The Elgar Companion to Feminist Economics

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Capitalism

Capitalism is an economic system and a social formation that includes its own philosophical paradigm and ideology. Despite its relative youth and fairly recent expansion throughout the world, capitalism has come to dominate contemporary economic discourse and to be the economic system privileged by many economists and policymakers.

Most textbook definitions of capitalism emphasize that it is an economic system based upon private ownership of the means of production. In addition, that system is presumed to rely on the motive of profit in order to generate production, and the distribution of that production is assumed to occur most effectively through the market mechanism. While these features may reflect current understanding of the concept, the definition of capitalism has historically been the subject of intense debate. For example, perhaps the best known critic of capitalism, Karl Marx, emphasized that the essence of capitalism is the existence of a wage-earning class whose ability to live is unfairly dependent upon the purchase of its labour by the business class which only hire the workers if they stand to make a profit from the use of workers’ labour. Neoclassical economists along with classical liberal philosophers, on the other hand, have focused on capitalism’s philosophical tenets, emphasizing the individual freedom that capitalism provides by relying on private ownership, the ability of workers to sell their labour to the highest bidder in competitive markets, and the sovereignty of consumers to spend their money votes wherever they choose. Thus, understanding the concept of capitalism in contemporary economic discourse requires consideration of both the economic system and its philosophical and ideological influences.

It is important to state that capitalism is a ‘market economy’. And although markets (that is, anywhere where an exchange takes place between buyers and sellers of products) have existed for thousands of years, capitalism is the first economic system to rely on markets for meeting the basic necessities of life. Prior to capitalism these basic necessities were largely met through nonmarket provisioning activities. Thus capitalism is a commercial society in this respect, and most people feel some of the competitive, market-induced anxiety and insecurity at one point or another in their lives as they contend with the uncertainties of market living (see Polanyi 1957).

The insecurities associated with market capitalism are not borne equally between men and women, illustrating the gendered nature of this type of economic system. The gendered nature of capitalism has had serious consequences for the economic and social status of women and, consequently, is an important topic of feminist economic inquiry. Early analysis of capitalism’s gendered nature led feminist economists to examine how capitalism, not only as an economic system but also as a social formation, has interacted with the
social system of patriarchy to construct and maintain economic and social hierarchies. More recently, feminist economists have expanded their analysis to consider how other social systems, such as race and sexual preference, have affected gendered economic experiences in both developed and developing nations with the goal of providing a better understanding of the gender inequality and subordination of women that is observed in most capitalist economic systems and social formations.

When examining the gendered nature of capitalism, there are some conspicuous observations relating to women and issues of gender injustice. For example, since it is involvement in commercial, market activities that defines economic visibility in a capitalist system, even a cursory glance at the past reveals that men have been conspicuously present in the capitalist, wealth-producing machine in their capacities as the ‘captains of industry’, the predominant factory personnel, the builders of machines and the great architectural monoliths of industry and finance. Women, whose work has been traditionally defined outside of the commercial sphere, have been less visible though no less vital to the system’s overall functioning. This structure, and the associated economic invisibility, has meant that men have controlled much of the power and privilege associated with capitalism and thus women’s economic subordination, a point noted by critics of capitalism since the nineteenth century.

Karl Marx’s close associate, Friedrich Engels, emphasized the significance of women’s exclusion from the commercial economy as the source of their subordination under capitalism, stating in his classic study, *The Origin of the Family, Private Property and the State*: ‘we can already see from this that to emancipate woman and make her the equal of the man is and remains an impossibility so long as the woman is shut out from social productive labour and restricted to private domestic labour’ (Engels 1972, p. 221). Thus, through their movement into the sphere of capitalist production, women would join the ranks of the working class. For Marxists of this period, however, class was the overriding social and economic distinction and all workers (regardless of their gender or race) would be reduced to the commonality of alienated labour. Workers would eventually unite under this umbrella and carry out social change that would create a classless society.

