Is Capitalism Good for Women?

Ann E. Cudd
University of Kansas

Abstract:
This paper investigates an aspect of the question of whether capitalism can be defended as a morally legitimate economic system by asking whether capitalism serves progressive, feminist ends of freedom and gender equality. I argue that although capitalism is subject to critique for increasing economic inequality, it can be seen to decrease gender inequality, particularly in traditional societies. Capitalism brings technological and social innovations that are good for women, and disrupts traditions that subordinate women in materially beneficial and socially progressive ways. Capitalism upholds the ideology of individual rights and the ideal of mutual advantage. By institutionalizing mutual advantage through the logic of voluntary exchange, progressive capitalism promotes the idea that no one is to be expected to sacrifice their interests with no expectation of benefit. Thus capitalism opposes the traditional, sexist ideal of womanly self-sacrifice.

Keywords: Capitalism, feminism, ethics of capitalism, inequality, tradition, innovation

I. Introduction

In his seminal textbook, *Business Ethics*, Richard DeGeorge treats the issue of whether the capitalist system as a whole is morally acceptable as a fundamental issue of business ethics. (DeGeorge 1999) His interest in the morality of capitalism no doubt stems from his earlier research on Marx and Marxism, but he takes pains to frame the field in terms of the justice of the system of capitalism and the practices of business within the system. Capitalism, on his analysis, offers the great goods of freedom and efficiency, but also brings with it moral dangers that must be kept in check through government programs, namely inequality and indifference to those who cannot compete in the market well enough to provide for themselves. Neither capitalism nor socialism, he argues, are inherently immoral, yet capitalism offers more goods than socialism. Although business ethics has, for the most part, assumed the moral legitimacy of capitalism, a variety of criticisms have been raised to the system as a whole as well as to the morality of particular markets. We might call the issue of the morality of the capitalist system as a whole a

meta-business ethics question. In the spirit of Richard De George's meta-ethical investigation of capitalism, I pursue an aspect of this question of whether capitalism can be defended as a legitimate economic system, namely, 'is capitalism good for women?'

Capitalism is under attack from within and without. The financial crisis that began in 2008 reveals precariousness in the financial world that many political leaders and economists thought had been eliminated after the Great Depression. Critics of capitalism come from a variety of directions: concerns about the environment, world poverty, workers in the developed world who see their jobs being outsourced, worries about human trafficking and slavery. One of the most developed sources of criticism of capitalism comes from feminists who see capitalism as not only bad for the natural world and for the working class, but also as particularly bad for women. (Bahramitash 2005; Gibson-Graham 1996; Visvanathan, et.al. 1997) Feminists charge that capitalism inevitably leads to inequality, from which women suffer more than men. Socialist feminists offer a vision of economic democracy that they say will improve life for almost everyone, and particularly for women.

In a recent book (Cudd and Holmstrom 2011), I argued that capitalism has brought about great changes in the quality and length of human life in the twentieth century: the income takeoff (the vast increase of per capita income of developed nations), the health transition (raising the life expectancy by upwards of fifty years), and the fertility transition (from an average of 6 children per woman to around 2). In this paper I delve further into the question of whether capitalism is good for women. A major problem with capitalism is that it increases inequality, which is especially harmful to women and other vulnerable groups. Capitalism increases economic inequality in the first instance, but this in turn tends to create political and social inequalities. Inequality, I agree, needs to be controlled if capitalism is to be progressive and

defensible. I defend such a controlled capitalism in two ways that are particularly relevant to feminism as a progressive social movement for human freedom. First, capitalism promotes innovation: it promotes technical innovation that tends to improve quality and length of life for everyone, but particularly for women. But more importantly for the feminist defense of capitalism, it promotes social innovation, in particular the destruction of harmful, patriarchal traditions. Thus, the second defense I will make of capitalism is that it opposes tradition fetishism and reduces the oppression of traditional societies that impose hierarchies of gender and caste.

Capitalism is a system in which there are non-discriminatory, legal protections of decentralized, private ownership of resources, cooperative, social production for all citizens, and free and open, competitive markets for exchange of goods, labor, services, and material and financial capital. The first thing to note about this definition is that it implies the socially and governmentally sanctioned nature of the system. Laissez-faire capitalism is an unrealizable ideal that could never actually obtain in fact because for capitalism to even exist, let alone prosper, property rights need to be defined by a legislative body and protected by a police force. Markets require trust and security, such as can only be supplied by a relatively complex social system of rights, trust, and protection. (Anderson 2004)[1] Social, cooperative interaction is at the heart of the system, in both the creation of the social, legal infrastructure that frames economic production and exchange, and in production and exchange themselves. The second thing to note about this definition is that it emphasizes the competitive character of the system. Capitalism is a form of cooperative competition, a set of socially accepted rules within which players seek their best advantage, as they see it. Its normative value as a social system will depend upon both the rules that delimit the game and the values by which its players define their best advantage.

