

Towards a Feminist Economics of Welfare

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ABSTRACT

This paper discusses two fundamental methodological differences between feminist economics and neoclassical welfare economics. First, the notion of preference change is central to feminist economics, but on the margins of neoclassical welfare economics. Second, the identification of choice with well-being, which is the basis for much of neoclassical welfare analysis is deeply problematic for many feminists. Finally, the paper discusses ways in which feminist economists can go about evaluating economic policies.

RÉSUMÉ

Cet article discute de deux différences de méthodologie fondamentales entre l'économie féministe et l'économie néoclassique du bien-être social. Premièrement la notion de préférence de changement est centrale à l'économie féministe, mais en marge de l'économie néoclassique du bien-être social. Deuxièmement, l'identification de choix avec le bien-être, ce qui est la base d'une grande partie de l'analyse néoclassique du bien-être social, est extrêmement problématique pour un grand nombre de féministes. Finalement l'article discute des moyens par lesquels les économistes féministes peuvent s'y prendre pour évaluer les politiques économiques.

Welfare economics is the framework within which the normative significance of economic events is evaluated.

(Boadway and Bruce 1984, 1)

The proper aim of feminism should be to establish a society in which there is sexual justice. (Richards 1980, 26)

Feminists and neoclassical welfare economists share a concern for the evaluation of policy. However, a feminist welfare economics is just beginning to emerge. There are a number of economists who have used standard economic methodology to argue for policies to improve the status of women. The cogent arguments put forward by these committed feminist researchers have done much to improve the quality, quantity and focus of the policy debate on issues such as discrimination and employment equity, both inside and outside the economics profession. However, as I have argued elsewhere (Woolley 1993), research informed by rigorous empiricism, but from the vantage point that women matter, raises questions which fundamentally challenge neoclassical economic assumptions. Feminists dissatisfied with

neoclassical economic methodology are beginning to develop alternative analytic frameworks, and these alternative approaches raise fundamental methodological questions about policy evaluation.

It might be thought that a feminist welfare economics would simply be concerned with the effect of economic policy on women's welfare, or with the design of economic policies that are "good" for women. Yet feminism is not simply about improving the position of women; it is about understanding gender relations and promoting equity between men and women. Moreover, such a conception of feminist welfare economics begs the question of what "good for women" or "women's welfare" means.

In neoclassical welfare economics, individual welfare is equated with individual utility, or satisfaction of individual preferences or wants. People's preferences are inferred from their choices, for example, the quantity of different goods demanded, contingent upon prices and incomes. This theory of welfare is used to develop principles of cost-benefit analysis and project evaluation, such as the principle that in the absence of market distortions costs and benefits should be evaluated at market prices, and a small project increases welfare

if national income or GDP (at the original prices) increases.

This paper sets out a number of feminist methodological challenges to this framework. First, I argue that, because "preferences" are one way that gender inequalities are generated and perpetuated and, because preferences are socially constructed, the changeability of preferences is a vital part of the feminist project of social change. This calls into question the neoclassical assumption that individual utility functions are exogenous and brings under scrutiny the institutions and social structures that shape preferences. Second, I join other feminist economists in questioning the meaning attached to utility in neoclassical economics. Is the utility function a description of people's preferences? The determinant of their choices? A measure of well-being? Can it be all of these at the same time? The first two sections of this paper take up these two challenges, but conclude that building a foundation for policy evaluation using ideas of preference endogeneity and change is deeply problematic. The third section discusses two routes for breaking away from preference and welfare: treating "gender ideology," by which I mean a set of ideas about gender roles, as a constraint embodied in institutions, and moving to "capabilities" as a basis for social evaluation.

I. THE ORIGINS AND CHANGEABILITY OF PREFERENCES

Feminist economists have criticized neoclassical economics for so strongly emphasizing rational individual choice, while not inquiring into the origins of preferences or their changeability. For many neoclassical economists, a person's preferences are fixed and given:

... one does not argue over tastes for the same reason that one does not argue over the Rocky Mountains - both are there, will be there next year, too, and are the same to all men. (Stigler and Becker 1977, 76)

Moreover, because preferences are unknowable, explanations based on group differences or changes

in preferences are empirically untestable ad hocery and, what's more, uninteresting.