Other economists of the late nineteenth and early twentieth century also recognized the gendered effects of capitalism. For example, institutional economist Thorstein Veblen noted in *The Theory of the Leisure Class* (1899), that even women married to capitalism’s ‘captains of industry’ were subordinated as well as privileged. Because ‘it grates painfully on our nerves to contemplate the necessity of any well-bred woman’s earning a livelihood by useful work’ (Veblen 1912, p. 180), Veblen argued that these wives were often used by wealthy businessmen as a symbol of their financial success and status, thereby contributing to the social belief that a woman’s sphere ‘is within the household, which she should “beautify” and of which she should be the “chief ornament”’ (ibid., p. 180). And because, ‘by virtue of its descent from a patriarchal past, our social system makes it the woman’s function in an especial degree to put in evidence’ ‘her household’s ability to pay’, Veblen recognized that ‘in the modern civilized scheme of life the woman is still, in theory, the economic dependent of the man’ (ibid., pp. 180, 182).

Further discussion by economists of the gendered effects of capitalism effectively ceased until the 1960s and 1970s, when feminists began exploring how the concept of ‘patriarchy’ (defined as a system of male domination over women) interacted with other social and economic systems. In examining various economic systems throughout history, feminist scholars found that the patriarchal institutions of the feudal agricultural societies that preceded capitalism actually shaped the evolution of market capitalism to ensure continued male domination: ‘in order to maintain men’s domination within society, women had to be excluded from this newly emerging source of wealth, power, and prestige’ (Brandt 1995, p. 35). This recognition, in turn, generated a great deal of feminist economic inquiry and debate, and has been a particularly important discussion for feminist economists examining capitalism from a Marxist perspective, with its emphasis on class relations as the essence of capitalism.

In her classic article, ‘The Unhappy Marriage of Marxism and Feminism’, feminist economist Heidi Hartmann argued that patriarchy is actually a relationship between men (a hierarchical one, to be sure), but a unique type of relationship that allows men through a variety of their own bonds to maintain economic leverage over women and by so doing dominate women in other, non-economic ways as well (Hartmann 1979, p. 11). Patriarchy, when viewed as a relationship between men, means that men must have at least an unarticulated consensus among them that they have something to gain as a group by holding women down, and this exists regardless of class and race differences among men.

As Hartmann suggests there is a ‘material base’ to patriarchy in capitalism and it ‘does not rest solely on child-rearing in the family, but on all the social structures that enable men to control women’s labour’ (Hartmann 1979, p. 12). For example, in the nineteenth century, initially women and children were used extensively for tough and dirty, low-wage jobs in coal mines, textile factories and other industries. But these abuses were so glaringly exploitative that factory legislation was passed that prevented women and children from working in the paid labour force in many occupations. Men then ‘sought to keep high wage jobs for themselves and to raise male wages generally’ (ibid., p. 16).

So there were ‘patriarchal prejudices’ as capitalism evolved. Women were (1) kept at home under the ‘cult of domesticity’ (Kessler-Harris 1982, pp. 49–
50), (2) offered the worst jobs in the paid labour force, and (3) channelled into ‘female professions’ like nursing and teaching where this ‘reinforced the belief that women are less skilled than men, or are only capable of performing work which is an extension of their “natural” nurturing tendencies’ (Brandt 1995, p. 38).

This led to the ‘family wages’ policy that benefited men both as wage workers and capitalists. Men wanted wages that were high enough to support their families with the women and children thus kept at home. For example, Matthaai (1996) argues that, in the first half of the nineteenth century – the early industrial period of capitalism, capitalists found it difficult to entice men to leave their domestic production activity and come to work in the factories. Consequently, the notion of men as the family breadwinner was promoted, with men being told that they were not men if they did not earn a wage to support their family. All this occurred simultaneously with the emphasis on the ‘cult of domesticity’ (or ‘cult of true womanhood’) aimed at women. Thus changing social norms about the ‘proper’ work roles for men and women was a key development for nineteenth-century capitalist economies and reflected how the ideology underlying patriarchy reinforced the needs of capitalist employers and perpetuated the capitalist economic system (Matthaai 1996, p.p. 31–4).

Women were allowed into some jobs where they were paid less because they were women, and this also encouraged them to stay at home as housewives and mothers. The material base for men’s leverage over women, that is, patriarchy, was secured both by channelling women into the low-paying jobs that were frequently similar to householding and mothering activities and by keeping them at home (Hartmann 1979; Folbre 1994, p. 95). Thus the family wage ‘cemented the partnership between patriarchy and capital’ (Hartmann 1979, p. 18).