Finally, the third thing to note is that this definition does not specify how capitalism relates to the distribution of resources, since government or private charity can redistribute the outcome of production and exchange – but only to a point. Redistribution of goods that removes the ability or incentive for people to create firms and produce for exchange makes the system something other than and opposed to capitalism.

My view is that capitalism can be progressive toward feminist ends. This is a controversial view. I defend it by addressing two critical questions about capitalism. First, does capitalism bring about less oppression of women (and other groups) over time? This question can be asked looking backward and looking forward. Since I think that the answer is very clear looking backward that oppression of gender groups, racial groups, castes, and other groups is less now than before the advent of capitalism in the industrial revolution,[2] I will concentrate on two forward looking questions: (1) does capitalism better eliminate current oppression than any alternative economic system? (2) does the apparent increase of inequality under capitalism imply that it is a regressive social institution? To this second question I now turn.

II. The Inequality Objection

In our recent book, I argued that capitalism does not initially create oppressive conditions for race, gender, or caste groups, but that it can be seen as creating inequalities of wealth and income given the longstanding background conditions of oppression for those groups. What I meant by that is that capitalism exploits and then exaggerates existing inequalities. Absent those oppressive conditions, however, capitalism would still create inequality of wealth and income, and whatever moral or social inequality that follows from that. The inequality objection to capitalism is that the inequalities created by capitalism are inevitable and morally unacceptable.

To examine this objection, the first point to address is the degree to which capitalism inevitably promotes or creates inequality, while the second is the question of what constitutes morally unacceptable inequality.

Inequality is a relation between two subjects and with respect to some good. While a social system may reduce inequality with respect to some goods, or between certain groups or individuals, it may increase it with respect to other goods, and between some groups or individuals. The inequality objection to capitalism is that it increases inequalities of wealth and income between rich and poor countries and between individuals. This is not uncontroversial; the degree of inequality one finds depends on which countries one looks at and what time periods one considers. The matter of how one measures inequality of wealth and income is also the subject of controversy. Bob Sutcliffe and David Dollar are economists who argue on different sides of the inequality objection, but they agree on the following basic characterizations of economic inequality at present in the world. 1. Global inequality (among individuals throughout the world) has risen steadily over the past two centuries, but since 1980 has declined modestly; 2. Inter-country rather than intra-country inequality is the largest contributor to global economic inequality; 3. The growth of the Chinese economy since 1980 is one of the main explanations for 1 and 2. (Sutcliffe 2007; Dollar 2007) However, most of the growth of economic inequality is of the "flying top" form, that is, it is because of the increase in wealth and income of the better off, rather than a lowering of the wealth and income of the worse off. Secondly, those countries that have fared the worst over this timespan are the ones that have failed to develop a global capitalist economy. (Dollar 2007) Thus, capitalism creates economic inequalities, but mainly through its positive, wealth creating effects on countries that engage in global trade, and not by absolutely impoverishing individual citizens of capitalist countries.

But what constitutes morally unacceptable inequality? Goods that can be distributed unequally can be either rival or non-rival. A good is rival if its being enjoyed by one person precludes its enjoyment by another person. Status, political power and influence, and toothbrushes are all rival to some degree. It is perhaps arguable that any good that is both essential to well-being and rival ought, morally, to be distributed equally or at least in accordance with the difference principle.[3] But wealth and income are not necessarily rival; they are not rival if the total wealth is rising. Therefore increasing the wealth of some does not necessarily decrease that of others. So if capitalism simply raises some persons' wealth or income, while not decreasing that of others, then that inequality is not in itself morally problematic.

If inequality comes about unfairly, then that too is a reason for it to be morally unacceptable. Capitalism essentially creates economic inequalities because it distributes goods in markets, where trades take place because of differing levels of demand for goods and services. Those who bring highly demanded or relatively scarce commodities or skills to the market are highly rewarded, while those who do not possess those commodities or skills will not gain equal rewards in a system where people are free to make trades that satisfy their needs and desires.[4] This is a morally acceptable reason for inequality to be created, all other things equal. When inequalities are created by force or fraud, these are not justified inequalities. It is up to a society's government to determine through its laws and enforcement of those laws what constitutes force and fraud.

