

Economic Theory in Unison with Feminism

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Abstract: *Economic theories have always been prone to criticisms because of profusion of opinions among economists and theorists. Regardless of this, no economic theory remains compatible with the real world without being in unison with feminism. The harmonized unanimity between feminist perspectives towards an economy and the theories which explain functioning of economies is inevitable. The scope of this paper is to understand the significance of this unanimity between the economic theories and feminism and how the male chauvinist society altered the core concept of oikonomia making economics a male-dominated discipline. Certain criticisms of post-Keynesian economic theories are also considered invalid once the concept of feminist economics is combined with the existing theories.*

Keywords: Economics, Feminism, Oikonomia, Post Keynesian Economics

1. Introduction

Feminism means a social concept which considers perspectives, influences and desires of women in order to bring equality among people of all sexes in every sphere of life in the society. This concept is contrary to the misogynist beliefs of our society. Economics is the study of allocation, distribution and consumption of limited resources along with management of wealth with the goal of satisfying unlimited wants of people. For centuries, no one ever combined theories of economics and feminism and never studies them together as a single theory but now the need to study feminist economics is rising. What is feminist economics? Feminist economics is a branch of economics which deals with perspectives, influences and desires of women to achieve economic goals of satisfying unlimited human wants in the presence of limited resources. Feminist economics, in other words, deals with the ideology of economic theory being in unison with feminism. Economics and feminism both deal with different issues of different domains of life in different spheres of an economy. However the ultimate purpose of both of the theories is to achieve prosperity, either in economic terms or in societal terms which coincide with each other leading to embeddedness of economics into feminism and vice versa.

Though this branch of economics became popular recently, feminist nature of economics is dated back to 500 BCE when the concept of oikonomia was prominent among members of society. This oikonomia was not a perfect science like mechanics or chemistry but was a social science, a scientific study of society and members of society. The presence of patriarchal society always tried to transform the discipline to become masculine in nature and as this transformation continued, the discipline stood on the verge of losing the identity of being a feminist discipline.

2. Historical development from economics from 'oikonomia'

The economic theory is a young theory as the discovery of this theory or understanding of phenomenon relating to the economy were seen about two hundred years ago, that is, in the mid- eighteenth and nineteenth centuries. Before that, a term called 'oikonomia' was used to explain certain phenomenon relating to the economy. This term was coined

by Greek scholar, Aristotle combining the words 'oikos' meaning household and 'nomos' meaning norms or management. According to him, oikonomia is the theory of household management. The core concept of oikonomia was based on resources being allocated within a household. The allocation of these resources is made by making resources owned by a household available to every household member in order to satisfy their needs. According to Catholicism too, the definition of oikonomia is given by managing or handling homes.

Self- sufficiency and subsistence were the major objectives of this theory in the world of barter exchange. The self owned resources were exchanged with other resources in a way which maximizes the needs of a family or families within a household. The households were classified into two categories of members- matrons and masters. Matrons, usually women were regarded as the sole housekeepers who managed the domestic economy. Their job included allocation of resources prioritizing needs over wants and life subsistence of the household, thereby holding authority of the economic sphere of the society. The men of the house often referred to as 'masters' in the theory of oikonomia were amenable to matrons as far as the economic affairs of the house were concerned. They were kept out of the economic affairs of the household, that is, restrictive engagement in the resource allocation acts of the society. Men were involved in political and philosophical domains of society. It was a general belief that men have a rational and thoughtful demeanor to be concerned about these issues. Theory of economics was only about norms of handling households and the today's sophisticated finance, trade and commerce activities were not just excluded from this theory but were considered immoral and unethical. This was because the theory at that time guided economic activities to yield positive outcomes for the household as well as the society. Any forms of interest incomes were considered decadent and luxuries reflected materialistic gratification.

