Hidden assumptions related to gender have affected the deep theoretical structure of neoclassical economics. Economists have had one notion of the self for market behavior—individuals are atomized and self-interested, with preferences that no one can change. But there is a very different image of the self for the family, albeit as often tacit as explicit. The family is seen to form our preferences when we are young, and family members are seen to share money and care for each other, with little regard to narrow self-interest. The two spheres are dichotomized, with analysis of the market taking an extreme "separative" view of the self and analysis of the family an extreme "soluble" view.

In this chapter, I review feminist theorizing that criticizes the separative/soluble dichotomy that permeates thinking about the self in Western thought. I then apply these insights to a criticism of neoclassical economics.¹

I call one notion of the self "separative" because it presumes that humans are autonomous, impermeable to social influences, and lack sufficient emotional connection to each other to feel any empathy. I argue that three of the most basic assumptions in neoclassical economic theory imply a separative notion of the self. The three assumptions are that interpersonal utility comparisons are impossible, that tastes are exogenous to economic models and unchanging, and that actors are selfish (have independent utilities). While each assumption is occasionally challenged, most mainstream economists accept them without much consideration. I argue that they are grounded in a general tendency in Western thought to posit and valorize the separative self. Because it ignores the inexorable interdependence of human life and the importance for human wellbeing of connection, feminists have criticized this model of the self as inaccurate and as not worthy as a moral ideal.

In contrast, however, when economists talk about the family, they seem to have an image of selves so soluble that they have no independent will or interest. It is all for one and one for all. This is explicit in Becker's 1991 work A Treatise on the Family, usually credited as starting the "new home economics." He posits selfishness in markets but altruism in the family, with family members acting as if they are maximizing a single family utility function. Conflicts of interest between family members and self-interested maneuvering for advantage are ignored, or at least downplayed. Drawing on the feminist critique of the "soluble" pole of the separative/soluble dichotomy, I apply this to economic work on the family, arguing that economists exaggerate the connective empathy and altruism within families.

I then consider recent developments in economics that provide a partial corrective to this dichotomous notion of the self. I discuss bargaining models of the family, which acknowledge conflicts of interest and self-interested maneuvering within the family. I also consider efforts by mainstream economists to relax the assumption that preferences are exogenous and unchanging. I argue that both are useful correctives to overly dichotomized thinking, in that the theory of endogenous tastes assumes a less impermeable self, while bargaining theories bring in some degree of separation between family members. I also argue, however, that if we really want to eschew dichotomies, the unmet challenge is a model of behavior across family and market spheres that captures both the individuated and connective aspects of life.

Finally, I consider how recent work on care by feminist economists has tried to meet this challenge. Work on caregiving (parenting, paid child care, teaching, nursing, counseling, and so forth) represents an attempt, still in progress, to eschew the separative/soluble dichotomy and theorize work done in both families and markets as involving both altruistic and narrowly self-interested motives.

Feminist Critiques of the Separative/Soluble Dichotomy in Conceptions of the Self

Before applying a feminist critique to economic theory, it is first necessary to clarify what I mean by feminist theory. One result of the entry of women, often feminists, into the academy in the last twenty years has been the allegation that theories in every discipline have been affected by gender bias. Over time, feminist thought has become increasingly diverse and today contains much healthy controversy. However, common to virtually all feminist views is the belief that women are subordinated to men to a degree that is morally wrong and unnecessary. Beyond this, views differ as to the sources of women's disadvantage and the proper remedy.

Two major, though not mutually exclusive, emphases within feminist thinking can be discerned: One body of thought emphasizes the exclusion of women from traditionally male activities and institutions. For example, laws, cultural beliefs, and other discriminatory practices have excluded most women from political office, religious leadership, military positions, and traditionally male crafts and professions within paid employment. These exclusions are significant for women since activities traditionally regarded as male include those associated with the largest rewards of honor, power, and money. The mechanisms of exclusion are sometimes so effective that most women do not choose to enter "male" domains, although a minority has always attempted to do so. Here feminists see the corrective to be allowing women to participate in these spheres on an equal basis with men. This goal is especially emphasized by liberal feminists, but is shared by almost all feminists. These "masculine" domains have been seen as allowing and even requiring autonomy and self-interested striving; the sense in which the men in these roles have actually been dependent,

Frank 1988, 2000; chap. 7-8; Mishel and Albert 1990; Maslowsbridge 1990; Hausman and McPherson 1993; Pollak and Waldfogel 1993; Ben-Porath and Proctor 1998; and Sober and Wilson 1998. There are now too many feminist critiques and reconstructions to mention all; but in addition to the essays in this volume, some that I find especially valuable are Folbre and Hausman 1988; Sen 1990; Nelson 1992, 1995, 1997, 1999; Ferber and Nelson 1993; Folbre 1994; and Nussbaum 1993.

2. There is a case to be made that Margaret Reid (1934) should receive credit for starting the "new home economics," but the credit is usually given to Becker (see the special issue of Feminist Economics in fall 1996 on Reid, especially Yt 1996.)
on and connected to women and other men has been repressed. But because the domains have been at least rhetorically associated with the separative self, the part of feminism that insists on women's equal right to enter these roles can be seen to encourage the development of a more separated, autonomous self in women.