Neoclassical economists also avoid passing judgment on people's preferences. Ranking, for example, a preference for equity over a preference for efficiency would be making a value judgment. And, as every undergraduate economics major learns, when value judgments are involved, economics cannot tell us what the best policy is.

To the extent that neoclassical economics has an ideology, it is the ideology of the status quo. Since preferences are unknowable, interpersonal comparisons are impossible. Neoclassical economists avoid interpersonal comparisons between gainers and losers by advocating policies which make everyone better off, the "Pareto criterion." The idea that a deviation from the status quo is only acceptable if it makes everybody better off leads to conservative policy-making, since almost no policy change will produce universal gains.

The neoclassical approach is unsatisfactory for feminist analysis. Feminist economists have shown that attitudes and ideologies are part of the reason for women's inferior economic position. For example, sex-role ideologies and differences in women's and men's tolerance for mess are two reasons for the unequal division of household work. Socially constructed preferences are a reason for the undervaluation of women's caring labour.

Feminism substitutes an ideology of change for the neoclassical ideology of the status quo. The key to feminism is not merely recognizing that attitudes and ideologies shape women's economic position; it is taking a stand that attitudes can and should be changed. "Feminism is a politics. It is a politics directed at changing existing power relations between men and women in society" (Weedon 1987, 1). This belief in the possibility and desirability of improving women's position entails a belief in the possibility and desirability of changing preferences.

Feminist economic thought on the origins of preferences has been influenced by a number of key works, many of them originating in other

disciplines. First, feminist economists emphasize that individual wants and values are part of a gender ideology constructed by social relations. Gender roles, ideas of what is "masculine" and "feminine," may arguably have some biological basis, but they are primarily socially constructed. For example, in the Walt Disney movie *The Lion King*, female lions are drawn without whiskers, while in *The Jungle Book*, elephants live in a mostly male and male-led herd. The portrayal of gender here and more generally has more to do with cultural norms than biological reality.

In theorizing how social relations shape gender and, in turn, preferences, feminist economists draw from a wide range of sources, from radical political economy to post-structuralist theory. Underlying all of these, however, is the theme that if preferences are constructed through social relations and personal experiences, then they may be reconstructed as social relations change and people gain new experiences. The changeability of preferences, indeed almost their malleability, is crucial to the feminist project. If we accept the basic feminist premise that gender relations can and should be more equal, and furthermore if we accept that "preferences" are a major reason for unequal gender relations, it then follows that preference change is a prerequisite for the social change feminists fight for.

Feminist models of preference change differ fundamentally from neoclassical models of endogenous preference in three respects. First, feminist economists look to a much broader range of influences, including language, culture, and politics, as well as economic variables such as prices and incomes. Second, feminist theorists see preference change as resulting, in part, from dissatisfaction or internal conflict with internalized social norms, and not as the rational choice of fully-informed individuals. Third, feminist models of preference change are not deterministic. Individuals may participate, alone or through collective action, in transforming their wants and values. The account is not deterministic because agency is exercised not only in the choice of actions based on given wants, but also in the construction of the wants themselves.

Finally, and most fundamentally, neoclassical models generally postulate the existence of a stable, underlying meta-preference order (Stigler and Becker 1977). Feminists do not. Indeed, many feminists argue that there is no universal man or woman who can be understood apart from the set of social institutions which constitute them as subjects and agents, so discussion of individual preferences in a feminist context is meaningless.

Feminists are correct in arguing that the economic view of choice, where choice simply involves maximization of utility subject to constraints, is deterministic. People's actions are predetermined by preferences, prices, and incomes. Yet social determinism, where all actions are socially constructed, seems to be little improvement over economic determinism. The challenge for feminists is to find a middle ground which acknowledges both the possibility of choice and the reality of socially constructed constraints. In this middle ground is the potential for a feminist economic account of agency. Part of the acknowledgment of female agency is recognizing that women have interests, wants and desires, and that women act on these. Throwing out the concept of choice entirely risks disempowering women. If women have interests, and act on their interests, there is a strong role for individual and collective agency in feminist economics. The formulation of a new account of female agency is a substantive contribution that feminist economics makes to feminist scholarship and to economics. Yet feminist models of choice and agency contrast sharply with neoclassical models of choice and agency in terms of what constitutes an agent's welfare, and what can be inferred from agent's choices.