This categorization of women and men as matrons and masters and the early theory of oikonomia suggested that the history of economics promoted female engagement in the discipline. The sinful preconception of financial and trading activities and the exclusion of men from the subsistence and resource allocation activities make the idea even more robust that women's contributions were equal, if not more

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than men's contributions to the economy then. The social notion of raising good daughters and having good wives also justified this idea as Greek people used to feel that bringing money to homes by men is in vain if there are no good wives to prioritize and relegate needs in order to allocate money income effectively to satisfy each and every need of the family. Although they were men which were actively involved in domains of politics and wisdom but they were these contributions of women which gave men theories to formulate in the development of oikonomia over centuries.

The core idea of oikonomia has undergone tremendous alterations and variations leading to its evolution as economics. Is this economics of today's era still a feminist discipline? With the increasing reliability on government economic policies, significance of household resource allocation faded gradually and grave concerns for government affairs started rising. The role of women as matrons is remarkably undermined as the focus on households is not what it used to be. Globalization and increased connectivity to the outside world made domestic and international markets prominent sectors of the economy. Besides this, another branch of economics which is known as Development Economics that focuses on improving fiscal, economic and social conditions in developing countries has become popular. Development economists focus on health, education, sanitation and other requirements which are needed to improve the living standards of people. Again a feminist view of economy came into the new era's economic theory. Development economists believe that the unpaid domestic work done by women play a major role in determining overall development of a nation. For this domestic role of women to be effective, major policy modifications are being suggested by them. Basic functioning of a human requires certain services to be performed. These services include washing clothes, preparing food, looking after children, teaching kids and other household chores which are usually unpaid or underpaid. Without these activities being performed, no economy can operate smoothly.

This was clearly demonstrated by the Women's Day Off in 1975. Women of Iceland went on a strike against wage discrepancy at workplace and misbid treatment domestically. Women did not go to work and did not perform household chores. Men had to take leave and look after children at home. On one hand, all the household jobs were to be done by men and on the other hand, men were asked to work overtime since women desisted to go to work. All this led to an economic slowdown within a month. This incidence in Iceland is a stark evidence of how today's economic theory must be formulated keeping feminist opinions at utmost priority as no economy can operate smoothly without being in unanimous terms with the female perspectives. Luise Gubitzer, an Austrian political economist gave a 5- sector model of the economy in 2012. She gave a wider approach to study economic activities by classifying economy into five distinct sectors, namely the household sector, the for-profit sector, the public sector, the non-profit sector, the illegal criminal sector. The illegal criminal sector analysis makes us ponder over the reality of unpaid care work performed by women. The ethical and

moral teachings which are a subtle part of upbringing of children can help reduce criminal activities in the society, thereby contributing to a rise in economic development of a society in real terms. The motherly efforts to make children morally approvable adults are undoubtedly essential for every economy. Hence feminine characteristic of oikonomia is retained in today's economic theory, too.

3. Transmutation in the Nature of Discipline

What Aristotle discovered was a philosophical study of human behavior and relationships among them and that is why, oikonomia was always considered as a social science. A social science is a study of human behavior and relationships of humans with each other in the society. The theories of economics were initially developed as socialized and behavioral theories. Through centuries, efforts have been made to change the entire core of the theories making them scientific in nature. In 1862, William Stanley Jevons, an economist and logician wrote a book, 'The General Mathematical Theory of Political Economy' which suggested that economic study of quantities must be mathematical. He justified logical reasoning, mathematical deduction and scientific study of the subject matter of economics. He wrote another book in 1865 named 'The Coal Question' which was based on depletion of energy resources in Britain. In this book, he explained that increase in energy efficiency leads to more use of energy resources than less of them. This idea is today known as 'Jevons's Paradox'. In the efforts to justify this paradox, Jevons made use of mathematical equations and calculus.

H.H. Gossen gave three laws of consumption. The first law, also known as the Law of Diminishing Marginal Utility, says that the amount of utility derived from the consumption of a commodity goes on diminishing as the consumption increases. The pleasure from the consumption of a commodity decreases as more units of the same commodity in same quantity are consumed consistently. The second law states that the marginal utilities (measured in terms of the price of quantities) derived from consumption of commodities remains equal at all levels of consumption. This means that every consumer spends his money income in a way which equalizes his pleasure (expressed in terms of utility) from all commodities he/she has consumed. Thus this law is called 'Law of Equi-marginal Utility'. The third law states that the value of a good exists only if its demand exceeds its supply. If a commodity is scarce, then there will certainly be few wants which will never be satisfied. On the other hand, if a good's supply exceeds its demand, then it will be in a position to satisfy every want. Hence its marginal utility will tend to become zero.

