WHY DO WE NEED FEMINIST ECONOMICS?

by Giandomenica Becchio

There are many reasons we need feminist economics. First, we need to understand why economics per se, i.e., standard economics, was unable to provide a complete and realistic explanation of the phenomenon of gender inequality. Second, we need feminist economics in order to better know the origin and the nature of gender inequality within the economy and how to possibly overcome it. Furthermore, we need feminist economics in order to better comprehend feminism as well as economics and the way they have been interconnected at a certain point, roughly forty years ago. We need feminist economics to solve the present gender economic inequality.

The nature of gender inequality

Datasets (available here[1], here[2], and here[3]) reveal that gender inequality in the economy persists in any sector: economic gaps include access to labor—especially in more remunerative sectors—different wages; numbers and types of entrepreneurs. Moreover, women require more time and much effort to get promoted (this phenomenon is known as the "glass ceiling"). There are several causes for these gender economic gaps. Each of them might be explained by adopting different methodological assumptions to be applied to different economic models. Standard economics provided its own explanation through the work of Gary Becker, who founded the new home economics in the 1970s. Feminist economics was developed as a reaction, and sometimes a rejection, of standard economics’ explanation of gender inequality.

Gary Becker

Before getting into details of the differences between new home economics (the research field which adopts standard economics to deal with gender inequality) and
feminist economics, let me provide an example of what gender inequality actually is by considering the gap between men and women among full professors: this gap is 80% in favor of men on average (look here[4]). We might say that both standard economics and feminist economics assume that this gender gap is due to the fact that women college professors are less involved with their academic careers because they are used to spending more time and energy in taking care of their families than their male colleagues. Nonetheless, standard economics and feminist economics differ in considering the causes of this gap. According to standard economics the gap is the effect of women’s free choice. Conversely, feminist economics claims that the gap is the effect of gender discrimination.

Gender discrimination is regarded as a consequence of the traditional patriarchal system (in this specific case within academia). This system tends to reinforce the traditional role of women primarily as care-givers and the role of men primarily as breadwinners[5]. Hence, the number of women full professors is lower than the number of male full professors because women are deliberately excluded from the top of their profession. On the opposite side, standard economics sees the low rate of women full professors as a typical case of trade-offs: Women freely choose to devote less time and energy to their careers in order to take care of their families because this is what they actually prefer. Women college professors are not an exception: once they get a tenured position (associate professors) they make fewer efforts to get a promotion because they freely choose to split their time and energy between their academic commitment and their traditional role within the household.

The first explanation is a feminist critique of the traditional division of roles between men and women which is in favor of men; the second explanation is a description of the rationale behind the current state of affairs provided by standard economics. They are two opposite ways of considering this specific kind of gender inequality. Any social phenomenon has many possible causes and correlations, so both the explanations mentioned above are partial. They might coexist: Sometimes discrimination is evident; sometimes gender inequality is not a matter of discrimination. Anyway, the phenomenon of gender inequality exists. Hence, it is important to consider how economics deals with it, by taking account of both standard economics and feminist economics.

In fact, at the end of the day, what really counts is to understand gender inequality and eventually to reduce it.

**Inequality and freedom in gender issues within economics**

Classical liberal types, like us and our readers of "Liberty Matters,” usually agree on the fact that human beings are all equal regardless of their gender. Nonetheless, classical liberals tend to consider freedom as more important than equality. This argument is especially poignant when the search for equality implies some progressive agenda that could impose rules and restrictions to individuals’ free choice in the name of a superior aim. However, classical liberals must admit that when a choice is the inevitable result of constraints that are imposed and not chosen, freedom inevitably declines and sometimes, depending on the nature of the imposition, collapses.

We know that standard economics is all about rational choices between scarce means, given some revealed preferences and a budget constraint. The rationality of any choice consists in maximizing the agent’s expected utility function. The key point in this definition is the notion of revealed preferences that lead to the mechanism of maximization: preferences are assumed exogenous. This methodological assumption de facto does not explain the economic choice; rather it justifies the status quo. It’s an ex post explanation unable to
understand the complexity of motivations behind a choice.

Standard economics does not really clarify the motivation of the persistence of the gender gap between the number of male and female full professors, rather it justifies the gap by assuming that fewer women than men prefer to maximize their utility function in reaching the top of their academic career. Feminist economics goes beyond the status quo and tries to explain the motivation behind agents’ “revealed preferences” by introducing notions such as social pressure, gender stereotypes, discrimination, and self-constraint. The act of maximization may be rational, but not free per se. It implies freedom if and only if preferences are the result of a condition of liberty, i.e., if they are endogenous.

This was one of the first critiques provided by feminist economists to Becker’s approach to gender issues in the economy. Founded in the 1990s via the institutionalization of IAFFE (International Association for Feminist Economics) and the publication of the academic journal *Feminist Economics*, the origin of feminist economics might be regarded as a reaction to, and sometimes a rejection of, the way adopted by standard economics, in particular by Gary Becker’s "new home economics," to cope with gender inequality (Becchio 2020).

In the 1970s, Becker published some pivotal papers (1973; 1974) that were further developed in his book *A Treatise on the Family* (1981), about how families produce, allocate, and distribute their members’ resources within households. Besides the division of labor between partners, the economics of the family à la Becker included the education of children, fertility issues, and the analysis of split ups/divorces. The aim of Becker was to scrutinize all these issues under the paradigm of standard economics, i.e., to describe the most efficient way to educate children, the most efficient way to choose to have an additional child, the most efficient way to get married versus staying single, and to get divorced versus staying married.

Becker and his followers started their research by analyzing the traditional division of labor between partners. They considered it as a result of several factors: the biological and psychological differences between men and women as well as different investments in human capital between boys and girls. They especially insisted on the natural propensity of men to fulfill their expected utility function in the market, vis-à-vis the natural propensity of women to fulfill their expected utility function in the household.

