Labour, gender and the economic/social divide

Julie A. NELSON *

Are there separate economic and social spheres? Is the economy comprised of distinct activities, and run according to rules different from those governing society, itself a distinct entity? Certainly, discussion in political, popular and academic arenas often proceeds as if this were the case, especially in an ideological climate that puts great emphasis on market solutions to most problems. And the resulting partitioning of areas of human constitution and activity has important implications as to how they are studied and considered, and for policies that flow from them. The issues that end up on the non-market, “social” side of the divide tend to be considered less central or important than those on the market, “economic” side. Such a divide — to the extent that it exists — is particularly problematic for labour, which is present in both spheres.

One speaks of taxation, the national debt, inflation, banking system stability, maintenance of communications infrastructure, the encouragement of enterprise and the financing of national defence as hard-core economic issues. Attention to these issues is assumed to be of primary importance, for without a healthy economy any other goals will suffer. Attempts to argue that economic progress is a prerequisite for social progress are still current — evidence to the contrary notwithstanding. Issues of health care, education, worker safety, child care, youth unemployment, and poverty are considered to be softer and social — to be addressed, if at all, after the core economic issues have been addressed. In budget discussions, this means that programmes to address problems in these areas tend to be considered secondary — luxuries — and are therefore often postponed and first to be eliminated or scaled back in any time of budget tightening, except when social unrest threatens the economic sphere itself. Bailing out insolvent banks is economics; helping insolvent families is merely social. The availability of labour to employers as a commodity, a factor input, is economic; the welfare of the labourers as living, breathing human beings is of a lesser order. Surely something important is lost when this separation is pursued unchecked.

* Department of Economics and Graduate School of International Economics and Finance, Brandeis University, Waltham, MA.

Copyright © International Labour Organization 1998
This dichotomy is also highly evident in the academic field, though it was not always thus. To illustrate: An introductory textbook on economics typically includes core chapters on supply and demand, competition, monopoly and macroeconomic models, while issues like poverty, inequality and discrimination may be recommended only as possible topics for further study (see, for example, Baumol and Blinder, 1994). Before the turn towards “professionalization” of the social sciences, distinctions between social and economic questions were much less clear (see Furner, 1975; Rothman, 1985). As economics developed, professionals selected certain areas for study — most notably markets and, to a more limited extent, government behaviour as related to markets. Social work, social reform and sociology split off. The last was considered by some to be made up of “leftovers: marriage, the family, poverty, crime, education, religion, and sex” (Furner, 1975, p. 298).

Why has such a division emerged? One explanation may be that it reflects a simplified but logical division of issues and tasks, effected in the interest of specialization. An examination of the implicit value judgments, however, and the problems caused by this split, cast some doubt on this explanation.

This article will first review several examples of how the social/economic dualism has influenced discourse in various arenas, and discuss the problems it causes. Following this, an explanation for the strength of this dualistic thinking will be advanced, drawing particularly on feminist scholarship on language and the social sciences. The last section suggests an alternative way of analysing economic and social behaviour, centring around the notion of “provisioning”.

Pitfalls of a dualistic approach

The idea that economics is about “economic structures” or “economic laws” uncontaminated by the social sphere, combined with the common assumption that “economic” is more important than “social”, implies certain values and epistemological premises. Since most serious considerations of ethics take human misery to be a problem, and human welfare (with some variety of definition) to be the object of “good” economic, social and political organization, the neglect of human welfare in a purely economic approach might therefore seem surprising. Yet economic analysis and economic policies can expend much energy not tied to a meaningful, democratic goal. The implications are twofold: first, human welfare then does not get priority and, second, actual human behaviour is not taken into account in the analysis. Thus there are problems both in terms of ethical judgment (objectives) and in ways of proceeding (taking account of human beings).