Critics of capitalism often conflate inequality and poverty, objecting to the inequalities that capitalism creates while citing statistics about the poverty of the global poor. Most proponents of capitalism will agree that severe poverty is not morally acceptable, although they

disagree about how to address the problem. However, most will argue that capitalism is the best means to address poverty because it is the best means for creating wealth. As we said before, capitalism creates inequalities through the differential demands for goods and services that create the very possibility of trade. Capitalism also promotes innovation as people compete to generate demand for their goods and services, and innovation increases the total wealth in the world. Since inequality is part of the explanation for innovation, inequality is even more morally acceptable.

However, things are not quite that simple, and the critics have a point when they decry inequality. First, inequalities of wealth and income cannot be separated from inequalities in political power and influence. Capitalism is an institutional system that sets the rules that structure markets, determine ownership rights, and provide legal enforcement of trade restrictions. The precise rules and the way that they are enforced can be shaped to favor one or another group or individual over the others. In this way it is similar to basketball, where allowing three points for long shots favors smaller players who are not large enough to compete favorably with bigger inside players but whose shooting ability from the outside makes them more valuable, or where rules against body contact are differentially enforced when the contact occurs inside or outside the lane, which favors larger players inside the lane and smaller players outside the lane. Rules governing capitalist exchange are determined both internally and internationally. As Thomas Pogge has pointed out, nations can determine whether a government of a country is the legitimate owner of its territory's resource, or it can declare it an outlaw government and prohibit trade or deny borrowing privileges. International trade is overseen by the World Trade Organization, which can rule certain trade restrictions acceptable and others unacceptable, and so benefit one group of producers, workers, and consumers or another. (Pogge 2002, ch.1)

Internally governments have even greater ability to determine ownership rights and influence trade. Thus, there is a great deal of political influence over the key determinants of capitalist markets, and therefore over individuals' wealth and income.

Economic inequality between individuals and nations creates differential influence over these governing institutions. Affluent countries and their corporations can influence the institutional rules of capitalism in a variety of ways. They can hire economists and lawyers to figure out what rules would benefit them, they can influence opinion through clever marketing of their point of view, they can leverage favorable agreements through exercising their bargaining power by refusing to make less favorable agreements which they can afford to walk away from, and they can simply bribe those in power to make the rules most beneficial to their businesses. Pogge writes: "Economic inequality matters insofar as it affects the design of the common institutional rules and the modifications of this design over time. The more inequality grows, the more the affluent countries and their corporations and individuals can shape the global rules in their favour, through their superior bargaining power and expertise." (Pogge 2007, 138) Thus economic inequality can bring about greater inequality, and so it is unfair.

Second, inequalities in wealth and income can create unacceptably unstable political situations that make everyone worse off. Even if the creation of inequality is morally acceptable in itself, gross inequalities cause great envy and frustration, which in turn causes social unrest, violence, and erosion of wealth. Furthermore, when people are desperate to gain wealth, no matter what the reason, they are more likely to engage in undignified or morally repugnant kinds of exchange. Women are most vulnerable to this both because they tend to be poorer and more desperate to ensure that their children are well fed, and because they are more likely to be made (and compelled to accept) undignified offers, such as surrogacy contracts or solicitations for

prostitution, or to be sold by relatives. This makes degradation a likely outcome of severe inequality, and makes it a specifically feminist concern.

Thus, to say that inequality only matters insofar as the poorest are absolutely poor is inadequate. Gross inequality is harmful not in itself but because it biases the rules in favor of the wealthy and to the detriment of the poor, and because it leads to desperation, degradation, and social unrest to the detriment of everyone. But to what degree should it be eliminated? If capitalism can help eliminate poverty, then we need to recognize that tradeoffs will be made between eliminating poverty and eliminating inequality. To eliminate inequality entirely is to eliminate capitalism and its benefits for the least well off. Institutional rules must be formulated that give the global poor a better chance to compete in the global marketplace in a way that both eliminates the worst poverty and reduces the most distorting inequality. Although the inequality objection does not rule out capitalism, in an enlightened capitalism inequality must be controlled.

