GLOBALIZATION, GENDER AND THE DAVOS MAN

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ABSTRACT

Using Karl Polanyi’s analysis of the social construction of markets in nineteenth- and early twentieth-century Europe, the paper applies his analysis to the formation of global markets in the late twentieth century. The paper argues that Polanyi’s work needs to be engendered in order to take into consideration women’s and men’s different links to the market and to understand the construction of “economic man” gone global. The paper also addresses the feminization of the labor force across the globe and the possible effects on women’s behavior and on the construction of “economic woman.” The concluding section discusses alternative interpretations of this behavior.

KEYWORDS

Markets, globalization, economic man, feminization of the labor force, gender, alternative models

I. INTRODUCTION

Much has been said over the past fifteen years about global markets. The process of accelerated globalization that we have witnessed during recent decades has been a powerful source of change – driving national economies, deepening their international connections, and affecting many aspects of social, political and cultural life. Despite the debate over the extent to which the degree of globalization is higher today than in other historical periods, few of us doubt that powerful forces are working toward the formation of “global villages.” From an economic perspective, the basic features of globalization are the transformations linked to ever-expanding markets and the rapid technological change in communications and transportation that transcend national boundaries and shrink space. The expansion of markets has taken place within the context of the neoliberal model of development, which has returned to a laissez-faire discourse and practice that characterized nineteenth-century capitalism. One argument presented in this paper is that, despite its different framework, the current...
global expansion exhibits similarities to the earlier expansion of markets. This is the case for both high- and low-income countries, including those in transition to market economies from the centralized planning of the former Soviet Union.

Starting with Karl Polanyi’s *The Great Transformation*, the first part of this paper (Sections II–III) discusses the extent to which his analysis of the growth of the market as a social construction during the nineteenth and early twentieth centuries in Europe can be applied to the more recent formation of global markets in the late twentieth century. Section IV is an effort to “engender” Polanyi’s analysis by pointing out the gender dimensions of this transformation and by underlying the tensions between the assumptions of economic rationality associated with market behavior and the real-life experiences of women and men. Finally, Section V argues that these assumptions, predominant in orthodox neoclassical economic models, need to be either complemented or replaced by alternative “transformative models” of human behavior.

II. THE SELF-REGULATED MARKET

*The Great Transformation* was first published in 1944. It is an analysis of the construction and growth of the self-regulated market and of laissez-faire capitalism from the beginning of the Industrial Revolution up to the early twentieth century. Polanyi’s “great transformation” was the “taming” of the market. It was represented by what he calls the “collectivist countermovement” that, beginning in the late nineteenth century and continuing through the twentieth, took refuge in “social and national protectionism” against “the weaknesses and perils inherent in a self-regulating market” (p. 145).

Polanyi’s analysis centers on the profound change in human behavior represented by market-oriented choices and by decisions in which gain replaced subsistence as the center of economic activity. Gain and profit, Polanyi argues, had never before played such important roles in human activity. Critical of Adam Smith’s suggestion that the social division of labor depended upon the existence of markets and “upon man’s propensity to barter, truck and exchange one thing for another” (p. 43), Polanyi argued instead that the division of labor in earlier societies had depended on “differences inherent in the facts of sex, geography, and individual endowment” (p. 44). For Polanyi, production and distribution in many earlier societies were ensured through reciprocity and redistribution, two principles not currently associated with economics. These principles were part of an economic system that was “a mere function of social organization,” i.e., at the service of social life. Capitalism, however, evolved in the opposite direction, leading to a situation in which the economic system determined social organization. Commenting on Smith, Polanyi argues that “no
misreading of the past ever proved to be more prophetic of the future” (p. 43), in the sense that one hundred years after Adam Smith wrote about man’s propensity to barter, truck, and exchange, this propensity became the norm – theoretically and practically – of industrial capitalist/market society. Although Polanyi may not always persuade us that the pursuit of economic gain is a result of market society, its fundamental role in a market economy – and in the theoretical models that sustain that economy – is unarguably central.

For Polanyi, a crucial step in this gradual transformation toward the predominance of “the economic” was the one “which makes isolated markets into a [self-regulated] market economy.” Contrary to conventional wisdom, Polanyi argues, this change was not “the natural outcome of the spreading of markets” (p. 57). On the contrary, the market economy was socially constructed and accompanied by a profound change in the organization of society itself. Thus, the construction of a laissez-faire market economy required “an enormous increase in continuous, centrally organized and controlled interventionism,” such as in the form of legislative initiatives, including – in England – the “complexity of the provisions in the innumerable enclosures laws” and the “bureaucratic control involved in the administration of the New Poor Laws” (p. 140).