Given this rationale, new home economists (standard economists) made certain assumptions in order to model the allocation of time and resources within the family members in the most efficient possible way. They concluded that the optimal allocation of time occurs when the marginal product of working time equals the marginal product of household time.

According to Becker, household members agree to maximize a single utility function. He posed a benevolent head of the family (the husband/father) who fairly considers the preferences of all household members and adjusts allocations in response to family members’ behavior. An efficient household would allocate the time of women mainly to the household sector and the time of men mainly to the market sector because women have a comparative advantage over men in the household sector and men have a comparative advantage over women in the market.

Becker and his followers assumed that, while the sharp sexual division of labor in all societies between the market and household sectors is partially due to the gains from specialized investments, it is mainly due to intrinsic differences between the sexes from a biological and psychological point of view. This assumption led new home economists to consider specialized market-
oriented investments on boys and household-oriented investments on girls as optimal strategies which provide highest returns for the society. Given these assumptions, Becker defined marriage as a long-term contract demanded by women from men in order to protect them against abandonment and other adversities (Becker 1981, 30).

Feminist economists of the time, mainly women, rejected the new bargaining marriage theory à la Becker by considering it not just mainstream but malestream, i.e., grounded on methodological assumptions that are in favor of men. Feminist economists pointed out some relevant issues ignored by new home economists.

As Jacobsen (2018) summarizes, there are six specific challenges provided by feminist economics to standard economics: the development of models able to explain endogenous preferences; the rejection of rational choice theory; the insistence on the role of gender stereotypes in favor of men as a determinant of the traditional division of labor; the analysis of the origin of institutions that privilege men and disadvantage women; and the development of a better economic model of caring.

For example, Ester Boserup (1970) noticed that application of rational choice theory to the supposed-lower marginal productivity of women’s labor justifies rather than explains the idea of the inferiority of women. She also specified that the typical household model was a myth that did not adhere to reality. In fact, the division of labor varies greatly across the world’s regions. Hence, she replaced the traditional model of household used by the new home economics with an alternative model, which presented two advantages. It was able to acknowledge differences in preferences and priorities among household members; and it was able to pay a greater attention to the incentives aimed to promote cooperation and to avoid conflicts among family’s members.

Barbara Bergmann (1981) underlined that “Becker’s encomium to the advantages of the division of labor among spouses” was biased by “its perspective of a male member of a traditional family” (81). She specifically targeted Becker’s emphasis on the rationality of employment discrimination against women as detrimental to a correct view of the traditional division of labor between sexes which largely depends on complex social structures that influenced the choices of individuals, especially the choice of men to neglect housework and child care.

Nancy Folbre (1986) remarked that the head of the family might be not benevolent at all and that the aggregation of individual preferences in the household function made by assuming that altruism prevails in families is problematic and inconsistent with the idea of a maximizer economic agent. Furthermore, gender specialization in education de facto makes women the weaker partner and much more vulnerable in case of divorces or breakups.

Julie Nelson (1994) stated that Becker’s approach to the economics of marriage within the discipline “has more to do with the comforts of orthodoxy than with the requirements of productive investigation” (126).

**Concluding remarks**

According to feminist economists, standard economists applied the implications of long-run competitive equilibrium to the status of women and the current state of gender inequality, by considering the status quo natural and efficient. Besides having constructed models that rationalized an extreme gender-based division of labor in households and occupational segregation, Becker’s model of taste-based discrimination led him to claim that
gender pay differences unwarranted by productivity differences would disappear in competitive markets. Doing so, he and new home economists ignored models of discrimination that might have better explained gender gaps.

Conversely to Becker’s theory, feminist economics adopts more realistic hypotheses in order to better analyze gender inequality within the household and in the market; the motivations to get married; the evolution of the contribution of partners at home and in the market; the distribution of family resources among spouses and children.

Let’s get back to our initial example, i.e., the gender gap between men and women full professors within academia. Do we agree with standard economics and consider this gap as a free choice of women associate professors who prefer to devote less time and energy to getting promoted because they maximize their utility function by combining family duties and academic work? Or do we give some credit to feminist economics which considers that gap as the result of an unequal opportunity in the academic job market for promotion due to the unequal share of responsibilities between spouses in coping with a household that still forces the majority of women college professors to carry the "double burden"? This double burden inevitably leads them to face more difficulties in breaking the glass ceiling. They have less time to travel to conferences and then fewer chances for networking; less time to do research and then to publish, especially if they face more difficulties in networking for the reason mentioned above.

By the way, the provided example is not randomly chosen: as a matter of fact, the major gender gap in academia on average is within economics departments. In 2017, The Economist pointed out that the profession’s problem with women in economics departments could be a problem with economics itself[6]. The rise of feminist economics is part of this story which combined underrepresentation of women economists within the discipline and a specific critique to the nature of the discipline. Given that gender relations have affected the economy as a whole, feminist economics should not be intended simply as “economics for women;” rather it should be intended as a better economic theory tout court.

This is the main reason why we need feminist economics in addition to standard economics: the latter is simply concerned with how gender differences lead to different economic outcomes, the former is a broader approach and it is focused on the nature of gender differences that shape gender inequality. And when inequality is a result of discrimination, stereotypes and social pressure, it affects individuals’ freedom too.

References


Endnotes

WE DO NEED FEMINIST ECONOMICS, ONE THAT ENGAGES WITH AUSTRIAN ECONOMICS

by Mikayla Novak

Giandomenica Becchio has presented a fine, if provocative, essay extolling the virtues of an economics that explicitly accounts for the profound effects of gender in our lives, not least in respect of consumption, investment, production, and other economic decisions. In short, Becchio states that we need feminist economics, and that we need it to better understand, if not resolve, problems such as gender inequality. My response to Becchio is that I agree, we do need feminist economics. It would be inconceivable of me to suggest otherwise, given that I have long expressed an interest in feminist economics and the economics of gender.