Capitalism can be defended not only on grounds of poverty reduction and wealth creation, however. It is also embodies an important freedom, namely, the freedom to trade, and the freedom to choose one's occupation, where to live, and with whom to associate. To fully enjoy these freedoms, one needs to have adequate income and socially provided opportunities, such as educational opportunities and a vibrant economic environment where there are a variety of firms and service providers, and access to capital. These needs point in the direction of more capitalism to create wealth and encourage investment, but again, serious inequality will reduce the political power of the poor to ensure that the institutional rules allow them to capture enough of that wealth and secure adequate opportunities. To refine the balance that we need to strike between inequality reduction and wealth creation or poverty reduction, we need also to examine

the ways in which capitalism increases individual freedom to make such choices. In human history women's freedoms have been most curtailed in these ways.

III. Feminist defense of capitalism

While capitalism is often defended for its wealth creation or its promotion of freedom, it is not often seen as specifically promoting women's material well-being or freedom. The most important ways that women's material well being is promoted by capitalism is through innovations in technology that most improve the quality and length of their lives: maternal and infant health that increases life expectancy, birth control, and the technology that reduces women's domestic labor. Capitalism's most important form of freedom creation for women comes from its tendency to destroy or fundamentally transform traditional culture. By traditional culture I mean a culture in which social roles and relationships are determined by traditional rules and norms, and a person's place is determined by these rules according to their status at birth, and not by merit, desert, or personal preference. Tradition can be defined as the set of beliefs and values, rituals, and practices, formal and informal, explicit and implicit, which are held by and constitute a culture. Because tradition constitutes social meaning, though, it is the vehicle by which oppressive beliefs and desires are formed.

Our beliefs about value come largely given to us by our culture. We learn them as children from our parents and other significant adults, who in turn learned them from their parents and others. Traditional cultures habituate people to evaluate each other according to their given status. We rarely have reason to question the values we are given, and traditional cultures often enforce them on pain of ostracism or violence. The background beliefs we have are the

shared meanings of our culture, and they allow us to formulate the beliefs and desires against which some of the beliefs and desires can be understood and questioned.

Another way we learn values from our culture is through the status that is accorded to various occupations. In traditional cultures, religious leaders are the highest status persons in the culture. Religious traditions that keep women out of the priesthood, the clergy, or the rabbinate, etc. and thereby keep them from some of the highest status occupations of the culture teach us that women are less worthy than men. While traditional cultures also assign status to mothers, this is often the only form of status recognition available to women. But since there are many mothers and few religious leaders, motherhood is granted some respect and honor, but not authority, and the respect and honor are inferior to that available to men.

Religion constructs family life and justifies the roles of women and men within the family. Marriage is, in most cultures, a religious event first, and only secondarily a civil status. Marriage vows in Christianity require women to “honor and obey” their husbands, while not requiring obedience of husbands to wives. Muslim rules for women and men are also asymmetric and unequal, giving men the dominant status in public affairs. In Judaism, in all but the Reformed sect, women and men are likewise prescribed separate roles, and are unable to serve as rabbis. No major religion of the world, in all of its branches, treats men and women equally. Moreover, religions construct genders and sexuality, and exaggerate the distinction between the sexes.

Women’s desires have also been molded by traditional patriarchal cultures. One example is the *marianismo* woman, who is the counterpart of the *machismo* man, who believes women are morally and spiritually superior but that women should be submissive to men and that their superiority lies in their self-denial and self-sacrifice. (Stevens 1993) Thus, *marianismo* women

prefer their men to have more of what they want rather than the women's own (first order) preferences to be satisfied. Another example is African women who force their daughters to undergo genital surgery because they think that it makes them more beautiful and more acceptable to men who might otherwise choose not to marry them. In both cases women have desires that, when satisfied, help maintain the oppressive structures that caused them to have those desires.

In traditional cultures, religious institutions dominate and determine status, distribution of goods and labor, and other personal and collective rights. Religion also prescribes norms about what one can do and be, whether one can be seen without shame in public, and to whom one must subordinate oneself.[5] In dominating every material and psychological aspect of life, religions have the power to determine that a culture will be just or oppressive, at least adequately prosperous or desperately poor, egalitarian or hierarchical. Yet even when a traditional culture is oppressive, poor, and hierarchical, the favored group does well enough to want to maintain its position through its manipulation of the religion, and thus can be very stable and difficult to dislodge.