Various sorts of bad policies can result from excluding social questions from economics. Most obviously, for those concerned with human welfare, welfare enhancing programmes can be grossly underfunded relative to the requirements of an ethical engagement. In addition, policies are often designed as though only the economics of the situation mattered. There may be little or
no apparent recognition that the expertise of demographers, anthropologists, sociologists, political scientists, etc., might be useful in promoting “economic” development. For example, a catalogue could be made of reports of how IMF stabilization policies have run amok due to unanticipated social dislocation and political upheaval. There is, of course, a more cynical interpretation possible: the neglect of human welfare in general may simply reflect an implicit institutional bias towards enhancing the financial power of an elite.

The view that economic behaviour and social behaviour operate at different levels can lead to impoverished economic analysis. The notion that workers are paid their marginal product in competitive labour market equilibrium, for example — a central teaching of mainstream (neoclassical) economic models — leads to great difficulty in dealing with issues of discrimination and unemployment which then get explained only in terms of market rigidities. For example, economist Solomon Polachek (1995) assumes that societal discrimination affects the division of work within families, and thus women’s investment in education. “Societal discrimination” is not, however, in his view, linked in any way to the behaviour of firms, presumably since they are, instead, in the economic realm.¹ He thus sees only the tiniest of roles for anti-discrimination policy. Of course many economists, including some of the most eminent, have been promoting a coherent view. Nobel laureate economist Robert Solow, in a 1990 book entitled The labor market as a social institution, takes a step towards breaking down the economic/social divide (Solow, 1990). He argues that workers’ social behaviour — in particular, their habit of comparing their situation to that of those around them — leads to perceptions about fairness being a significant factor in actual wage setting. Models which neglect this will simply not be adequate, especially in explaining the persistence of unemployment.

Sociologists are not immune to supporting the divide from their own side of the line. This defence may stem from a desire to protect social values from “commodification”. For example, sociologists Bruce G. Carruthers and Wendy Nelson Espeland (forthcoming) reiterate a distinction between personal and altruistic gift exchange in the social realm, and impersonal and self-interested commodity exchange in the economic realm (see also Nelson, forthcoming). The limitations of this way of thinking have been explored by a number of social scientists who do not see the economy as independent of social relations as this position suggests (e.g. Zelizer, 1994; Carrier, 1997).

Economist James Duesenberry once joked, “Economics is all about how people make choices. Sociology is all about why they don’t have any choices to make” (1960, p. 233). While economics may indeed overemphasize individual agency, choice and markets, a choice perspective may be a necessary counterpoint where social-level and deterministic analysis has been given too strong a role. Similarly, the economist’s emphasis on abstraction, logic and precision can help avoid getting bogged down in detail or being illogical or

¹ This has been referred to as the theory of the “virgin birth” of firms (Nelson, 1995).
vague. However, academic economics has been considered a “social science”, with the emphasis on the “science” rather than the “social”. The economy is often envisioned more like a machine — it is no coincidence that the core models of mainstream economics are based on 19th century physics — than as a study of embodied, emotional, developing and changing people in interaction with each other and with their natural environment.

**Strengths and weaknesses of the neoclassical model**

The neoclassical economic model is populated by autonomous, rational, self-interested agents, whose preferences are set in advance; who make choices that maximize their well being, and whose main form of interaction is through exchanges on impersonal markets. Neoclassical economics is primarily concerned with efficiency and the workings of markets; in that context, issues of fairness and the functioning of other institutions are of marginal interest at best. Most introductory textbooks carefully distinguish between the work of economists in “contributing the best theoretical and factual knowledge” and decisions involving “ethical opinions”, which are considered beyond the realm of social science practice (Baumol and Blinder, 1994, p. 17). In the core model, labour is only considered insofar as it is necessary for the worker to earn a wage in order to buy consumption goods and to induce him or her to exert the necessary effort in production. Economists who have gone well beyond that view, and incorporate issues of fairness and welfare, often wear additional hats, e.g. as moral philosophers. Amartya Sen is a prominent one who comes to mind (see, for example, Sen, 1987).

The study of this world of rational choice behaviour typically revolves around mathematical models, in which the various preferences and interactions are expressed in terms of variables and logical expressions or functions. Often the research stops there, showing how a particular set of assumptions can logically lead to a particular outcome. Being logically coherent, this approach is obviously rigorous in its own way. And by relying on relatively few foundational assumptions (e.g. rationality, self-interest) it can often claim to be very general. While economists do not deny that these fundamental assumptions abstract from reality — in fact, some abstraction is essential — the problem arises when all other approaches are denigrated as being less rigorous.

