu, the failed member of the group is not seen as a failed person but as facing hardship because of external factors outside his control.

Maithreyi: Ethics are needed for all kinds of activities. Do you recollect the old book of Joan Robinson on Economic Philosophy? (1962) [3] What is an ethical base? Responsibility to others? We seem to be arguing that a woman who is expected to take responsibility for others has to be equipped first with rights if she is not to be exploited.

Padmini: Ethical basis of policy should be unravelled. If we take population policy, it is commonly held that as economic development took place fertility declined. There is a history of a discourse here which is hidden from view. Fertility did not decline in the first phase for the poorer classes. The upper classes were preoccupied with good parenting and castigated the poor for excessive breeding. Only when social welfare became available to the poor did the fertility of the poor begin to decline.

Devaki: Safety nets are provided by many traditional organisations. For instance traditional institutions exist that sought to control fertility by delaying a woman's cohabitation with her spouse. Women and families have always provided safety nets. But the moment we emphasise this it becomes a tool in the hands of people who wish to reimpose the control of the family. Let us remember that traditional institutions were not free of hierarchy. How do we recast them? Social responsibility was selectively imposed in some areas, on some people.

Saroja: When we talk of change for rural women they may not want it. I have experience of that.

Maithreyi: The point is that they are operating in a situation where they do not see possible options; you your self said how younger women feel differently from older women.

I take it then that we think the best way to begin alternative conceptualisation is to look at concrete situations; match it to theory, see the mismatch and work out your critique. Secondly, that in reformulating we have to be clear about the ethical basis on which we can restructure. Indira is interested in social development. I had looked at family strategies that seek maximisation of welfare for the household in deploying different members to wage work, migration or household production. The problem is how do we change those

conditions towards a new rationality, change the 'givens' of the system?

Devaki: I think we can call our project an exploration into ethics, rationality and economics. All morning we discussed rationality (the basis of neo-classical economics); institutional variations (traditional/modern); individual/group rights; concepts that have a different connotation depending on the context (viability, risk, security, capacity).

Institutions are well studied – cooperatives, panchayats and so on. Let us instead begin with feminist goals. Violence is so pervasive in society. Explanations range from inequalities, globalisation etc. There are deeper causes. Can we take violence as a centrifugal force from which all other events arise?

Summing up

The group was trying to engender economics, not begin something called feminist economics. We preferred to keep our identity as that of economists who are feminists. We thought we have to begin with some idea of feminist ethics to define the qualificatory adjective feminist. This led us to the problem of individual vs. collective because if feminism means enabling the woman to become an individual in her own right, to go beyond the group categorisation 'women' with its pre-givens from society, this ethic has to strive for individual rights. Economic theory, in postulating rational, i.e., self-interest promoting, maximising utility as the basis of economic action, gives primacy to the individual. However this has a problem: the individual in reality is not autonomous but is governed by collective pressure (norms, ideology, ethic of common good, whatever). In other words a better theory would take cognisance of collective decisions. This is our quarrel with economic theory – that its postulate of autonomous behaviour for women is wrong. To put it another way... in economics, the distinction between micro and macro depends on whether the economic agent is an individual or a group. The group or macro decision is the sum of individual ones where contradictory cases cancel each other. What we are dealing with here is a different issue. It is a case of an individual not being allowed to act as per her own preferences. Nonetheless, the decisions relate to an individual and hence in economics will be classified as a micro event. Standard economic theory would say, that the individual arrives on our scene after being influenced by the collective and this phenomenon becomes internal to the model of micro behaviour. Her revealed preference is the result of whatever experience she undergoes prior to her entry in the market. A problem arises here. Obviously we cannot contend that women alone are subject to collective pressure of the household or society. So are men. In that case how do we establish gender difference? Is it then merely a matter of degree, viz. that women are more subject to such pressures because of their subordinate status?

If we only want to faithfully reflect reality as it is, this critique is necessary. Does this critique help us? How do we work towards an alternative where we want a woman to be extricated from too tight

an embeddedness in the group? Practices of traditional institutions, or institutions that do not fit into the mainstream, exhibit a rationality different from the accepted cannons in neo-classical theory. Concepts such as capacity, viability, security and risk take on a different meaning. They have the ethic of caring but it is applied selectively. They operate within a given context which has its own defects like in-built hierarchies of caste, age, kin, gender. We felt caught in a bind. Individual measures of welfare like human development, per capita income, ignore social development and separate measures are necessary. Social development is meaningless without individual development. In this relationship of individual to the collective, Gandhi postulated that an individual has to be trained ethically into social responsibility and social sensitivity for a collective to result in both the common good as well as individual good. The concept of the human as innately good may be wrong; so also the notion of perfectability. However, holding on to this notion of perfectability may be necessary if we grant that we need a measure of idealism to avoid cynicism. Feminists have a problem with ethical behaviour conceptualised as responsibility for others because that is what they have been doing all along – self-abnegation for family and society at their own cost. Maybe then we have to see how do we restructure the collective such that it gives rights to the individual woman. Similarly while some actions appear as rational maximisation they are so in a given context (e.g. low productivity) that offer few alternatives. Our conclusion was that looking at traditional or alternative organisations may tell us something of the underlying ethic but cannot be an unproblematic guide to restructuring theory from practice. They serve well only at the level of a critique. In this session we were trying to understand what doing economics with a feminist view would imply; for this we tried to understand feminist ethic in so far as all theory has an underlying ethic derived from its image of the human. I think we were really groping for a critique of theory that would tell us how to come up with a better theory that accounts for women's reality as it is today, but in a way that points to where interventions are necessary to improve women's position. The Marxist analysis of women's subordination as due to their absence from social production led to prescriptions that did not liberate them. So one searched again for what causes subordination.

Devaki suggested we see our project as ethics, rationality and economics. This sums up our discussion. Ethics has a collective dimension; rationality, as expounded in economic theory, has an ethic of self-interest as the sole motive force of action. There are institutions that tell us how, in reality, collective interests are given pre-eminence. Women have subserved the collective interest all along. Feminism would like to make her more an individual, not the self-interest driven creature of micro economics but one who retains the caring element. For this the collective has to be restructured. We do not wish to abandon rationality but want an ethical dimension that takes care of both individual and collective in theory and practice. Do we begin by looking at institutions and work out how we structure them?

Gita Sen joined us. After some aimless floundering to pick up where we left we realised we were not going anywhere with the morning approach. It was at too broad and general a plane. We accepted Nirmala's suggestion that we change tack, as we were all familiar with Gary Becker's work and the bargaining model. Let us see what these attempts revealed, given the assumptions and methodology of the model. To recapitulate our morning discussion: we understood that in economic theory the process of decision making is presented as the individual's preference and becomes internal to the model. We thought we would learn more by once again looking at this issue and seeing where it leads us.

Nirmala: Amartya Sen's model in spite of bringing hitherto neglected variables in the end does treat the woman as decision maker influenced, no doubt, by endowments, perception etc.

Maithreyi: The model accepts that there are differences in endowments between men and women; it also admits that social pressure influences decisions. In that sense it is a real departure. You are obviously not thinking of collective decision making as a consensus? We have to specify the background assumptions of the model; see its limitations; but there is a difficulty in bringing these into the model as endogenous variables. We cannot get away from a basic limitation in the method of economics. It always requires us to set the minimal structure or rules of the game, which cannot change endogenously. "Who engages whom, whether agents can refuse to contract or not, what their reserve options consist of, what is exactly contracted between them or which of the opponents can make the first proposal, are all frame-work conditions that have to be specified at the beginning of the analysis."

It is not, as Nirmala alleges, an assumption of bargaining between equals, because the model allows for the fact that the bargaining power varies. This power is defined as the capacity to offer the threat of withdrawal. These threat points vary between men and women. Sen calls it the fallback position or where a woman would be without entering the exchange. Wage work and other support systems can increase a woman's bargaining power.

Nirmala: Let us take the case of a woman who decides to work at point X. Later she may withdraw because her husband wants her to – he may be now richer or has simply changed his mind or resents her getting an income more than him or whatever.

Gita: We are here talking of sets of preferences. A woman enters the model with the given set – a set which in fact has been influenced by the collective. But once she enters the model, the model cannot show how these decisions of hers can not only affect the present but also her future. What Sen is allowing for, are differences in initial endowments but not in decision making. Suppose the spouse gets richer, does the woman's endowment position improve automatically? Does it increase her bargaining position, change her decision? Sen allows for differences in initial endowments between men and

women, something conventional theory does not do. What he is trying to get at, but does not succeed, is to capture an elusive independent variable that is related to but not independent of resource endowment, that reaches down to affect the outcome for women even if resource endowment changes in their favour. To give an example; we have patriliny and patrilocality. Property devolution is connected to partiliny but patrilocality is really a different thing. Patriliny may affect resource endowment but patrilocality has more to do with patriarchy. There are cultural elements that affect the black box. As Nirmala says, even if a woman earns an income, her position may not improve; in an expanding job market women's wages may fall because when women crowd into an occupation its valuation falls. Once you open the box you are on to other realms like psychology; you have to explain why women do not behave rationally in the sense of protecting their own interests.