II. ALTERNATIVE CONCEPTIONS OF PREFERENCE, ALTERNATIVE WELFARE ECONOMICS

Neoclassical economists generally identify well-being with choice. A person's choice of oranges over apples reveals that oranges provide her with greater well-being, utility, or satisfaction than do apples. Preferences can be inferred from

choices. Neoclassical economic thought takes the liberal position that we should respect people's preferences, regardless of their origin. Janet Radcliffe Richards provides a nice summary of the liberal perspective:

even though the wishes and expectations men and women have of each other may be culturally induced and not an inevitable part of their natures, that is not the slightest reason for ignoring them. A liberator must allow people as they actually are to make their own choices, because their culturally determined preferences are still theirs. (Richards 1980, 187)

The strength of liberalism is its respect for individuals.

The liberal argument does, however, have three weaknesses. First, people lack education, information, and opportunities for reflection, which can lead them to make choices which, in retrospect, are mistaken. Moreover, people may make choices that they regret, so their actions may be a poor guide to their preferences. This is particularly a problem for fundamental choices spanning long period of time; for example, should a Bengali household sell its ancestral land and seek wage work in the city? What is chosen is not necessarily what leads to greatest "well-being," and we cannot retrieve preferences from choices.

Second, taking preferences as given may justify continuation of oppression. If institutions limit women's opportunities, women may attempt to avoid frustration and disappointment by adjusting to the way things are, seeking happiness by serving men and children, and not develop aspirations for themselves that cannot be fulfilled. Third, emphasizing choice tends to obscure systemic differences in the options available to men and women. Something may be a person's best choice and still be perfectly disgusting. In this section, I will outline two strategies for breaking the link between choice and well-being and forming alternative conceptions of welfare. The first involves creating a richer vocabulary for, and better

psychology of, choices and preferences. The second involves interrogating people's preferences to arrive at "informed desires."

Altruism and Responsibility

Julie Nelson (1996) distinguishes between "altruism" and "responsibility" as motivations for unselfish behaviour. Altruism involves doing something for others because it makes the doer feel personally better off; responsibility is action based on a sense of what is right; for example:

If you get up in the middle of the night to feed a baby because you feel sorry for it, you are acting "altruistically"; if you get up when you would feel personally better off just putting your pillow over your head, you are acting responsibly. Since after the hundredth or so such occasion one is likely to feel more sorry for oneself than for the child, it is a good thing for children that most parents treat childrearing as a commitment. (Nelson 1996, 70-71)

Nelson's discussion provides a language to express the internal conflict a person can feel between her desires and her responsibilities.

In terms of neoclassical welfare economics, if a person gets up to feed the baby when she could have stayed in bed, this is clearly the course of action she prefers and the one that leads to the greatest well-being (given the constraints she faces). Most economic analyses make no distinction between alternative motivations for behaviour. Underlying modern economics is a simple psychology. People have a single, unified set of preferences. Fulfilment of preferences leads to greater well-being. There is no hesitancy, no struggle, no conflict between what a person wants and what she thinks is right.

The economic view is appealing in its simplicity. Yet there are a number of reasons why distinguishing motivations for actions is useful. First, the distinction between altruism and responsibility provides a richer psychology that

leads to a better understanding of the relationship between choice and well-being. As Sen (1982) has argued, people can be viewed as having multiple rankings of actions. For example, the "responsibility" ranking might put action F, feeding the baby, above action S, sleeping, while the "egoism" ranking might put S above F. At times, one ranking guides actions, at times another. Making a distinction between these motivations helps us understand the nature of choice and the relationship between choice and well-being.