Yet an exclusive focus on the individuality, autonomy and agency of the economic actor ignores the social and physical nature and familial upbringing and responsibilities of actual human beings, as it does the possibility of relationships of control and coercion. Methodological emphasis on the formal, the precise and the abstract tends to circumvent real world phenomena relevant to the question purportedly being examined. In the process of applying logical and analytical thinking to real problems, mathematical formulas are used as metaphors, a translation that necessarily involves some use of less precisely defined verbal analysis — sometimes referred to as the “intuition” behind a model. As McCloskey (1985) has pointed out, by not being conscious of the
use of both mathematical and verbal language, economists often use the latter very badly, and fail to see the narrowness and irrelevance of much of the former. The risk, both here and more generally, is that the practitioners of a discipline that claims to be entirely "positive" (value-free), rather than "normative" (value-laden), may remain ignorant about the values implicit in their own fundamental assumptions. And any scientific approach that fails to recognize its own biases when determining what is an interesting research question, and what is not, or what is a legitimate research methodology, and what is not, can be very risky indeed.  

Labour questions

Neoclassical economic agents supply labour to the market because they want money to buy consumer goods. Labour time does not count directly in the agent's utility function. It only appears as a necessary path to consumption goods, and as a residual — that which is left over after leisure time is enjoyed. In other words, in such models labour is not seen as adding well-being — much less social identity, individual pride in accomplishment, or meaning to life. Nor does a harmful or demeaning job subtract well-being; the model is typically neutral, indifferent. Only when one moves out of the core model into more specialized labour models is it admitted that people may care about the characteristics of their work. The theory of "compensating wage differentials" states that, all else being equal, people will be willing to accept lower wages in jobs that have characteristics they enjoy; conversely, they will demand higher wages for jobs with disagreeable characteristics. Even here, however, the analysis can be extremely reductionistic. Indeed, the underlying assumption is that working life qualities can be measured in terms of the extra wages forgone or demanded, i.e. that qualities are commensurable with money income, through the utility function that ranks all outcomes on a single scale. Given additional assumptions of perfect information and complete markets, the work-choice outcomes can even be shown to be socially efficient.

For example, the ideas that some working conditions are outright inhumane and should be banned, or that the social structure of work is important in human actualization and deserves careful analysis, or that the condition of being unemployed means more than just a loss of wage (see Sen, 1997), will not fit naturally into neoclassical analysis, and therefore will be vulnerable to distortions induced by the analytical process itself. In the extreme, the question of how to identify and ban totally inhumane practices may thus be analytically rationalized into a question of measuring the degree of disutility caused by a practice, by looking at wage differentials across jobs. In other words: "how much additional wage do workers demand in order to be subject to this practice?" Following this reasoning, the tendency might then be to see the fact that some people do, in fact, endure these practices as an optimizing outcome

---

2 For a discussion of similar issues in the social sciences generally and in legal studies, see Supiot, 1996.
— i.e. these workers must, prima facie, prefer these jobs, for some reason, to others that are available. The fact that there may not be any other jobs available or that workers take the jobs in ignorance of their dangers, while violating the assumptions of perfect markets and perfect information, may in practice be downplayed. As for the possibility that people may be forced into certain jobs by extreme poverty, this falls outside standard analysis since economic agents are theoretically assumed to have only "wants", not "needs".