Maithreyi: Does not the problem arise because of what economics admits as its domain? I found the theory of claims an interesting methodology to admit what is rejected as non-economic. (Peattie & Martin, 1983)

Nirmala: Sen looks at the problem but gives a wrong prescription. We would like to read this book.

Devaki: Look at economic theory itself. What is pure economics? Can we not answer questions within economics? Has not economics itself changed boundaries?

Gita: Economics has not changed boundaries, only included more problems. The methodology remains the same – that of viewing everything in terms of the concept of resources. Political economy deals with power but again it, too, treats it as differential resources. The problem is how do we make economics answer questions women want answers for.

Nirmala: Where it gives explanations it does not tackle the real resons; for e.g., the economist accounts for the fact that families prefer to educate boys rather than girls by saying that boys earn more or girls do not earn; even if girls did earn, the problem is they move after marriage to another family and hence their earnings are not available to the parents. Nancy Folbre raises the question of community decision making but she is not able to bring it into the analysis (Folbre, 1992).

Maithreyi: There are some ways economics can do this kind of thing. Cawson has tried to do this. (Cawson, 1993) Economics normally ignores the fact that there are inequalities among the participants in the market. He shows that firms do act in ways that not just take advantage of such inequalities but attempt to widen them; the market does not merely reproduce inequalities but enlarges them. In other words, the market is not a neutral actor balancing supply and demand but is structured constantly by interested parties.

Gita: There are some things that can be explained by economics, such as relative prices, but there are others that cannot. They can be explained by other disciplines, only economists seem to think that they are not disciplines. Take patrilocality. Where one lives and how one inherits have a bearing on women. There is the question of power. People go in for power independently of resources. Political economy when it brings in power collapses it back into the language of resources.

Maithreyi: Isn't power as a basic dynamic in relations of gender what the radical feminists have argued for? There are studies of slums where you see the operation of power brokers within the slum whose interest is power per se. Here I must confess to a discomfort with Gandhi's trusteeship idea. People can engage in getting wealth but treat it as a trust for the society and use it for others. To me, the giver obtains power over the recipient who becomes a supplicant.

Nirmala: Are we talking of holistic approach? Are there tools for this?

Gita: Not really. We are arguing for an interdisciplinary approach but we do not say we have to take the universe on our shoulders, only deal with questions that women have identified. Let us see how much leverage one can get out of economic tools.

Nirmala: If I vary my assumptions I get a different answer. I wonder whether we can postulate woman as a "resource" for her family, which involves a relation between owner and owned; not as a body but as a resource which can be deployed when and where the family finds it useful. (*Maithreyi*: as property?)

Gita: This takes us into an ethical dimension. Is woman a person in the sense of having agency; as having volition. (Maithreyi: independent agency?). Agency to begin with; a piece of property does not have any agency. One can of course grant that women do have some agency in which case we see it as gradations of agency related to gradations of resources/property. The closer a woman is to personhood, the greater the area of decision making.

Maithreyi: In studies of violence among the poor/property less, what comes out is the man having a notion of owning the woman's sexuality; he is forever worried she will allow some other man to use her sexuality and most fights are about suspicions regarding infidelity. Can we say that woman as a resource includes woman's sexuality? Is not the conjugal relation built on this assumption of ownership of woman's body, labour, reproductivity ?

Gita: You have opened up a Pandora's box! At this moment let us stick to labour.

Nirmala: No one expects the woman to enjoy the income she earns. It is all for the household.

Maithreyi: That is why I am wary of income-earning projects. A lot of so called empowerment is really adding on responsibility – the

woman does one more thing. I remember a middle class woman refusing to learn driving. "I will end up driving the children to school, taking the husband to office and receiving guests at the airport. No thanks."

Summing up

In this session, we were struggling with the problem of the basic assumption of economic theory on who is the actor. It takes the individual as a fully autonomous actor or decision maker. The link between the micro and macro, then, is that the total is merely the sum total of individual decisions. We wanted to see if the bargaining model of the household's economic action helps in any way to capture the influence of the collective on the individual. Becker's can be dismissed straightaway as an over-simplified model that ends up rationalising existing inequalities and in fact becomes tautological. Women's utility is maximised if they opt for more housework and less paid work because they are better at housework and earn less in the market than a man. Exactly what we want explained is why is she better at housework and why does she earn less outside? Is not that the problem? Amartya Sen refines the model by bringing in the role of initial endowments and perception in the decisions a man or woman in the household makes. Initial endowments like education, skills, etc., enhance the bargaining power of a woman. Perceptions influence the way a woman's contribution is seen as significant or not, and, insofar as these factors influence entitlements, they get added to the endowment box. The model is an improvement insofar as it admits that the exchanges within the household are unequal, but it begins with the parties entering the exchange with a given set of preferences. Once she enters the bargain, it is possible her initial decision affects her future endowment. For instance, if a woman withdraws from the labour market on marriage on the basis of her perceived advantage at that point, this very decision affects her endowment – she loses her skills, cannot easily re-enter the market and is forced to stay at home.

As Gita put it, what Sen tried to get at but could not succeed in doing is to identify an independent variable that is related to but is not independent of resource endowment; it reaches down to affect the outcome for women even if resource endowment changes in women's favour. At this point, Nirmala came up with the idea that we are talking of two things: whether a woman is an individual actor, independent of the collective; the second issue is about her lesser bargaining power because of her lower resource endowment. Taking up from Nirmala, let us recapitulate what we were trying to do. The sequence in the argument is as follows: a woman is a full decision maker; her decision may have been subject to a collective influence; this collective influence is determined by her resource endowment. What we see as a problem is that the model assumes that if her endowment improves, she has better bargaining power. She will act in ways that promote her real interest and not only what the collective dictates. We see that this may not be so. There is some other factor (patriarchy?) which decides whether this endowment will have a positive effect. Another way of looking at this problem of whether a woman has an independent agency and

to what extent she has endowments favourable to her self, is to see her as a "flexible resource" for the family to be deployed where and how it maximises the family welfare. If she herself becomes a resource, a resource owned by the family, she does not have any agency. However, women do have some agency, in which case, we are allowing for gradations of agency related to gradations of resource or property aspect embedded in the gender relation. The latter aspect then slops into the non-economic: under what cultural prescriptions and arrangements women assume the characteristic of property, i.e., become more or less of an owned 'resource' and hence cannot act as a free agent in exchanges? The answer to the puzzle about the individual vs. collective comes back to this: we began by wondering how do we account for the fact that a woman's economic action is not merely influenced by the collective in the sense that she comes into the exchange with a package of preferences, predetermined by the pressure of the collective, but this influence continues to operate upon her actions? The assumption that when she enters, she enters as a full individual and that whatever happened to her preferences lies outside the model, is not a satisfactory explanation because many things happen *after* she arrives there. There is an unseen hand that is constantly pushing her, behind the economic curtain. An alternative way of looking at her lack of agency, or her restricted agency, is to conceive of her not as an 'individual' in the sense economic theory takes but as herself, becoming a resource owned and deployed by others, perhaps allowing degrees of freedom.

Session Three

Gita: We were heading towards greater conceptual clarity. Even if this group charts out, systematically, concepts we were talking about, it will be useful.

Nirmala: I see four different things we have to do i) see where and how other inputs come in ii) what happens when we change assumptions to evolve a different explanation? iii) build another model iv) seek measures of it. We can start with the labour market.

Gita: There is the agency problem. What do we mean by it. If women are not full agents, there are also gradations in the degree of agency. This is pertinent to North/South differences. The South women may be better off than the North women but there are areas where this is not so; there may be agency in some matters not in others regardless of endowments. Women's responsibility can be regarded as their negative endowment. Neo-classical response is to say that it is not that we are not considering it. It is something that falls outside the model as something to be explained. If there are differences between men and women's work it is because their marginal productivity is different. Their marginal productivity differential is something that has to be explained by other non-economic factors.

Nirmala: This idea of negative endowment has possibilities. Women have less claims, less mobility. One can begin with the highest point of the gradation and see how, over time, the woman's position

deteriorates in such a way that in the end they come to have a greater stake in marriage. Within the labour market a woman may begin with flexible work because she has young children; later when she wishes to move out of it she is unable to, as opportunities get closed.