Many feminist economists argue that this complex interaction between patriarchy and capitalism is not captured by earlier critiques of capitalism, such as traditional Marxism, and are thus ill-equipped to analyse the status of women under capitalism. Hartmann argues, for example, that ‘most Marxist analyses of women’s position take as their question the relationship of women to the economic system, rather than that of women to men, apparently assuming the latter will be explained in their discussion of the former’ (Hartmann 1979, p. 3). But today’s feminist economists try to focus more specifically on the relationship between men and women and then examine the economic dimensions of this.

For example, Nancy Folbre has suggested that the relationship between patriarchy and capitalism is better analysed by talking about ‘structures of constraint’. These structures are defining features of our lives and give us a sense of identity but can also create conflicts of interest, power and justice. Gender, age, sexual preference, race and class are typical structures of constraint (Folbre 1994, p. 59). Consequently, one might argue that within these structures, older, white, heterosexual males are also the majority of the capitalist class. And historically they have been. The structures overlap and can reinforce each other. For example, Folbre maintains that using this kind of approach provides a better way to tackle the problem of women and capitalism, because it can reveal the multiple and overlapping levels of sexist domination. It is thus more than simply the mechanisms of capitalism that result in women’s domination, and to overcome this domination these structures of constraint have to be addressed.

What have been the experiences of women under capitalism? As the industrialization experience of the nineteenth century indicates, women’s economic roles in both the home and the workplace have been vital in reproducing both patriarchy and capitalism. And they have been exceedingly diverse. The development of the ‘family wage’ norm is clearly more reflective of women’s experiences in the industrialized capitalisms (see Amott and Matthaai 1991). Yet even in the USA, it was never a reality for many groups of women, such as women of colour, working-class women and immigrant women. There is ample evidence that women’s productive efforts have been devalued and uncounted by the official statistics and national income accounts. In rural regions of Third World nations wage labour is less prominent. But women do much of the agricultural labour as well as the household and parenting labour (Shiva 1989; Ward 1990).

What has been the twentieth-century experience of women and capitalism? Clearly, women have moved into the labour force. In 1990 US women were 45 per cent of the paid labour force, and this included two-thirds of all married women with children and two-thirds of all single mothers (Brandt 1995, p. 39). But they have also been pressured into doing most of the domestic labour as well. This is the ‘second shift’ or ‘double duty’ phenomenon (Hochschild 1989). Also women have faced a variety of inequities in labour markets, such as wage discrimination, occupational segregation into low-paying service jobs and contingent work, and the ‘glass ceiling’ in professional employment. They still make only about 70 per cent of men’s salaries (Amott 1993; Brandt 1995).

Over the last century, feminists have raised the concern that as women have increased their participation in the capitalist economy and become more economically independent of men, they have actually become poorer. One example of this concern is the ‘feminization of poverty’, the substantial increase in the number of poor persons living in families headed by a single mother in the USA during the 1970s. High rates of poverty for single mother families and other groups of women continue to be a serious concern in industrialized capitalist nations. The concern about women’s poverty is also critical in analyses of women in developing capitalist nations, where ‘women
Child Care

Child care services include nonparental (usually paid) care of young children of working parents, preschool educational programs, and out-of-schooltime programs. Parents' need for child care is a function of the particular job or residential patterns of the families involved. For example, in an urban setting, parents may need child care during work hours because they work from 9 AM to 5 PM, or they may need child care on weekends due to their work schedules. In a rural setting, parents may need child care during school hours because they work during the day. Child care providers must be licensed and hold a nursing diploma in order to care for young children. The need for child care is increasing as more women enter the labor force and more families rely on employed parents for income. The need for child care is also increasing as the number of single-parent families increases, as well as the number of families with two working parents. It is estimated that over 10 million children are currently in child care programs. The average cost of child care is around $500 per month, but can range from $100 to $1,500 per month depending on the location and type of care. The cost of child care can be a significant burden for low-income families, and many states provide subsidy programs to help offset the cost of child care. However, these programs are often inadequate and do not cover the full cost of child care. As a result, many families struggle to find affordable child care, and the quality of care is often substandard. In order to address this issue, it is important to increase funding for child care programs and to improve the quality of care provided. This can be done through increased funding for child care providers, increased access to early education programs, and increased supports for parents.