A second body of feminist thought emphasizes the devaluation of and low material rewards accorded to activities and traits that traditionally have been deemed appropriate for women. The sexism here is in failing to see how traditionally female activities or dispositions contribute to the economy, society, or polity. Examples include failing to see how much child rearing, household work, and volunteer work contribute to "the wealth of nations." Another example is failing to see the extent to which work in predominantly female occupations contributes to firms' profits, the issue raised by the movement for "comparable worth" in wage setting (England 1992; Steinberg 2001). Feminists who emphasize this sort of sexism see the remedy to include changing values that deprecate traditionally female activities as well as allocating higher rewards to such activities. This position is sometimes called "cultural feminism" (Warren 2001), and some socialist feminists argue for this revalorization as well. Because many of women's traditional caretaking activities are embedded in familial relationships and are motivated, at least in part, by altruism or obligation, one can see this strain of feminism as valorizing connection as an ideal.

Sometimes these two feminist positions are thought to be in conflict: the first is seen as advocating that women enter traditionally male activities, while the second is seen to advocate women's continued attention to traditionally female activities. Of course, it is entirely possible to believe that we should acknowledge the value of traditionally female activities and reward them accordingly without believing that women should continue to do a disproportionate share of these activities. Indeed, a culture that valorized traditionally female activities would be expected to encourage men as well as women to acquire these skills and values. Therefore, the two feminist positions can be seen as compatible, since together they would agree that activities traditionally associated with either men or women should be open to both men and women, while simultaneously encouraging more equal valuation of and rewards for both kinds of activities. But there is a tension between them in that the first valorizes separation more and the second valorizes connection more.

Could we valorize both connection and autonomy? Could we imagine male and female selves that were both connective and yet somewhat individuated? Implicitly or explicitly, the weight of Western thought answers both questions with a "no." The terms separative and soluble were coined by theologian Catherine Keller (1986), who discussed their link to pervasive gender dichotomies in Western thought. In the simplest (sexist) formulations, men are seen as naturally separative, individuated, autonomous, and dominating, while women are seen as naturally soluble, yielding, connected, and dominated.

In such dichotomous thinking, the only choices are to be either thoroughly masculine and separative, or thoroughly feminine and soluble. Separation and connection are seen as representing opposite poles that war with each other. To the extent that one is separate, one is not soluble, and vice versa. To the extent that one is feminine, one is less masculine (as in the preandrogyne conception of gender), and vice versa.

In this view, to valorize one pole implies less value for the other. Historically, only men were considered fully human, since women seem to give up most of what is seen as valuably human in order to bear the burden of connection. No wonder then that liberal feminists thought the only corrective was to seek separation and autonomy for women, and no wonder that men saw only fearful loss in pursuing connection. This way of looking at things was undoubtedly influenced by the hierarchical organization of actual gender relations, such that men held authority over women and devised systems of thought that valorized their own activities.

This dichotomous thinking about the self does not allow recognition of the ways in which some degree of individuation may enhance intimacy, or that empathy may actually be enhanced by being in touch with the desires underlying one's own self-interested striving. The feminist position that I draw upon here argues for delinking separation/connection from gender in prescriptions, and for seeing that individuation and connection are not necessarily at war with each other. The nondichotomous position might be called "individuals-in-relation" (see Nelson, chap. 3 in this volume) or "relational autonomy" (Mackenzie and Stoljar 2000).

But because separation had been so glorified in Western thought, at least for men, and had been held out as the only fully human model of the self, the feminist critique had to start with an attack on the valorization of the separative self and of its descriptive accuracy for men or women, and particularly for women. This feminist critique of the separative self model was first applied in a number of disciplines other than economics. Seyla Benhabib (1987) traces the ideal of separative autonomy through liberalism in political philosophy. This tradition (whether the version of Hobbes, Locke, Rousseau, Kant, or Rawls) discusses

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4. While cultural feminists criticize Western thought for failing to see connection and interdependence between people, a related school of ecofeminism points out the analogous failure to see our interdependence with the natural environment and the fact that our instrumentalist toward our environment now threatens the planet and human life (Nelson 1997; Warren 2001).
moving from a "state of nature" to the metaphorical "contract" to set up the
state. While the contract is seen to increase civility and justice, men are seen as
separative and autonomous both before and after the contract. Authors failed
to recognize that men are not entirely autonomous—that no man would have
survived to adulthood but for the nurturing of a woman. Women's nurturing
work was taken for granted and excluded from political theory; women and
family bonds were seen as "part of nature" within a metaphysic that denigrated
nature. Women's activities did not count as "moral"; only exercising "autonomy"
in the public sphere did. Thus the separative self was valued, while nurturant
connection was ignored or deprecated.

Psychologists have pointed out a similar emphasis on separation in develop-
mental psychology (Chodorow 1978; Gilligan 1982). Carol Gilligan points
out that Freud, Jung, Erikson, Piaget, and Kohlberg, despite their differences, all
viewed individuation as synonymous with maturation and viewed connection
to others as developmentally regressive. They did not acknowledge learning the
capacity for intimacy and nurturance as part of maturation.

The separative self is glorified in the philosophy of science as well. Evelyn
Fox Keller (1983, 1985) argues that objectivity has been defined in terms of
the separation of the subject (the scientist) from the object of study. Emotional
connections with one's subject matter are seen as contaminating knowledge.
Keller insists, however, that some of our deepest scientific insights come from
the ability to empathize with those whose behavior we study.