Gita: The household division of labour is something neo-classical economics explains by saying this division occurs because the returns are different for men and women; these returns are different because of other factors but what is necessary is to complete this loop. Why is sexual division of labour (SDL) sticky; it changes very little even when a woman earns through market work? Is there something that pushes back the opportunity she gains by her entry into income earning work in order to retain the old sexual division of labour? If so, what is that something? Even when women participate in the labour market, the division of labour between women and men is remarkably stable; this is related to factors which connects to negative endowment not individual woman but what is expected of any woman.

Nirmala: An individual woman may earn more than her husband; but the community takes time to change its perceptions.

Indira: True. We did a study of women entrepreneurs. We found only 10 per cent who took independent decisions regarding finance, marketing etc; the rest were either proxies or consulted their husbands all the time.

Gita: What is important, then, is not whether an individual woman breaks the circle of positive-negative but what at the level of society can break it? (*Padmini*: In developed economies despite significant entry of women in the labour market, SDL does not change much). Yes, the glass ceiling.

Devaki: We can see what are the possible mechanisms to break away from SDL; look at gradations of negative endowment, where is it most sticky. We earlier talked of security, risk. How do they come in?

Gita: One obvious way is this. Traditionally, risk is related to gaining positive endowments. When we bring in negative endowments things appear different. Why a woman does not do x or y may not be that she is weighing how much positive endowments she has to forego but weighing the risk she incurs in possible retaliation by the family; i.e. negative endowments increase. Risk could then be an attempt to minimise the negatives for fear of being thrown out.

Devaki: We have to link all these we have come up with – women as resources; how that connects to agency; gradations in agency; positive and negative endowments and how they relate to the above.

Gita: A word of caution here. The phrase negative endowment is catchy and has the danger of being appropriated for all and sundry

purposes. If we wish to retain the power of the concept we must define it precisely. Positive endowment is access to your own labour and the labour of others; negative endowment implies that others' have control over your labour; your labour is available to others.

Maithreyi: Does this control include woman's sexuality?

Devaki: In the ownership of property, would the location of the woman (patrilocality) be negative endowment? Are non-economic constraints negative endowments? We can map the gradations to see what limits choice, what expands choice. Isn't SDL prior to agency?

Gita: It is not wise to go for a one to one relation to patrilocality as you suggest. We have here three things to explore before we attempt linkages. First to gauge how much mileage we can get out of existing attempts (like bargaining model). Second, to make the concept of negative endowment crisp and sharp so that we can get answers out of it. Given the notion of SDL, in any situation how exactly does it work itself out?

Maithreyi: Saroja's point that we dub as negative endowment, may not be so to the woman concerned.

Gita: We are not using the word 'negative' in any normative way. Positive endowment helps you to draw on your own labour as well as the labour of others; negative endowment on the other hand helps others to draw on your labour and withhold their labour from you.

Nirmala: There are gradations in this too. Women draw on children's labour. (*Gita*: In Africa they draw on co-wives.)

I have a problem here. We are saying women are not really agents; we are also saying we should recognise group decisions. Do we stick to only micro?

Gita: Let us handle first what we have. There are three approaches here. The endowment angle comes closest to the economic model; it stays within it. Treating women as resource-minus agency breaks the model altogether. The third would be to stand outside the model to find answers from other disciplines. This is farthest from existing models. (*Nirmala*: We should look at critiques of capability concept.)

Devaki: If we have identified SDL as negative endowment we can begin some work on getting at the gradations who are the women who are able to control their own labour and why?

Maithreyi: How will we do this? Education is a positive endowment yet it can become a negative endowment when used as marriage qualification.

Gita: We have in the 'black box' of endowments – some positive, some negative; some socially given, some individual. The power

of the social is greater; it has more weight. There are also class differences.

Nirmala: What are the individual and social endowments negative or positive?

Maithreyi: Aptitude, psychological characteristics and personality will be individual. Authority, rights will be social.

Gita: The point is the individual endowments become significant when they deviate from the social. What for e.g. are the implications of your society not being educated when you alone are?

Padmini: There are some clear examples of how when something large scale happens, like migration; social taboos (negative endowments) undergo a change. In Kerala, according to Leela Gulati's study, when large scale migration took place to the Gulf countries, Muslim women traditionally under seclusion, came out to make passports, have photographs taken, learnt to handle bank accounts. The sexual division of labour was altered and women allowed to do 'men's' jobs. Society accepted these changes. The madrasas that traditionally imparted only religious instruction now began to teach new skills to cope with the new sexual division of labour.

Nirmala: I have another example. In West Bengal, a fishing community where women were partners in fishing, women have turned to prostitution, with the consent of the men, when livelihoods in fishing became insecure under modernisation.

Maithreyi: What about crisis situations? SDL is reversed, condoned.

Gita: But how quickly it goes back! What we are saying here is though there may be gradations, differences and so on, there are nevertheless large universals that permit generalisation.

(The group felt exhausted at this stage and decided to stop.)

Summing up

From grappling with the notion of how to capture the fact that women are not autonomous actors as economic theory assumes, we, after examining bargain models, saw that allowing for initial endowments as shaping women's scale of preferences is an advance but fails to allow for the fact that even given improvements in endowment a woman may still not be in a favourable position. Obviously, then, there are other intervening factors. How do we bring them into the model? How do we account for a woman's limited agency? How do we explain that often her actions are not rational in the sense of self-interest? An example is the sexual division of labour. No matter how her endowments change this does not change. However, one has to make a distinction between action taken by an individual alone while the rest of society stays the same and when large scale social change takes place; in the latter case, hitherto proscribed actions become sanctioned where as in the first case a woman who has made a departure will face negative sanctions. One woman educated in a community of illiterates enjoys

no privileged resource endowment but when groups of women acquire education, things begin to change. The non-economic constraint that acts as the hidden hand can be brought into the model by Gita's concept of negative endowment. All along we have been talking of endowments as positive; they enhance a woman's bargaining power, her agency. There is a negative aspect to endowments. These are those factors that constrain. A woman's action may not be influenced by how much positive endowments she will gain or forego but may be motivated by threat of sanctions against her, of punitive measures. She may therefore act to minimise the risk of incurring more negative endowments. This was a wonderfully attractive idea. The hidden monster we were tracking was simple negative endowment – we had found the economist language to capture it! So, no need to stray outside the model! Gita, however, sounded a note of caution. The term 'negative endowment' would not be useful for analysis unless we define it carefully. Otherwise it may become a catch-all phrase, losing its analytlytical value. She offered a definition. (We had agreed that we would restrict our attempts at this stage to labour.) Positive endowment is access to your own labour and the labour of others; negative endowment is when others' have control over your labour and you do not have any access to their labour.

Thus we had looked at three approaches to how we build in gender in labour theory. The endowment approach is closest to the economist's model. Woman as a resource, breaks away totally from this model. A third approach is to abandon the attempt to fit in answers within economics and to look for them outside the discipline. The group opted for the first to see where it leads us.

The group decided to meet again but do some homework before that. Devaki Jain suggested we could meet in Delhi in January at the workshop convened by the National Council of Applied Economic Research (NCAER). Important articles referred to will be exchanged. Maithreyi could do this. Saroja said as she does not have access to libraries she cannot do theoretical work but can help in field work. Before we meet in January we should have something written up. The grant from Women and Economics Global Network will be used for a small study, exchange of material, maybe some future publication. We will not use it for travel as far as possible as it takes away a big amount.

Future project

Gita, Devaki and Nirmala are interested in working further on resources/gradations. Maithreyi and Saroja will work on negative endowment. Indira and Padmini will work on labour institutions. We decided to confine ourselves at this stage to labour.

End notes

1. Enlightenment: Historically speaking, one understands by enlightenment, primarily the development undergone by this principle of rationality during the 17th and 18th centuries in England, France and Germany. Although the main ideas of enlightenment reached their complete development and final victory in these two centuries, their roots go back to the

renaissance of 15th and 16th centuries. The basic idea underlying Enlightenment was the conviction that human understanding is capable, by its own power and without any recourse to supernatural assistance, in comprehending the world and that this new way of understanding the world will lead to mastering it. Enlightenment gained universal recognition as a postulate in the intellectual sciences – physics, ethics, philosphy, history, politics.

2. Thomas Hobbes's (1588-1679) work was influenced by the rapid advance of the mathematical and physical sciences. He had a materialist and mechanistic approach to human nature. Self-preservation manifests itself in the two governing masters of human conduct, the fear of pain and the drive for power. Men as such are not governed by considerations of justice and morality, but are deterred from anti-social actions only by fear of punishment. They are however, naturally guided by reason, which shows them how they may serve their own interest, by the acquisition of power and avoidance of pain. Upon this reason is natural law based. The complete reign of reason which is a reign of peace and of the absence of immediate fear is possible only when men curb their egoism and fist right. Otherwise they must forever remain solitary, poor, nasty, brutish and short.