In other cases, the application of standard theories may be more helpful. If it can be shown that workers are in fact reasonably affluent (well-paid), are well-informed about hazards, and have alternatives to working at a hazardous job that could afford them a decent standard of living, then the economist's perspective that they have "chosen" the hazards is not so far-fetched. In this sort of case, a well-intentioned non-economist's claim that, for example, "No cost should be spared in making workplaces as safe as possible!" can be shown to be poorly thought out. For, in fact, hazards are only one of many things about which a worker is concerned, and most human beings will, at some point, be willing to take on some statistical risk of harm in exchange for other things they value — higher wages and comfort on the job being a couple of the most commonly relevant in this case. The raising of safety to an absolute is in its own way a reductionistic proposition. The economist's notion of "opportunity cost" is a helpful one in this and many other discussions. For example, the cost of increasing safety standards can be measured not only in terms of monetary expenditures needed to implement a change, but also in terms of the most favoured alternative uses of resources that must be forgone in order to implement those standards: Do I want increased safety at my job if it means having a lower salary? Do we want more social expenditures on safety equipment if it means less expenditure on immunizations? The application of economic analysis to the perspective of choice can sometimes be elucidating, even critical to sound decisions.

While a naive belief in the allocative efficiency of markets can be irritating, the notion that markets can be efficiency-enhancing can be useful. The belief on the part of some non-neoclassical analysts that private ownership and private trading are always bad is no less an obsession than the neoclassical's fascination with market efficiency.

Some amount of mathematical and formal analysis can also be elucidating. For example, on the matter of measuring income or wage inequality, there are numerous proposed statistical formulae such as those underlying the Lorenz curve, the Gini coefficient, the Atkinson index, the percentage of the population in poverty, etc., which can, in some contexts, yield ambiguous or conflicting rankings of the degrees of inequality in two distributions. Some formal analysis which reveals some of the value judgments implicit in such measures (e.g. Sen, 1976; Atkinson, 1987) makes possible an informed use of the measures. Sometimes an analysis of the "little picture" is exactly what is required — as long as "little" does not degenerate into "trivial."

It has been said that there are three kinds of theory in economics: theory about the world, theory about theory, and theory about math. It is the distorted
proportioning of the prestige and volume of work among these categories — the most prestige and volume in academic economics now tending to fall towards the latter categories — as well as along theoretical vs. more empirical and applied lines, that is the problem, not theorizing *per se*.

**Social justice**

Discussions of justice can also occupy a severely circumscribed area within a strictly market-focused study of the economy. Even compared to discussions in a liberal strain of philosophy, the concept of the economic agent looks narrow indeed (Nelson, 1993b). While philosophical definitions of rationality may include a general "reasonableness", the economic definition is limited to completness and transitivity of preference orderings. While philosophers may talk about diverse legitimate interests, and even about needs, neoclassical economic theory holds that all of an agent's interests are commensurable and only preferences matter. Indeed, the core theory generally assumes that the outcome of utility maximization is not comparable between agents, so that no judgments of comparative well-being (even in the very limited context of preference satisfaction) can be made. As a result, the only normative judgment that can be made is that efficient outcomes are better than inefficient outcomes — a point with which few would disagree in the abstract. While the subfield of social welfare theory eases the assumption of interpersonal incomparability (in specific and highly formal ways), the resulting choice theory characterizations of utilitarian and "Rawlsian" social welfare functions are barely recognizable to philosophers and of limited use for policy analysis. Other notions of justice, such as those coming from communitarian or "neo-Aristotelian" philosophers (e.g. Nussbaum, 1993), are generally disregarded by mainstream economists, even among those focusing on theories of justice (e.g. Hausman and McPherson, 1993).

In practice, of course, to enter into policy discussions, economists are forced to depart to some extent from these strict assumptions. For example, in welfare economics and in applied cost-benefit analysis the criterion of Pareto improvement (whereby at least one person is made better off without making someone else worse off) is weakened to that of potential Pareto improvement, i.e. could the suggested change lead to a Pareto improvement if it were accompanied by transfers of income to compensate the losers? Of course the question of whether such compensating transfers would *actually* take place is rarely, if ever, pursued.

---

3 There is a substantial, though dated literature on compensation tests, starting with Nicholas Kaldor. Tibor Scitovsky was also a prominent contributor to this literature, though he may now be known more for his pieces critical of reductionistic psychology (e.g. Scitovsky, 1992).
An explanation from feminist scholarship

Why has there been this tendency to divide the world so harshly, with “hard” economic/public/legal structures on one side and “soft” human needs, emotions and relationships on the other? Feminist scholarship, drawing on an analysis of language, suggests that it has roots both in cultural sexism and in the habits of human cognition. It is rooted in gendered associations of “hardness” with masculinity and superiority, and “softness” with femininity and inferiority, along with a sort of cognitive laziness that finds such dualistic constructions a tempting habit of thought (see Nelson, 1992 and 1996).

