

WOMEN AND THE ECONOMY

A READER

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WOMEN
AND THE
ECONOMY
A READER

Edited by ELLEN MUTARI and
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Preface

Women and the Economy: A Reader is designed as a primary or supplementary text for the growing number of courses offered on women's roles in the economy. These courses range from those focused on women and work (both paid and unpaid) to those that incorporate feminist critiques of traditional social science methodologies. Courses on women and work or women and the economy are taught in economics and sociology departments and in interdisciplinary women's studies programs.

Between the two editors, we have taught such courses at Richard Stockton College, Rutgers University, Temple University, Eastern Michigan University, and the New School for Social Research (New School University). We assembled this reader because we found the available texts insufficient for the type of course we had developed for our students. The study of gender, race-ethnicity, and class is interdisciplinary, yet the primary authored or edited volumes available for classroom use are discipline-specific. Further, within economics, the emphasis of the major women and work texts is "neoclassical economics," that is, a mainstream or traditional perspective. Our approach, reflected in this reader, is both heterodox and interdisciplinary. We showcase feminist economic analyses that utilize insights from institutionalism as well as neoclassical economics. The economics chapters are supplemented with chapters by authors from gender studies, sociology, demography, history, philosophy, social and public policy, planning, business studies, and advocacy groups. We have carefully selected newer pieces providing fresh and innovative insights and added a few articles that may be considered "classics."

The primary audience for this reader is undergraduate and graduate students in a variety of majors and degree programs. Though the majority of chapters are reprinted from journals in the economics discipline, for accessi-

bility, our objective has been to minimize the technical content of the readings. This has been achieved through the adaptation of the original articles, without sacrificing the intent and argument of the authors' published versions. Specifically, we have often shortened articles that were rather lengthy in their original form, eliminated most endnotes and footnotes, and cut or adapted tables and figures that were not central to the arguments. The reader is to interpret ellipses [. . .] as text that has been deleted from the original. Those interested in a full-length presentation of the chapter are encouraged to consult the source publication.

The readings are organized by broad topic into seven sections. The structure of these sections is designed to complement and augment some of the standard texts. Each section begins with an introduction by the editors. The introductions lay out background material designed to guide students' reading. Following the chapters in each of the seven sections, there are a range of pedagogical tools for the instructor and the student. A section called "Key Terms" lists the major vocabulary words and phrases that are used in the chapters and are critical to understanding the analyses provided by the chapter authors. This is followed by "Discussion Questions" that can serve as launching points for class discussion, essay assignments, or seminar papers. Optional "Exercises" allow students and instructors to further apply the material learned in the chapter by completing assignments that may require further research. A number of sections include some innovative exercises that involve weaving quantitative reasoning into the study of women and the economy. In exercises designated "*Do the Q*," we ask students to manipulate and interpret data, visit web sites and analyze relationships among socioeconomic indicators, plot graphs, and conduct an original survey and then analyze the results. Finally, we provide some suggestions for further reading.

We are grateful to Elizabeth Granda and Lynn Taylor, editors at M.E. Sharpe, for believing in our mission, and to Esther Clark from the Editorial Department. The authors with whom we have corresponded and whose work we adapted have supported the project and were cooperative and flexible in reading the adaptations and granting permissions. The copyright holders have also been professional and helpful.

The "*Do the Q*" exercises were inspired by our participation in a Summer 2002 workshop on "Quantitative Reasoning Across the Disciplines" (QUAD) at Richard Stockton College. Stockton has been an innovator in developing curricula that assist students in seeing links between mathematical concepts and real-world, disciplinary-based applications. We thank the workshop participants (Frank Cerreto, Mark Mallett, Carolyn Routledge, Kathy Sedia, Linda Smith, and Karen York) for piloting our exercises and providing feedback. We would also like to acknowledge the students in our courses throughout the years. They continue to inspire us as teachers and as researchers.

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Section 1

Methodologies for Studying Women and the Economy

Why begin our study of women and the economy with a section on methodology? One of the most important insights that feminist scholars have emphasized over the past few decades is that *how* we go about studying issues in the social sciences can play a large role in the questions we ask and the answers we find. This opening section of three chapters will therefore introduce you to some of the methodologies that have been used to study women and the economy. The focus is both on the theories used to guide research and the techniques used for researchers' investigations.

Because we are interested in women's positions in the economy, we start by considering the role that economics, as a social science discipline, can play in guiding our studies. Unfortunately, according to Myra Strober, in "Rethinking Economics Through a Feminist Lens," the discipline has been dominated by biased ways of thinking. She focuses, in particular, on feminist critiques of neoclassical economics, the dominant school of economics.

Within economics, there are several competing theories, approaches, and methodologies for studying questions of interest. The curricula of most undergraduate programs emphasizes neoclassical economics, the theoretical approach that developed at the end of the nineteenth century. Neoclassical economics defines its mission as the study of choices made under conditions of scarcity or constraint. Rational economic actors (once referred to as "rational economic *men*") make decisions in pursuit of their own self-interest; economics thus emphasizes selfishness over altruism and empathy. Neoclassical economic theory has searched for laws of human behavior under conditions of scarcity and selfishness. In microeconomics, this gives us constructs such as the "Law of Demand" (stating that people will buy more of something when it is cheaper, if all else is held constant). In this respect, economics has modeled itself on the Newtonian school of physics that also dominated

the late nineteenth century. By treating the economy as a natural object about which laws can be discovered, neoclassical economists have viewed themselves as objective scientists, rather than engaged citizens attempting to increase economic well-being.