3. Joan Robinson in her book, *Economic Philosophy*, states that a society cannot exist unless its members have common feelings about what is the proper way of conducting its affairs, and these common feelings are expressed in ideology. She expounds on the conflict between the individual and collective thus. "The biological necessity for morality arises because for the species to survive, any animal must have on the one hand some egoism, a strong urge to get food for himself and to defend his means of livelihood; also extend this egoism to fight for his mate and his young. ... Social life is impossible unless the pursuit of self-interest is mitigated by respect and compassion for others. A society of egoists would knock itself to pieces; a perfectly altruistic individual would starve." As there is a conflict between these two tendencies, each necessary to existence, we need a set of rules to reconcile them. These rules have to be enforced, Usually it is done by a moral sense or conscience built through the instrumentality of emotions. A child acquires this conscience by learning what is approved or disapproved which then becomes internalised into a desire for approval. "Any economic system requires a set of rules, an ideology to justify them and a conscience in the individual which makes him or her strive to carry them out. ... Economics limps along with one foot in untested hypotheses and the other in untestable slogans. Here our task is to sort out, as best we may, this mixture of ideology and science.

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4 **THEME PAPER**

Feminist Economics: Going Beyond Critique

Maithreyi Krishnaraj

I

Since the late Eighties and early Nineties, a spate of journal articles and books have begun to appear that claim to be feminist economics. In a Master's programme at an international institute of development studies, my class of women participants with very mixed disciplinary backgrounds, in response to a basic economics course, protested, saying they did not want economics but only feminist economics. Is there a feminist economics?

What is feminist economics? It seems to mean different things to different people. One can identify three levels in what constitutes feminist economics: a) a feminist approach to economics that involves seeing economic problems in a way that brings issues of gender in causes and effects b) a fundamental or radical critique of economics as a discipline in its philosophical underpinnings and its method, which is usually aimed at mainstream or neo-classical economics, though feminists have also much to say on Marxian economics and c) creating alternative frameworks or tools by modifications to existing ones.

It is the first two aspects that have found space in the literature on gender; the last one is in its infancy, little noticed by either economists or feminists (male or female). When two of us undertook a critical literature survey of how economics has dealt with gender in the last hundred years in the hope that knowing what people have already attempted will help us devise improved approaches, the book unfortunately elicited very little response. (Krishnaraj and Deshmukh, 1993). Economics, more than any other social science discipline, has been notorious for its resistance to accommodating gender in its theory. In part this stems from its anxiety to guard its reputation as a more scientific and rigorous social science unlike the other soft and fuzzy social disciplines, though some would allege this is entirely because it is so male dominated. The mainstream economist is like a master craftsman, so enamoured of his tools that it is of no consequence to him what kind of image he actually crafts and whether that image portrays the social world realistically or meaningfully. Yet mere criticism is not enough. We have to come up with an alternative. One cannot beat a theory with nothing. After a brief account of the first two aspects, the paper will dwell more on the refinements attempted and see what their limitations are and whether they offer possibilities for more fruitful analysis.

II

The most extensive and distinctive contribution of feminism to economics so far, lies in aiding our understanding of how economic interactions are influenced by gender. For our purpose here, I refer to three critical areas. The first is the issue of making visible the economic contribution of women, particularly in developing countries that get excluded from definitions of what constitute economic activity or a production boundary too narrowly framed to account only for production for the market. Hence data collection and tools used for estimating production are defective and fail to reflect the totality of women's contributions. (Agarwal,1985); (RCWS,1990). Consequently, both national income accounts and labour force data remain incomplete statements of a national economy. Reforms introduced by ILO and UNSNA still leave out many activities typically done by women. As Waring points out UN or ILO do not anywhere define house work though they have included some extended productive activities like post-harvest work etc. (Waring, 1988). Policies and programmes that stem from this approach seriously disadvantage women, affecting their work burdens, their availability for other market work, availability to them of resources needed for the production of non-market products and services as well as market ones. These in turn have consequences for their own welfare and that of their households and the larger economy. These have been documented adequately enough to avoid repetition here.

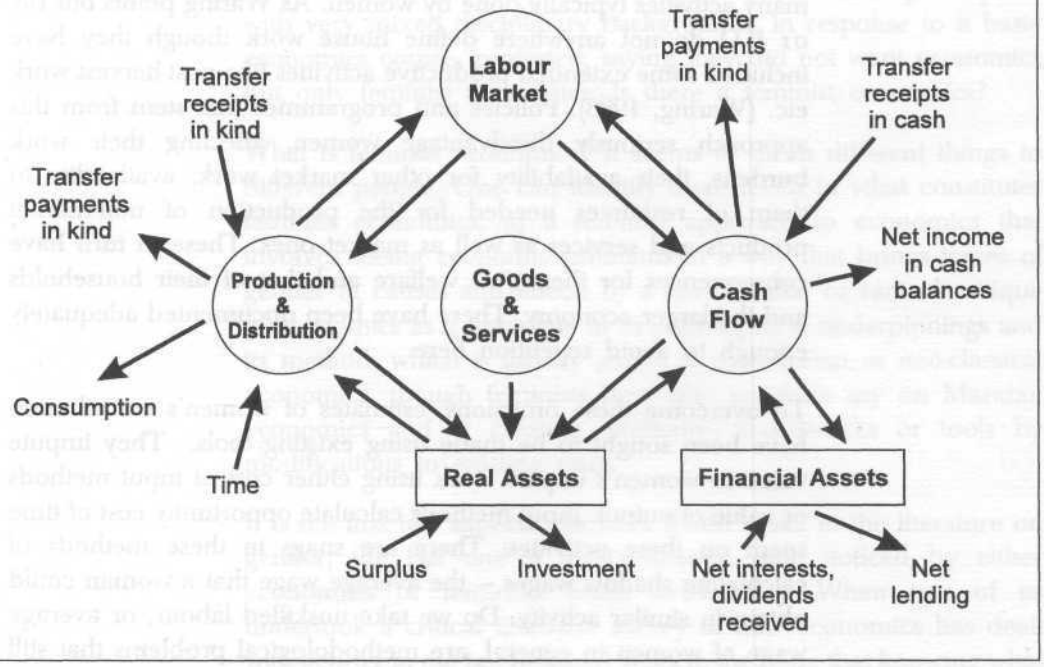
To overcome these omissions, estimates of women's contribution have been sought to be made using existing tools. They impute value to women's unpaid work using either cost of input methods or value of output. Input methods calculate opportunity cost of time spent on these activities. There are snags in these methods of calculating shadow wages – the average wage that a woman could obtain in similar activity. Do we take unskilled labour, or average wage of women in general, are methodological problems that still dog us. Goldschmidt has given a detailed discussion of these methods. (Goldschmidt, 1987). What happens where there are no market substitutes for the home goods and services produced or where the employment opportunities for women are so poor that the opportunity cost is low ?

There are other attempts at measuring the contribution of the non-market economy. Members within a household engage in transfers. Granting that welfare of individuals can be interdependent and not only on personal consumption, personal objective functions can be formulated where individual behaviour depends on endowments, technology and relationships. Within these considerations, the behaviour of an individual can be seen as the effort to maximise his/her welfare. In particular, the opportunity cost of their time and the services of any real assets which they own will emerge as the shadow prices of their respective endowments, which will in turn depend on their wealth in various forms, their efficiency and their social context as defined by their family and social setting. In theory,

the problem of measuring the value of resources employed in the non-cash economy can be solved with reference to the shadow prices of resource endowments. The corresponding valuation of the goods produced in the non-market sector will be their marginal opportunity cost. This is the model that Pyatt has evolved. It is the national accounting model applied to the household. The merit of this lies in its accommodation of transfers and other non-cash flows and motivations other than consumption. See fig 1 (Pyatt, 1994). Problems of imputation remain.

Figure 1

Pyatt's SNA Model of household with transfers between members



A second area where considerable work has been done is on the position of women in the labour market and how and why they hold inferior and subordinate status – unequal pay for same work, lower returns for work of comparable worth, low skill jobs, temporary, part time, casual work, location in the unorganised sector, segregation by sex of occupations and jobs and so on. Marginal productivity theory cannot explain these phenomena. When they are so used, they end up blaming the victim. Gender division of labour has a powerful ideological sanction and its empirical manifestations produce and sustain subordination for the woman worker, within the household and outside, by reducing options.

A third accomplishment is decomposing the household to reveal the intra-household economic dynamics. Differential allocation of labour, resources and rewards are governed by rules of social convention and age, kin, gender hierarchies. The inequalities that are so generated and sustained impact the economy outside and also mediate the impact of outside economic changes on different

members of the household. Much of the refinement of theory and tools has been applied to the analysis of the household. We will come to this later.

Finally, development literature has brought all these together to drive home the point that all economic relationships work through and within gendered relationships (Elson,1993; UN INSTRAW,1990).

