

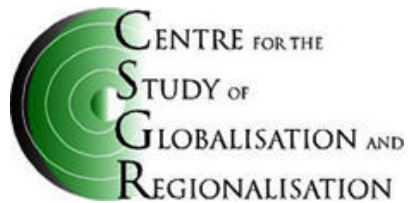
**“Gendering International Political Economy”**

C Hoskyns and S Rai

CSGR Working Paper No. 170/05

May 2005

THE UNIVERSITY OF  
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# Gendering International Political Economy<sup>1</sup>

Catherine Hoskyns and Shirin M. Rai

University of Warwick

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## Abstract

In this paper we argue that the gap between economic analysis and the rest of human life needs to be explored and bridged. The difference in economic criteria being applied to our life-worlds is often justified by the statement that economic analysis is only attempting to explain a certain part of life – albeit an important one. The danger is that this artificial separation allows distortions to creep in because in the real world issues to do with ‘body politics’, and social reproduction more broadly, permeate economics as well as all other aspects of life. International Political Economy (IPE) has sought to bring together the study of states and the study of markets in a global context. What needs doing now is to extend and transform the scope of IPE by incorporating the study of households and the function of social reproduction centrally in the analysis. In dealing with gaps and dissonances, feminist and gender research provides cross-disciplinary analysis and targeted research tools, addressing, in particular the issues arising from the unequal structural position of women and men in social and economic spheres. This kind of research has also opened up certain concepts, for example, production and the market to political scrutiny and demonstrated how these re-conceptualised elements, together with new concepts like social reproduction and the care economy might be integrated into mainstream political economy both at the theoretical and policy levels (Elson, 1995). In this paper we explore these issues in more detail. This involves establishing the dimensions of the problem, as demonstrated first by the way in which IPE and other related disciplines continue to marginalize rather than incorporate feminist work, and second by the treatment in mainstream economics of the role of the household. We go on to set the problem in its global context, examining the decline of ‘embedded liberalism’, the rise of the competition state and the implications of this for women. We then look at the debate on these issues in both its structural and post-modern forms and how this throws light on contemporary situations. . Finally, we present an alternative conceptualisation, which gives equal weight to the domestic, market and state spheres and suggest two different ways in which the incorporation of the domestic into the international political economy might be theorised. In all of this, we are interested in solutions, which have resonance in both South and North and help to reveal the structural links between them.

Key words: gendered international political economy, social reproduction, markets, national accounting, domestic economy, state, women's work

### *Address for correspondence:*

Shirin Rai  
Dept. of Politics and International Studies  
University of Warwick  
Coventry, CV4 7AL  
Email: [Shirin.rai@warwick.ac.uk](mailto:Shirin.rai@warwick.ac.uk)

Catherine Hoskyns  
CSGR  
University of Warwick  
Coventry, CV4 7AL  
Email: [c.hoskyns@coventry.ac.uk](mailto:c.hoskyns@coventry.ac.uk)

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We want to begin with a story from the journal *Feminist Economics* (Christensen 2001).<sup>2</sup> This concerns an American economic historian, Donald McClosky. In his professional life, McClosky was a follower of the Chicago School, a believer in rational choice theory and cost/benefit analysis. Unbeknown to friends and colleagues, however, he had since his teenage years been a cross dresser, a closet transvestite. In the mid-nineties, he decided to go one step further – to have surgery and become a woman, renaming himself, Deirdre McClosky. After the change, she was asked whether this decision had been a rational choice and what the cost/benefit had been. She apparently replied: ‘It was identity stupid, not cost and benefit’. People (particularly women) wondered after this if she would alter her economic prescriptions but initially at least she remained equally hard-line, becoming what the Americans call a ‘free market feminist’. However, more recently a modification in her attitudes has been evident, towards a greater concern with societal factors in economic analysis.<sup>3</sup> Though one cannot say for certain that Donald McClosky would not have made a similar transition, it remains likely that being a woman, and the interaction with women that the publicity around the change entailed, helped to bring these somewhat different concerns to the fore.

This story shows, and Deirdre McClosky clearly recognised this, that quite different criteria are used in life-shaping decisions than are applied in economic analysis. It is this gap between economic analysis and the rest of human life that we, together with other feminist scholars, are seeking to explore and fill. The difference in the criteria being applied is often justified by the statement that economic analysis is only attempting to explain a certain part of life – albeit an important one. The danger is that this artificial separation allows distortions to creep in because in the real world issues to do with ‘body politics’, and social reproduction more broadly, permeate economics as well as all other aspects of life.

International Political Economy (IPE) has sought to bring together the study of states and the study of markets in a global context. While some work has been done within IPE on deconstructing markets, the household and the state as key economic spaces, the insights that have been developed through doing this have remained largely marginalized.

In dealing with gaps and dissonances, feminist and gender research provides cross-disciplinary analysis and targeted research tools, addressing in particular the issues arising

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<sup>2</sup> We are grateful to Stephen Broadberry for additional information on the McClosky story.

from the unequal structural position of women and men in social and economic spheres<sup>4</sup>. This kind of research has also opened up certain concepts, for example, production and the market to political scrutiny and demonstrated how these re-conceptualised elements, together with new concepts like social reproduction and the care economy might be integrated into mainstream political economy both at the theoretical and policy levels (Elson, 1995). One key concept developed by feminist political economists that is at the heart of further conceptualisations of the economy is that of social reproduction. Social reproduction can be defined as including the following elements:

biological reproduction

provision and maintenance of labour

social provisioning, including care of children and elderly

unpaid production in the home

the reproduction of culture, ideology and values

the provision of sexual services.

