

NANCY FOLBRE



# GREED, LUST & GENDER

A HISTORY OF ECONOMIC IDEAS

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## **GREED, LUST & GENDER**

To A. M. C. W.,  
open-minded economist with a smattering of divinity

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## EPIGRAPH

### Myth

*by Muriel Rukeyser*

Long afterward, Oedipus, old and blinded, walked the roads. He smelled a familiar smell. It was the Sphinx. Oedipus said, "I want to ask you one question. Why didn't I recognize my mother?" "You gave the wrong answer," said the Sphinx. "But that was what made everything possible," said Oedipus. "No," she said. "When I asked, What walks on four legs in the morning, two at noon, and three in the evening, you answered, Man. You didn't say anything about woman." "When you say Man," said Oedipus, "you include women too. Everyone knows that." She said, "That's what you think."

## INTRODUCTION

The point is, ladies and gentlemen, that greed—for lack of a better word—is good. Greed is right. Greed works.

Gordon Gekko, *Wall Street*

Fictional characters are not the only ones to argue that greed redeems itself by motivating economic growth. Over the last three hundred years, our cultural spokesmen have expressed increased confidence in the pursuit of economic self-interest even when it might lapse into greed. Our fear of lust, another of the Seven Deadly Sins, also seems to have receded over time. Still, during periods of war and economic depression, moral anxiety sometimes intensifies. We worry more about the difficulties of balancing the satisfaction of our immediate desires, our long-term needs, and the needs of others.

Michael Douglas played the ruthless takeover capitalist Gordon Gekko in Oliver Stone's 1987 film, *Wall Street*, with arrogant style.<sup>1</sup> His "greed is good" speech mirrored the spirit of the decade, echoing the words of William Safire in a *New York Times* column the previous year.<sup>2</sup> But the film, unlike the column, set the capitalist up for a fall. Gekko successfully uses both money and sex (provided by his ex-girlfriend, who has herself been bought) to corrupt Bud Fox, a young up-and-coming stockholder. Gekko's dishonesty eventually backfires, undermining Bud's allegiance. With the support of his irascible but lovable working-class father, Bud provides the evidence and testimony that will send Gekko to jail.

In the second half of 2008, a financial crisis rocked the U.S., and then the world, resulting in the threat of bankruptcy for banks and insurance

companies deemed too big to fail. The Bush administration and the Congress enacted a government bailout of unprecedented size and scope, at a huge cost to taxpayers. Confidence in both the self-regulation of the market and in corporate management suddenly collapsed. The ideological basis of free-market capitalism came into question. As it happens, a Hollywood remake of *Wall Street* was already underway. The conservative British magazine *The Economist* suggested a rewrite of Gordon Gekko's famous speech: "Greed, provided it is sufficiently regulated, is tolerable."<sup>3</sup>

The new concerns about economic vice echoed those heard less than a decade earlier, in the wake of the so-called dot-com bust of 2001. At that time the chair of the U.S. Federal Reserve Bank, Alan Greenspan, laid blame on an "infectious greed" within the business community. "It is not," he explained, "that humans have become any more greedy than in generations past. It is that the avenues to express greed had grown so enormously."<sup>4</sup> Many great thinkers have worried about the size of those avenues and the speed with which we travel on them. The pursuit of individual self-interest can be a positive force. Under what circumstances does it become a vice?

Most efforts to answer this question dwell on the vice of most obvious economic relevance—greed. Alan Greenspan has never expressed concern about infectious lust, though some political figures have met their downfall from it. Lust, like greed, represents the pursuit of self-interest beyond virtuous bounds. Sexual self-interest may seem distinct from economic self-interest, but it can have important economic consequences for gender inequality, family formation, and population growth. The avenues to express lust as well as greed seem wider than they once were, especially for women. Lust is to feminist theory what greed is to economic theory—a marker of contested moral boundaries.<sup>5</sup>

## Gender, Vice, and Virtue

Feminist theory offers important insights into the discourse of economic and sexual self-interest. It helps explain forms of gender inequality that long predated capitalist relations of production, and were, in some respects, weakened by them. Attention to gender inequality reveals a moral double standard that regulated women's economic and sexual behavior more forcefully than men's. Attention to ideologies of inequality based on gender as

well as class and race enriches our understanding of the links between economic, political, and cultural change.

Some critics of capitalism describe it as a system that displaced more virtuous and egalitarian societies, Gardens of Eden in which individuals were free of economic sin.<sup>6</sup> But the historical record shows that the individual and collective pursuit of gain shaped the evolution of human societies long before money was invented or labor paid a money wage.<sup>7</sup> The patriarchal family-based economies that often emerged in agrarian societies gave males considerable control over the labor of women and children, creating incentives for coercive pronatalism.<sup>8</sup> The emergence of individual wage employment gave women and young adults new opportunities outside the home that gradually weakened patriarchal power.