Second, the altruism-responsibility-egoism distinction can be used in making welfare judgments. Sen suggests that a person's moral views are encompassed in her ranking of the altruism, responsibility and egoism rankings, or "meta ranking" (Sen 1982). These meta-rankings can be used to judge the state of the world, possibly providing an alternative basis for welfare economics.

Third, drawing a distinction between altruism, responsibility, and egoism may lead to greater understanding of women's position. If giving to and caring for others is viewed as altruism and not responsibility, total utility (the sum of individual utilities) is maximized if more altruistic people (people who care for others more than others care for them) have lower consumption. Overall utility is maximized if resources are transferred, either voluntarily or through government policy, from people who care for others to the others who are cared for - both an altruistic mother and a selfish child enjoy the child eating ice-cream, but the selfish child derives no satisfaction from the mother having ice-cream. If no distinction is drawn between altruism and responsibility, a person's concern for others legitimates her relative deprivation. For anyone with a modicum of concern with the position of women, this is unacceptable.

Yet there are reasons to be careful in using the altruism-responsibility-egoism distinction. Moral philosophers have too often seen justice as applying to men in a position of mutual disinterest, while women and family relationships are excluded from philosophical analysis. When we distinguish altruism and responsibility as motivations for behaviour, are we taking the first steps towards a

humanistic moral philosophy that brings personal connection into the moral sphere, or are we once again separating out the private (altruism and responsibility) and the public (egoism) spheres, the family and the market?

Second, for feminists, it in some sense does not matter whether actions are motivated by altruism or responsibility. Both altruism and responsibility are the outcome of years of conditioning, and do not necessarily represent "true selves," "interests" or "informed desires." Moreover, the word "responsibility" conveys a sense of duty or obligation. Responsibilities are imposed by social conventions, as well as being freely chosen. For example, schools or care-givers often call the mother before the father when the child is unwell or has other problems, reinforcing the expectation that the mother is responsible for the child's well-being.

The distinction between altruism, responsibility, and egoism is a relevant one. But it is not just a new wrinkle that can be attached to existing theories of welfare economics. Once one realizes that responsibility makes it difficult to equate choice with well-being, a difficulty compounded by the culturally determined and gendered nature of responsibility, one has to wonder whether choice and well-being provide a satisfactory basis for welfare economics.

Interrogating Preferences

A second refinement of the concept of preferences comes from the recognition that people lack information and self-awareness, and so make choices which appear mistaken. One road for feminist research is to recognize explicitly people's lack of information and self-awareness, and explore the consequences both of the lack of information and awareness and of projects to increase information and awareness. There is a long philosophical tradition of recognizing that people's "informed desires" may differ from desires conceived in ignorance. Annas (1993, 282) defines "informed desires" as the preferences women would form "given full knowledge of all aspects of their situation." From a feminist perspective,

"informed desires" require more than just information; they require self-awareness gained from, for example, introspection, reflection, and collective action, and they are not always easy to discover.

The idea that information and self-awareness leads women to change their wants, their informed desires, is an old one, but it is still a strong current in popular feminism. Betty Friedan observed the dissatisfaction of American housewives in the late 1950s and argued that it stemmed from trying to conform to an artificial "feminine mystique." She argued that women must change their goals and ambitions: "A massive attempt must be made by educators and parents ... insisting ... that girls develop the resources of self, goals that will permit them to find their own identity" (Friedan 1963, 351). Gloria Steinem urges readers to "relearn their true selves" (1992, 153). Her thesis is that self-esteem is a "practical source of revolution" (1992, 330).

Yet the idea of informed desires brings out basic tensions within feminism. It can be a justification for devaluing women's legitimate choices by saying, for example, a woman choosing to quit paid employment to look after her children is simply misinformed. Moreover, any idea of "informed desires" runs the risk of imposing culturally specific values on others, a form of cultural imperialism. Finally, if the self is socially constructed, what is the "true self"? It is perhaps too easy to construct a Rational Economic Woman, the product of a Western ideal of gender relations, who can stand hand in hand with Rational Economic Man, both making utility maximizing choices on the basis of informed desires.