The analysis of links between modern Western social beliefs about gender and about types of knowledge was the accomplishment of works by feminist scholars starting in the 1980s, such as physicist Evelyn Fox Keller (1985) and philosopher Sandra Harding, who argues that

Mind vs. nature and the body, reason vs. emotion and social commitment, subject vs. object and objectivity vs. subjectivity, the abstract and the general vs. the concrete and particular — in each case we are told that the former must dominate the latter lest human life be overwhelmed by irrational and alien forces, forces symbolized in science as the feminine. All these dichotomies play important roles in the intellectual structures of science, and all appear to be associated both historically and in contemporary psyches with distinctively masculine sexual and gender identity projects (1986, p. 25).

Such associations were sometimes explicit in the language used by the early scientists to define their endeavour. In the early 1660s, Henry Oldenburg, the first secretary of the Royal Society of London for Improving Natural Knowledge, stated that the intent of the Royal Society was to “raise a masculine Philosophy . . . whereby the Mind of Man may be ennobled with the knowledge of Solid Truths” (quoted in Keller, 1985, p. 52). That is, scientific knowledge in general has been socially constructed to conform to a particular image of masculinity.4

“The essence of metaphor is understanding and experiencing one kind of thing in terms of another,” as George Lakoff and Mark Johnson say in their work, Metaphors we live by (1980, p. 5). According to them and numerous other researchers in the areas of cognition, philosophy, rhetoric and linguistics, metaphor is not merely a fancy addition to language, but is instead the fundamental way in which we understand our world and communicate that understanding from one person to another. Lakoff and Johnson give many examples of how language reflects metaphorical elaborations of more abstract concepts on the foundation of basic physical experiences, including that of “up/down.”

Gender and value tend to be linked, both cognitively and metaphorically. Indeed, the power of the idea that masculine science is “good” rests on a general cultural association of masculinity with superiority and femininity with inferiority or, in other words, a mental linking of value (superior/inferior) and gender (masculine/feminine) dualisms:

---

4 For a discussion of the issues this raises, particularly in the medical field, see Tavris, 1992.
economic/social
independent/related
rational/emotional
self-interested/other-interested
self-sufficient/needy
commodity/gift
efficiency/equity
mechanical/organic
hard/soft
rigorous/intuitive
abstract/concrete

To highlight further the gendered nature of the split, one should consider that areas traditionally of greater concern to women, such as marriage and families, end up on the “social” side. Public/private and firm/family could be added to the list, especially since in most countries there are still aspects of intra-family abuse for which there is no legal redress.

In Western culture, the figure given above cannot be taken as representing symmetry in value. Rather, the dualisms are hierarchical in nature. Overcoming too-easy dualisms and masculine biases, however, is not just a matter of turning the tables and, say, putting feminine-associated issues on top. That would just replace one set of biases with another, whatever the discipline (economics, medicine, law and so on). Consider, instead, the different interpretations that can be made, and the different vision of a more adequate understanding of human behaviour that can be discovered if one thinks of gender and value not as marking out the same space but as operating in distinct dimensions. Then one can see both valuable and harmful aspects to qualities culturally associated with masculinity and with femininity.  