These are all elements contributed to the economy and to society in general by the household and the community.

In this paper we explore these issues in more detail. This involves establishing the dimensions of the problem, as demonstrated first by the way in which IPE and other related disciplines continue to marginalize rather than incorporate feminist work, and second by the treatment in mainstream economics of the role of the household. We discuss by way of illustration the definition of production in the Survey of National Accounts. We go on to set the problem in its global context, examining the decline of 'embedded liberalism', the rise of the competition state and the implications of this for women. We then look at the debate on these issues in both its structural and post-modern forms and how this throws light on contemporary situations. . Finally, we present an alternative conceptualisation, which gives equal weight to the domestic, market and state spheres and suggest two different ways in which the incorporation of the domestic into the international political economy might be theorised. In all of this, we are interested in solutions, which have resonance in both South and North and help to reveal the structural links between them.

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<sup>3</sup> See, for example, Deirdre N. McCloskey (1998) 'Bourgeois Virtue and the History of P and S' *Journal of Economic History*, 58/2, pp. 297-317.

<sup>4</sup> Some definitions may be useful here. In the context of this work we see gender as a framework for analysis, a perspective through which to examine material. It is also relational, examining the relations between men and women and the contexts in which these take place. Feminism on the other hand refers to a politics of women's emancipation. You can therefore have feminist gender research, which we hope this is, but you can also have gender research, which is not feminist.

## **The Problem**

Development Studies, International Relations (IR) and IPE (the subject areas we are most concerned with) continue overall to marginalize feminist and gender perspectives. At present there maybe one gender chapter in an IR or IPE book or one volume in a series but these contributions are not on the whole engaged with or incorporated. Where gestures are made they are towards outcomes (the effects on women) rather than on process (how these effects come about).

This is despite the fact that feminist research is increasingly producing rich and relevant material, which has both analytical and empirical significance. For example, production chain analysis of the global firm has come under critical scrutiny by feminists. It has been argued in mainstream analysis that a new model of economic development has emerged under the disciplinary restructuring of the 1990s, which is based upon the way in which transnational firms are situated within global value chains (UNCTAD, 1992). This development model sees transnational corporations (TNCs) competing to occupy the core position with their respective global value chains. This makes small and medium enterprises (SMEs) and micro-businesses a vital part of the chain and a key element in the restructuring of the world economy. Such a conceptualisation of global value chains, however, is built on and prioritises business led concerns and pays little attention to the human conditions upon which these chains are built. Feminists, on the contrary, have taken the latter as their starting point to reflect upon both the constitutive nature of women and child labour in these value chains as well as the impact that these new forms of production have on the lives of the poor. They have produced empirical evidence by studying, for example, Valentine Day production surges in the flower industry of Columbia and the resulting intensification of the exploitation of women during this period (Barrientos, 2000). And they have campaigned – the Clean Clothes Campaign - to oppose the deteriorating conditions of work for poor women in the textile industries across Southeast Asia (Women Working World Wide) Through these studies and campaigns, they have produced rich empirical evidence that suggests that the dependence of SMEs on TNCs and on the global value chain results in degraded conditions of life for poor women, men and children in the third world, but that men and women continue to be positioned differently within these exploitative economic structures. This gender aware analysis is not simply an analysis of the way the firm is changing but is also an analysis of power shifts in the world economy. It helps us see who is doing and getting what – who produces and who benefits - and where the points of interventions might be.

Another example would be the feminist work, which links the sex economy and assumptions about gender to the particular shape of the so-called 'Asian miracle' and to the Asian financial crises of 1997/98. (Truong 1999; 2000) This highlights the extent to which the domestic sector expands in times of financial crisis and the strain, which is then placed, on social provisioning and gender relations. In tracking the circulation of money in East Asia, and in particular the Philippines, Truong shows the way in which remittances from (mainly women) working overseas have been used to repay government debt. So money earned through caring enters the financial system without the activity itself being properly valued and incorporated. The effect of this study, as the one before, is to show that bringing in the human element and focusing on women alters perceptions of economics and economic activity.

Mainstream economics takes the household seriously as a centre for consumption (and sometimes production) and as the place where decisions are taken about savings, investment and credit. But the household has traditionally been seen as unitary and as a single decision-making centre, with attention focused on decisions which affect market involvement. This has obscured differences and relationships within the family, particularly those based on gender and age, and the role of non-market activities. More recently, in the interests of making development aid more effective, greater attention has been paid to the household in developing countries. A World Bank report in 1990, for example, pays considerable attention to the household economy and to the sources of income, assets and transfers within the family. Strikingly, however, social provisioning (here defined as 'child rearing, family health care etc.') is referred to as a closed loop. This leads nowhere and seems to have little effect on other activities.<sup>5</sup> (See Fig. 1, p. 18; World Bank 1990:40).

Over the last ten years, in work in microeconomics, again mainly development oriented, attempts have been made to produce models, which disaggregate the family and measure the differential effects of economic change on family members. Feminists have been at the forefront of this highlighting the need to take account of unpaid work and family provisioning in any analysis of this kind. Attempts have also been made to use a wider range of indicators (including experience of violence and mental disorder) to measure effects (Mukhopadhyay &

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<sup>5</sup> It has been pointed out to us that this representation is untypical and has largely been superseded. More up to date representations would see the circle of activities deemed social provisioning as having a multiplier effect, in that they stimulate greater activity in other parts of the system. We are glad to hear this but none the less regard the closed loop definition as highly significant and as symbolic of a larger truth which has been by no means superseded.