However, a focus on informed desires need not lead to imposition of one person's values on another if the focus is shifted away from the desires themselves. After all, as no one has ever been raised in an egalitarian society free from prescribed gender roles, no one can tell what our desires would be in such a society. A more productive focus is the methodological approaches and processes that arise from attempts to interrogate preferences. One way of bringing the idea of informed desires into welfare economic analysis is through the notion of

"empowerment." In gender and development, empowerment is frequently taken as an objective for social policy in its own right, much as neoclassical economists view efficiency. Empowerment is the development of women's capacity for self-reliance and internal strength. The idea behind empowerment is that through mobilization around practical gender needs, such as housing or family planning, women become aware of their strategic interests, for example in land rights, and gain strength to articulate - both to themselves and to others - these interests and to lobby actively for recognition of their interests.

The empowerment approach differs in many ways from conventional measures of, say, economic well-being. First, it focuses on the process of changing gender relations as much as outcomes. Second, it is activist. For example, Moser (1991) gives the GABRIELA alliance in the Philippines as an example of a successful exercise in empowerment. The alliance ran a project which combined women's traditional task of sewing tapestry - meeting practical gender needs - with discussion of women's legal rights and the constitution - raising awareness of women's strategic interests.

The points to make here are that empowerment, as articulated in the gender and development literature, is a useful concept because it identifies a process through which women gain strength to fight for greater equality. One contribution of this paper is to show that the idea of empowerment directly addresses some of the reasons that the identification of choice and well-being is problematic. As argued above, because of the socially constructed nature of preference and an agent's lack of knowledge, we cannot identify choice with well-being. However empowerment enables women to make choices that are closer to their "informed desires," it enhances women's capacity to exercise agency. Finally, the empowerment idea suggests a change in focus for project evaluation from outcomes to processes; for example, a project's effects on community structures, opportunities for people to come together, communicate, and organize. Yet the idea of empowerment and the shift towards evaluation

of processes and structures prefigures a movement away from concerns about the nature of preference and choice towards a greater focus on the constraints on women's agency.

III. BREAKING AWAY FROM PREFERENCE AND WELFARE

Empowerment suggests a shift of focus for feminist economics away from the nature of preference and towards the alternatives available to women. In this section, I consider two approaches: what I call the "gender ideology as constraint" approach and the "capabilities" approach.

Ideology as Constraint

Bina Agarwal (1994, 57) argues, "what may be needed is less a sharpening of women's sense of self-interest than an improvement in their ability to pursue that interest." Although we may not be able to describe every woman's interests with perfect accuracy, it is not unreasonable to assume that she has an interest in the most basic of fundamental human rights: being adequately nourished and healthy, achieving a functional level of literacy, and living a life free from violence. This approach - ascribing to all people certain basic interests, and proceeding from there - represents a fundamental shift from the approach in Section II. Both approaches recognize the crucial importance of gender ideology. But whereas in Section II, internalized gender ideologies were taken as part of people's preferences, necessitating new theoretical structures and new methodologies, the approach described here views gender ideology as a constraint on women's behaviour, one that women oppose through covert resistance. This approach is fruitful for analysis, but has major methodological implications, as I discuss below.

There are reasons feminists may be uncomfortable with the gender as ideology approach, especially in the strong form articulated by Bina Agarwal. First, the idea that all individuals share basic interests is reminiscent of the neoclassical methodology of Stigler and Becker (1977). However, feminist economics such as Bina

Agarwal do recognize ideology, but as a constraint on behaviour embodied in institutions, not as the primary determinant of preferences. Second, assuming any set of interests risks universalizing, imposing a particular set of cultural values. However, the approach does have the compelling advantage that it focuses directly upon the factors which constrain the advancement of women's interests, for example, the gender ideologies embodied in institutional structures and how these institutional structures shape women's lives.

An example of what I mean by the "ideology as constraint" approach is Bina Agarwal's (1994) analysis of the gender distribution of property rights and how lack of access to property rights constrains women. Agarwal's work is feminist, but it is feminist primarily because of the questions she poses. What obstacles prevent women from holding property rights? What happens if women have property rights? Agarwal uses a wide range of approaches, from traditional economic ones such as impacts on economic efficiency to the empowerment approach advocated by many feminists, to answer these questions and to argue for the reformation of, for example, inheritance laws.