<table>
<thead>
<tr>
<th></th>
<th>Positive</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Masculine</td>
<td>Masculine, Positive</td>
<td>Feminine, Positive</td>
</tr>
<tr>
<td></td>
<td>Masculine, Negative</td>
<td>Feminine, Negative</td>
</tr>
<tr>
<td></td>
<td>Negative</td>
<td></td>
</tr>
</tbody>
</table>

Consider, for example, the idea that a “hard” discipline of economics is clearly preferable to a “soft” economics. This judgment relies on an association of hardness with valuable, masculine-associated strength, and softness

---

5 The analysis which follows draws heavily on Nelson, 1993 and 1996.
with inferior, feminine-associated weakness. However, hardness may also mean rigidity, just as softness may also imply flexibility.

\[
\begin{array}{c|c}
M+ & F+ \\
\text{strong-hard} & \text{flexible-soft} \\
M- & F- \\
\text{rigid-hard} & \text{weak-soft} \\
\end{array}
\]

A pursuit of masculine hardness that spurns all association with femininity (and hence with flexibility) can lead to rigidity, just as surely as a pursuit of feminine softness (without corresponding strength) leads to weakness. There is no benefit to specialization on the side of one sex to the exclusion of the other: neither rigidity nor weakness — the two extremes of hardness and softness — are desirable. Together, in fact, they define brittleness. There is benefit, however, from exploiting the positive complementarity. Strength tempered with flexibility yields a balanced and resilient discipline.

Consider the dominant idea that people, when acting in their role as “economic agents”, can be considered as radically separated from their embodied and “social” dimensions — from their human needs and familial and community ties. In such a case, one carries out the suggestion of Thomas Hobbes who wrote: “Let us consider men . . . as if but even now sprung out of the earth, and suddenly, like mushrooms, come to full maturity, without all kind of engagement to each other” (quoted in Benhabib, 1987). For there to be an “economic agent” who is not a social creature, he must spring up fully formed, with preferences fully developed, and be fully active and self-contained. The economic agent can have no childhood or old age, since these would imply dependence, nor can the agent have responsibility for anyone, since that would also imply a social tie.

But humans do not simply spring out of the earth. Humans are born of women, nurtured and cared for as dependent children and when aged or ill, socialized into family and community groups, and perpetually dependent on nourishment and a home to sustain life. These aspects of human life, whose neglect is often justified by the argument that they are unimportant, or intellectually uninteresting, are, not just coincidentally, the areas of life thought of as “women’s work”. The economic/social divide draws a firm line between the activities and choice of the presumably autonomous adult, on the one hand, and the way in which that person is formed, is affected by need or illness, and acts on the basis of a group identity or an adopted social role, on the other.

What is needed, to replace these extreme conceptions of the person without sacrificing logical inquiry, is a conception of human identity that can encompass both autonomy and dependence, individuation and relation, reason and emotion, as they are manifested in individuals of either sex and worked out in complex social organizations. Such an identity could be described in a diagram such as:
The M-, isolated, mythical person is the Hobbesian agent, unaffected by community, emotion or bodily needs — what we might call a “separative self” (England, 1993) — and the image of the agent of economic analysis. The F-, engulfed, mythical person could be thought of as, for example, the wife in the old “husband as head” models of families, or the socially determined entity with “no choices to make” in the above quote by Duesenberry about sociology (1960, p. 233). Rather than flop back and forth between extreme alternatives, this diagram suggests that a model of people as persons-in-relation, both to each other and to nature, would be a more adequate starting point.

Note that this feminist analysis, while related to issues of women and culture, is related in a rather subtle and complex way. It does not argue for a “feminine” academic discipline or society in which the masculine-sided biases are replaced by their feminine contrasts, nor for a “female” discipline or society, in which women take leadership and do economics or politics differently from men. The argument is that gender is a strong cognitive construct — for both men and women — and that breaking the sexist association between gender and value is the first step towards a more cogent view of human behaviour and welfare, to be practised by both men and women. (Breaking the social expectations of “masculine” behaviour for men and “feminine” behaviour for women would be the second step in battling sexism.) While the entrance of women into the discipline of economics has, for example, facilitated the feminist critique therein, it is not because women “bring something different” with them when they enter the field. Rather, it is primarily because the social presence of women makes the metaphorically gendered nature of the economics atmosphere more noticeable.

Some may still object that there really is a set of “economic laws out there”, and that the notion of centring policy and study on a more human basis can therefore be dismissed. To these persons, one may put the following questions: “How do you know? Are you perhaps confident in this largely because your own social network supports this belief?” While there are certainly some mathematical functions and some behaviour regularities which may be useful to know, the concentration on seeing a complex world in terms of particular formulas and laws certainly reflects a particular cognitive bias.