Out of these critical analyses have emerged into view the flawed nature of conventional theory. These flaws are: consumer theory that assumes a unitary household, the marginal productivity theory that assumes a gender neutral market, the application of market analysis and maximising behaviour to phenomena that have other underlying motivations and the lack of integration of the household as a productive unit in the circular flow picture of macro economy.

Feminists have contributed to Marxist analysis by adding gender to class. The discussions above have to take note of the fact that gender dimension is class specific and hence any gender analysis must incorporate these differences. The organisation of household work will vary with paid help available but an enlargement of what Papanek calls status production may take place. The relative position of women in the labour market may, class-wise, be differently articulated; rules governing allocation of time and other resources within the household may likewise be subject to other requirements like, for instance, prestige and consolidation of class status. Childcare in upper and middle classes include not just feeding and other physical care but activities that develop the child's personality and equip him or her culturally to hold the class status. Dowry becomes an important exchange in marriage for the less poor whereas bride-price governs exchanges among the poor. Among the working class, a different set of factors may come into play in enforcing male dominance. Marriage, kin relationships may be more tenuous given the low economic base and the necessity for poor women to undertake economic activity to maintain the household. In some African societies for instance bride-price exacts a heavy toll on males.

III

To turn to the fundamental or radical critique of economics – mainly neo-classical – the targets are the assumption of rationality of human behaviour and the claim to objectivity of knowledge. To place these issues in proper perspective, in so far as economics regards itself as scientific, the issues raised are not only about economics per se but of science in general, of which economics is a subset. The radical critic of economics sees the assumptions of rationality and objectivity as not just unrealistic but untruthful and ideologically loaded. Harding's position on science comes close to this (Harding, 1983, 1986). However in rejecting the proposition that all human behaviour is rational, some feminists jump to the opposite extreme to say that no behaviour is rational. (Cook & Fonow, 1971; Nielson, 1971). As for objectivity , it is true that human knowledge is socially produced and is not objective in this sense.

In feminist analysis the notion of objectivity gets confounded between two different issues: whether there is such a thing as reality at all and there is a reality outside but our construction of it is influenced by our perceptions and beliefs. One has to understand the connection between abstraction and reality (Lawson,1992).

There are three different strategies for criticising the rationality/ objectivity claim: via a criticism which deals with content(sexism, racism etc); via a critic of method(s) that validate observations; and via the industrial, bureaucratic organisation of scientific activity. (Longino, 1989)[1].

Nielson (1971) declares that "all data is theory laden, all theory is paradigm laden and all paradigms are culture laden". Theory ladenness does not mean that observations cannot be used as independent tests of theory. It is the background assumptions that condition the relevance of the observations as evidence for or against a hypothesis. It is important to identify the interest laden content of scientific theories. But if we use this to condemn traditional methods of assessing beliefs, it leaves us without some common, conclusion-independent way of evaluating claims. In other words, feminists are on the right track when they assert the need for a contextualised analysis of phenomena. This means they should also grant the need for exploring the context in which rationality or objectivity is exercised. We know that the context of most scientific theories is the capitalistic, male dominated society. We can see, then, how this context shapes the preoccupation of science with hierarchy, control, antagonistic and competitive relationships, and sexual and racial essentialism. When feminist biologists are talking of these imbued values, they are really reading the social context in which these preoccupations emerge. Some quote gender metaphors used in science as if they exhaust all meanings. (Hubbard, 1979; Bleir, 1984). Nielson (1992) analyses the gender metaphors underlying the image of economics. Arguing that a metaphor is not a picturesque addition to language but a fundamental way in which we understand our world and communicate our understanding from one person to another, she accuses economics of gendered metaphors that assume masculinity and femininity in an essentialist manner. Individuality, choice, competition in western capitalist societies are identified as masculine traits; masculinity is seen in positive ways and femininity in negative ways. Instead of just positive, negative poles she proposes a quadrant with positive, negative for each pole – masculinity, femininity. If strong is positive, it can also have a negative connotation – inflexible; feminine is seen as weak but why not as flexible and hence positive? She takes a number of such biases to show that they can be so re-ordered that both masculine and feminine have positive as well as negative aspects. The negative of logical could be mathematical mania; illogical (seen as feminine) could have a positive side such as dialectic reasoning. Against the individuated depicted as positive, one can see its negative trait as isolation, and if being engulfed is a negative in a feminine trait, then connectedness is its positive aspect. She thus re-evaluates concepts related to

femaleness metaphorically. Further, pleading for grounding the discipline materially and socially, she thinks this is possible if the "economic" is defined as dealing with provisioning for one's needs, whether through the market, household or government; whether by symmetric exchange, coercion, or gift, thus dethroning choice, scarcity and rationality as central concepts. Nielson does not demonstrate how one would use this in analysis of concrete problems and how such an alternative framework can be built.

Keller (1982) acknowledges thematic plurality in science and the necessity for retaining rationality. The patriarchal outcomes of science (and economics) are not the inevitable products of the method but the products of a society structured along race, class and gender lines.

> As long as background assumptions can be articulated and subject to criticism from the scientific community, they can be defended, modified, abandoned in response to such criticism. As long as this kind of response is possible, the incorporation of hypotheses into the cannons of scientific knowledge can be independent of any single individual's subjective preferences (Longino, 1989).

Feminist economics (or science) cannot be a different way of doing economics but changing the social context in which it is done. This is in fact happening. Feminism has made an impact on social sciences. Social scientists now grant that gender is an axis of difference that cannot be ignored. Rather than expend much energy in inventing a mythically pure rationality purged clean of all masculine contaminations, or retreat into feminist subjectivity freed from all constraints of rationality, feminists admit the value of ordinary reasoning to be exercised in a new social context which we have to begin constructing. An advantage of neo-classical economics is that it states its core assumptions very clearly. This gives us an opportunity to try and change those core assumptions, or modify them in appropriate contexts, because its analytical tools are indeed valuable and can be employed in specific instances where quantitative estimates are necessary. Quantitative methods do have a place in feminist research (Jayaratne, 1981). Employing an alternative framework does not absolve us from the requirement to identify principles which frame our criteria for the conduct, evaluation and dissemination of feminist work in the social sciences. There is a serious problem in experience-based accounts or so-called qualitative research. However participatory or inter-subjective the process might have been, the final product is an authoritative and interpreted text (Shields and Dervin, 1993). Similarly qualitative statements conceal quantity, eg. few, many, often, sometimes, etc. (Wuyts, 1993). Feminists must face the need for objectivity. For knowledge production to be explicitly understood as an historical process, it is incumbent on us to pose this question and deal with it in our analysis (Bhavnani, 1993). In this context, it may be mentioned how feminists have seized upon Kuhn's work (Kuhn, 1970) and used it a great deal to attack science's pretensions to objectivity and rationality. Nanda in her excellent critic of populist orthodoxy points out that feminists misread Kuhn. He did not say

that science lacked rational and unique methods of reasoning but that these are integrally connected with its historical development and function more like values than rules (Nanda, 1991).

Both neo-classical as well as Marxian economics have their critics. Neo-classical economics has been chastised for its triple alliance of positivism, methodological individualism and individual ascriptions. The Marxian approach is usually criticised for its determinism and reductionism: the base-superstructure link where the economic determines all social outcomes in the last instance. This is no longer quite true, as refinements have taken place within Marxism. Both systems are seen as ideological positions. According to Rajnikanth (1992), to designate any system of ideas as ideological requires us in terms of an alternative theory, to explain most or all of the phenomena covered by it; to account for its historical genesis; to indicate the conditions for its reproduction and its limits; to locate its present function. A truly alternative feminist economics has to satisfy these criteria. At present we are no where near to doing this. Hence to say that mere criticism of how work is measured or how the household is viewed does not amount to a feminist economics makes people like me unpopular with those who like to claim this grandiose title. In fact, in some cases, the mere study of career outcomes of men and women is labelled feminist economics. A feminist theory must offer, which post-modernists fail to do, a plausible account of the specificity and variation of historical, cultural settings for human action. Ideally, a theory should, if it offers a critique:

> ... provide for an account of historical conditions of its own production, to offer an address to competing theories which explains, not just identifies, their weaknesses and appropriates their achievements, to engage in a continuing critical reflection on the categories used in its own construction and to develop a critical account of existing social conditions with positive implications for social action (Craig, 1993).

To give some illustrations. Both men and women have done unpaid work throughout history. Why has the dichotomy become so important now and why do we analyse it in particular ways? It is not a mere question of paid and unpaid work but changes in the organisation of production and the emergence of feminist consciousness that raise the problem in particular ways. Gender division of labour has existed, too, in most societies. When and how does it become a debilitating force? To take the case of housework – a meaningful analysis will see how twentieth century capitalism reorganises it – first through marketisation of housework, proletarianisation of women in housework for exchange value jobs, and mechanisation of housework. Thus the conversion of housework from production for use to production for exchange occurs simultaneously with increases in women's labour force participation. Sexism takes care to allot them jobs that simulate housework characteristics. Micro economic perspective treats this in terms of women's preferences; a radical view encompasses the evolution of capitalist structure as a whole, enabling us to see the power of institutions in overriding personal choice.