Polanyi mentions also the enormous increase in the administrative functions of a state newly endowed with a central bureaucracy, the strengthening of private property, and the enforcement of contracts in market exchange and other transactions:

The gearing of markets into a self-regulating system of tremendous power was not the result of any inherent tendency of markets towards ex crescence, but rather the effect of highly artificial stimulants administered to the body social in order to meet a situation which was created by the no less artificial phenomenon of the machine [p. 57].

He also ascribes the formation of a competitive national labor market in eighteenth- and nineteenth-century England to a series of policies that dislocated labor and forced the new laboring classes to work for low wages. In this sense, Polanyi’s analysis suggests the seemingly contradictory notion of laissez-faire liberalism as “the product of deliberate state action,” including “a conscious and often violent intervention on the part of the government” (p. 250). As he points out, “all these strongholds of government interference were erected with a view to the organizing of some simple [market] freedom.”

On the other hand, Polanyi points out that the “collectivist counter-movement” or “great transformation” – the subsequent great variety of (re)actions taken against some of the negative consequences of the expanding market – started spontaneously as the critiques of capitalism led to political organizing and a variety of citizens’ actions. Many of them constituted
defensive actions on the part of different social groups. The left movements and social planning of the twentieth century were part of this transformation, although Polanyi saw its origins not in “any preference for socialism or nationalism” but in “the broader range of the vital social interests affected by the expanding market mechanism” (p. 145). In fact, Polanyi argues, economic liberals themselves often advocated restrictions on laissez-faire, such as in “well-defined cases of theoretical and practical importance” like the principle of association of labor and the formation of trade unions, trade protection, and the like. Thus, if the great variety of spontaneous interventions to counteract the market – including those advocated by various socialist movements – may all be called “planning,” Polanyi can argue persuasively that while “laissez-faire was planned, planning was not” (p. 141).

For Polanyi, the 1920s “saw the prestige of economic liberalism at its height,” with the emphasis on “sound budgets and sound currencies” justifying whatever social costs had to be paid for their attainment. His analysis in fact echoes contemporary events:

The repayment of foreign loans and the return to stable currencies were recognized as the touchstones of rationality in politics; and no private suffering, no infringement of sovereignty, was deemed too great a sacrifice for the recovery of monetary integrity [p. 142].

On the other hand, Polanyi points out that the 1930s “lived to see the absolutes of the twenties called in question,” with international debts repudiated and the tenets of economic liberalism disregarded “by the wealthiest and most respectable” (p. 142).

The profound change represented by the gradual construction of a market society found a key expression in the changes in human behavior that led to the prevalence of rational economic man. As Polanyi put it, “a market economy can only exist in a market society.” That is, it can only exist when accompanied by changes in norms and behavior that enable the market to function. Economic rationality is based on the expectation that human beings behave in such ways as to achieve maximum gains. As any course in introductory economics emphasizes, while the entrepreneur seeks to maximize profit, the employee seeks to attain the highest earnings possible, and the consumer to maximize his or her utility. At the theoretical level, Adam Smith linked the selfish pursuit of individual gain to the maximization of the wealth of nations through the invisible hand of the market. He saw no contradiction between the two, and the orthodox tradition in Economics continues to rely on this basic link.

In that tradition, and as feminist economists have often pointed out, the basic assumption of rational economic man has been embodied in neoclassical economic theory (Marianne Ferber and Julie Nelson 1993; Nancy Folbre 1994). Economic rationality is assumed to be the norm in human behavior and the way to ensure the healthy functioning of the competitive
market. This is expected to result in the most efficient allocation of resources and the maximization of production at the lowest possible costs. Feminist economists have also pointed out that most orthodox analysis excludes behavior based on other types of motivation, such as altruism, empathy, love, the pursuit of art and beauty for their own sake, reciprocity, and care. Selfless behavior is viewed as belonging to the nonmarket sector, such as the family. To be sure, in recent years some economists have attempted to revise the neoclassical models to incorporate what Folbre (1994) has called Imperfectly Rational Somewhat Economic Persons or Institutions. These agents pursue self-interest in ways that do not neatly fit conventional definitions of economic rationality and “selfishness.” Their pursuit of self-interest, for example, may lead to complex mixtures of behavior – from solidarity to competition, or from altruism to selfishness – that are difficult to model even if they are more realistic. However, as Folbre points out, these revisionist models undermine any strong claims about the inherent efficiency of a market economy. Yet they are important in elaborating alternatives to the assumption that economic rationality is the norm in human behavior, and thus they further one of Polanyi’s basic objectives. Indeed, a growing number of experiments regarding individual preferences show that individuals respond to a variety of factors other than self-interest. We will return to this issue in Sections IV and V.