Claudia Goldin

Becchio presents a world of gendered inequalities that is reflected in patterns of working hours, wage distribution, and the division of household production. Like Becchio, feminist economists also recognize the gender implications of broader social phenomena, such as marriage and reproductive decisions, and their effects over labor supply and savings decisions. Gender inequality has been a focal point for political struggles, and a critical driver of economic change as illustrated by scholars such as Claudia Goldin. Even Gary Becker, whose orthodox theories have served as a useful foil for many feminists’ economic arguments, acknowledged that “changes in the gains from work for pay have had a more powerful effect on the behavior of women than have traditional ideas about the proper role of women.” But, as Becchio observes, gender inequalities persist.

Before returning to inequality matters, I outline an affinity between feminist economics and Austrian economics, the latter intimately associated with classical liberalism. A principal advocate for this conciliative move was Steven Horwitz. He suggested that Austrians and feminist economists alike share an incredulity toward reductive, Cartesian-style conceptions of economic agency. Horwitz built on this conviction with his seminal 2015 book, *Hayek’s Modern Family*, presenting a process orientation to family formation and decision-making eschewing the oversimplifications of the orthodox agenda. Another important contributor toward paving a
conciliative pathway between Austrian and feminist economics is Deirdre McCloskey.

Deirdre McCloskey

Recent developments in Austrian economics present another opportunity for productive conversations with feminist economics. Scholars such as Don Lavoie, Virgil Storr, and Emily Chamlee-Wright demonstrate that culture is a key element to that broader institutional environment which shapes the incentives and payoffs surrounding economic activities, including entrepreneurship. In a recent contribution Ginny Choi and Storr add that, “we understand people are complex, fallible, emotive, social beings whose actions and motivations we cannot hope to comprehend without appreciating the political, economic, social and historical contexts in which they are embedded.” Feminist economists would surely find themselves agreeing with Choi and Storr.

Gender is just one aspect of culture. To the extent that contemporary Austrian economists recognize culture they, by logical extension, recognize gender. Austrian economics scholarship that focuses upon gender concerns has, indeed, provided sophisticated accounts of how culture influences an array of economic activities. Emily Chamlee-Wright’s investigation into female entrepreneurship in Ghana reveals how entrepreneurial action is influenced by gender expectations at household, kinship, and societal levels.

On another matter, Horwitz and colleagues indicated that gender stereotypes concerning the capacity of girls and young women to engage in STEM disciplines, and related precepts about “appropriate” working roles for women, are likely to affect education and training decisions to some extent.

Austrian and feminist economists can, and should, engage one another, but there are likely to be significant differences in view over some topics. Austrian economists, such as Karen Vaughn, have identified differences with feminist economists particularly over the contribution of markets toward women’s economic welfare. Differences in economic outcomes between men and women do not automatically indict the market with charges of sexism, say the Austrians. Individual women (and men) retain agency to discover, along various margins, modes and processes of economic activity that better align individual betterment with social cooperation. This agency is operative even in the presence of gender-based norms and misogynistic institutions. To refer once more to Choi and Storr, Austrian economists do not perceive people as powerless against their own circumstances, unavoidably plagued by their biases, whose decisions and fates are instantaneously and fully determined by their environments.” These propositions are empirically supported by positive associations between women’s economic progress, and gender equality, and economic freedom.

Becchio catalogs the ways in which inequalities register economically between women and men. The finer details concerning the determinants of estimated gender wage gaps, and the like, could be debated, but I set them aside to agree with Horwitz et al.’s statement that the likes of the gender wage gap imply “differences in the way men and women experience the world that impact the choices they make.” The Austrian inclination against cultural helplessness suggests opportunities for people to exercise agency in a way that seeks to promote gender equality. The extent of agency I have in mind goes beyond mechanisms familiar to Austrian economists – such as the exit response of mobility toward better-paying jobs, or the creativity of entrepreneurial efforts entailing
provision of work situations more amenable to the needs of women (and men).

In a free society, individuals are able to voluntarily collaborate on projects to achieve jointly-agreed ends. As one example, consider efforts to develop communities of knowledge, such as women’s academic and professional associations. It is here that members can share information about employment opportunities, discuss intelligence about suitable (and unsuitable) workplaces, and collaborate in skills formation and honing capabilities, all of which can help close gender disparities in the economy. True, no single measure will enshrine equality, and it is unreasonable to enshrine perfect equality given the innate liberal respect for differences amongst moral persons, but a culturally attuned Austrian economics recognizes voluntary collaborations as one way to shift gender attitudes.

Feminist economics illuminates the nature and implications of inequalities associated with gendered culture. Austrian economics provides hope for the power of creative agentic elements within cultural change. Both schools of thought should confer.

THE ROAD TO SOCIOLOGY
HAS PROMISES AND
PITFALLS
by Arnold Kling

The lead essay states:

There are many reasons we need feminist economics. First, we need to understand why economics per se, i.e. standard economics, was unable to provide a complete and realistic explanation of the phenomenon of gender inequality. Second, we need feminist economics in order to better know the origin and the nature of gender inequality within the economy and how to possibly overcome it. Furthermore, we need feminist economics in order to better comprehend feminism as well as economics and the way they have been interconnected at a certain point, roughly forty years ago. We need feminist economics to solve the present gender economic inequality.

The quoted paragraph, and the essay more broadly, serve as a reminder of the observation that I have made over the past several years that economics is on the road to sociology. This is by no means exclusive to feminist economics. For example, Steve Levitt, a Clark Medal winner within the economics profession and famous to the general public through the book *Freakonomics*, has studied questions that are primarily of interest to sociologists, and he has not relied heavily, if at all, on what the lead essay refers to as standard economics.