Diane Elson and Rosemary McGee (1995, 1991) also argue that "economic institutions and processes must be perceived as permeated by gender," yet they look to a broader range of structures. For example, they view women's traditional responsibility for unpaid work in the home ("social reproduction and family maintenance") as a constraint on women's behaviour. They too argue that economic efficiency can be part of the policy appraisal process, with the caveat that non-market costs of policies, for example time spent in household work, be included in any examination of efficiency in resource use.

Can New Questions be Answered with an Old Methodology?

Both Agarwal (1994) and Elson and McGee (1995) maintain that elimination of structural, gendered inequalities can be defended on grounds of economic efficiency. A major advantage

of using measures such as economic efficiency is that they facilitate communication with neoclassically trained economic decision-makers. Yet their work shows the difficulties inherent in answering new questions with an old methodology. To take one example, a key efficiency argument for granting women greater land rights is that it increases women's bargaining power within the household, and, because empirical evidence shows women tend to spend more of their income on children than do men, greater bargaining power for women is associated with improved health of children, which leads to long run efficiency gains. However, bargaining power within a household is not amenable to measurement with standard economic tools.

Reading recent work by feminist economists, it appears that as economists begin to ask feminist questions, a methodological shift such as that described by Sandra Harding (1987) is taking place. Harding argues that it is attention to women's experience, particularly women's experiences in political struggles, which is the new and defining characteristic of feminist research. Moreover, women themselves can best reveal their interests. The job of a researcher is to listen carefully to informants, to observe behaviours previously thought unimportant and, above all, to enter into the same critical plane as the subject matter. Everyone comes to research with beliefs that shape her or his research; only by being open about these beliefs can credible research findings be obtained.

The potential for drawing misleading conclusions when qualitative information is eschewed in favour of the quantitative can be seen in, for example, many international studies of the evaluation of unpaid household work. Measures of unpaid work are needed for comparing economic welfare between and within countries and also over time, as production shifts between the household and the market. However, most measures of household work underestimate time spent in childcare since secondary childcare activities, that is, minding the children while cooking dinner, are not included. Moreover, conventional methods do not capture the context and the meaning attached to

household tasks. More qualitative research methods, such as participant observation or unstructured interviews, and more extensive reporting of qualitative findings, would give greater understanding of the complexity of unpaid work and what's behind superficially plausible estimates of the value of household work.

Yet there are reasons to be cautious about valuing qualitative research studies per se. First, feminist studies of the qualitative, participant observation-based Participatory Rural Appraisal (PRA) method of evaluating projects used increasingly by NGOs and even the World Bank have concluded that these methods do not necessarily advance gender interests:

PRA, far from providing a neutral vehicle for local knowledge, actually creates a context in which the selective presentation of opinion is likely to be exaggerated, and where minority or deviant views are likely to be suppressed...[it] can offer an avenue for the generalization of personal, and gender specific, interests. (Jackson 1996, 500)

The responsibility of women for child care, social restrictions on women's movement such as *purdah*, and the tendency for women to be less forthcoming in social situations may make it difficult for women to make their voices heard in participatory research projects. Moreover, if a researcher simply adopts qualitative methodologies without entering into the same critical plane as those observed - or enters but identifies with a particular sub-group in the community - the result may be even more distorted research. Yet avoiding this difficulty by relying on the "objectivity" of the researcher leads to just the scientism that Harding and other feminist methodologists decry.

A second reason to be cautious about qualitative research is that even good qualitative research may lead to poor decision-making. Encouraging decision-makers to act on qualitative information and subjective experience may provide a justification for rejection of policies favourable to women on the grounds of decision-maker's

subjective - and perhaps atypical - experience, or on the reported experiences of a small minority opposed to a project. Making good decisions on the basis of qualitative information is in many ways more difficult than simply picking the highest project with the highest net benefit.