Still, the notion that capitalism represented a purely liberating force seems far-fetched. One can agree that capitalists can be virtuous but disagree that they have “improved our souls”.<sup>9</sup> New forms of collective power counterbalanced new opportunities for individual autonomy, and the benefits of economic growth were unequally distributed. Over the course of capitalist development women gained “self ownership” but remained subordinate to men in large part because they continued to specialize in producing something that could not be easily bought and sold—the next generation of citizens and workers.

The net effects of capitalist development depend in part upon its social context—capitalism compared to what? They also depend on political details like democratic governance, civil rights, and social safety nets. Karl Marx and Friedrich Engels famously declared capitalism a progressive force for change up to some point at which it would, they believed, inevitably collapse. Modern critics are more likely to emphasize adverse effects on families, communities, and the global ecosystem. In the early twentieth century, competition with state socialist regimes created pressures for regulation and an expanded welfare state. When those regimes collapsed (like the Soviet Union) or morphed into more capitalist forms (like China) global competition led to deregulation and efforts to cut back on public spending that have backfired.

All societies face a problem that is simultaneously moral and economic: how to balance individual interests against those of family, friends, and

other beings. Robert Nelson describes the particular challenge of market societies as follows:

The requisite normative foundation for the market requires a dual attitude with respect to self-interest—strong cultural inhibitions against the expression of self-interest (of opportunistic motives) in many areas of society, but at the same time strong encouragement for another powerful form of “opportunism”, the individual pursuit of profit within the specific confines of the market.<sup>10</sup>

Capitalist societies have typically glorified the pursuit of individual self-interest, especially for men. Yet markets depend on civility, trust, and the rule of law. The pursuit of short-term self-interest can lead to long-run losses, especially when individuals can't coordinate their efforts. Markets operate within a complex matrix of other crucial institutions, including the family and the state. Competition among groups requires cooperation within them: social identities shape individual interests. Perhaps because they emerged from patriarchal antecedents, capitalist societies have typically relied on much stricter regulation of women than of men. Restrictions on women's freedom to compete have been accompanied by normative encouragement for women to devote themselves primarily to the care of others.

It is small wonder, then, that conservatives bemoan the decline of the traditional family and sometimes describe feminism as a threat to western civilization itself.<sup>11</sup> As women have gradually gained individual rights comparable to those of men, the relative weights we place on individual rights and social obligations seem to have shifted. The pursuit of individual self-interest has gained more cultural power. In many affluent countries around the world today considerable numbers of women as well as men opt out of parenthood. Our inertial reluctance to address global environmental problems suggests that we may overly discount the future.

Gender differences have shaped ideologies of self-interest, including concepts of greed and lust. Following many other historians of economic thought, I define ideology as a set of rationalizations produced by powerful groups to glorify their own importance and advance their interests.<sup>12</sup> I do not believe that such rationalizations are imposed unilaterally from above. Rather, they represent forms of social regulation that evolve over time, reflecting conflict and negotiation among groups with varying degrees of power.<sup>13</sup> Collective interests based on gender are particularly relevant to the

persistence of a moral double standard for men and women that gradually proved susceptible to women's individual and collective efforts to reconfigure it.

Intersections between gender, vice, and virtue help to explain the moral regulation of economic life and, therefore, the process of economic growth itself. If ideologies are key, so too are the ideas that underlie them. One way to study these ideas is to ask how other thinkers have confronted them.

## **The Dimensions of Desire**

The first principle of conventional economic theory, which I have taught introductory students for many years, is that we all benefit if everyone pursues their own self-interest. The next principle is that there are many exceptions to this rule. Yet this pedagogical sequence usually unfolds without much discussion of the distinction between self-interest, which most people today view in positive terms, and selfishness, which still carries negative connotations.

I first became interested in this issue when I noticed that many economists have praised men for pursuing their self-interest, but criticized women for being selfish. This apparent inconsistency derives in part from the fact that women have traditionally been assigned greater responsibility for the care of family members, particularly children. Selfish women seem to pose a greater threat to society than selfish men. Tracing the history of anxiety about this threat, I found that selfishness included two more colorful specific vices: greed and lust. Both have been traditionally considered less acceptable in women than in men.

Both vices are characterized by a dangerous intensity. In an early dictionary of the English language, Samuel Johnson defined the adjective *greedy* as "eager, vehemently desirous", and the verb *lust* as "to desire vehemently".<sup>14</sup> He located both vices in the body. Greediness began with food; its synonyms were "ravenousness", "voracity", and "hunger". *Lust* included carnal desire. Today the meaning of greed comes closer to avarice, a desire for money, with which, of course, food can be purchased. The meaning of lust now implies animal urge. Both greed and lust are still defined by adjectives such as "inordinate", "insatiate", "excessive", and "unrestrained".<sup>15</sup> They invoke moral categories: wanting more than one needs or deserves.

However, the effort to define greed or lust in quantitative terms—as wanting “too much” or going “too far”—leads us astray. Most people use these pejorative terms to describe behavior that is either harmful to others or to one’s own future health and happiness. Making a lot of money every day does not imply that you are greedy, and having a lot of sex every night does not imply that you are lustful. What matters is how you treat others along the way. John Stuart Mill (admittedly one of the heroes of the following chapters) argued in his classic essay “On Liberty” that individuals should be allowed to pursue their own interests so long as they do not infringe on the rights of others to pursue theirs.