In many ways, this “road to sociology,” as I term it, is a desirable one for economists to take. I suspect that many phenomena that puzzle economists, including changes in the rate of productivity growth, macroeconomic fluctuations in employment and inflation, momentum in financial markets, and changes in organizational behavior within businesses, cannot be understood using standard economic models alone. If some of the mathematical rigor has to be discarded in favor of softer, more speculative analysis, then so be it.
Such is the promise of the “road to sociology.” But there are pitfalls. Sociology itself, as currently practiced as an academic discipline, is characterized by stifling methodological and ideological rigidity. If economists come to conform to the same methodological and ideological strictures, I would view that as a tragic outcome. I fear that feminist economics as described in the lead essay could all too easily land in this pit.

Standard economics, as I see it, seeks to explain social outcomes as the result of the mathematically determinate equilibrium generated by the interaction between agents, each of whom is optimizing relative to their individual preferences subject to resource constraints and incentives provided by government policies. If there is a normative objective of standard economics, it is to demonstrate that a better outcome by some measure of social welfare could be achieved by changes to government spending, taxes, or regulation.

Sociology, as I see it, seeks to explain social outcomes as the result of the set of social norms that has arisen. Contemporary sociologists tend to have a predisposition that social norms primarily reflect power relations, and in that sense the discipline appears to me nowadays to be marinated in Marxism. The Marxist sociologists' normative goal is to expose and reconfigure those power relations. When I encounter the sentence “We need feminist economics to solve the present gender inequality,” it strikes me as fitting in with this normative paradigm of addressing power relations. It certainly fits better with that paradigm than with the social-welfare optimization normative paradigm of standard economics.

Standard economics has a blind spot with respect to social norms. I see Gary Becker as trying to address this by stuffing social norms into the individual utility function. This has the virtue of allowing economists to use their mathematical tools and equilibrium concepts to offer explanations and predictions concerning sociological topics, such as division of labor within the family. The lead essay criticizes this approach, and I find that such criticism is justified. In my view, the Becker approach ends up as question-begging. If we are going to examine norms, we want to know how these particular norms got into the utility function, as opposed to some other norms. Similarly, an approach that would treat social norms as analogous to government policies, as part of the incentive structure, is no more likely to prove satisfying, in my view.

Contemporary sociology has a blind spot with respect to social norms that represent something other than power relations. Being confined to Marxist explanations is as restrictive and unsatisfying as being confined to standard economic explanations. In fact, this approach comes dangerously close to simply treating social norms as analogous to government policies, as part of the incentive structure.

What concerns me about the lead essay is that it appears to say that in order to study gender outcomes we face the either-or choice of relying on standard economics or Marxist-style sociology. In the example of gender inequality of salaries within the profession of academic economics, the essay asserts that:

According to standard economics the gap is the effect of women’s free choice. Conversely, feminist economics claims that the gap is the effect of gender discrimination.

...They are two opposite ways of considering this specific kind of gender inequality. Any social phenomenon has many possible causes and correlations...

What I would like to have seen in the lead essay is more discussion that addresses these “many possible causes and correlations.” I do not want to return to the “old-time religion” of standard economics, which ends up dealing with social norms by trying to stuff them into
utility functions. But neither do I want to be forced to rely on Marxist sociology, seeing power relations, exploitation, and repression everywhere.

Neither standard economics nor Marxist sociology has anything to say about the phenomenon of social norms evolving. If standard economics takes the status quo as given while Marxist sociology takes the status quo as inequitable, neither has anything to say about the process by which norms change over time.

In fact, one of the most striking things about gender roles and gender relations in modern societies is the rapid pace of change. We went from a predominantly male student body in higher education in the early 1960s, with most Ivy League universities admitting zero women, to today's enrollment ratio in college that is over 60 percent female and less than 40 percent male. The female share of the labor force has risen sharply. Practices concerning premarital sex, divorce, and child-bearing have changed dramatically.

What caused all of these changes? What economic impacts did they have? How did they reshape society? How might gender norms continue to evolve going forward?

These questions strike me as interesting and important. I see neither standard economics nor Marxist sociology raising them, much less proposing interesting answers.

Toward the end, the essay raises the issue of freedom, and whether standard economics and classical liberalism are conducive to freedom. For me, this poses challenging philosophical questions. In standard economics, freedom is relatively easy to define. But once we get away from the individualistic paradigm and acknowledge the importance of social norms, the situation becomes less clear, as the lead essay points out.

Do social norms enhance freedom? Or do they restrict freedom? If there are easy answers to such questions, I do not have them.

YES, THE FEMINIST PERSPECTIVE IS STILL UNDERVALUED IN ECONOMICS

by Jayme Lemke

Giandomenica Becchio argue we need feminist economics in order to better understand both society and social science. In her view, we cannot fully comprehend gender inequality or feminist ideologies without grappling with the ideas of feminist economics. Further, and perhaps most controversially, Becchio argues that economics itself cannot be fully understood without incorporating feminist critiques.

In her discussion of gender equality, Becchio focuses on the example of inequality within the professoriate. She notes that mainstream economists and feminist economists would largely agree that a primary driver of gender disparities in academia is the greater time and effort women put into alternative priorities (e.g., family and caretaking). However, feminists and traditional rational choice theorists would vociferously disagree on the cause of this underlying discrepancy. For many mainstream economists, the apparent difference in men’s and women’s priorities is a matter of free choice, full stop.