IV

To incorporate gender, economics has to be tamed. How do we do this? We can change the background assumptions, or we can refashion more appropriate tools or models, or do both simultaneously. Alternately, we can use conventional tools, or we can extend the assumptions to encompass previously excluded phenomena under the same rubric.

Becker is the most outstanding exponent of the second approach. He extends the market and optimising behaviour to many aspects of social life by subsuming all motivations under it. He says he is looking at individuals maximising welfare as they conceive it. Under this, altruism also appears as 'maximising'. Parental investment in children is really a calculated forward-looking behaviour to ensure old age security. Criminal behaviour too is rational because it weighs financial and other rewards from crime as well as relative risks in getting apprehended, conviction, severity of punishment etc. Marriages are markets, where the relative gains of sharing versus non-sharing are worked out. If more women become economically independent and receive adequate child support they have no incentive for a marriage or co habitation. In other words all behaviour can be looked at in the economic way. (Becker, 1993). Becker is known for his work on discrimination (1971) and his application of maximising behaviour to the family (1981). His utility matching model of household shows that it makes more economic sense and maximises utility for both husband and wife, if the wife does both market work and non-market work at home while the husband devotes himself fully to market work because he earns more; the wife has a comparative advantage in housework and earns less outside and therefore will benefit by specialising in housework. Feminists justifiably, have been furious at this conclusion that validates existing gender divisions of labour and condones women's unequal returns in the market place.

Becker's model has been refined by Notberga Ott by using a bargaining model. It is also known as the game theoretic model. She replaces the static model by a dynamic one to show what is likely to happen under this specialisation.[2] Gustafsson's presentation of the two models are faithfully reproduced here (Gustafsson, 1994), but we are using them in order to go further into discussion of refinements and their possibilities. The two models give us a starting point.

In fig 2 male and female have unequal comparative advantages in home production and market production. The production opportunities open to each if each performs in isolation is given at the top. The male can produce 80 market goods and 30 home goods; the female can produce 90 home goods and 50 market goods. The combined household (fig 3) can produce according to the production frontier MYH curve where MY has the slope of the male's exchange rate between market goods and home goods and YH the slope of the female's exchange rate. M3YH3 delimits

half the space of MYH. The shadowed area is the efficiency gain if each partner takes half of the increased produce. Suppose they both produce only market goods. If they want more home goods they can get it by exchanging market time for home goods time. It is more efficient if the female who has a higher productivity in home goods decreases her market time than for the male to do so. The alternative, where the male decreases his market goods to produce home goods, will result in less home goods for

Figure 2

Becker Model

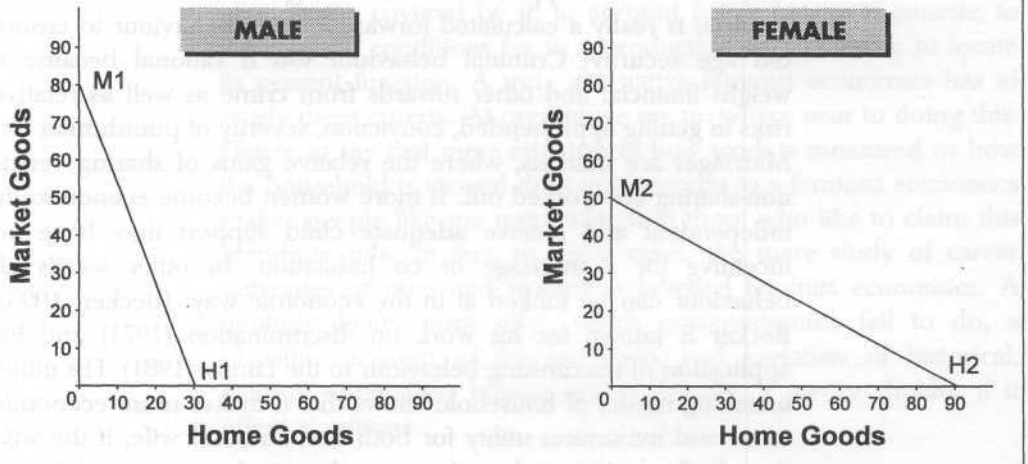
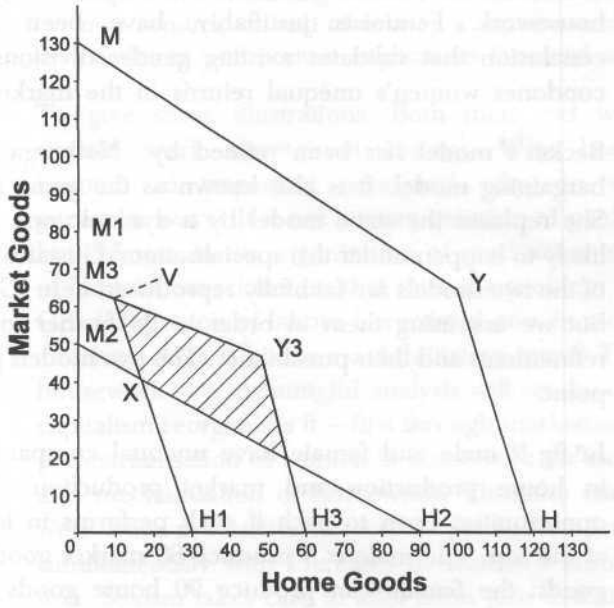


Figure 3

Becker Model

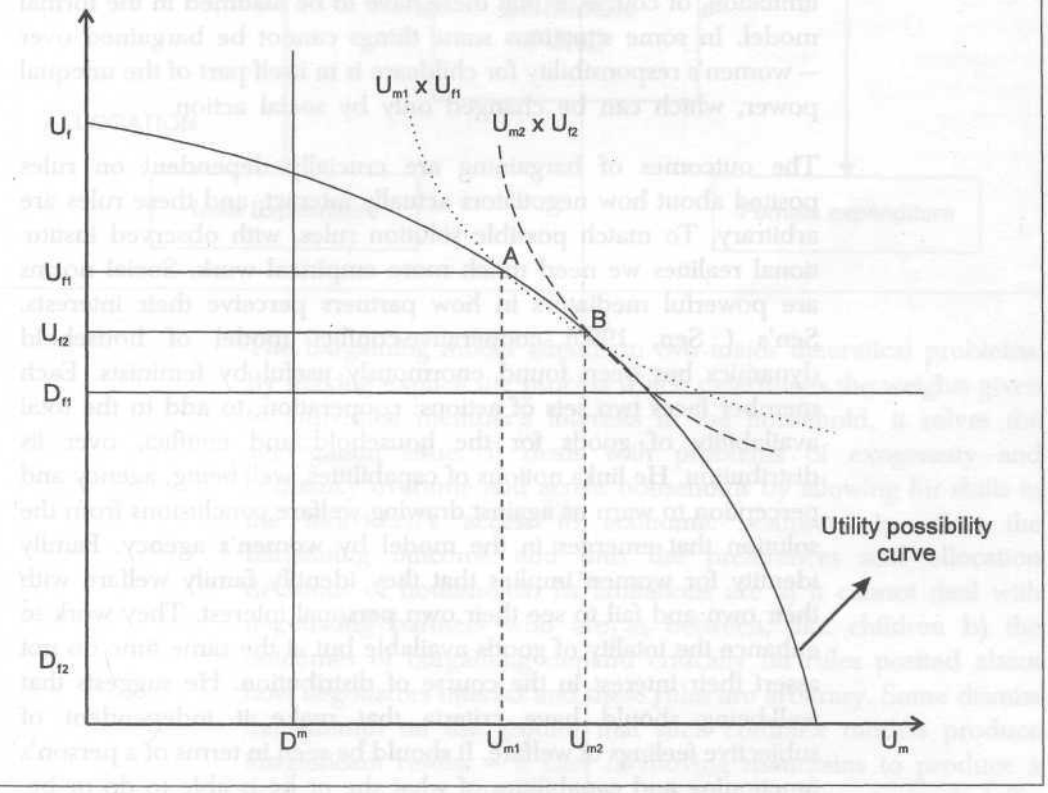


the couple. Only if the male prefers exclusively market goods at a point above and left of v is he better off in a single person household.