Some feminists applauded "connection valorizing" authors such as Cho-
dorow (1978), Gilligan (1982), E. Keller (1985), Ruddick (1989), and Held
(1993) for their insistence that social scientists include the parts of human
experience traditionally assigned to women in their theories. Others thought
it perverse to romanticize traditionally female characterizations such as caring,
yielding, altruism, and selflessness, arguing that these are understandable but
self-defeating adaptations to men's domination over women (Hoagland 1988).
Another objection was to the tendency of those valorizing connection to exag-
gerate gender differences on this dimension. This objection was paired with a
fear that exaggerations of gender differences—even if seen as environmentally
created rather than innate—could be used to keep women out of powerful
positions (Epstein 1988; Aries 1996).

Since the early critiques of the "separative self," feminists have also become
increasingly suspicious of any "universal" notion of womanhood. Poststructu-
ralists have argued against any universal notion of human, female, or male
nature (Fraser and Nicholson 1990; Nicholson 1990; Chaturvedi and Zein-
Elabdin, chap. 8 in this volume). Feminist theorists of color (such as Brah 2001;
Collins 1990) have argued that it is often the experiences of relatively privileged
white women that have been described as "the feminine" to be either rejected
or valorized. For example, when one considers how insensitive white women
have often been to the suffering of less privileged women they hired to clean
or look after their children, one has to question whether either women's nature
or social role results in empathy and caring. Just as families look less unified
when men's violence toward women is recognized, women look less universally
empathic when the participation of privileged white women in class, race, and
national privileges is recognized.

It is something of a mantra among feminists that we should resist false di-
chotomies patterned on false ideas of sex differences. Julie Nelson (1992, 1996,
chap. 3 in this volume) has suggested one way that we can reject the negative
connotations of both separation and connection, while embracing the positive of
each. She points out that traditionally female "connective" and traditionally
male "separative" qualities each have both positive and negative aspects, but
argues that there is a strong tendency in Western thought to see only the posi-
tive aspect of characteristics encouraged in men and only the negative aspects
of those encouraged in women.

Consider, for example, the terms hard and soft, often metaphorically asso-
ciated with men and women, respectively. At least in intellectual or business
life, hard is seen as positive and soft as negative. But Nelson points out that it is
more accurate to see hard as having a positive aspect, strength, and a negative
aspect, rigidity, while soft also has a negative aspect, weakness, as well as a pos-
itive aspect, flexibility. The tendency to see the hard-soft distinction as a matter
of strong versus weak and to ignore the fact that it is also a matter of flexible
versus rigid is an instance of androcentric bias that keeps us seeing the good
but not the bad side of male characteristics and the bad but not the good side
of female characteristics. She urges a move toward nondichotomous thinking that
examines how the positive characteristics associated with traditionally male
and female roles can be combined because they are not really opposed to each other
(Nelson 1992, 1996). Something can be strong and flexible—like a tree in the
wind. Strength and flexibility are valuable in both markets and families.

Thus, while I emphasized the need to criticize the "separative" view in my
chapter in Beyond Economic Man (England 1993), I now see the important fem-
inist project to be formulating a view that is critical of both the separative self
and its often tacit and subordinated companion, the soluble self. We need to
reject the false dichotomy of individual versus relationship. In its place, we need
empirical study of how individuation and connection combine in all spheres,
and ethical theories that show the value of each. A feminist view of "individuals-
in-relation" or "relational autonomy" sees merit in recognizing and reducing
the extent to which women's autonomy is constrained by men's dominance, as
liberal and radical feminists have emphasized. It also recognizes that complete independence and autonomy are neither possible nor desirable, and that intimacy, relationships, care, and connections are the source of much of what is valuable in human life, as communitarians and cultural feminists have emphasized. In a similar vein, Folbre (2001) gropes for a politics that combines the socialist feminist critique of class, race, national, and gender hierarchies and the liberal emphasis on self-governance with the traditionally feminine concern for nurture, care, and community, and calls it "social feminism."

Applying the Feminist Critique of Separative Self Assumptions to Economics

To apply the feminist critique of the separative side of the separative/soluble dichotomy to economics, I will show how three basic assumptions presume separative selves.

Interpersonal Utility Comparisons

Neoclassical economists assume that interpersonal utility comparisons are impossible. Since the 1930s, utility has been conceived as the satisfaction of an individual's subjective desires; this concept lacks any dimension of objective, measurable welfare that might form the basis for interpersonal comparison (Cooter and Rappoport 1984). As a result, neoclassical theory tells us that we cannot know which of two persons gained more from a given exchange, because the relevant "currency" in which gain or advantage is measured is utility, and utility is conceived as being radically subjective. Eschewing the possibility of interpersonal utility assumptions is also the consequence of seeing an individual's utility to be measured on an ordinal rather than "cardinal" scale (with equal intervals and a nonarbitrary zero point), since cardinal measurement would allow comparisons between people. This is so basic an assumption that some form of interpersonal utility assumptions is also the consequence of seeing an individual's utility to be measured on an ordinal rather than "cardinal" scale (with equal intervals and a nonarbitrary zero point), since cardinal measurement would allow comparisons between people. This is so basic an assumption that some form of interpersonal utility comparisons are impossible amounts to assuming a separative self and denying the possibility of an empathic, emotionally connected self. But if we assume instead that individuals can make interpersonal utility comparisons, then surely we would conclude that as scholars we, too, are capable of making such comparisons. These comparisons would provide information about which of the individuals under study are likely suffer more than (i.e., have lower utility than) others. We then would view such comparisons between individuals' utility levels as practical measurement problems that we should try to surmount rather than considering them impossible a priori.