Women not only suffer from the psychological effects of lower status in traditional cultures. They are also worse off materially in traditional cultures as opposed to non-traditional, capitalist cultures in objective, measurable ways. Women in traditional societies have higher fertility rates and lower life expectancy. They suffer maternal mortality at much higher rates.[6] These countries are also poor, and while some (such as India) are becoming capitalist and beginning to change, they still harbor the strictures of tradition, where women are considered lesser beings, fed less, educated less, and not allowed the freedom of movement that men are. (Nussbaum 2000) Women in traditional societies also have much lower incomes than in

capitalist, non-traditional ones, and lower incomes relative to men. (United Nations Development Program 2007/8) The gender related development index (GDI) for traditional countries is much worse than for capitalist ones.[7] Women are less likely to be politically powerful. Generally speaking, life for women in traditional societies is nasty, brutish, and short.

Tradition is a bar to materially beneficial norms and practices that nonetheless reinforces and reproduces itself, and as such constitutes a fetish. Tradition is an object of unnatural attraction, which causes false beliefs about the relations among and values of persons. Saying that some practice is "tradition" is enough to justify it to members of traditional cultures, no matter how heinous, strange, or irrational it seems from the outside of the culture.[8] While the details of the argument differ for different cultures, there are commonalities. First, traditional cultures are dominated by religion. God and the religious hierarchy are paradigm examples of fetishes. Through them things and persons are evaluated in light of their religious values rather than for the real human needs they serve. Second, women's social roles are severely limited in traditional cultures, making them prime candidates for developing sour grapes type deformed preferences, that is, preferences for the very conditions that hold them down. Women, who are prohibited from holding the rank of priest (mullah, rabbi, etc.) are evaluated as lesser. In many traditional religious cultures women are regarded as unclean or at least as religiously inferior. This evaluation flows over into all aspects of life. The belief in the relevant god and the fundamentalist interpretation of the sacred religious text justifies and reinforces these evaluations. Since these beliefs are false (for all we know), formed under oppressive conditions, and reinforce women's oppression, they constitute false consciousness. Therefore, progressive feminist political transformation demands the overthrow or radical transformation of traditional culture.

Of course, not every means of overthrowing traditional culture is good. My claim is that capitalism can be a progressive way of disrupting tradition because of the goods that capitalism brings and the values it promotes. Capitalism opposes tradition by promoting innovation and freedom. First, capitalism by its nature directly promotes technical innovations that tend to improve quality and length of life, particularly for women. Innovation is the primary way that societies make material progress, and capitalism inherently provides incentives to innovate. With a fixed set of technologies, there can be only so much improvement of the productivity of labor, and resources become ever scarcer as they are exploited in production. At a certain point in the life of a given technology, profits become difficult to achieve through that technology. However, innovations allow new techniques and resources to be exploited; successful innovations are those that bring about great changes in the way things are made, information is transmitted and managed, people are transported, and generally in how life is lived. (Baumol, et.al. 2007, p.87)

Capitalism is the only system in which we see such rapid and revolutionary technical innovation, the kind of innovation that changes the way we live. Looking at the history of the twentieth century, for example, the only significant technical innovations made in non-capitalist countries were in government driven enterprises, mainly military defense. Confining innovation to such enterprises reduces the chances that there will be wholly new kinds of technologies since the number of areas that governments will concentrate attention on, even in a centrally planned economy, is lower than an economy driven by the variety of interests of private citizens. This is not to say that non-capitalist societies did not make improvements in technical efficiency; everyone knows that in fascist Italy the trains ran on time. But the kinds of technical improvements that tend to emerge from non-capitalist economies are of this minimally advancing type, and not the revolutionary type exemplified by the development of the

locomotive, the telephone, the automobile, the airplane, the television, the transistor, or the personal computer. Or, more to the point here, the clothes washing machine, the sewing machine, or the birth control pill.

Even more radically, capitalism also indirectly promotes social innovation, in particular the destruction of harmful, patriarchal traditions. By promoting transportation of people, ideas, and things, technical innovations create rapid social change. Capitalist development tends to bring women out of the home and into public life in the marketplace by making their labor outside of the home more valuable than it is within. Capitalism exposes women and men to new ideas through the vast mixing of persons, different cultural practices, and things. Capitalism reduces the oppression of traditional societies that impose hierarchies of gender and caste. Those who want to maintain traditional cultures must fight against the inevitable tendency of capitalism to stir things up.

Many cultures today stand at a crossroads, where they may continue with traditional, religiously infused cultures or allow capitalism to change their cultures beyond the point of return. Capitalism forms this sort of watershed for many traditional cultures because it introduces beliefs and desires forming mechanisms that disrupt the tradition fetish, and because it introduces its own form of fetishism of commodities that can take the place of the traditional one. Capitalism offers not only a new way of transacting, but also a different way of seeing the world.