A feminist perspective pushes the issue further by asking about the causes of these discrepancies, and whether our social systems incentivize women to make these choices. This plea to seek out gendered institutional regularities need not imply any particular solution. Identifying a law or norm that discourages women from entering a particular occupation is only the start of the inquiry. We need not fall into the market failure trap of identifying a possible improvement and presuming that its existence means a change must be made through coercive intervention, or even that it must be made at all. Economics in the classical liberal tradition in particular is wary of bringing about change through the manipulation of free choice, and with good reason.
However, as Elinor Ostrom emphasized, this kind of dichotomous social thinking—in this case, either there’s no problem or there’s a problem that must be addressed through coercive intervention—presents a false version of reality. This is important for two reasons. First, there is value in understanding our social world for reasons other than trying to figure out how best to bend it to our will. Curiosity is a valuable first step towards the kind of toleration and discourse that productive intellectual endeavors require. Curiosity for understanding’s sake is also necessary for meaningful participation in the self-governing systems that classical liberal scholars propose as alternatives to political hierarchy and rule-ruler-ruled relationships.

Second, the false dichotomy between laissez-faire and social control omits the great variety of alternative voluntarist strategies that people may wish to employ to improve their world. We do not have to choose between the mainstream “nothing to see here” response and the social manipulations that proponents and detractors alike see in the feminist alternative. F. A. Hayek encouraged his readers to imagine the “Great Society,” which contains space for many views about where progress can come from and for a wide range of experiments in how that progress may come about.

A feminist perspective suggests an array of alternative institutions that groups might choose to better bring forth the contributions of all members of a society. We reduce our chances of coming up with institutions that will “bring out the best” in all people if we don’t even consider the possibility that people may face unique barriers because of their gender.

Becchio also raises feminist economist Nancy Folbre’s observation that the family is its own kind of political system. In patriarchal legal systems, husbands enjoy special rights and privileges over their wives. In different times and places, these restrictions have included requiring a husband’s permission to purchase property, write a will, open a bank account, secure a loan, start a business, work outside the home, or leave the country. Some legal systems have even imbued husbands with the positive right to imprison, rape, or have their wives institutionalized for insanity. The strongest of patriarchal regimes have thus ensconced male heads of households as the kings of tiny kingdoms, and established intimate family relationships as hierarchical rather than egalitarian. This idea was once part of the classical liberal canon. Consider, for instance, John Locke’s observation that family was the first political organization, and the concerns of Mary Wollstonecraft and John Stuart Mill that the hierarchies established within would corrupt both men and women.

Returning to the academy, could the lessons learned within the family explain why Mimi Gladstein was told in the mid-1960s not to bother applying for an English professorship, because—in the words of the department chair—“We don’t hire housewives”? Could it explain why in the late 1960s, an alum of Princeton University wrote in to protest the university’s plan to begin to admit women by suggesting, “A good old-fashioned whorehouse would be considerably more efficient, and much, much cheaper”? How many among the professoriate today were hired by men with such views? In such a world, is it really so obvious that women could not be discouraged by their families or by their perception of the institutions they would be entering from seeking
professorships? Is it so obvious that we should not even ask the question?

Feminist economists were on to something in noting that rational choice models are often institutionally antiseptic, leaving out factors that are critical to explaining the ways in which men’s and women’s experiences have diverged. There are ways to resolve this tension, however, without completely rejecting rational choice theory. For instance, Elinor Ostrom’s behavioral rational choice approach [8] emphasizes the moral and epistemic limitations as innately human. When we acknowledge the inherently flawed and fallen nature of the human species, we create room for recognizing the significant and often predictable role that ideology and historical and cultural constraints have on choice processes. We interpret everything in our world from within our institutional environments. The “woulds,” “coulds,” and “shoulds” of those environments shape what we believe we are capable of and whether or not we think any particular shot will be worth taking.

Ultimately, I agree with Becchio that traditional economic theorizing can obscure rather than illuminate reality. If women’s life experiences make them too aware to ignore these gaps in economic theory, perhaps this explains some of their unwillingness to “go along” with mainstream rational choice and thereby with their underrepresentation in mainstream academic departments. It is at least worth exploring the hypothesis that by addressing the concerns of feminist economics head on, we can become better economic theorists and applied social scientists.

Endnotes

[3] Ibid, p. 672: “Designing institutions to force (or nudge) entirely self-interested individuals to achieve better outcomes has been the major goal posited by policy analysts for governments to accomplish for much of the past half century. Extensive empirical research leads me to argue that instead, a core goal of public policy should be to facilitate the development of institutions that bring out the best in humans.”

RESPONSE

by Giandomenica Becchio

Thanks so much to Jayme Lemke, Mikayla Novak, and Arnold Kling for their comments. We somehow agree in considering the introduction of feminist economics within economic theory as a necessary step to better understanding social and cultural phenomena that cannot be reduced to a mere effect of a neutral mechanism of maximization that leads to multiple states of equilibria as described by standard economics. Hence, it seems that we all share a general attitude to consider feminist economics a more proficient way to deal with gender issues and gender inequality than standard economics does.

Nonetheless, many additional points have been considered by my colleagues that deserve to be addressed further in order to discuss the place and the importance of feminist economics, especially among a classical liberal audience.
Standard economics and the classical liberal tradition have been too often overlapped by regarding them, respectively, as the only possible analytical tool of a particular cultural vision (free market). Classical liberalism is more than free market though; classical liberalism is grounded on values such as individual freedom, the absence of coercion, equality before the law, and rejection of social constraints that reduce individuals’ liberty and dignity. If standard economics does not consider gender stereotypes—social pressure based on gender and gender discrimination as possible sources of a specific form of inequality—that harm women’s (and other gender identities’) freedom, it must be corrected. And this was precisely what feminist economics tried to do when it emerged fifty years ago.