As long as we accept that utility comparisons between individuals are impossible, we find that the same principle applies to comparisons between groups. To answer questions about groups requires not only measuring utility but also averaging utilities across persons. While some applied economists study inequalities in wealth or income between groups and discuss their findings in language that (often only tacitly) implies something about unequal utility between the groups, such interpretations are in fundamental conflict with the theoretical core of neoclassical economics. Hence, generalizations such as that women in a particular society are disadvantaged relative to men are either not made by economists or not taken to imply that social arrangements may make women's average utility less than men's.

The tendency to eschew interpersonal utility comparisons is part of why positive neoclassical theories harmonize so well with conservative normative positions on distributitional issues. The paradigm denies one the possibility of recognizing that those at the bottom of hierarchies average less utility than others, which would provide a basis for questioning the justice of initial unequal distribution of endowments and its consequences. The paradigm also implies that virtually all collectivistic redistribution is non-Pareto-optimal. In sum, it permits no assessments of unequal utility that otherwise might serve as grounds for advocating egalitarian redistribution; rather, it criticizes such redistribution requiring some affluent persons to lose utility for the sake of a gain by the poor cannot be Pareto-superior by definition.

How does the feminist critique of separation/connection relate to interpersonal utility comparisons? The assumption that interpersonal utility comparisons are impossible flows from assuming a separative self. To see how this is true, imagine that we started by assuming the sort of emotional connection that encourages empathy. Such empathy would facilitate making interpersonal utility comparisons, since being able to imagine how someone else feels in a given situation implies the possibility of translating between one's own and another person's metric for utility. Assuming that interpersonal utility comparisons are impossible amounts to assuming a separative self and denying the possibility of an empathic, emotionally connected self. But if we assume instead that individuals can make interpersonal utility comparisons, then surely we would conclude that as scholars we, too, are capable of making such comparisons. These comparisons would provide information about which of the individuals under study are likely suffer more than (i.e., have lower utility than) others. We then would view such comparisons between individuals' utility levels as practical measurement problems that we should try to surmount rather than considering them impossible a priori.

Using Pareto-optimality as the criterion of efficiency derives at least in part from the assumption that interpersonal utility comparisons are impossible. A distributional change is defined as Pareto-superior if at least one party gains utility and no one loses any. For example, voluntary exchange between self-interested individuals produces a Pareto-superior distribution. Each party must have felt that s/he would be made better off by the exchange than by forgoing it or s/he would not have made it. When no more Pareto-superior changes can be made through exchange, the distribution is said to be Pareto-optimal. Thus, redistribution requiring some affluent persons to lose utility for the sake of a gain by the poor cannot be Pareto-superior by definition.
a redistribution as inefficient (in the sense of violating Pareto optimality). To take only one example, this assumption leads one to question the merit of assistance to the large proportion of female-headed families who live in poverty. More generally, it denies us a theoretical basis for saying existing arrangements benefit some groups more than others or, specifically, men more than women.

Tastes: Exogenous and Unchanging

What the utility maximizer of economic theory will do is often indeterminate unless one knows the individual's tastes. Tastes (also called preferences) determine the amount of utility provided by different combinations of goods, services, leisure, working conditions, children, and so forth. They are an input to economic models. Economists generally do not attempt to explain the origin of these tastes. In a famous article, "De Gustibus Non Est Disputandum" (roughly translated, "there is no accounting for tastes"), George Stigler and Gary Becker (1977) argued that there is little variation in tastes between individuals and tastes change little over time, so most behavior can be explained by prices and endowments. Some economists see a role for disciplines such as sociology and psychology in explaining variations in tastes. But whether or not they believe that individuals differ in their tastes, economists typically see tastes as exogenous to their models. This implies that they will not change in response to interactions in markets.

There is no doubt that assuming fixed and exogenous rather than changing and endogenous preferences radically simplifies neoclassical models. But is the assumption reasonable? There is good reason to believe that it is not. The following questions illustrate the point: Are most individuals really so impervious to their surroundings that they can hold a job for years without their preferences being affected by the routines they get used to in this job? Are preferences never influenced by interactions with coworkers? If they are, then events in the labor market do affect tastes. Are consumer tastes never altered by interactions with neighbors? If they are, then events in the housing market (which determine the identity of one's neighbors) affect tastes. Tastes change little over time, so most behavior can be explained by prices and endowments. In this way, at the societal level, an economic process, market discrimination, affects the distribution of tastes of the next generation even if tastes are exogenous to market participation at the individual level. Or, to take an example from later in the life cycle, if schools or employers discriminate against women who start out wanting to enter "male" fields, women may not only adjust their choices but actually change their tastes to be consistent with the available options. In this example, tastes are endogenous to economic processes even at the individual level, in ways that perpetuate gender inequality. In an analogous fashion, given economic processes such as racial discrimination or inequality of opportunity by class background, economic processes may lead to race or class differences in tastes; but such differences, too, are endogenous to economic processes.

Selfishness in Markets

Neoclassical theory assumes self-interested actors. Since it says nothing explicit about what gives people satisfaction, it is not inconsistent with neoclassical assumptions for some individuals to derive satisfaction from being altruistic. That is, self-interest need not imply selfishness in the sense of failing to care for others (Friedman and Diehl 1990). Nonetheless, in practice, most economists do assume selfishness in markets, as both Frank (1988, 2000), who is critical of the assumption, and Becker (1991, 277–306, an advocate, have pointed out. Sometimes auxiliary assumptions preclude altruism. An example is the assumption that utilities are independent. Since economists generally define A's altruism toward B as B's utility contributing to A's utility, altruism is precluded by the assumption that actors' utilities are independent.