Capitalism offers four mechanisms for overthrowing tradition, and forging a path to end patriarchal oppression of women. Materially, capitalism subverts traditional forms of deformed desires and false consciousness by offering options that expand opportunities for women. By offering jobs and wages to women, capitalism offers women an opportunity for activities outside

the home and for income that opens other doors. In some developing countries, mainly those where men's human capital is relatively low as well, women will immediately compete with men for equal wages. This gives women greater bargaining power within families and communities, and thus a greater ability to resist violence and exploitation by men of their community. Capitalism also offers the option for women to become entrepreneurs and thus their own bosses. The Grameen Bank founded by Yunus Muhammad and its many offshoot social enterprises provide concrete evidence that this is a real option for women in the developing world. (Muhammad 2007)

The second mechanism capitalism offers to overthrow traditional culture is the ideology of individual rights, which can be adopted by women to disrupt the traditional gender ideology. (Gordon 1996) Capitalism derives its prime justification from the maximization of individual liberty, and capitalist societies promulgate the ideology of individualism, which helps to break down patriarchal and sexist norms and practices of traditional cultures. A good example of this is the resistance to contraception and the forbidding of abortion common in traditional cultures. Capitalism directly provides incentives to fight against this resistance by making children less valuable as uneducated, unskilled laborers and more valuable when educated and raised to adulthood before going into paid employment. Capitalism also indirectly incentivizes having fewer children by allowing families to afford nutrition and health care, and thus improving health outcomes, of infants and children. Even in capitalist societies women and men must struggle against the forces of tradition to preserve women's rights to reproductive and bodily autonomy. The ideology of individualism which capitalism reinforces and relies upon helps women and men to see women as valuable *in themselves*, and not only for the subordinated social roles that they fulfill. At the very least they are consumers who have their own preferences and tastes that

the market attempts to satisfy. But capitalism is also part of the liberal worldview, which values individuals and individual autonomy above all else. Once the ideology of individual rights becomes widely known and discussed, the false beliefs of inferiority of women can be challenged and countered, and this in turn challenges evaluations of women as inferior.

Third, in promoting free market exchange, capitalism promotes the idea of mutual advantage. Adam Smith's notion of the invisible hand is one original formulation of this idea. In capitalism, each person pursues their own advantage and the advantage of the group arises. Another formulation of the idea of mutual advantage comes from the idea of a positive sum game, in which all the players may gain at the same time. By playing by the rules within a suitably constrained and monitored system, each one can strive to achieve without depriving others. Mutual advantage opposes the notion that women should sacrifice their own interests for the sake of others without any expectation of benefit. (Gauthier 1986) In this way, capitalism enshrines the idea of equality in market exchange itself.

Finally, because capitalism promotes innovation, capitalist governments and firms promote science as a path to technical innovation. Science offers a means for critical analysis of beliefs, and hence a way to uncover and debunk false consciousness.[9] In the quest for a creative, innovative workforce, successful firms seek out highly educated individuals and individuals from widely varying backgrounds. If a society is to support such innovation, it needs to support the education of individuals from all walks of life in order to maximize the potential for finding the uniquely creative individuals who will invent new technologies and new forms of life. But an inevitable by product of such broadly distributed education will be the creation of individuals capable of critical thinking, who question the fetishes of the current generation. In this way capitalism creates the conditions for trenchant critiques of capitalist fetishes, as well.

Other alternatives to capitalism, such as economic democracy or market socialism, could also provide an alternative worldview to traditional culture. But they are less likely to be successful in bringing about oppressive conditions for women. Although they offer mechanisms for change, they are less likely to be effective because they do not incentivize innovation. First, market socialism may offer jobs to women, but would have to coerce tradition bound women to take them. Capitalism offers incentives to them and their menfolk that will entice them to make small changes for their material well being that will ultimately lead to large changes in their self image and aspirations. Market socialism requires a top down imposition of that changed self image if it is to end women's oppression. Second, market socialism would substitute communitarian values for liberal ones, but communitarian values are not fundamentally opposed to traditional cultures. Finally, economic democracy in a traditional society is unlikely to support science, but even if it does, market socialism's incentives to innovate are meager and spread over an entire community, not offered to individuals. Yet it is ultimately individuals who must be the innovators.