Sudarshan 2003). Time use studies and ways of estimating value are also being developed to measure activities in the home (Ironmonger 1996, 2000). Though there is now a greater acceptance in economics of the need to disaggregate the household as a unit of production, consumption and exchange, the challenge is to use this not only to examine effects but also to change the conceptualisation of the macroeconomic frameworks, which result in particular policy outcomes.

Neo-classical economists have not ignored the household and indeed provide some insights towards its place in the political economy of capitalism. Becker, for example, defines the family as a firm in which time is allocated according to the criterion of maximization of utility at the margin, given the constraints of time and income. According to his view, the family/firm differs from the firm within the public field of economy because it is essentially altruistic in nature and allocates resources, albeit within structural constraints, to the benefit of the collective (family members) (1960, 1986). This analysis is deficient in many respects<sup>6</sup>. As Picchio argues, it “is generally based on the denial of the specific nature of labour as a commodity – and in particular on the specificity of its process of reproduction and its political implications” (1992:107). Further, it also denies the huge contribution made by women through social reproduction as a percentage of the gross national product of economies (calculated as between 30 and 40 percent) and ignores the key link between social reproduction and production (Goldschmidt-Clermont, 1982 in Picchio, 1992:108).

### **Accounting for Change: The United Nations System of National Accounts (UNSNA)**

This denial is well illustrated by the history of and debates surrounding the UN System of National Accounts.<sup>7</sup> When discussing why household activities should not be included as part of production (i.e. should fall outside the production boundary) the most recent report (1993) comments as follows: “...the reluctance of national accountants to impute values for the outputs, incomes and expenditures associated with the production and consumption of domestic and personal services within households is explained by a combination of factors,

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<sup>6</sup> Amartya Sen, for example, has argued that the family was not, as Becker had delineated, an altruistic space of harmonious distribution of resources, but a deeply contested space where women suffered due to the patriarchal social relations obtaining within the home and in the public sphere. The quality of life of women and girl children within the family was therefore far worse, and more iniquitous than Becker's altruistic model had recognised ( Sen, 1999:189-203).

<sup>7</sup> The System of National Accounts (authorised by all the major international organisations) sets out by common agreement how national accounts should be constructed across the world. Important here is that it sets the 'production boundary' namely what activities should be regarded as part of production and what not. For our argument the fact that domestic services lie outside is particularly important, although as suggested above the

namely the relative isolation and independence of these activities from markets, the extreme difficulty of making economically meaningful estimates of their values, and the adverse effects it would have on the usefulness of the accounts for policy purposes and the analysis of markets and market disequilibria...” (p.125). Given this traditional drawing of the production boundary, Picchio concludes, “if the reproduction of labour is re-introduced into the economic analysis, a desperate effort must be made to reconcile its problems with the reductive analytical methodology [used by neoclassical economists]”. An example of such methodology, which sets narrow perimeters and allows no new questions to be posed, is given in the SNA. The authors of the report worry that any imputation of value to domestic labour would “have unacceptable consequences for labour force and employment statistics...If that boundary [of production] were to be extended to include the production of own-account household services, virtually the whole adult population would be economically active and unemployment eliminated”. As Marilyn Waring argues in her seminal work ‘If Women Counted: A New Feminist Economics’ (1988): “...if national accounting provides factual information (and that is debatable) then the facts are highly selected. And they are highly selected in a way that predetermines public policy. The information is not collected for what it might teach us but to further the ends for which the methodology was devised” (p. 49). While statisticians and economists see the SNA as neutral accounting of production and consumption of value in the national economy, Waring clearly sees the accounting system as a political tool in the hands of the dominant gendered elites.

In response to some of these pressures, the 1993 SNA report recommended that national statistical offices prepare accounts for economic activities outside the production boundary, as currently defined. These ‘Satellite’ accounts, as they were called, could include measurement of the use (depletion) of natural resources or the extent of economic production by households. Though a variety of methods have now been developed to measure household production, this possibility does not appear to have been widely taken up and is certainly not well known. The SNA is due for revision in 2008. The issue of extending the production boundary to domestic services is apparently not on the agenda, though some environmental accounting may be.<sup>8</sup> As Waring points out, the SNA is not a neutral instrument, it responds to the policy requirements of governments. Giving value to social reproduction and including this in mainstream national accounts would be regarded as highly destabilising. Though there clearly are conceptual and measurement difficulties – these are not insurmountable.

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1993 report (the most recent) does feel it necessary to explain why this is so. For a feminist history of the SNA see Waring, 1988.

<sup>8</sup> Information from Mr. Kishori Lal, former director general, System of National Accounts, Canada, April 2005.



The debate on accounting for women's work in the international systems of accounts suggests that these systems reinforce rather than diminish the separation between the economic and the social, between macroeconomics and its social consequences. As we have seen above, this separation reduces the complexity of the broader analysis and enables economic policy makers to state that gendered concerns are 'irrelevant' or reflective of 'special interests'. Our aim is to reveal how gender is embedded in the processes and discourse of IPE (and of neo-liberalism its main object of study) and to identify the building blocks for an alternative and more inclusive analysis. This work has now to be undertaken in the context of intensified globalisation, which is currently a major concern of both development studies and IPE.

### **Intensified globalisation**

Our approach to globalisation can be summarised as follows:

'Globalisation represents a distinctive expansion of capitalism. Capitalism is not simply, upon our reading, an economic framework, but a set of gendered social relations, which is reflected in and structures the way we produce and exchange goods and services as well ideas and ideologies. The effects of globalisation are uneven and fragmentary and set up profound contradictions and counter movements which create possibilities for resistance.'