Ott's model introduces a time element (fig. 4). The hypothesis here is a constant Um/Uf. The optimum point is where this curve is tangent to the opportunity set. Although the opportunity set depicts the product of the male and female utility as constant, the division between the two is endogenous to the model and it is not constant. The threat points are Df1 and Dm. The threat points in turn are determined by the labour market earnings by each partner, i.e. where each partner threatens to withdraw. If the female agrees to specialise in home production, she loses not only earnings but depreciation in human capital due to non use.[4] Her threat point becomes lower in the second time period; her solution to bargaining takes place at B instead of A and this results in lower utility to her and increased utility to the male. Gustafsson argues that Ott's refinement allows one to achieve feminist goals by policies that improve economic efficiency – policies like subsidised childcare, paid parental leave, suitable tax laws and so on, that improve women's fall back position.

Figure 4

Ott Model with Threat Points



Even Marxist feminist political economists find some value in the game theoretic approach so long as we are aware of its limitations. The equilibrium concepts through which the economy is conceived obscure the open endedness of the conflicts which define some individuals and groups as winners and losers in the distribution process. In the bargaining approach, one can specify the objects of bargaining i.e. what is being bargained over, the negotiators'

objectives and the determinants of the negotiators' bargaining power or level of threat points. These can be applied in the analysis of not merely the household economic dynamics but also for employer-employee interactions. Seiz (1991) suggests we can add to the bargaining points things such as division of tasks, overall labour time and leisure and distribution of consumer goods and services. The principal determinants of bargaining power within the household are those factors which determine the level of well-being each partner could attain if the partnership ended. Non-wage components such as access to various sources of support may be more critical, though employment opportunities and wage rates are important considerations. Availability of kin and state support often determine whether a woman can withdraw from an unfavourable situation. In cases of dowry harassment in India, it has been shown that the power to subdue the bride by in-laws diminishes if her parents can take her back. State assistance for child support, affirmative employment policies, women's support groups are all changes in the context that alter the determinants of power. What we need to build into the model is what is bargained over at any particular time and place (that is historically specific) and within what quantitative and qualitative limits the bargaining occurs. The limitation, of course, is that these have to be assumed in the formal model. In some situations some things cannot be bargained over – women's responsibility for childcare is in itself part of the unequal power, which can be changed only by social action.

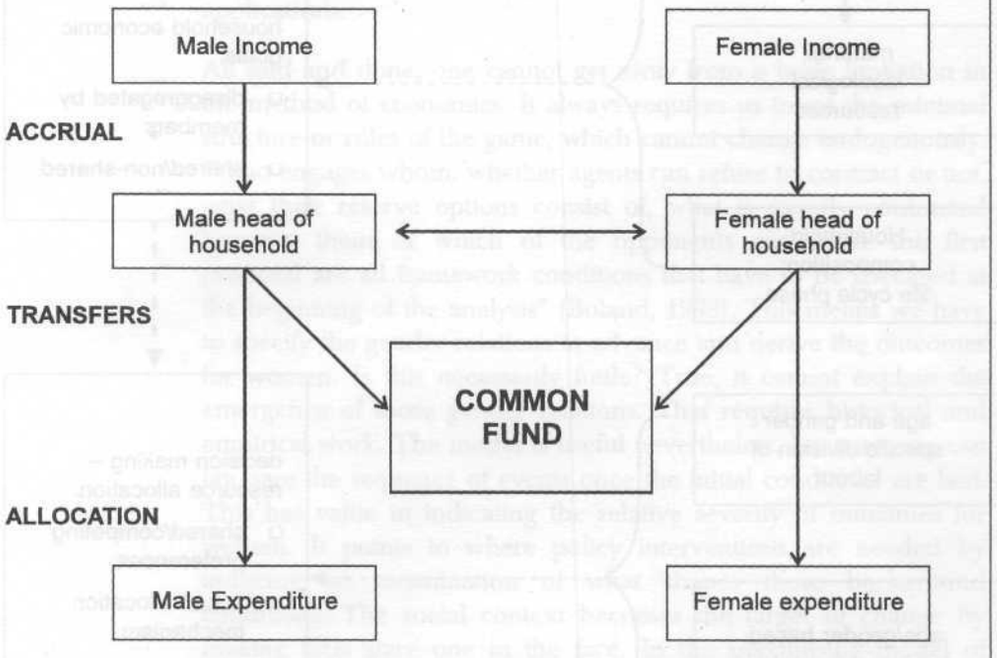
The outcomes of bargaining are crucially dependent on rules posited about how negotiators actually interact, and these rules are arbitrary. To match possible solution rules, with observed institutional realities we need much more empirical work. Social norms are powerful mediators in how partners perceive their interests. Sen's (Sen, 1990) cooperative-conflict model of household dynamics has been found enormously useful by feminists. Each member faces two sets of actions: cooperation, to add to the total availability of goods for the household and conflict, over its distribution. He links notions of capabilities, well-being, agency and perception to warn us against drawing welfare conclusions from the solution that emerges in the model by women's agency. Family identity for women implies that they identify family welfare with their own and fail to see their own personal interest. They work to enhance the totality of goods available but at the same time do not assert their interest in the course of distribution. He suggests that well-being should have criteria that make it independent of subjective feelings of welfare. It should be seen in terms of a person's functioning and capabilities of what she or he is able to do or be. Objective indices would include in the notion of well-being, longevity, nutrition, lower morbidity, education and so on.

Katz, who is another feminist who works within the Marxist framework, finds the bargaining model useful. She has tried to incorporate precisely some of these parameters mentioned by Sen. (fig. 5a and 5b)* She adds to the exogenous variables, age and gender specificity, material resources as well as ideological

resources, household composition and phase in life cycle. She then shows how one can analyse the sharing or pooling and the non-sharing of labour time, income and expenditure, i.e. transfers within the household. (Katz,1991).

Figure 5a

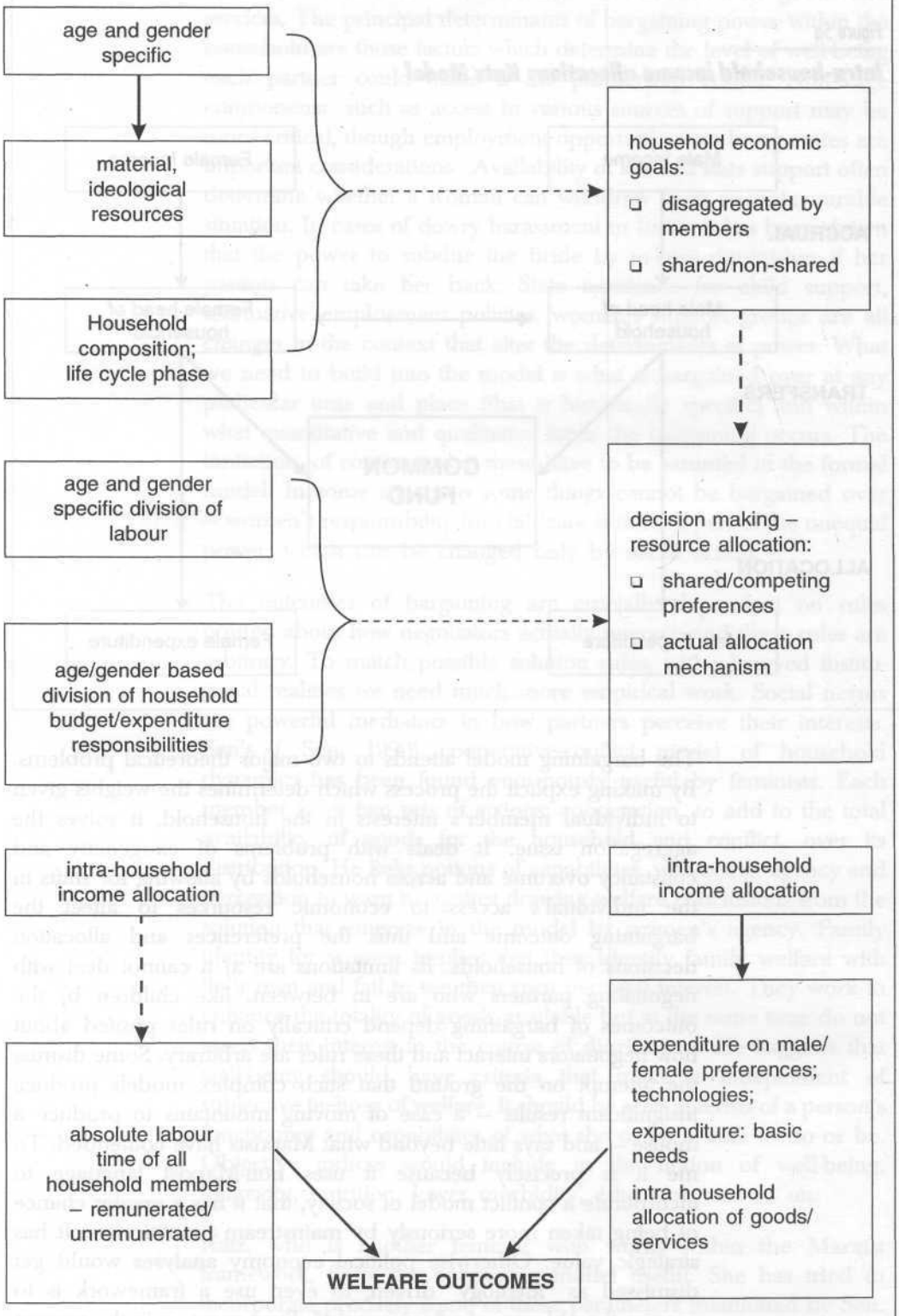
Intra-household income allocation: Katz Model