Another misleading convention lies in the putative contrast between self-interest and altruism, which are often described as if they represent extreme ends of a spectrum. But self-interest is not the opposite of altruism, because it can be altruistic. If you love someone else, their interests can become your own. If you have altruistic preferences, making other people happy can increase your own happiness. Consider a different picture of the motivational spectrum, with one end representing perfect selfishness or lack of concern for anyone else and the other perfect selflessness, complete lack of concern for one’s own welfare. In between lie complex combinations of self-regarding and other-regarding preferences—the motivational terrain which most of us inhabit.

Another useful way to unpack the term “self-interest” lies in separate attention to the meaning of the “self”. If we think of the “self” as an entity entirely separate from others, literally coinciding with the physical body, and defined largely in terms of its physical desires for food or rest or sex, then self-interest will seem predominantly selfish. But if we think of the “self” as an entity connected to others through ties of affection and obligation, its boundaries become less clear. Christian theology describes married couples as “one flesh”. Loved ones become a part of us. Under these conditions, to act in one’s self-interest is hardly selfish. On the other hand, one can identify with a group that pursues collective interests at the expense of others. Altruism is not necessarily virtuous.

The terminology of neoclassical economics also helps clarify these issues. When introductory microeconomic textbooks specify that an idealized consumer has no “interdependent preferences” what they mean is that he or she is entirely selfish. Introducing concerns for others in the form of interdependent

preferences complicates the story: positive interdependence implies altruism; negative interdependence implies taking pleasure in other people's pain. Since preferences are largely unobservable, many economists would like to minimize their influence on the argument.

Interdependent preferences are key. If people are never selfish, it may seem less risky to encourage them to pursue their own self-interest, because they will always take the welfare of others into account. Adam Smith offered a related version of this argument, based on his confidence in natural moral sentiments. However, much depends on *which* others people care about. Individuals who care only about their own family members pursue dynastic interests. Individuals who care more about others with the same skin color as their own pursue racist interests. Individuals who care more about others of the same sex pursue sexist interests, and so on. Altruistic motivation helps to explain group solidarity and collective conflict.

Standard neoclassical models assume that individuals know exactly what their preferences are. But we often don't know exactly how much we care for other people. We may adore someone in the morning and be aggravated by them in the afternoon. Many personal relationships, including marriage, come undone. Feelings of identification with groups of other people also wax and wane. Moral values and cultural norms provide more stable and consistent guidelines for behavior than personal preferences, which helps explain why we often comfortably conform to them. Rather than taking values, norms, and preferences as a given, we can explore the ways they co-evolve in different economic environments over time.

## **Ideological Evolution**

The following chapters explore debates over greed and lust in Britain, France, and the United States, over a period of three centuries of capitalist development. They show how cultural constraints on the pursuit of individual self-interest have been loosened in different ways for different groups in different economic realms. Rather than providing a continuous or comprehensive history, I single out the episodes and ideas that best illustrate the arguments above. I write with a "presentist" orientation, more interested in the retrospective significance of historical debates than their meaning for those who participated in them at the time.<sup>16</sup>

Long before the emergence of capitalism the patriarchal feudal and household-based economies of Britain and France enforced obedience to real and symbolic fathers. The pursuit of economic self-interest elicited moral disapproval only when it threatened principles of hierarchical authority based on inherited privileges of family status, age, and gender. There was no evidence that such systems were any less greedy than our own. Greed did, however, take a different economic form, with different economic consequences.

The transition to capitalism did not magically liberate women, or anyone else for that matter. It did contribute to significant improvements in living standards and advancements in human knowledge and technology. But the expansion of markets for labor delivered enormous power to those best positioned to take advantage of them. Early capitalism weakened but did not eliminate patriarchal rules, relying on the subordination of daughters, wives, and mothers both in the home and in the factory. While women gradually gained new rights and opportunities to compete with men, their continued specialization in the care of dependents often left them with little bargaining power, dependent on support from the fathers of their children.

Capitalist societies have never been pure market societies. They have always relied on families for the production and care of their workers. They have always engaged in collective action, including use of military force to advance or defend their collective interests. Over time, most capitalist societies have gradually developed democratic rules of governance, outlawed property rights in people (slavery), established strict forms of regulation (such as laws against child labor), invested in the human capital of the younger generation (through mandatory public schooling), and developed extensive systems of social insurance. In other words, they have regulated the pursuit of individual self-interest.

Moral discourse plays an important role in the process of regulation. Christian theology listed greed and lust among the Seven Deadly Sins that would be accounted for by the Last Four Things: death and judgment, heaven or hell. By Augustine's account, God in his goodness and mercy uses our vices both as a punishment and a remedy for sin. But the pursuit of economic self-interest—once easily labeled greed—was partially redeemed by the prospect that it would please God and benefit others by promoting economic growth. The motives underlying the search for gain began to matter less than its happy consequences. Economists gained in cultural and moral influence.