At the global level, the discourse and practices of neo-liberalism are dominant which has meant a process of deregulation and regulation, which acts to confirm rather than control the expansion and spread of capitalist relations. In this process, existing forms of social order (including gender orders) are being overturned.

The post second world war period can be seen as one where trade liberalisation was balanced by the capacity of states to mediate the social effects. The background circumstances, which made this balance necessary, were the financial crises of the thirties, the emergence of the Soviet Union and the degree of popular mobilisation after the war. Trade liberalisation could only be introduced if its social consequences were mitigated (Ruggie, 1982; Rosenberg 2003). These developments were prefigured in the Keynesian model where it was seen as appropriate for the state to mediate between capitalist production and social reproduction in new ways. Keynes recognised "the possibility of involuntary unemployment, the role of wage-earners' consumption in the realization of profit and the institutional rigidity of money

wages” and advocated “social policies involving the state as an adjustment mechanism between production and reproduction” (Picchio, 1992:119). While the application was uneven, welfare reform took place in most European countries after the war, alongside the first measures to liberalise trade through the General Agreement on Tariffs and Trade (GATT). John Ruggie, referring mainly to Europe and North America, characterises this period as one of ‘embedded liberalism’. (Ruggie 1982).

In some post-colonial states also we see the reflection of Keynesian solutions to stable economic development. One could argue that there was some spin off from these ideas in the early rationalisations for ‘the development state’ in countries such as India and Tanzania (Nehru 1990; Nyerere 1973). The role of the state in India, for example, was key in the development of ‘the commanding heights of the economy’, which resulted in a particularly masculinised heavy industry based development model. While the state saw its economic role as critical for India’s modernisation, it also occupied the political space of mediation between class interests by introducing minimal social protection through provision of health and education at a rudimentary level, and the supply of cheap food to the urban poor by means of an extensive subsidised food delivery system. (Bardhan, 1984; Chakravarty, 1987, Desai, 2005)

This balance and mediation, where it existed, has been breaking down since the seventies. The reasons are much disputed but on our understanding they lie somewhere in the combination of:

- Social conflict and the breakdown of the ‘Fordist’ model in the developed world, and
- Rising consumer and life expectations combined with restraints on capital accumulation in the developing world

The resulting characteristics, now in the context of the collapse of the Soviet Union, are well known:

- Increasingly globalised capital accumulation
- The search world wide for more compliant and ‘flexibilised’ labour
- The application of liberalisation and privatisation to a new range of activities

These overall characteristics have been termed ‘disciplinary neo-liberalism’, the principles of which are being, to use Stephen Gill’s term, ‘locked in’ at international level through

regulatory systems and institutions,. These are together referred to as ‘global governance’. Countries and populations are increasingly (but unevenly) feeling the ‘unmediated effects’. The result is a global economy with a fragmented political system with states becoming more concerned to attract foreign investment and provide a compliant labour force than to sustain their own citizens. This has been described as the competition state replacing the welfare or development state (Strange (1995: 55-74). States are losing their mediating role. Others, like Cox have argued that what we are witnessing is not the demise of the nation-state but its ‘internationalisation’; not its destruction but its transformation. In brief, Cox argues that from being bulwarks against the global intrusions into national economies, today’s states are becoming mediators, adapters and negotiators within the global political economy. To perform this changed role they have to reconfigure the power structures of government, giving, for example, far more emphasis to the role of finance and trade in economic regulation than to industry and labour. The state’s role, therefore, becomes one of helping to adjust the domestic economy to the requirements of the world economy rather than mediating its consequences (1996). The impact of this repositioning on individual lives and on social relations is critical.

The consequences for women of intensified globalisation are manifold and varied. Some of the most important (and a globalised world is likely more and more to generalise them) are as follows:

1. The end of the ‘family wage model’, whereby the wage of the breadwinner (usually male and working in heavy industries) was assumed to be sufficient to support a family. Although this rarely existed in practice, as a model it represented a gesture of recognition from the market system that social provision needed to be paid for. Though the model is being eroded, it lingers on in the continued undervaluing of women as they enter the labour market.
2. The feminisation of the labour force, both a cause and consequence of the above. Women increasingly seek paid work and are desired as a labour force world wide because of their ‘flexibility’ and willingness to accept low pay, and this erosion of pay and conditions of work are also adversely affecting the pay and conditions of male workers in the poorest countries. The consequences of this for care and social provisioning are not fully recognised.
3. The reordering of the private and the public and the greater fluidity between market and non-market activities. This affects both services, which women rely on, and the main sectors where women are employed.

4. Increasing inequality among women due to the privatisation of many aspects of their social roles. This has a variable impact on women of different classes, races and nationalities<sup>9</sup>

This combination creates dilemmas for feminism. For while the undermining of traditional gender orders and the entry of women into employment is providing new possibilities for women, research shows that the rapidity of social change without adequate mediation is creating extreme hardship for many women worldwide and depleting the resources needed for social reproduction (Elson, 1995, UNDP, 1995, Bruntland, 2000, Cagatay, Elson and Grown, 2000). Some of the literature that we review below, has addressed both the explanations for the gendered inequality that lies at the heart of the conceptualisation of international political economy, and the consequences.

### **The Critique**

As we suggest above, empirical critiques of policy are not enough. We have to re-conceptualise the basic analytical categories, reassess the public and private and acknowledge the economic significance of 'social reproduction'. While few, there are some important interventions in this debate; what follows are some examples.