Despite these concerns, there is still a strong case to be made for including information on people's experiences in project evaluations. Qualitative information comes into its own as a check against drawing incorrect conclusions based on numbers which may be extremely problematic and in balancing conventional information sources. Unfortunately, because the ideology of the status quo is persuasive, because using established conventions is often easier than changing, because gender considerations are not in the economic mainstream, and because standard cost-benefit techniques produce concrete numerical results, most project evaluations use neoclassical methods rather than the type of methodology Harding advocates.

Functionings and Capabilities

A second alternative to neoclassical methods, which is perhaps more amenable to production of numerical results and less obviously focused on gender considerations, is Sen's idea of "functionings" and "capabilities." Amartya Sen differs fundamentally from Bina Agarwal in arguing that certain women have little sense of their own interests:

...if a typical Indian rural woman was asked about her personal "welfare," she would find the question unintelligible, and if she was able to reply, she might answer the question in terms of her reading of the welfare of her family. The idea of personal welfare may not be viable in such a context. (Sen 1990, 126)

Problems with the concept of personal welfare, as well as concerns about identification of choice and well-being, have led Sen to develop an alternative to utilitarian measures of welfare: "functionings" and "capabilities."

A person's "functionings" are the various things that a person manages to do or be, from being adequately nourished to achieving self-respect. "Capabilities" are a measure of a person's ability to exercise her own agency: her freedom to lead different types of life (Sen 1993, 33). A person's capabilities depend in part upon the range of functionings she has to choose from, and in part on the social relations that constrain or promote her freedom of choice. The key theoretical contribution made by the idea of capabilities and functionings is the derivation of a non-utility based measure of well-being. That is, a malnourished person has a lower level of functioning than a well-nourished person, regardless of which person is "happier." The approach breaks the link between choice and well-being. A neoclassical economist, seeing a mother depriving herself so other family members do not go hungry, could rationalize the situation by saying that she is maximizing her utility. If we instead value outcomes in terms of people achieving the functioning of being adequately nourished and healthy, then self-sacrifice which leads to malnourished mothers becomes a social problem, not an optimal outcome of rational choice.

Sen's writing on capabilities and functionings has been influential in inspiring new approaches to the evaluation of economic policy, particularly social indicator approaches. The best known of these is the United Nations' Human Development Index (HDI). The HDI incorporates functionings in a basic way, evaluating countries' performances on three key measures of functioning: life expectancy, educational attainment and income.

Sen's original research was not motivated primarily by feminist concerns, and the original HDI did not have a gender component. However since 1995, in part because of the concerted efforts of many feminists at the United Nations, the UN has been publishing separate GDI (gender-related development index) figures for men and for women, and also a ranking of countries' HDI indices adjusted for gender inequities. The GDI is based on the same indicators as the HDI: life expectancy, educational attainment and adjusted per capita income (UN 1995, 127). Separate male

and female indices are calculated for life expectancy, educational attainment and income. Inequality in the male and female values for these indices is calculated, and then averaged to give the GDI.

However, in many countries literacy and schooling rates tend to be similar for men and women, and life expectancy rates do not differ substantially, so the main determinant of the GDI is a measure of the female earnings, which is itself based upon average earnings of women compared to men and the labour force participation rate. This is a problematic indicator of women's status for two reasons. First, increased labour force participation may be associated with a double work burden if it is not accompanied by a redistribution of unpaid work. Second, earnings are an imperfect indicator of the resources available to girls or women within a household, as sharing in other household members' income and household production are excluded.

Despite the limitations of the GDI, it has made a major contribution in publicizing gender inequality and addresses many of the limitations of GDP as a measure of the well-being of people in a country. For example, while per capita GDP numbers are independent of the distribution of income, measures such as life expectancy and literacy are much more sensitive to how income is distributed between rich and poor. This, combined with the fact that many feminists are deeply concerned with capabilities such as women's ability to live a life free from fear and hunger, has led to a growing feminist literature on applying the capabilities approach in feminist analysis (see, for example, Gale Summerfield's 1994 evaluation of Chinese economic reforms or Valentine Moghadam's 1994 analysis of female access to education in Afghanistan). However feminist attempts to use capabilities, as well as the UN GDI, encounter a number of difficulties which are inherent in the capabilities approach.