The assumption that individuals are selfish is related to the separative model of the self. Emotional connection often creates empathy, altruism, and a subjective sense of social solidarity. For example, the experience of attending
to the needs of a child or of mentoring a student tends to make us care more about others' well-being; that is, nurturant behavior makes us more nurturing. (Note that this is also an example of changing tastes.) Separative selves would have little basis for developing the necessary empathy to practice altruism.5

Most labor economists assume selfishness of employers toward employees and vice versa. If employers were altruistic toward some or all of their employees, they might pay them above-market wages, forgoing some profit. If course, the strategic payment of above-market wages in "shirking" models of efficiency wages (Bulow and Summers 1986; Katz 1986) does not violate the assumption of selfishness. In these models, employers are profit maximizers and pay above-market wages only when such wages increase the productivity of workers, and thus revenue, enough to more than compensate for the costs of the higher wage.6

Assuming selfishness in markets fails to account for men's altruism toward other men in market behavior, altruism that may work to the disadvantage of women. When people engage in collective action, a kind of selective altruism may be at work (Elster 1979; Sen 1987). For example, when male employees collude in order to try to keep women out of "their" jobs, they are exhibiting within-sex altruism.

Sometimes selective within-sex altruism also exists between male employers and employees, so that employers are willing to pay male workers more than the contribution of the marginal worker to revenue product. This may be termed "pro-male altruistic discrimination" as opposed to the more common form of antifemale discrimination when women are paid less than the market-clearing wage for men. Matthew Goldberg (1982) has argued that competitive market forces do not erode this pro-male altruistic discrimination in the way that they erode antifemale discrimination.7 The essence of his argument is that a nondiscriminator cannot buy out an altruistic discriminator for a price consistent with the present value of the business to the nondiscriminator. This is because the nonpecuniary utility the pro-male discriminator is getting from indulging his taste for altruism toward male workers makes the business worth more to the discriminator than to the nondiscriminator. By contrast, a nondiscriminator's offer to buy out an antifemale discriminator (who is hiring men for more than the wage he would have to pay women) will be compelling because the nondiscriminator can make more money than the antifemale discriminator with no sacrifice of nonpecuniary utility. If we assume the absence of altruism in markets, then we cannot recognize the possibility that this selective altruism is a source of sex discrimination that can endure in competitive markets. Thus, recognizing selective altruism would raise questions about neoclassical economists' usual assumption that discrimination cannot endure in competitive markets.

Applying the Feminist Critique of the Soluble Self to the Economics of the Family

Even the rugged "autonomous" individuals valorized in liberal economic and political theory would seem to require a selfless altruist to take care of their dependency needs when they are very young, very old, sick, or disabled. But the broad benefits of this work, done largely by women, have remained invisible in economic and political theory until recently. It was just tacitly assumed by most economists—neoclassical, Marxist, and institutionalist—that women would provide loving care for their families and support men in their market endeavors. Of course, it was also assumed that men would, in their role as "head" of families treat women with respect and children with love, albeit of a paternalistic variety.

Much of this remained implicit, seldom discussed, until Gary Becker's "new home economics" became a mainstream staple. Becker (1991) explicitly assumed a single family utility function in which the "head" is an altruist. From a feminist perspective, Becker's acknowledgment that production goes on in communication that he considers my elaboration consistent with his argument. I refer to discrimination as altruistic (toward its beneficiaries) when employers pay a group more than marginal revenue product; if employers pay more than the going rate but less than marginal revenue product, I do not consider it altruistic.
the household and that therefore the household should be seen as part of "the economy" deserves our applause. However, Becker's assumptions about altruism and family solidarity are in need of a feminist critique. (These same criticisms apply to the more recent 1991 version of Becker's Treatise on the Family as well as the 1981 edition, as well as to Bernheim and Stark's 1988 discussion of altruism in the family.)

From a feminist point of view the overarching problem with Becker's work is that he fails to consider seriously that men are often not altruistic to their wives and children. Becker is explicit about his belief that self-interest is the correct assumption for the market, whereas altruism is more prevalent in the family (1991, 277-306). His well-known "rotten kid" theorem posits an altruistic family head who takes the utility functions of family members as arguments of "his" own utility function. He does not say that the head gives no weight to his own narrow self-interest, but rather that his utility function includes these preferences but also gives at least some weight to other family members' preferences (Pollak 2002). Becker argues that if the head is somewhat altruistic in this sense, then even a selfish "rotten" spouse or child will be induced to "behave" because of the incentives that head sets up by redistributing away from the "rotten" family member. Commentators have pointed out, however, that the "rotten kid" theorem implicitly assumes that the family member whose altruism induces altruism in others also controls the resources to be distributed (Ben-Porath 1982; Pollak 1985, 2002). Otherwise the theorem does not hold; it is control over the resources that allows the head of the family to redistribute against the selfish "rotten kid" unless s/he alters behavior to be more consistent with collective family interest. Thus, the "altruist" also must be a dictator of sorts to get the result Becker wants—the ability to model the family, assuming it behaves, so as to maximize a single utility function, the utility function of the somewhat altruistic head.