Writing of women as 'the last colony', a group of German socialist feminists argued in the eighties that primitive accumulation remained essential to capitalist growth, and that both international and national capital and state systems exploited the Third World as well as women in the pursuit of profit. They argued that capitalist exploitation of wage labour was based upon the male monopoly of violence in a modified form; that patriarchal violence at home and in the public space was intrinsic to the lives of women and to their exploitation. They suggested that this patriarchal dominance was maintained through the agencies of the state which institutionalised the 'housewifization' of women's labour within marriage and through work legislation (Mies et.al.1988). It was not in their suggestion of the super-exploitation of the Third World labour that they differed from the Marxist interpretations, but in their conceptualisation of the work of the housewife: "in Marxian schema of accumulation these milieux and classes had no place". (p.,6). As an alternative, Mies et.al. argued for a society based on "a feminist conception of labour, involving direct and sensual interaction with nature, unmediated by technology...autonomy for women over their lives and bodies,

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<sup>9</sup> These points have been developed from an initial analysis by Brigitte Young (2000 p.109)

and rejection of any state or male control over their reproductive capacity; and finally men's participation in subsistence and nurturing work..." (Kabeer, 1994:66). While this was a powerful critique of existing social relations, and its focus on the gendered nature of capitalist accumulation provided a critical development of structural analysis, its utopian radicalism essentialised the position of women, and its rejection of any engagement with the state made it difficult to translate this critique into policy agendas of development (Rai, 2002: 80).

A more recent structural intervention is that of Picchio (1992) who in *Social Reproduction the Political Economy of the Labour Market* argues that "what is hidden is not housework or houseworkers, but the capitalist relationship between production and reproduction" (p. 95). She argues that the political implications of the social-reproduction perspective, which focuses on not only waged workers but the whole population, must be made explicit. However, she argues against categorising women as a class, arguing that "in the process of social reproduction [women] retain specific identities which cannot be totally subsumed with social groups" (p.8). Following Marx, Picchio argues that while the expropriation of the means of subsistence forced individuals into the labour market, the role that the state played in controlling – through violence and through law – the process of reproduction of the labouring population, stabilised the gendered process of capital accumulation (p.10). An important point that she makes in her analysis of how the 'natural price' of labour fails to take account of social reproduction, is that "Political and institutional aspects need not be added to economic theory because they are already part of its core" (p. 29).

Continuing the discussion on social reproduction and its place in the global political economy from a neo-Gramscian perspective, Spike Peterson provides a framework of analysis that positions production, reproduction and the virtual economy as equal segments of the global economy (2003). The key point she makes is that the expansion of the sphere of social reproduction both in scope and importance requires re-assessment and re-conceptualisation. Following on from this, Isa Bakker and Stephen Gill combine approaches from critical international relations with feminist economics to argue that there is an emerging contradiction between the global accumulation of capital and the providing of stable conditions for social provisioning (2003). They also suggest that this situation is being 'locked in' by neo-liberal, new constitutional governance mechanisms, with damaging effects for social reproduction, which constitutes a recipe for conflict and human insecurity. The book deals with the global political economy as a complete system and makes a convincing analysis, integrating social reproduction and production within the context of dominant power relations. One misses however, and this is disappointing in a radical analysis of this kind,

sufficient reference to feminist research and perspectives, as well as attention to the gendered human cost of the current regime of capital accumulation and the struggles against this regime. The production of human suffering is obfuscated through the privileging of structural macroeconomic analysis.

Taking agency more centrally, through the challenge of 'transforming practice' rather than formulating ideal types, has been an increasingly influential group of feminists who have drawn early inspiration from Marxist critiques of capitalist development, but have been largely eclectic in their theoretical approach. Two areas have been at the core of this critique of development - women's work, and the gendered nature of structural adjustment policies of the 1980s and 1990s ( Elson, 1995). As we have seen above, in insisting upon opening up the area of work to economic analysis these feminists have posed difficult issues for the development economists, and the development establishment. They have built upon Sen's critique of the altruistic family, to show how not only the life chances of women are affected by the gender relations obtaining within the family, but how their contributions to family income are being appropriated without acknowledgement within the 'family income'. In disaggregating the impact of structural adjustment policies on the family, and focusing on the disproportionate burden of the privatisation of social welfare that women are being forced to carry, this powerful critique has resulted in some important shifts within the economic discourse of international institutions. -They have as much built upon the Marxist understanding of the bases of gender inequality, as they have on the liberal concepts of equality and equal opportunity. They have also further developed the interventions of Third World feminist and development groups, such as DAWN, that have advocated a strategic engagement with the policy community, and with state and international economic institutions in order to challenge the assumptions of neutral goals of development (Sen and Grown, 1985). Because the focus of this group of feminists has been the achievable, and because they have engaged actively with the policy machineries especially at the international level, their influence in the field of political economy and their interventions in the debates on development have grown considerably. The key point here is that whatever the theoretical framework within which feminist political economists have worked; the recognition of social reproduction has been a common thread to their arguments.

As Grown, Elson and Cagatay, summarise in the second special issue of *World Development* on gender and international political economy, feminist analyses have offered several insights that challenge the traditional framework of macroeconomics: (2000:1148). First, by making unpaid household labour visible and treating labour as a produced input, feminist analysis

challenges the notion that paid productive economy can function in isolation from the world of home-bound labour (see also Beneria, 1999). Second, feminist analysis has brought gender, “as a category of social and economic differentiation (like class and race)” to bear upon our understandings of “distribution of work, income and wealth, the productivity of work, and the behaviour of agents in the economy” (Cagatay, Elson and Grown 1995 and 2000). Finally, a gendered analysis of economic policies and legal regimes also allows us to understand the ways in which gender relations are disturbed, and then reconstituted at different social levels within particular political economies (Rai, 2002: 145). These arguments are well summarised and developed in *Towards a Feminist Philosophy of Economics* (Barker, Kuiper eds. 2003).