As Kling rightly points out, economics “is on the road to sociology” and “sociology itself, as currently practiced as an academic discipline, is characterized by stifling methodological and ideological rigidity.” Hence, economics must consider the crucial role of social norms in describing economic phenomena. The main problem with standard economics is that it refuses to bridge the gap between economics per se and sociology. Conversely, feminist economists, especially the first generation of feminist economists, insisted on the necessity of considering social norms as inescapably correlated with economic behavior. Think about the feminist economics’ critique to Becker’s marriage theory and the traditional division of labor between partners: feminist economists introduced social pressure, traditional habits, self-constraint mechanisms, legal frameworks, and tacit rules as determinants to help explain decisions within the households that overcome the simple bargaining theory as interpreted by standard economics.

As Novak writes, the notion of gender is a socio-cultural notion per se, which is entangled with other sociological categories that shape individual behavior and social dynamics. The fact that feminist economics introduced gender within economics represented a way to enrich economics as a social science. It is true that the specific and complex nature of gender is inevitably related to the notion of power, as Kling underlines, especially when gender relations are connected with phenomena such as gender discrimination and inequality. Nonetheless, I do not second Kling’s idea that feminist economics relies entirely on Marxist-style sociology whose “normative goal is to expose and reconfigure those power relations.” While many feminist economists—especially within the first generation—were Marxist-oriented scholars, classical liberal feminism always existed and it found some room within feminist economics as well, as Lemke points out.

More relevant is the fact that feminist economics and other heterodox economic approaches share the idea, well expressed by Kling, that social norms evolve. Against the crystalized paradigm of standard economics, which does not take into account the dynamic nature of social norms, feminist economics targets the specificity of social norms in different historical frameworks and geographic contexts and tries to explain gender inequality by considering those social norms as relevant elements for understanding gender issues. Power relations are part of this big picture: they may be ignored as standard economics did, as did Becker and his followers; they can be explained by addressing capitalism as the main and only source of patriarchy/discrimination, as feminist Marxists did/do (Beneria, Pujol, Folbre, and many more); they may be regarded as fundamental elements in describing gender issues and inequality without connoting them as effects of the capitalistic system, as non-Marxist feminist economists usually did/do (Bergmann, Boserup, Nelson, and many more).
Finally, the relevance of evolving social norms is crucial, as Kling writes, to understanding whether they enhance or restrict freedom. This is a point that is worthy of addressing in a separate discussion. Though in this context, can we agree that it depends on whose freedom we are talking about? Does any step toward gender equality imply a zero-sum game (men’s freedom is reduced when women’s freedom increases) or is it possible to consider an increment of gender equality as a way to increase liberty for all the parties involved (the emancipation of women makes society more free, therefore, men too)? Again, the tension between equality and liberty plays a crucial role in providing a possible answer to this question, especially when we place a new card on the table: fairness. Standard economics does not take care of fairness in the same way feminist economics does.

The relevance of the evolving nature of social norms in economic models aimed at describing gender issues leads me to Lemke’s comment. She rightly points out that there is a “false dichotomy between laissez-faire and social control [that] omits the great variety of alternative voluntarist strategies that people may wish to employ to improve their world.” Therefore, she rightly cites Ostrom’s behavioral rational choice model, which emphasizes the moral and epistemic limitations of human nature, as well as Hayek’s notion of the Great Society that “contains space for many views about where progress can come from and for a wide range of experiments in how that progress may come about.” Let me add a more recent contribution: Peter Boettke (2021), who accurately suggests how economics and political economy can be used in order to understand the society as a whole as well as to improve it in a more appropriate way. This is a task performed by feminist economics when it insists on explaining gender inequality as an effect of a traditional social coercion rather than of a rational division of labor.

I agree with Lemke when she writes that we need to get rid of the dichotomy between free market, intended as laissez-faire, and social control: many possible scenarios stand in the middle. Some feminist economics’ agendas are able to embed them in their model while standard economics considers human interactions, including those related to gender issues, either as perfect equilibria model or as market failures.

Every social phenomenon includes culture as a relevant element and the importance of culture cannot be put aside when social sciences deal with forms of inequality. The reductionism of standard economics was one of the major motivations of the emergence of feminist economics. As Novak rightly suggests, Austrians have always “demonstrate[d] that culture is a key element to that broader institutional environment which shapes the incentives and payoffs surrounding economic activities.” On this point, she quotes Horwitz, McCloskey, Lavoie, Storr, and Chamlee-Wright, among others. Novak also points out the differences between feminist and Austrian economists: for instance, Vaughn underlines that feminist economists do not usually consider the effects of free market on women’s economic welfare. What I want to add here is an underrated element: both Austrian and feminist economists are focused on the role of
cooperation within institutions. The strict dichotomy between competition and cooperation is, in fact, rejected by some feminist economists (Longino 1990; Haack 1996) as well as by the Austrians’ concept of catallaxy as a way to relate individuals within a community embedded in a spontaneous and mutual order (Mises 1949; Hayek 1978).

A minor point aimed to conclude and maybe to open up a different discussion. Today’s standard economics is much more prone to considering social norms and endogenous preferences in explaining gender issues. Does this development within standard economics drastically reduce the importance of feminist economics per se?

References:


RESPONSE

by Mikayla Novak

The response essays offer a range of constructive responses to Giandomenica Becchio’s lead essay. This provides catalytical as well as, on my reading, catallactical moments for thinking with respect to classical liberal receptions toward feminist economics, and so I appreciate my involvement in this important discussion.

Arnold Kling provides an insightful, and thought provoking, essay airing concern that efforts seeking to reconcile mainstream and feminist economics are a potentially trepidatious process. As Kling convincingly outlines, this concern is not without foundation. Mainstream economics has its own deficiencies. The “just add and stir” approach to incorporating norms into a utility function raises questions over which (or, perhaps more accurately, whose) norms—let alone beliefs, ethics, ideologies, moralities, and values—are to be intellectually recognized as salient. Such a maneuver, as adopted by the likes of neoclassicists such as Gary Becker, is considered unsatisfactory to feminist economists who see gender as a pervasive facet of the human condition with multipronged, including extra-economic, implications.