The bargaining model attends to two major theoretical problems. By making explicit the process which determines the weights given to individual member's interests in the household, it solves the aggregation issue. It deals with problems of exogeneity and constancy overtime and across households by allowing for shifts in the individual's access to economic resources to affect the bargaining outcome and thus the preferences and allocation decisions of households. Its limitations are a) it cannot deal with negotiating partners who are in between, like children b) the outcomes of bargaining depend critically on rules posited about how negotiators interact and these rules are arbitrary. Some dismiss the attempt on the ground that such complex models produce insignificant results – a case of moving mountains to produce a mouse – and says little beyond what Marxists have contended. To me it is precisely because it uses non-Marxist language to incorporate a conflict model of society, that it has a greater chance of being taken more seriously by mainstream practitioners. It has strategic value. Otherwise political economy analyses would get dismissed as "ideology" driven; to even use a framework is to acquire the obloquy of a "communist". Even more so in the present context when everyone is celebrating the death of Marxism ! To me the value of the above exercise, despite its obvious limitations

Figure 5b

Katz model of the Household Economy: Spelling out the determinants of bargaining power



lies in the way it brings to the fore the role of structure in agency which, in mainstream economics, is ignored altogether and agents are depicted as totally autonomous. The application of the bargaining model is not restricted only to an analysis of the household: relation between earning opportunities and fertility; relative survival rate of male/female children in less developed countries; incidence of abandonment of wives and its connection to women's bargaining position; rates of marriage and divorce and their connection to employment opportunities for women; social security payments for old age and family ties are some possible applications.

All said and done, one cannot get away from a basic limitation in the method of economics. It always requires us to set the minimal structure or rules of the game, which cannot change endogenously. "Who engages whom, whether agents can refuse to contract or not, what their reserve options consist of, what is exactly contracted between them or which of the opponents can make the first proposal are all framework conditions that have to be specified at the beginning of the analysis" (Boland, 1993). This means we have to specify the gender relations in advance and derive the outcomes for women. Is this necessarily futile? True, it cannot explain the emergence of those gender relations. That requires historical and empirical work. The model is useful nevertheless, because one can lay bare the sequence of events once the initial conditions are laid. This has value in indicating the relative severity of outcomes for women. It points to where policy interventions are needed by inducing an examination of what shapes those background conditions. The social context becomes the target of change by making facts stare one in the face. In the maximising model of Beckerian type, predictions appear to coincide with observed behaviour. This is because complementary hypotheses are manipulated. Market data are used to make inferences about preferences, expectations and production functions through the mediating assumption of maximising behaviour, but these inferences are not independently validated.

V

Recently there have been attempts to acknowledge the role of power in non-Marxist economics. Popular mythology portrays the market as an autonomous entity, operating to bring about efficient and stable outcomes through the sum of individual choices. The market was not always seen this way. Cawson (1993) gives examples from the history of economic thought of explicit recognition of power. Ricardo in his theory of rent as surplus for which there was an individual right, saw this as an arbitrary rule of allocation. By separating rent from land, the current notion of rent seeking behaviour obscures the role of power in property relationship. Keynes regarded interest payments as power exercised by interest receivers. Sraffa built an institutional framework where power relations are primary. Thus economic aspect of life with power

as a central aspect already exists. If we start from the assumption that actors in the market come with inflexibilities, Cawson argues, then we can derive conclusions to demonstrate how the market reproduces power inequalities. Many studies of peasant economies have done this to show how the tie up between the market for labour, credit, land and water takes place to enhance the power of the landed. There are analyses that show the market as a struggle for power in industrial settings (Cawson, 1993) and in agricultural settings (Evans, 1993). These departures go by the name of new institutional economics. Feminist theorists find them useful for analysis of the power of patriarchy.

VI

At a more general level there are scholars who have tried reforms by changing background assumptions. Etzioni (1988) modifies the market's role by treating it as a subsystem, and he sees rational decision making as being circumscribed by, or substituted by, emotions and values. People select means, not only goals, first and foremost on the basis of values and emotions, and that far from twisting rational decision making, emotions and values render decision making effective. The prime decision makers are social collectivities and decision making reflects, to a significant extent, collective attributes and processes. Social collectivities are not aggregates of individuals. He works out a "new economics" by using this framework.

Amartya Sen's famous theory of entitlement brings ethics into economics. All normative elements are treated as a series of claims whose realisation is contingent on the successful actualisation of obligations through the medium of responsibility. One can then analyse the consequence of entitlement failure for non-achievement of particular valued outcomes and for assessing the consequence of security and guarantee of entitlements for the achievement of valued outcomes. One can go beyond Sen's state enforced and legal rights to include other sites of rule making and rule enforcing. Peattie and Martin (1983) developed such an extended application which they call the theory of claims. They adopt, explicitly, the notion of political economy by taking the economy as politically constituted. The theory of claims states that what people receive in society has an element of right, entitlement or just desserts. These however are not automatically forthcoming. Individuals and groups actively demand, extract and enforce their bids. This is an on-going process. At the same time claims become institutionalised. Earnings are not the only way to claims on consumption; they are a component in an institutionalised system of claims along with other sets of claims generated in kinship and welfare systems. We have to look at claims, claims packages and claims systems. There are three principal claims systems: the family, the economy and the state, but the boundaries between them are not rigid. One can analyse historically what claims systems existed, how they were renegotiated, see these as part of social conventions, systems of legal

rights, customary entitlements, and see what collective institutions existed to get these claims asserted. For instance, as part of marriage in India, there are many rules of gift exchange between the two families, and within each family as well, that are customarily sanctioned. These sanctions in turn uphold obligations on the part of the recipient. These have not been static but have kept changing. In many tribal societies women have a right to retain their earnings. In other cases women had exclusive rights to specific assets.

The claims approach is able to bring within the production, consumption, distribution process, those elements customarily treated as externalities. Women's claims emerge as a complex interplay between several agents and sources. The theory can explain how differential allocations between men and women take place. The non-economic is viewed normally as "distorting" the economic whereas it constitutes the economic.

The modifications which feminists have tried in Marxist theory require an extended treatment which can only be done by another paper. This paper has confined its observations only to mainstream economics (including varieties within it) and has indicated directions in which some taming to accommodate gender has taken place. This is neither a defence of nor an apology for neo-classical economics. This is addressed more to feminist criticism of mainstream theory in order to call for a more informed criticism. A populist dismissal does not help us very much in working out alternatives. Epistemological critique of objectivity, rationality and all the rest that economics stands for while valid, must be tempered by an understanding of the role of rationality and objectivity. All I am pleading for is a better appreciation of levels of criticism; of critiques by economists themselves and of alternatives that exist in frameworks and tools. Let us be more objective about the possibilities these offer for a more gender sensitive theory. A feminist economics cannot be another discipline; it has to emerge by making economics include gender issues, perspective and goals.

Notes:

[1] I am grateful to Meera Nanda for making me aware of Longino's work. Though I was familiar with the works of Sandra Harding, Donna Haraway, Ruth Bleier, Ruth Hubbard, Evelyn Keller and others, it was Nanda's article on populist orthodoxy in scientific critique that helped me shore up my own reservations about a feminist critique of science.

[2] I would like to acknowledge Siv S. Gustaffson for Notberga Ott's model. The reproduction here is taken from Gustafsson's presentation at The Hague conference.

[3] This is a considerably revised version of the paper presented at the conference organised by the Foundation: "Out of the Margin: Theoretical Concerns for Feminist Economists", Amsterdam, March 10, 1994 at the Institute of Social Studies, The Hague.

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5 APPENDICES

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Papers Distributed for Discussion

1. Maithreyi Krishnaraj, "Feminist Economics: Going Beyond Critiques". Theme paper for the workshop.
2. Romesh Diwan, "Aparigraha and Swadeshi: An Attempt at Gandhian Economics". *Development*, 1986, 3.
3. Devaki Jain, "Development Theory and Practice: Insights Emerging from Women's Experience". *Economic and Political Weekly*, July 7, 1990.
4. Gustavo Estevo, "A New Call for Celebration". *Development*, 1986, 3.
5. Nirmala Banerjee, "The Economist's Family". Paper, workshop on "Re-examining the Indian Family", July 7-9, 1995, Jadavpur University, Calcutta.