Strober deconstructs each of these assumptions about economics. The work of economists has been flawed by an overemphasis on qualities that society traditionally associates with men. She argues that economics needs to be reformed not only to improve our understanding of women's condition, but to better comprehend economic life in general.

Strober presents a summary of the ideas of feminist economics, a relatively new school of economic thought. However, there are numerous alternative or *heterodox* schools of thought. The term "heterodox" is often used as a synonym for nonneoclassical approaches. If you are an economics student, you may be most familiar with Keynesian or post-Keynesian economics from your macroeconomics courses. A few of the other heterodox schools of economics include institutional economics (emphasizing the influence of habits, social norms, and institutions within the economy), Marxist economics (focusing on class conflict over power and access to resources), and social economics (addressing ethical concerns). Strober points out that many feminist economists draw upon these other heterodox schools, as well as some of the strengths of neoclassical or mainstream methods. This is a theme to which we will return throughout this reader, as neoclassical methodologies are contrasted with heterodox views.

The second selection on methodology is by a sociologist who studies workplace organizations, Joan Acker. Acker analyzes work organizations, rather than disembodied labor markets, as a site for the determination of wages, employment, and working conditions. "Revisiting Class: Thinking from Gender, Race, and Organizations" also provides an overview of important developments within interdisciplinary women's/gender studies. In particular, Acker's contribution examines how feminists have interpreted and utilized the concepts of gender, race, and class in their work. She argues that class has become less salient in feminist scholarship in recent decades. Part of the problem is that traditional Marxist interpretations of class, divorced from gender and race, failed to account for the ways that many workers experienced their economic position. Like neoclassical economics, Marxism was biased by an emphasis on men's experiences and male perspectives. In practice, Acker maintains, class, gender, and race interact in peoples' daily lives in complex ways. We need all three concepts in order to fully appreciate the distribution of resources and responsibilities within work organizations and within society.

Martha MacDonald, in "Feminist Economics: From Theory to Research," addresses some of the practical problems that feminist scholars have encountered in trying to improve their research strategies. Often, they find that the data they need are unavailable because the definitions used by data-gathering agencies are premised on the male-biased theories discussed by the first two authors in this section. For example, economic analysis has focused almost exclusively on market transactions. Because much of the work that women do within their households, on family farms and in family businesses, or as volunteers in the community is unpaid, it has been defined as outside the scope of economic analysis.

Economists also tend to treat households as a "black box," meaning a vessel painted so that the internal mechanisms cannot be seen from the outside. In economics texts, households interact with firms, and the decisions economists predict from these interactions assume that the household can act with a singular sense of self-interest. However, if you accept that men and women may have different amounts of power within households, their interests may not coincide. MacDonald therefore discusses the issues involved in intrahousehold decisions about (1) the distribution of income (New dishwasher or big-screen television? Whose salary pays for child care?), (2) labor allocation (Who does the dishes? Who should work overtime or take off when the kids are sick?), and (3) power relations (Who makes the decisions?). These three areas—the value of unpaid labor, intrahousehold decisions, and power relations—will be revisited in more detail in Section 3 of this reader. Finally, MacDonald discusses the issue of gendered processes in the labor market, a topic to which we will return in Sections 4 and 5. MacDonald makes the important point that economists' quantitative methodologies have focused almost exclusively on discriminatory outcomes such as wage inequality. Feminists are utilizing case studies in order to focus on discriminatory processes as well.

The methodological issues raised by MacDonald, Acker, and Strober highlight the contributions that feminism makes to social science methodologies. The issues they raise will guide our investigation of women in the economy, helping us analyze both women's and men's socioeconomic status.

Rethinking Economics Through a Feminist Lens

Myra H. Strober

Feminist economics is a rethinking of the discipline of economics for the purpose of improving women's economic condition. As a by-product (or external benefit) of this rethinking, feminist economics provides an improvement of economic theory and policy.

John Maynard Keynes observed that all too often human beliefs and actions are the result of an outmoded attachment to some archaic economic doctrine. Feminist economics argues that many of economics' core beliefs and policy recommendations are out of date, products of the peculiarities and politics of the periods in which they were developed and products of sexism in the Western world during the past two centuries. Feminist economics provides an impetus for economists to revise these outmoded attachments.

Feminist economics is a radical endeavor. In a discipline (economics) that is still remarkably positivist, feminist economics questions the whole notion of objectivity and argues that what one chooses to work on and how one formulates theories and policy recommendations are dependent upon one's culture, one's position in society, and one's life experiences. Feminist economics not only exposes the hidden political agendas of received economic doctrine, it straightforwardly acknowledges its own economic and political agenda: the improvement of women's economic condition.

Feminist economics is reopening questions that were seemingly answered years ago, much larger questions than those that most economists currently ask—questions about value, well-being, and power. In the process of asking these larger questions, feminist economics challenges several basic disci-