Becker appears not to think that who earns the most money will affect distribution or consumption within the family. But what if the head earns most of the money needed to obtain the resources and is not so altruistic? Becker does not discuss this possibility. He does, however, discuss why he thinks men have higher earnings than women. He explains the typical (although changing) division of labor in which men specialize in market and women in household and child-rearing work in terms of its efficiency. One can certainly criticize this on the grounds that it ignores the role of tradition and market discrimination. But it is also important to look at how Becker's assumption of altruism of the person who distributes resources in the family blinds him to seeing the power men can gain over women by the access to resources that earnings provide and, thus, the disadvantages for a woman of being a homemaker (Folbre 1994; Woolley 1996; England and Budig 1998; Kabeer 2001). To the extent that both spouses are completely altruistic, who controls distribution would not matter. But it is only on the unreasonable assumption that one or both have a completely soluble self that dissolves into the will of the other that we can imagine no conflicts of interest.

Oddly enough, the altruism of women in traditional caretaking roles does not figure much in Becker's theory. Women's altruism, at least toward children, is usually assumed by economists, but not emphasized. Indeed, the inherent dependence of the human condition is rarely discussed. As previously noted, we all need care as children and in our old age, and most of us have some periods of disability and illness during which we are dependent even during our "prime age." Even at our peak, we all benefit from love and nurturance. Where does the altruism and caring behavior that ensures this care come from? What is striking is that neither Becker nor other economists discuss this explicitly; they just seem to assume there will be enough altruism in the family to provide for dependents.

By being more explicit than other economists about altruism, Becker reveals that he actually credits the real altruism to men, despite the fact that women are socially assigned to roles like mothering where complete selflessness is encouraged. A cynic might say that Becker's notion of the altruism of the head (i.e., that the head's preferences give considerable weight to other family members' preferences) deflects our attention from the fact that the model is really very similar to traditional notions that assign the role of head to the man, allow him to be a dictator, and don't worry about whether this is really better for women and children or only for him. The fact that the altruist also needs to have control over distribution for his model of the family to work should alert us to the fact that it is not a model consistent with mutual altruism combined with mutuality in decision making in which, in the face of differences in preference, each spouse sometimes gets his or her way and sometimes yields to the wish of the other. A model that has such mutuality as an outcome seems to require rejection of the separative/soluble dichotomy.

But even if we believed that Becker was positing real mutual altruism among all family members, there is still an unacceptable level of dichotomous thinking. I have no problem with the notion that, on average, people are more altruistic toward family members than toward strangers. There is, however, a problem with the extreme bifurcation of the view of how humans behave in

8. In fact, an interesting body of recent experimental work suggests that women act more altruistically than men (Eckel and Grossman 1996a, 1996b). This does not necessarily imply innate sex differences, but may be a socially constructed preference—an endogenous taste.
Recent Developments in Economics: A Corrective to Separative/Soluble Dichotomies?

Bargaining Models of Marriage

Suppose that economists used their usual “separative” assumptions to model behavior among spouses and between parents and children. How would a selfish individual with unchanging tastes behave within the family? When economists analyze a situation that lacks the large number of potential buyers and sellers that characterize markets, they turn to game theory, which has become increasingly popular in economics. Formal game-theoretic models of family bargaining and distribution have been offered in recent decades (Manser and Brown 1980; McElroy and Horney 1981; McElroy 1985, 1990; Chiappori 1992; Lundberg and Pollak 1993, 1994, 1996). Many of these were not developed as part of a program of gender scholarship but lead to some of the same insights developed in less formal but more substantive terms by gender scholars (England and Farkas 1986, chap. 3; Sen 1990; England and Kilbourne 1990; Folbre 1994, 1997; Woolley 1996; Agarwal 1997; England 2000a, 2000b; Kaber 2001; England and Folbre 2002b). Both groups often characterize their contributions as inconsistent with Becker.

Whereas in a Beckerian world, the family has a single utility function and cooperates to allocate resources and each member's time efficiently in the service of this unitary utility function, in a bargaining world, resources affect whose interests prevail in decision making within the family that affects each person's utility. The idea is that, if you have more resources, you can get your way more often in terms of who does housework, how money is spent, and other issues on which spouses may disagree. Why might bringing money or other resources into the household give a spouse bargaining power? The game theory models that economists have applied to family bargaining answer this with the concept of “threat points” (see Lundberg and Pollak 1996 for an overview). “Divorce threat point” (also called “external threat point”) models emphasize that bargaining within marriage is conducted in the shadow of the possibility of divorce. An individual’s threat point is what she has to fall back on if the marriage dissolves. This is presumably influenced by one’s own earnings, one's position in the market for a new partner, and the life skills and preferences that affect how much one enjoys being single. Utility outside marriage is also influenced by how much gender discrimination there is in the labor market, the amount of child support payments the state makes absent parents pay and how strongly this is enforced, as well as state payments to single individuals or parents. McElroy (1990) calls these factors “extrahousehold environmental parameters” and Folbre (1997) calls them “gender-specific environmental parameters.” Optimizing individuals will choose whether to stay in the marriage or leave by comparing the utility they experience in the marriage to what they anticipate if they leave the marriage.

Consider a couple, A and B. The better off A would be if the marriage dissolved, the better the deal B has to provide A in the marriage to make it worthwhile for A to stay in the marriage. Individuals make concessions to their partners to keep their marriages intact if they would be worse off without the spouse than in the marriage even after having made the necessary concessions. If both spouses act this way, it follows that the better A’s alternatives outside (relative to inside) the marriage, or the worse B’s outside alternatives, the better a bargain A (and worse B) can strike in the marriage. Resources that one could withdraw from one’s partner and/or retain for oneself if the marriage dissolved are those that increase bargaining power.