Building on these studies, and others, we want to go on to examine how one might in practice integrate social reproduction and gender into some of the key concepts of economics, and into the analyses of its fundamental processes. This requires a reassessment of traditional views of the division between the public and the private and the place of the domestic in economic analysis.

### **The Challenge**

The challenge then is to take social reproduction into account within the core concepts and ideas of economics and in the policies resulting from them. This means changing and modifying the dominant ideas that shape thinking on state/market relations and globalisation. The aim of this would be to achieve a new balance between the social and economic and return to a new form of ‘embedding’ which enables economic change to be mediated in the interests of human well-being. It is also to recognise and give priority to the crisis in social provisioning which is implicit within these changes. This crisis and the depletion it involves cannot be met by dealing with consequences and outcomes only.

While this may seem an ambitious project, crisis is endemic in the current situation and different forms of protest are emerging, fuelled by increasing inequality, new forms of communication and the failure of the existing system to provide adequate redress. The crucial position which women now play in the labour force world wide, as well as in social reproduction, suggests that issues of gender relations and caring should be at the forefront of economic and political debate.

Some of the precise questions we need to address are the following:

1. If our objective is to revalue social reproduction and include it within the boundary of what is considered production, is this feasible within the current structure of capitalism? Or is this distinction crucial to the extraction of surplus value and capitalism itself?

2. If housework is the basis for a certain relationship between women and the state in that the state regulates and mediates the process of accumulation and the process of social reproduction, then how can feminist IPE engage the state in the context of neoliberal pressures on state policy? Thinking this through should allow us not only to reveal how the state is implicated in the extraction of women's unwaged labour, but also to explore how feminist political alliances might be created to open up 'fiscal spaces' (Elson, 2004) and challenge the diminishing resources made available to households by the state. It is this depletion which leads to the pressure on women not only to undertake paid work but also to increase unwaged labour as a way of maintaining household and community.

3. What are the consequences of the current state of capitalist accumulation for feminist solidarity? On the one hand it leads to a situation, which enables a woman to command another woman's housework directly through wages ie. women (rather than men) replacing the unpaid labour of the woman wage earner (or, another example, forces older women within the family to step into the breach left by the wage worker). On the other hand, it may well facilitate new alliances between women (North and South) and between women and men.

### **Opening the Closed Loop**

Our starting point for this final section is the World Bank's diagram of the household economy already discussed (1990, p. 40 see Fig 1 p17). This diagram recognises that the household has different members and diverse functions and interacts in a variety of ways with other sectors of the economy. However, within the diagram the social reproduction functions are represented as forming a 'closed loop', which relates only to the household's function of maintaining physical performance. The assumption seems to be, even in this more advanced representation, that these functions are not part of the economy because they are not perceived as being involved with money and the market. While this diagram may not be representative of current thinking, we feel that it illustrates a deep and persistent trend in economic thought. Following Picchio, we would emphasise that this sidelining of social



reproduction is a relatively new phenomenon. In classical economics social reproduction and the way it is produced was recognised as a crucial determinant of wages and thus of profits. The characteristics of the sector, and the stress it could bear, were openly discussed, and contradictions assumed.

In reality, the underlying situation is not much different today. The costs of social reproduction and who bears them still play a large part in determining levels of wages and profits, though the role of the state in supporting social reproduction is now in many countries much greater. What is very different is the degree of attention paid to these issues in economic analysis. Rather than analysing these interactions, the tendency has been to ignore them and theorise the household and social reproduction as a separate and private sector, detached from (and subordinate to) the market and economic activity. As Picchio states: 'on the subject of women's reproductive work (the real adjustment mechanism between reproduction and accumulation) and their subsequent massive exclusion from independent access to the means of subsistence, economists have always maintained a discreet silence.' (1992, p. 136). This silence obscures the fact that, now as ever, conflict and contradiction are inherent in the relationship between social reproduction and capitalist accumulation (Gibson-Graham 1996).

In the West, the commercialisation of certain aspects of social reproduction (washing machines, supermarkets etc) has gone along with the increasing participation of women in the labour market. This has overall caused wages (and to some extent benefits) to rise and profits to fall. One of the main features of globalisation is the search by capital for new markets where the rate of profit is higher. One component of this search (though by no means the only one) in certain sectors is cheaper social reproduction and a situation where the consequences of imposing a modern labour market can either be ignored or left for others to deal with. Our diagram (p.18) shows the leaching of social resources in these conditions. There is little evidence of state intervention at global level in these circumstances and business has fiercely opposed any attempts to raise regional and global taxes as a way of mediating the consequences of global production.

Faced with these situations, much work has been done by feminist economists and others to track inequalities and disrupt complacency. In particular, emphasis has been put on the characteristics of women's work (paid and unpaid), the changing nature of the household, and the complexities of the care economy. Most success has been achieved in labour economics where issues of labour market discrimination and segmentation are beginning to enter the

policy debate and in economic modelling where, as already discussed, the disaggregated rather than the unitary household has been largely accepted. Work on the care economy, which offers the most serious challenge to capitalist hegemony and the presumptions of harmony, has been virtually ignored in mainstream economics. There is little sign either that issues of social reproduction are being taken seriously at the level of macroeconomic planning, although there is more recognition of the differential effects on women and men of certain policy initiatives. The 2008 revision of the SNA, discussed above, suggests that any real recognition in the formal economy of women's unpaid labour is still blocked. Despite increasing activity the loop remains closed.