IV. Progressive capitalism

A progressive capitalism must encourage technological and social innovations that end women's oppression, yet reduce the evils of economic inequality that tend to maintain an unfair balance between the rich and the poor. The debate over capitalism and socialism is often so polarized that it either denies the connection between capitalism and innovation, or denies or ignores the moral traction of the economic inequality objection. Yet I believe that there is a vast middle ground between the extremes of the neoliberal capitalism promoted in the 1980's by Margaret Thatcher or Ronald Reagan, and the radical vision of economic democracy that

eliminates private ownership of capital. In this section I will outline the elements of a capitalism that speaks to both motivations: innovation promotion and inequality reduction.

Recall that a capitalist system is a system in which there are non-discriminatory, legal protections of decentralized, private ownership of resources, cooperative, social production for all citizens, and free and open, competitive markets for exchange of goods, labor, services, and material and financial capital. The requirement that the system be non-discriminatory can be defended on purely economic grounds, namely, that extra-economic discrimination is inefficient. Progressive capitalism not only ought to enforce non-discrimination, but for the same reasons it ought to discourage workforce segregation. Only when all persons, regardless of their attributed status, can participate freely in market interactions are those markets free and also efficiently exploiting the talents of all individuals. Thus, progressive capitalism will also avoid segregation, and use government to provide incentives to integrate the workplace. This is especially important for women because we have found that even when discrimination is overcome, segregation remains a key force in the economic subordination of women. (Bergmann 2007) Progressive capitalism works to reduce discrimination against women and integrate women and men, and all races and ethnicities, in the workforce.

In my discussion of economic inequality, I argued that there are three reasons that inequality is morally unacceptable: 1. its tendency to unfairly influence political decisions in the favor of the rich; 2. its tendency to make people desperate enough to make degrading contracts and 3. to commit acts of violence and social unrest. Progressive capitalism must work against these tendencies to the degree that is possible without eliminating the motivations to technological and social innovation that makes it progressive.

To combat the first of these reasons the most important changes to make are political, not economic. A progressive capitalism must exist within political institutions that equalize political influence. The rich influence political decisions in four ways: they figure out what rules would benefit them; they influence opinion through clever marketing of their point of view to decision makers; affluent countries leverage favorable agreements through exercising their bargaining power by refusing to make less favorable agreements which they can afford to walk away from; and rich corporations simply bribe those in power to make the rules most beneficial to their businesses. Governments can counteract these by subsidizing independent economic and political research on the effects of economic policy on economic inequality and laws that prohibit political marketing of particular economic and political decisions. Likewise, the global economic governing institutions can institute rules that penalize affluent countries that attempt to use their market power to influence rules in their favor. These institutions can instead attempt to maintain equity and impartiality in the rules that make the global economic game one where the smaller players as well as the bigger ones are equally valuable to the overall game. These measures are not likely to kill the motivation to innovate because they simply make competition fairer. In doing so, they give ever more potential competitors incentives to innovate.

If the rules are more impartial, then there will be fewer desperate individuals or countries. Those that remain should be prevented from making degrading contracts, such as prostitution, slavery, surrogacy contracts, or selling their children into bondage. Societies need to debate to decide what sorts of contracts they deem to be unacceptable. At the same time they need to ask what sorts of acceptable economic tradeoffs are beneath dignity. For instance, is it acceptable for women to feel forced into a decision to end a pregnancy because they cannot afford another child, or should society provide adequate means for her to raise the child in a dignified manner?

To the extent that such decisions are economic, they need to be included in a progressive capitalist society's decisions about what contracts are beneath dignity.

Desperation also can lead to social unrest and violence, but progressive societies must not be held hostage to this fact, or there will be a tendency for violence to take the place of either civil debate or constructive competition. If that happens, then bullies will rule, and this will not be good for anyone other than the bullies. To avoid this, a progressive society needs to ensure that none of its members fall beneath a floor of economic well being, beneath which there is no possibility of social mobility. Progressive capitalist societies will privilege investment in young individuals as social support. For example, public education for all and nutrition and health care for children whose parents cannot afford them are the kinds of investments that pay off in the future by creating more and better cooperating members of society. Progressive capitalism will also tax inheritance highly and use those taxes to ensure both the educational opportunities, and health care that will allow persons to make optimal use of their opportunities.[10]

The amelioration of inequality, when improves capacities of individuals to participate in market interaction, can be defended to the affluent on the grounds of improving mutual advantage. Schooling that enables as broad a portion of the population as possible to become innovators and critical thinkers will improve the benefits of market interaction for all. Thus, progressive capitalism will provide the means for all children to be able to participate in market interactions, and for all qualified students to continue their education at higher and higher levels.