Over recent years economic historians, methodologists, and philosophers have identified a host of changes in economic research methods, empirical approaches, and inquiry topics. Not all researchers who study these trends would refer to it as such, but I would tend to agree with Kling’s identification of economics transcending down a sociological road, so to speak. A part of this “sociological turn” in economics and its intellectual first cousin, political economy, was much the subject of my initial response to Becchio. An Austrian economics with a capacity to be intellectually receptive to gender concerns I argue not only opens ontological and methodological windows of scholarly perception, but invites new analytical and empirical approaches to the economic study of humankind.

In his response essay, Kling communicates a warning about economics traversing down the road of sociology. This is because mainstream sociology is, too, deficient. It has been observed that sociology is dominated by researchers with progressive-left (including, but not limited to, Marxist) ideologies and commitments. This has implications for the types of conceptual approaches pursued in the discipline, for example an almost overriding concern with power relations as described by Kling. Power relations are said to inhere within the tapestry of structures that reproduce gendered (and other) social relations, and it is these structures that dominate the social world more generally.
If there is an Achilles heel of mainstream sociology it is encapsulated in one word: agency. The contributions of human agency in norms and other societal patterns tend to be undersold by mainstream sociologists. This is significant because the contributions of markets in helping to resolve gender inequality by making discrimination more costly tends to be ignored, but so too do other measures of progress in the economic status of women. Female entrepreneurship and, similarly, the growth in business startups by women has become an important economic feature, and changes in production structure with less reliance upon manual exertion—and more on cognitive skill—tends to be favorable to women. Something else that tends to be overlooked by mainstream sociology is that market-based economic development provides greater opportunities for women to strategically dedicate resources to press for political rights claims, as well as social projects aimed at tackling the unequal treatment of women and men.

Mainstream economics is not the only economic approach to better understanding gender issues, and mainstream sociology is not the only sociological approach. It is possible to embrace the economics of Mises and Hayek (Austrian school), Elinor and Vincent Ostrom (Bloomington school), and James Buchanan (Virginia school), and it is possible to combine these with the non-Marxist sociological contributions of Weber, Schütz, Berger, Boettke, and Storr. Again, I see the expression of gender concerns with a framework of mainline political economy as addressing some of Becchio’s concerns.

Jayme Lemke presents a quite sublime intellectual excursion into the precepts of mainline political economy, with special reference to how the contributions of Elinor Ostrom may assist in discovering a liberalism robustly grounded in feminism. The Ostromian study of human affairs beyond the organizational structures of firms and governments also opens new investigative windows; in this regard, helping to understand how gender institutionally shapes behavior as well as facilitates choices. Furthermore, as Lemke rightly notes, the value of understanding the gendered world about us contrasts a serious defect in the shape of transformational activism posture, which is increasingly prevalent within mainstream sociology. Ostrom invites us to be “students,” rather than “engineers” or “transformers,” of society.

We human mortals interpret everything in our world—including our perceptions of gender behavior, expression, and identity—from within our institutional environments. On this point, Lemke speaks truly. Humans are also endowed with imaginative capabilities coupled with organizational prowess to actively test whether we “would,” “could,” or “should” generate institutional change along various margins. I referred to voluntaristic group actions, where people can come together, discuss, and mobilize in an effort to redress any perceived gender inequalities or injustices. What readily springs to mind here are feminist social movements, which have sought to expand economic opportunities, political rights, and social esteem for women.

Whilst not necessarily motivated by liberal principles on all occasions, and not always succeeding with their objectives, such movements are one example of Ostrom’s expanded purview of agentic involvements beyond non-market and non-state domains. Although feminist movements are known to contentiously entangle with participants of both commercial and political enterprises, there are others (such as anarchist feminists, and feminist “new social movements”) that primarily seek cultural and social changes rather than political concessions. These types of voluntary collective actions—and more such as feminist commoning, mutual aid associations, community organizations, and so on—could prove a useful starting point for a liberal feminist scholarship.
RESPONSE

by Arnold Kling

Reading the initial essays of the other three participants, I came away with the impression that feminist economics is implicitly defined as the study of institutions and social norms that adversely affect the outcomes of women. That strikes me as a very narrow focus. I want to suggest some ways to broaden the focus.

Let me stipulate that it is incorrect to assume that all of the differences between the roles of men and women in market labor result from differences in preferences and temperament. I would suggest that it is equally incorrect to assume that none of the differences in market work result from differences in preferences and temperament. If standard economics insists on the former, then it will go wrong. If feminist economics insists on the latter, then it will go wrong.

It is worth pointing out that saying that, “On average, men have a greater preference for jobs involving X than do women” is not a statement about all men and all women. Just as saying that, on average, men are taller than women is not to say that all men are taller than all women.

Psychological temperament is more difficult to measure than height. There is more room for controversy concerning claims about average temperamental differences than claims about average height differences.

Also, differences in psychological temperament can be affected by culture as well as by genetic differences. In fact, one of the ways to broaden feminist economics would be to explore cultural and genetic factors.

The study of our closest relatives among primates shows that female apes will adopt dolls, stroking them and nurturing them. Male apes will not do this.

Preschool children show different preferences in toys. Presented with identical options, boys are relatively more likely to play with toy trucks and girls are relatively more likely to play with dolls. Girls can be happy playing with toy trucks, but boys tend to show very little interest in dolls, except as projectiles to throw.

As adults, men tend to move into occupations that involve working with things, and women tend to move into occupations that involve working with people. Not all of the jobs working with things are high status. Consider farm labor, automobile repair, sanitation workers, or plumbers. Not all of the jobs that primarily involve working with people are low status. High-level management and executive positions often are very people-oriented.