### **Conceptual starting points**

It seems to us that in order to open the loop one has to go back to the beginning and challenge the basic concepts upon which economics both as a science and as a field of policy making is based – to look in other words for new conceptual starting points.

Our diagram (see p.18) is an impressionistic attempt to lay the base for this. It shows what the global political economy might look like if the domestic sector were given equal value to state and market. The dominance of global private capital is evident with inputs in terms of marketised goods and services and wages into other sectors. The domestic sector makes a considerable input into the global market but receives little back for the provision of labour except through wages (which pay for the labour performed but inadequately for social reproduction) and some input from the state. While the domestic sector is as large in the South as in the North, the input from state benefits is less and overall wages are lower. The gaps in provision in both North and South are met by the unpaid work in households and community. This creates a depletion of resources unless support is given from elsewhere. It is striking that the state, which might mediate this situation is either lacking (in the South) or changing functions (in the North) and suffering its own depletions.

A regulatory net encompasses the global private sector and impinges on state and household. This both facilitates and to some extent controls the activities of private capital but has insufficient power to induce private capital to take on social responsibilities in any substantial way. The domestic has minimal input into this regulation except via the state and the state input from the South is minor. What this recasting of the system makes clear is both the crucial input from the domestic and its fragile position in the system as a whole.

At a conceptual level there seem to us to be two main ways in which the incorporation of the domestic could be argued for as a main component of political economy, given that we are looking for solutions that are appropriate for both North and South and highlight the links between the two. These are as follows:

### *Separate but equal*

The 'separate but equal' option emerges from our diagram and is discussed above. From this perspective the public (state), the private (capital) and the domestic (household) appear as equally important sectors. All of them, though in different proportions, use and produce labour, consume goods and services, and contribute to governance and capital accumulation. All three should thus be seen as constituting the economy and forming part of economic analysis. As the diagram shows, the particular character of the domestic whether North or South is that it experiences a steady drain on resources unless support is given by the other sectors. To conceptualise the economy in this way, with the three sectors having equal importance highlights this fact and makes it a key issue in economic planning. This is in contrast to the situation now when such depletion is seen as constituting 'a problem' which is met in ad hoc ways, and usually only where the domestic sector is organised and/or conditions become intolerable.

Such a conceptualisation would constitute a serious challenge to the current prejudice, which rates the activities of the domestic sector as of minor importance. It would thus play an important role and in revaluing and making visible the unpaid work of women.

### *Integrated*

The second, 'integrated' option is in contrast to the above. Instead of seeing social reproduction as separate it would be seen as an integral part of production and therefore firmly within the economic sphere. In fact, as we noted above when discussing the SNA, the 'production boundary' i.e. what counts as production and what does not is fluid, and has been an issue of lively controversy in the economic community (Pyatt 1990). Rather strangely, own production of goods (subsistence agriculture, for example) is counted as production and given an 'imputed value'. But own production of services (child-rearing, cooking, household maintenance etc) is not counted as production and therefore ignored in national accounts. The reasons for this exclusion range from the practical 'much harder to measure and different in kind to goods' to the bureaucratic 'everything would then be production', 'labour statistics would become meaningless, and 'it would have to be taxed'. However, since one of the reasons for the keeping of national accounts and measuring production is to identify changes

taking place in the economy so that policy can be targeted, it would seem to make good sense to collect information about how social reproduction is being carried out and by whom, on the same basis as in other economic sectors. As in the first option, though by different means, the integration of domestic labour into the labour market, as a factor of production, highlights and makes more visible the unpaid work done mainly by women, and makes clear its importance to the economy. It also, by giving a value to this kind of work, may make it more attractive to men and more acceptable as an activity.

One objection to using this as a new starting point is that, unlike the first option, it obscures what is different and valuable about social reproduction and caring, and by including it in production risks encouraging the commercialisation of these activities and their incorporation still further into the capitalist system.

### *Last words*

Interestingly, these two options relate to traditional divides within feminism between essentialism (separation) and incorporation (integration). The advantages and disadvantages of the two, as set out above, reflect those long running debates. In terms of our earlier proviso of relevance to North and South both options are equally relevant, though the first with its separate emphasis on the domestic may as the diagram shows give a greater emphasis to the importance of this sector for the South. However, if one is examining current trends, namely the commercialisation of the domestic, the integrated option is the more likely to be realised, though not necessarily in a way that reduces gender inequality.

In the long run, these options can only be starting points. How analysis develops around them and whether they can in some way be combined will be determined by future developments. We would argue, however, these are necessary starting points both for the process of embedding neo-liberalism in its social context, and for any more profound transformation.