For these three laws to be analyzed in detail, pleasure or enjoyment from the consumption of a commodity (which is utility derived from the consumption of the commodity) is measured in money terms. This implies that the qualitative aspects of consumption are measured in numeric values. There was not even a need for this numeric count of utility. Let's justify this considering Gossen's first law of consumption. This law can also be explained using psychological understanding of human mind. No one wants to consume the same commodity continuously for a

considerable period of time. The additional units of the good provides less pleasure to the consumer than what the initial units provided but this obvious human psychology was represented in mathematical terms with the sole purpose of transforming nature of economic theories into something scientific. Thus it is justified to say that many of such laws were not laws based on scientific facts but were just genuine human feelings.

The classical theorists too explained the monetary theory in terms of demand and supply of money in the economy. According to Classical economists, the supply of money by Central Banks cannot make any change to real economic variables like investments, savings and consumption as demand and supply of money equalizes itself affecting only the nominal variables like interest rates, prices, etc. This automatic equalization of demand and supply of money portrays mechanical nature of science. Even the equilibrium in consumer markets achieved at the point where demand and supply curves intersect portrays the concept of consumption and supply of goods and services as a mechanical science.

Science is a branch of knowledge which deals with a set of facts or truths and shows the operation of general laws based on observation and experimentation. All these examples proved how economic theories are being portrayed as operation of general laws based on observations of an economy. Due to this, not only the nature of discipline transformed but the core knowledge of the discipline has undergone transmutation. The basis of study has been transmuted and theories were manipulated to bring mathematical functions out of them.

The question of concern lies in understanding what actually induced this transformation. It is the general perceptions of our minds that social sciences are feminine disciplines whereas natural or mathematical sciences are masculine in nature. The misogyny of the society led to the transmutation of the economic theories over centuries. As this theory's focus on growth, trade and commerce enlarged, the focus on households underwent significantly. This was also considered as another reason for why the nature of economics has undergone this change. However this reason is hypocritical as growth and trade of a nation are always influenced by the female agents of society. It was just the perception of social science being feminine in nature that led to this transmutation.

4. Feministic View of Post- Keynesian Economics

Post Keynesians base the entire concept of macroeconomic policies on the presence of contingency in the economic environment since the future is highly unpredictable. In 1982, Alan Coddington criticized this conceptual theory of unpredictability and radical uncertainty. According to Coddington, if private consumption is influenced by some uncertain or random variable in the economy, then the functionality of macroeconomic policies of the government gets hindered since the pre- conceived notions of policy functionality and multipliers fail. Why should the focus be only on private consumption? Private savings are a

straightforward determinant of private investments; hence private savings too, influenced by uncertainty affect the level of private investments altering the way consumption is done by the private sector. Thus the entire multiplier effect in the Keynesian ideologies and the policy functionalities are prone to high possibilities of failure.

Feminist economics provides a strong opinion in favor of post- Keynesian's ideologies of effective policy functionalities by including various core domains of an economy in every society. These include households and gender as the first is the sole deterministic of private consumption in quantitative sense and the latter influences the qualitative structure of private consumption. Usually in economic theory, household are considered different from families due to the perception that families are societal arrangements and hence not considered as economic agents. Though it will not be wrong to say that families in the core sense of the word is the social relationship between humans which are bearing some social positions but it is these social positions of humans which affect their consumption pattern. Therefore the families are the real determiners of private consumption in an economy since every economy is operating within a pre- existing society. Gender is considered as an identity given by biological nature as well as an identity of structural behavior formulated through societal nature, legal verdicts, general discourse and historical evidences.