Lundberg and Pollak (1993, 1996) also discuss “internal threat point models.” Here the issue is what one spouse can withhold from the other without leaving the marriage, and what that leaves the other to fall back on within the marriage. In such models, money that comes into the household through partner A gives A power because s/he could possibly fail to share some or all of the income, even without divorce or separation. Here, too, earnings should lead to some power, because they are a resource one shares or could withhold. But in this model the relevance of earnings to bargaining power does not hinge on their portability if one leaves the relationship as it does in the divorce threat model.9

9. Threat-point models have a similar logic to sociological exchange theory. For an overview of exchange theory, see Molm and Cook 1995 and Cook 1987. For applications to marital power, see Molm and Cook 1995, 220, and England and Farkas 1986.
Economists offer some evidence to support the bargaining view of marriage. Recent studies show that where women have more access to and control over economic resources (relative to men), more is spent on children (Thomas 1990; Alderman et al. 1995; Lundberg, Pollak, and Wales 1997). This evidence is inconsistent with a view that altruism is so pervasive in the family that who controls the resources doesn't affect whose wishes prevail.

Bargaining theories allow one to see the possible disadvantages for women of a division of labor in which men specialize in market and women in household work. They imply that, to the extent men are not entirely altruistic, the result for women will be less decision-making power and a smaller share of resources going to them. Becker emphasizes that the pie is bigger with specialization because of its efficiency, but, even if this is true, there may be a trade-off for women between a bigger pie and a bigger share of a smaller pie. From a feminist point of view, it is important to have a theory that does not obscure this disadvantage to women of traditional arrangements.

Thus, while economic theory has downplayed connection and solidarity in market behavior, models of the household that use separative-self assumptions are a useful corrective for understanding the household precisely because perfect altruism does not prevail. On the other hand, they miss the considerable altruism and solidarity in the household that exists, although it was previously exaggerated. What is difficult is to devise models that recognize a role for both altruism and self-interested bargaining and still generate clear predictions.

Models of Endogenous Tastes

As discussed above, economists generally assume that tastes (preferences) are unchanging and determined exogenously. If tastes are assumed to be stable, then changes in what we choose must be due to changes in our income or the relative prices of various choices. As discussed above, this is consistent with a separative self; in this view, the self is so impervious to social influences that preferences remain uninfluenced by social networks, life experiences, and so on. Robert Pollak, a persistent mainstream critic of Becker, had earlier argued for models including endogenous preferences (Pollak 1970, 1978). (Neoclassical economists Stark and Falk [1998] also discussed empathy as an endogenous taste.) Interestingly, Becker's 1996 book, Accounting for Tastes, although it reprints the abovementioned famous 1977 paper with Stigler, elsewhere announces a change in position on this issue. He now argues that preferences for "specific commodities" (examples would be pears, listening to rap music, or having an intimate relationship with a particular person) can change over time in response to an individual's experiences; they are neither exogenous nor unchanging. Indeed, they may change because of one's social connections, an acknowledgment of the role of "social capital." For example, having parents or friends who play classical music may teach you to appreciate such music. Also, many things may be habit forming. Addictions are the extreme example of this, when, for example, today's choice to consume a drug affects the degree to which one prefers the drug to other goods in the future. In these ways, Becker now recognizes the existence of endogenous, changing preferences.

What Becker still sees as exogenous and unchanging is an "extended utility function," which specifies, for each individual, the way in which social connections and past consumption experiences determine how much utility will be gained from various combinations of specific commodities. This extended utility function is different from the standard economists' notion of a utility function that simply consists of one's preferences for commodities and rankings of all possible combinations and sequences thereof (see, for example, Varian 1999, chap. 4). It is more like a production function for utility functions. Simply put, in the new Becker, it is no longer what you like that is seen to be unchanging, but rather the process by which preferences are determined. There are still elements of the "separative self" concept apparent in making the utility production function impervious to social and economic influences. Yet I am not inclined to criticize him on this point because virtually every answer to the profound question of how we come to want what we want takes some portion of "human nature" as unchanging and asks how, given this, conditions affect our preferences. Becker examines questions such as how we can see all the decisions leading up to drug addiction as rational. A feminist cannot help but think of a parallel. If we put endogenous tastes together with a bargaining model (eschewed by Becker), we could hypothesize that being in a subordinate position leads to deferential behavior which, in turn, is habit forming, further reducing women's ability to "drive a hard bargain," even when their threat point improves. This would get us close to feminist notions of internalized oppression. Though Becker does not use the model of endogenous tastes in this way, it could be usefully developed to study internalized oppression.

The New Feminist Economics of Care

A third area of recent economic work I consider is from feminists within economics and related social sciences. The study of care work—tending chil-
children, nursing, doctoring, counseling, therapy, and so forth—is an excellent example of a topic that challenges all the usual dichotomies—male/female, separative/connected, selfish/altruistic, family/market. This work is increasingly done in the market, although much care is still provided in the home. It often combines altruistic motivations with working for pay. Contrary to many critiques of commodification, feminist and Marxist, the fact that care work is done in the family does not ensure that it is done entirely out of altruism, nor should we assume that moving it into the market or paying well for it takes all the real caring out of care work (Nelson 1999; Folbre and Nelson 2000; Nelson and England 2002).