A new definition: Provisioning

If one allows that humans acting in economic ways do so with a full complement of complex emotions, physical needs, familial and cultural influences, social relationships and political interests, then economics has been
brought within the realm of an expanded notion of society. To the extent that this concept of economic functioning retains any notion of mechanical or a-human economic forces, the latter can only be seen as embedded in, and propelled by, human societies and institutions. Social needs are not the frosting on the cake, as suggested by some, but rather the *raison d’être* of economic processes. How can it be otherwise? One can anthropomorphize, as in talk of a healthy economy, but without healthy *people* what could this possibly mean?

But what is meant here by “economic” ways? Is there still a way to talk about what a group called “economists” or “economic policy analysts” might do? Of course there is.

Currently, a broad definition of the core topic of economics to which most economists might agree is that of markets. Economics is often defined as the study of processes by which things — goods, services, financial assets — are exchanged. By this definition, however, most of the traditional non-market activities of women — care of the home, children, sick and elderly relatives, and so on — have been considered “non-economic”, and therefore inappropriate subjects for economic research. Families, in fact, often seem to disappear entirely from the economists’ world. Consider this textbook discussion: “The unit of analysis in economics is the individual . . . [although] individuals group together to form collective organizations such as corporations, labor unions, and governments” (Gwartney, Stroup and Clark, 1985, p. 3). The economic/social divide could be easily re-established, if this definition were retained. And note that drawing the distinction about what is and what is not economic and at the household door leads increasingly to odd dead ends and bifurcations in analysis. Why should child care, elder care, and care of the sick be economic when provided by markets (or sometimes government), but unworthy of study by economists when done in private homes? Is it really just the exchange of money that society values?

Rather than using marketization as the criterion for demarcating economics (or using the rational choice model, another popular alternative) a broader definition of economics as concerned with “provisioning” could delineate its subject matter without using such biased assumptions about what is and what is not important (Nelson, 1993b and 1993c). Adam Smith, for example, defined economics as being not simply about choice and exchange but also about the production and distribution of all of the “necessaries and conveniences of life”, placing emphasis on the things that human beings need to survive and flourish (quoted in Heilbroner, 1986, p. 159). These things may include activities, such as meaningful work, as well as goods and services such as food and health care. While some goods and services may be freely selected by adult individuals acting in markets, many are provided to individuals by their parents during childhood or by other family members. They can also be provided as gifts or through community or governmental programmes. The distribution of many “necessaries and conveniences” is also strongly influenced by tradition and by coercion.

---

*I thank Marianne Ferber for pointing out this reference.*
Such a definition of economics as concerned with the realm of “provisioning” breaks down the usual distinctions between the so-called “economic” (primarily market-oriented) activities and policies, on the one hand, and familial or social activities and policies, on the other. The absence of entries for household production in the National Income and Product Accounts is one obvious example. Another would be the question of attention to investment in children, or the question of who bears the costs of such investment (Folbre, 1994). Programmes to improve child nutrition or pre-school and primary education, for example, are usually thought of as social programmes, rather than as economic programmes designed to advance investment in human capital. Programmes to increase the quality of paid child-care arrangements are often thought of as consumption goods for parents, rather than as investments in children and in necessary infrastructure for parental participation in the life of the community (and particularly, given stereotyped patterns of work distribution within families, that of mothers).

In the “provisioning” view suggested here, topics like health care, education, worker safety, child care, youth unemployment and poverty are central, rather than tangential, and the worker is seen as a living, breathing, feeling and contributing member of a system that is both economic and social (or economic within being social). Such a view cannot in itself fully counter an excessive emphasis on market solutions to the range of economic and social problems, but it can help to make economics better prepared to confront those problems and contribute to more relevant policy prescriptions.

References


Tavris, Carol. 1992. *The mismeasure of woman: Why women are not the better sex, the inferior sex, or the opposite sex*. New York, NY, Simon and Schuster.