Economists interested in gender differences might want to study why close to 60 percent of college students today are female. This is an interesting phenomenon, even if it does not contribute to understanding how social institutions harm women.

A number of issues related to gender and family are of interest to students of our society. These include trends in mating strategies and fertility. Unfortunately, the narrow focus of feminist economics seems to ignore such issues.

If feminist economics wants to focus narrowly on how men are treated more fairly than women, then that would be unfortunate, in my view. Other relevant topics beckon to be addressed.

ARE THERE BETTER WAYS TO UNDERSTAND GENDER NORMS?

by Jayme Lemke

In the thoughtful essays shared by fellow contributors Arnold Kling and Mikayla Novak, I see an important commonality around the question of social norms. Both Kling and Novak see the importance of finding a better way to incorporate social norms into our conversations around feminism and gender. They also share a dissatisfaction with static conceptions that treat social norms as fixed constraints to be dealt with rather than...
complex—and in the case of Novak’s essay, emergent—phenomena that can be adapted in order to better fit a changing social environment.

Kling raises the question of how to understand social norms without falling into either the economists’ or the sociologists’ blind spots. In his view, the economists’ pitfall is to shove social norms into the utility function without inquiring how they get there: “If we are going to examine norms, we want to know how these particular norms got into the utility function, as opposed to some other norms.” On the other end of the spectrum, he views contemporary sociology as coming “dangerously close to simply treating social norms as analogous to government policies, as part of the incentive structure,” not recognizing the myriad other functions that norms may serve. Both blind spots lead to overlooking the role individuals play in creating and changing social norms.

I see the beginnings of a response to this important set of questions in Novak’s essay. Novak inquires whether an Austrian perspective, focused on entrepreneurship and the complexities of social change, may be useful in helping understand the causes of changing attitudes and practices around gender equality. She suggests that “… a culturally attuned Austrian economics recognizes voluntary collaborations as one way to shift gender attitudes.” For example, a voluntary association, such as a women’s professional association, can be a way for members to “… share information about employment opportunities, discuss intelligence about suitable (and unsuitable) workplaces, and collaborate in skills formation and honing capabilities, all of which can help close gender disparities in the economy.” Of course, norm entrepreneurship can take many forms. Even the simple process of individuals negotiating different practices in their familial and professional relationships can be an important input into a process of experimentation, learning, and—maybe, eventually—more widespread change.

In The Constitution of Liberty, F. A. Hayek writes about social rule-systems developing over time, with unconscious habits serving as a kind of starting point for the eventual development of large-scale governing institutions: “…rules tend to develop from unconscious habits into explicit and articulated statements and at the same time to become more abstract and general. Our familiarity with the institutions of law prevents us from seeing how subtle and complex a device the delimitation of individual spheres by abstract rules is” (Hayek 1960: 216). There is much change, experimentation, and learning that takes place throughout this process, largely due to entrepreneurs who are willing to challenge the status quo rather than assuming that what came before should be everlasting: “… the main point of liberalism is that it wants to go elsewhere, not stand still… There has never been a time when liberal ideals were fully realized and when liberalism did not look forward to further improvement of institutions” (Hayek 1960: 521).

In the area of gender norms, I believe there is much room for political economists to use their constitutional imagination to support norm entrepreneurs in finding voluntaristic, non-coercive ways to remove barriers to women’s advancement around the world. I look forward to exploring the question of the relationship between social norms and liberalizing institutional change as this discussion continues.
FINAL RESPONSE: DO WE NEED FEMINIST ECONOMICS?

by Giandomenica Becchio

As Lemke and Novak pointed out, mainstream economics as well as mainstream sociology are missing some fundamental elements in describing gender inequality: the role of agency, the nature of social norms, the relevance of extra-economic factors cannot belong to the *ceteris paribus* assumption, as standard economics usually places them. As Novak underlines, the “add and stir” approach is no longer acceptable, and feminist economics realized its beginning. Like any other heterodox approach, feminist economics was a critical response to standard economics’ way of explaining gender issues, which was grounded on the idea that the traditional division of labor between men and women in the private sphere, as well as in the public sphere, was rational and efficient as it is based on biological differences, reinforced by diversified investments on *human capital*. In 1992 when Becker was awarded the Nobel prize "for having extended the domain of microeconomic analysis to a wide range of human behavior and interaction, including nonmarket behavior," economists who used to criticize Becker’s approach founded IAFFE (the International Association for Feminist Economics). Much later, in 2006, feminist economics was officially recognized by the American Economic Association as a heterodox research field: in fact, AEA assigned JEL code B54 to feminist economics. As economists know, JEL code B includes all the heterodox approaches that either criticize or reject standard economics. For instance, the JEL code of Austrian economics is B53[1].

As Kling rightly wrote, a narrow focus does not lead to any significant result in describing social phenomena related to gender. Nonetheless, to claim that feminist economics is all about power relations is reductive: the intent of feminist economists was precisely to *enlarge* the narrow focus of standard economics on gender inequality by including power dynamics, gender stereotypes, social pressure, and other cultural elements that cannot be classified as a matter of preferences. Feminist economics does not deny tastes and preferences, rather it reveals the complexity of the decision-making process related to gender issues such as the division of labor between genders. To be fair, even standard economics revised its own methodological assumptions lately by going beyond “tastes and preferences” in order to explain gender inequality.

The interpretation of feminist economics as an analysis of gender issues based only on the dynamic of power might be applied to Marxian feminist economics, which is grounded on a structural critique to the capitalist system and the consideration of *capitalism* and patriarchy as two sides of the same coin. Nevertheless, this vision is far away from classical liberal feminist economics, grounded on the fundamental principle of individual freedom regardless of gender. The combination of classical liberalism and “the woman question” (the first wave of feminism) started in the late eighteenth century; it still exists and should not be forgotten.

Endnotes


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