Provision of social services requires taxing the existing firms and individuals at progressive rates so that the taxes themselves do not favor the rich. However, if they are differentially taxed, the wealthy may be less inclined to innovate or to start businesses. At what point does social provision of public goods such as education and health care become too great,

and encroach upon the entrepreneurial spirit of capitalism, and dampen its tendency to innovation? As potential entrepreneurs and innovators see the value of bringing in more potential social cooperators, they will presumably resent taxation less, and be more self motivated to engage in these activities. Social problems may create their own incentives to innovate. And as society becomes more economically equal, lesser absolute entrepreneurial premiums will be relatively larger. Thus, technical and social innovation can continue in a progressive capitalism. But the balance point is admittedly mysterious and path dependent. Given the many social, ecological, and health challenges that humans face, it is crucial that society not stall the engine of innovation.

By promoting innovation and embodying the ideology of individual rights, capitalism opposes oppression. Progressive capitalism self-consciously exploits this connection of individualism and opposing oppression. Furthermore, it does not align itself with individuals or groups that oppose individual rights, not only to preserve the ideological connection but also to promote the ideal of mutual advantage, on which capitalism thrives. By institutionalizing mutual advantage through the logic of voluntary exchange, progressive capitalism promotes the idea that no one is to be expected to sacrifice their interests with no expectation of benefit. As an opponent of oppression, progressive capitalism quite naturally aligns itself with feminist political transformation.

Notes

[1] Anderson argues that capitalism has become less and less laissez-faire, changing over time because of its own internal dynamic, which tends to increase everyone's preferences and expectations for rights and freedoms.

[2] I have in mind here primarily the progress in overcoming oppression of gender and race that has happened in the West since the 18th century. However, I argue below that as capitalism and global trade spread, this lessening of oppression takes place throughout the world.

[3] This is a radically egalitarian principle, which goes beyond what is required by the difference principle, which only requires that the worst off be made better off by tolerating the inequality. Rawls includes in his list of primary goods mainly goods that are not rival, with the possible exception of wealth and income (when overall wealth is falling).

[4] I am not referring here to perfectly competitive markets, where profits are driven to zero by competition, and where there are no monopolies. In actual capitalist markets there are often goods that are much more highly valued than any substitute, such as exceptionally talented individuals, like Wilt Chamberlain, whose services effectively constitute a monopoly and therefore command a very high price. I thank Tom Donaldson for helping me to clarify my point here, even if he does not agree with the claim.

[5] I don't wish to get into a debate about whether some local understanding of a religion is a "true" or authentic interpretation of a religion. Since religions are all artifacts, there is no reason to think of some interpretations as made up while others are real or true. Religions differ greatly on how women are treated, and some progressive religions have developed to eliminate sexism from their origins in some more fundamentalist type.

[6] As of 1983 one estimate suggest that about 500,000 women died each year in childbirth, 494,000 in developing countries. The highest rates occurred in Africa (70 per 10,000 births in Western Africa) and Southern Asia (65 per 10,000). Continued high fertility, with its age and parity hazards, the low status of women in some developing countries, and the continuing use of untrained or poorly trained birth attendants seem to be the leading factors behind these levels. See Riley 2001, p.115.

[7] The Gender related Development Index (GDI) takes account of statistics that measure length and health of life, education, and standard of living, and discounts the scores according to the gender inequalities in the statistics. On this index, the North American and European countries do much better than wealthy oil exporting but traditionalist countries like Oman or Saudi Arabia. (United Nations Development Program 2007/8b).

[8] This is true of traditions within non-traditional cultures as well. Consider fan rituals among sports fans worldwide.

[9] Longino (1989) shows how science can achieve objectivity procedurally through openness to criticism. Because capitalism essentially involves a similar kind of openness to competition, it is a similar constant evaluation and sifting of ideas. Although not in the service of truth, it seems to me that true beliefs may be a happy by-product of the competition of ideas.

[10] Progressive capitalism may turn out to be similar to what Rawls called "Property-owning democracy", but this is not to be confused with liberal socialism or economic democracy. A property owning democracy seeks to level the playing field for individuals by getting rid of the advantages provided by inheritance, biases in the political system when wealth can buy influence, and unequal educational opportunities, but then allows capitalism to determine the distribution of wealth, and individuals to control the firms they own. See O'Neill (2009).

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