First, measures such as life expectancy focus only on what a person achieves, not what a person is able to choose to achieve. For example, women live longer than men on average in industrialized countries. Does this in part reflect

social conventions, now or in the past, that frown on women smoking, or eating unfeminine quantities of red meat? Perhaps it reflects women's lower earnings and our resulting inability to buy fast cars in which to have fatal accidents? It is good to be able to live a long and healthy life, but it may be as good to be able to choose what type of life to lead.

Second, policy choices frequently involve trade-offs between different functionings and capabilities. For example, is it better to fund an irrigation project which increases nutrition functionings or an education project which improves others? A valuation of the two projects will involve some comparison of the two functionings. Indeed, the UN HDI implicitly contains trade-offs between functionings. As Paul Clements (1995, 580) has pointed out, a country with a per capita GDP below \$4,688 could achieve a 1% gain in its 1992 HDI score by increasing its per capita GDP by \$141, by increasing its literacy rate by 4.5%, or by increasing its average life expectancy by 1.1 years. It is not obvious that these three changes are equal in terms of social progress, nor is it obvious which one represents the greatest social gain.

Many would find the trade-off between income and life expectancy implicit in the HDI unacceptable. An alternative is simply to describe the effect of policies on various functionings, while accepting that functionings are at some level incomparable and that the functionings approach gives an incomplete and partial ordering of states of the world. Indeed, a useful project for feminist economists would be the development of indicators of women's functionings and capabilities such as reproductive freedom, capacity to participate in civil society, or freedom from abuse. Such indicators would not necessarily highlight a single best policy choice, but they would show the effect of alternative policies on women, and clarify the trade-offs to be made. The functionings/capabilities approach does have limitations but, like the gender ideology as constraint approach, it suggests new directions for feminist research.

CONCLUSIONS

This paper has discussed four feminist directions for change in welfare economics, the evaluation of the normative significance of economic events. Two come out of alternative conceptions of preference: first, the idea of rewriting the theoretical basis of welfare economics to bring in a more complex psychology distinguishing altruism and responsibility as motivations for behaviour; and second, the idea of interrogating preferences, and shifting the focus of project evaluation from outcomes to the process of empowerment. Two other directions break away from concerns about the nature of preference and preference endogeneity: first, taking gender ideology as a constraint on people's behaviour; and second, evaluating policies in terms of people's functionings and capabilities.

Of these four approaches, which should be the priority for feminist economic research? One way of answering this question is to return to Chris Weedon's observation that feminism is a politics (Weedon 1987). It is a movement aiming to achieve greater equity between men and women. One way of choosing between approaches to policy evaluation is to take that which seems likely to have the greatest impact on policy makers. On these grounds, it appears that perhaps the strongest case can be made focusing directly on structures which constrain women and arguing for the removal of such constraints on a variety of bases, including standard economic criteria such as efficiency gains.

However, this approach does run into the difficulty that many economic tools are ill-adapted to measuring what happens outside of markets,

where much of women's productive activity is located. For example, national income measures exclude household work, and even attempts to place a value on household work exclude many dimensions of household work, and the context and conceptualization of household activities. This suggests that as feminist economists begin asking questions about how gender ideology constrains behaviour, a methodological change such as Harding has described in other social sciences will occur: new questions will produce the development of new methods of enquiry.

It seems likely that part of this new research methodology will involve more qualitative research, more participant observation, and so on. Yet this brings us to a second set of considerations: what about empirical data? There are several strategies feminist economists can adopt to obtain the data they need. One possibility is interdisciplinary collaboration. Another is making extensive use of those surveys which do contain unconventional types of data, such as the British Household Panel Study's information on how households manage their finances. A third possibility is carrying out original survey research. With imagination, there is enormous potential for productive research in feminist welfare economics.

ACKNOWLEDGEMENTS

I would like to thank Jim Dean, John Dupre, Derek Hum, David Long, Elaine McCrate, Julie Nelson, Nick Rowe, Anthony Waterman, and Peter Woolley for detailed comments on earlier versions of the paper.

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