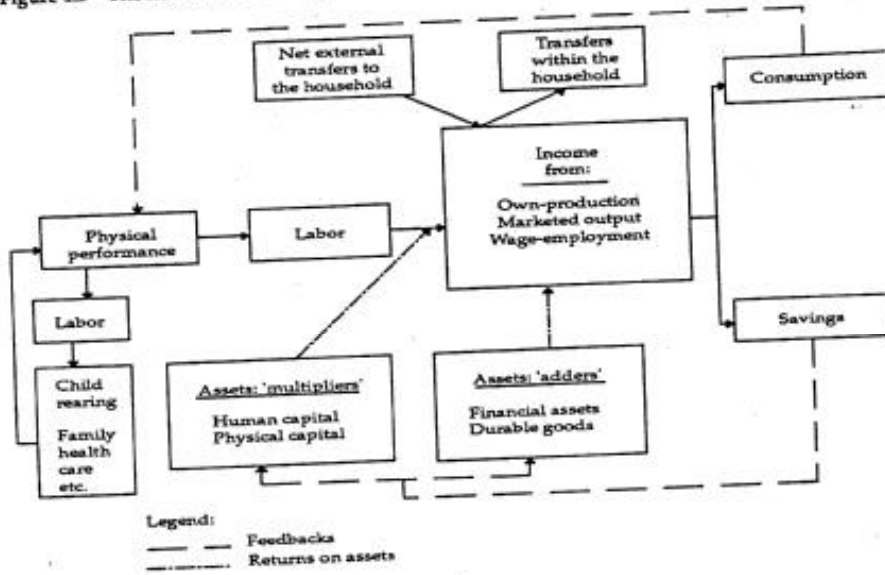
Would analysis based on these arguments have eased the McClosky dilemma, outlined at the beginning of this paper? No one can know for certain but it would seem a fair guess that her transition from one identity to another would have been eased if economics had been a more inclusive science and if there had been less dissonance between her 'identity' and 'economic' roles.

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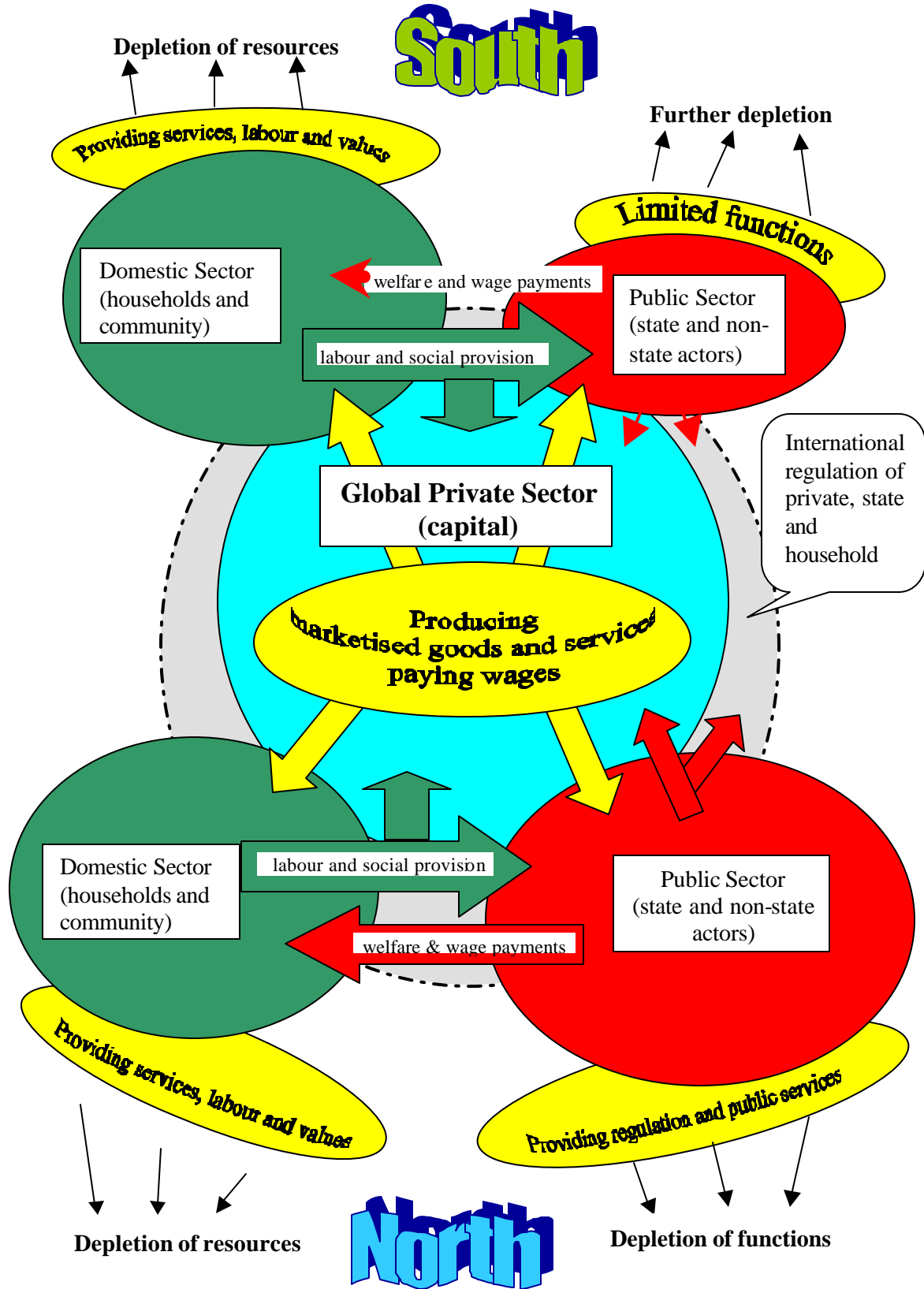
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Figure 4.2 The household economy



Source: The World Bank, 1990 'Making Adjustment Work for the Poor: A Framework for Policy Reform in Africa': 40

Recasting Global Political Economy



The above diagram is a projection on from work by Diane Elson which illustrates the importance of gender and the domestic in political economy. We should like to thank her for support and encouragement. We are also grateful to Geoff Renshaw for initiating us into the mysteries of drawing with Word.