How do we know whether there will be an optimal amount of genuine care, motivated by altruism, to create a good society and a productive economy (Folbre and Weisskopf 1998)? As women have better economic alternatives outside the home and in the market other than paid care work, and few men are attracted to care work, the question of whether we will have “enough” teachers, nurses, and child-care workers comes to the fore. Care work pays less than other work requiring the same amount of skill, effort, and risk (England and Folbre 1999a; England, Budig, and Folbre 2002). We should not, however, assume that this is explained by the fact that altruism is its own reward and that the low pay for this work can be explained entirely in terms of the theory of compensating differentials. It may be that the low pay results in part from the difficulties of getting all the indirect beneficiaries of this work to pay the care workers, because care work creates positive externalities and public goods (see England and Folbre 1999a, 1999b, 2000a, 2000b, 2002a, chap. 2 in this volume). That is, by increasing the capabilities of recipients, care makes its recipients into better spouses, parents, workers, and neighbors, and the benefits of this diffuse to many who never pay the care worker (England and Folbre, chap. 2 in this volume, explore the utility of new economic institutionalist contracting models for theorizing care.)

We are a long way from an adequate theory of care, but it seems clear that the supply of and reward for care are affected by social norms encouraging altruism. We also see self-interested distributional struggles over how much of care work men and the state will take on to reduce women’s traditional responsibility for care, as well as similar struggles over whose care is paid for by the state and how much state support for care work there is (O’Connor, Orloff, and Shaver 1999). Models that see all family behavior as altruistic or that deny the possibility that care workers may be motivated both by real caring and pecuniary motives falsely dichotomize. We need to see the self-interested agency as well as selective empathy and connection in all spheres. What is promising is that authors are explicitly trying to avoid both sides of the dichotomy in this work; what is frustrating is how hard it is to do this and still come up with firm conclusions.

Conclusion

I have argued that economists should learn from interdisciplinary feminist theory that offers models of individuals-in-relation as a corrective to traditional dichotomies of separative/soluble selves. Based on these feminist ideas, I have criticized economists’ assumptions that in the market interpersonal utility comparisons are impossible, tastes are exogenous and unchanging, and individuals are selfish (i.e., utilities are independent), but that in the family altruism is the rule. The first three of these assumptions of neoclassical theory contain the “separative-self” bias that fails to recognize selective altruism, endogenous tastes, and empathy in market behavior. Economists’ usual assumptions about the family go to the other extreme, seeing some actors as almost entirely altruistic or soluble. Taken together, this view glorifies and exaggerates men’s autonomy outside the family while giving them credit for too much altruism within the family. This view also results in an inability to see how conventional arrangements perpetuate women’s subordination to men in markets and the family.

I examined recent work in mainstream and feminist economics to see how successfully either provides a corrective to the overly “separative” view of actors in markets or the overly “soluble” view of family members. Bargaining theories of marriage bring some individual self-interest back into the family and models of endogenous tastes could, if broadly applied, show us social influences on actors in the market as well as the family, some of which perpetuate disadvantage by gender, class, and race. These contributions from mainstream economics are hopeful signs, attacking problematic assumptions one at a time. They do not, however, meet the real challenge of providing a model that includes altruism, connection, and self-interested maneuvering in both markets and families. Feminist work on the economics of care is promising in its challenge of the separative/soluble dichotomy, considering work done in families as well as markets for both love and money. Nelson (chap. 3 in this volume) extends this challenge of the separative/soluble dichotomy to the theory of firms. But we do not yet have a coherent alternative theory.

Modeling behavior when selfishness and empathy are variable and when preferences can change in response to the environment is a continuing challenge for feminist economists and other social scientists. Giving up the strong assumptions common in mainstream economic theory severely blunts the
predictive power of models, even if a strong rationality assumption is retained. For example, when it comes to wages and discrimination, it is harder to predict what a rational, selectively altruistic employer will do than to predict what a rational, profit-maximizing employer will do. Similarly, it is harder to predict how a rational husband who earns more than his wife will behave in a model of marriage that sees both altruism and self-interest to be present than in a model that assumes only one or the other.

Some feminists conclude that we simply need to describe reality richly, that any theorizing does violence to reality. Others believe that it takes a theory to replace a theory. My own view is that we should not give up stretching toward a comprehensive theory of human behavior and well-being even while giving up false dichotomies that have kept models simpler but also distorted them. These new models will show us both the dangers and the value in connections and in separation. They will help us understand a world where both self-interested and other-regarding motives permeate markets and families. They will help us understand the sources of inequalities and the determinants of the happiness or misery of nations, firms, and families. In my view, this is the challenge for the coming decades of work in feminist economics.

11. I have not challenged this most "sacred" neoclassical assumption of all, the rationality assumption. Some feminist philosophers argue that the concept of rationality in Western thought has been constructed to be inconsistent with anything related to traits and activities presumed to be "feminine"—nurse, the body passion, emotion—and that this has distorted the concept of rationality (Lloyd 1984; Bordo 1986; Schott 1988). Yet rationality has a rather limited meaning in neoclassical theory. The rational actor has preferences that are both transitive (if I prefer A to B and B to C, I will prefer A to C) and complete (any two outcomes can be compared), and she acts on the basis of correct calculations about the means that best maximize utility given these preferences (Sen 1987; Varian 1984). Yet, even if we retain the rationality postulate, the neoclassical model needs substantial revision to make its other assumptions consistent with challenges to the separative/soluble dichotomy.

References


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