The view of 'gender' definition as an identity of structured behavior is influenced by the actions performed by the human. The identity of a gender claims a set of consistent and recurring performative acts. The desire to perform within this pre- conceived set of behavioral acts or to perform in order to fulfill the responsibilities of a real social position in societal arrangements makes it significant to understand that how consumption patterns are dependent on gender identities. In real world sense, gender identity stabilizes the private consumption pattern as it is based on certain social arrangements. Stabilization of gender performances leads to stabilized consumption function in an economy.

Feminist economics defend post- Keynesian ideologies and provide an answer to Coddington's criticism of uncertain future by reconceptualizing the societal arrangements and variables of economic decision making. It is certainly true that whole idea of economic decision making undergoes a significant change in a world which is highly uncertain at every point of time in future. The question here arises that what determines this change in economic decision making. The major concern for every government is regarding the consumption patterns in the economy since these consumption patterns in turn affect the way a macroeconomic policy works. In order to have stable consumption functions, stability and instability of variables affecting consumption decisions are of great concern. These variables are none other than households and gender identities. Households and gender identities reflect the way society behaves appropriately and their performances in turn reflect the way an economy behaves. Therefore understanding of families (represented by households) and

gender identity structures solves the issue of highly unstable consumption function.

Consumption spending depends on every individual's desire to fit in an appropriate social position. For example, a woman has to behave emotionally, mentally and physically in a way which portrays her as a good mother, a good wife, a good sister and a good daughter. The relative importance of these social relationships makes a woman take consumption decisions in a prioritized sequential order. Similarly if a household is scrutinized as a family, results and analysis portrays how consumption decisions are taken by each family member to fit in each of their social positions. Therefore we can say that anything which stabilizes these social positions stabilizes the consumption function.

Even manufacturers target consumers based on their lifestyle, class, gender, race, financial status, etc by marketing different variety of products distinctively. Let's consider an example of Dabur India Limited, India's largest Ayurvedic medicine and natural consumer products manufacturer. Its processed juice brand, Dabur Real Fruit Juice branded itself as a juice brand which provides real fruit nutrients to people. Its marketing strategies always targeted on parental relationships and advertisements showed how good mothers are always concerned with their children's eating habits. They targeted women consumers which include mothers who want to provide preserved juices with real fruit's nutrients to their kids. Hence the consumption pattern of this particular product in an economy can be estimated in quite stable terms by being aware of the population statistics. This stability is not due to elimination of uncertainty from our considerations but because of societal constructions of behavior structures and their scrutiny.

So far, post Keynesian economics and feminist economics are considered two distinct fields of economics due to various reasons. Economists usually think post Keynesian economics deal with macroeconomic issues and hence there is no relation between the two as feminist economics is considered to be microeconomic in nature. However in reality, post- Keynesian economics deals with various microeconomic issues of individual's expectations, relatedness of individual's behavior without centralized directions, etc as well as feminist economics has also entered wider macroeconomic concerns of growth and overall economic gains among various strata of society. Moreover it is the belief that post- Keynesian school of thought revolves around the gap between rich and poor, growth models as well as financial crisis whereas feminist economics' school of thought reflects concerns for poverty, empowerment of different stratum of society, outlay of various classes, etc. These schools of thought are not mutually exclusive but interwoven and undoubtedly indissociable since as post- Keynesians believe that policy functionality depends on rumors, expectations and worker's perceptions, feminist economists believe that gender identities depend on general discussions and societal perceptions of the people. Any attempts to separate the two fields of study can invite criticism in great rife.

5. Conclusion

The paper shows how significant it is to unify feminism and economic theory. This is evident through the antagonism of Coddington's critique of post- Keynesian ideology of uncertainty. The given antagonism defended post Keynesian theory using components of feminist economics. Without consideration of feministic components, economic ideologies cannot be justified. At the end, unanimity of feminism and economics was also pragmatic by going back to ethically conceived economic activities pursued by women before and during the seventeenth century. The practices undertaken by matrons in that early age of economics (i.e. oikonomia) were considered morally and ethically justified. Every time the feminine characteristic of economics undergoes a bleakly state, the core of the discipline faces expostulations in abundance. Hence it is essential for each one of us to retain feminine characteristic of economics for better understanding and analysis of economic theory.

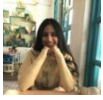
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