III. THE CONSTRUCTION OF NATIONAL AND GLOBAL MARKET

“Capitalism without bankruptcy is like Christianity without hell.”

As this century nears its end, many parallels can be traced between the social construction of national market economies analyzed by Polanyi for nineteenth-century Europe and the expansion and deepening of both national and transnational markets across the globe. To be sure, a debate exists about the extent to which globalization represents a new historical trend; various authors, for example, have pointed out that some indicators of the degree of globalization are similar to those reached in earlier historical periods – such as before World War I. Yet, the intensification of integrative processes during the past thirty years – for example, in terms of increasingly rapid movement of goods, communications, and exchange among countries and regions – has been unprecedented. The financial sector has led in the degree to which its markets have transcended national boundaries, while trade liberalization and the internationalization of production have accelerated the global integration of markets in goods and services.

At the national level, these processes have been facilitated by numerous efforts on the part of governments, which have played an active role in the
globalization of domestic economies and of their social, political, and cultural life. This time, however, the construction of global markets has taken place in particular through the interventions of international forces beyond national boundaries, such as the regional formation of free-trade areas and common markets, the growth of multinational corporations, the role of international organizations such as the World Bank and the International Monetary Fund, and the influence of foreign governments and other international actors, such as private banks, in determining policy in developing countries. The following provides examples of such dynamics.

First, the role of the nation-state in enacting deregulation schemes in financial, goods, and labor markets has been instrumental in the gradual erosion of economic borders across countries. Although the degree of deregulation varies by economic sector, markets, and countries, the tendency to “free” the market from intervention has become an integral part of economic policy throughout the world. Deregulation and market liberalization have created tensions and opposition on the part of social groups that have lost relative power and previously won benefits, such as trade unions and labor in general in many countries. For this and other reasons, interventions have required a strong hand — à la Polanyi — on the part of the state. The deep cuts in the social services provided by the welfare state in high-income countries and the dismantling of many of these services in former centrally planned economies are other examples of how state actions along these lines have eroded a variety of previously won rights and privileges for large sectors of the population (Guy Standing 1989, 1999; Valentine Moghadam 1993; Charles Tilly et al. 1995). Opposition and challenges to these trends have been strong and numerous, in both low- and high-income countries.3

Second, the formation of transnational entities such as the European Community, ASEAN, NAFTA, and Mercosur has contributed to the globalization of markets, responding to the initiatives and interests of social actors likely to benefit from such schemes.4 In addition, globalization has been channeled through governments that act as the main agents in international negotiations, such as the Uruguay Round of trade negotiations that led to the replacement of GATT (General Agreement on Tariffs and Trade) by the WTO (World Trade Organization) in 1995. Despite opposition from developing countries, the latter represented a substantial acceleration in trade liberalization across the globe and the integration of new sectors into liberalization schemes, such as intellectual property rights and services not previously included in GATT. As is well known, these negotiations have also responded to the initiatives of high-income countries and global interests expecting to benefit from trade liberalization and freer markets (Raymond Vernon 1988; Gerald Epstein, Julie Graham, and Jessica Nembhard 1990; Giovanni Arrighi 1994). Similarly, high-income countries have had a major influence in the integration of previously centrally
planned economies into the global marketplace, including membership in international organizations (David Kotz 1995).

Third, policies designed at the national level and leading to a higher degree of globalization of domestic economies have often been inspired, and at times dictated, from the outside. A typical example is provided by structural adjustment policies (SAPs) adopted by a large number of countries since the early 1980s. While affecting, in particular, countries dealing with debt repayment problems, SAPs have led to a profound shift with respect to the expansion and deepening of the market in the countries affected, where programs of deep economic restructuring have resulted in belt tightening for a large proportion of their populations. Due to their devastating social costs in many cases, they have been unpopular programs, representing agreements among national governments, creditor countries, commercial banks, and organizations such as the International Monetary Fund and the World Bank, which have often imposed harsh conditionalities for negotiating new loans and terms of payment. These have included efforts to set up the right environment for the functioning and expansion of markets, including government budget cuts, privatization programs, deregulation of markets, trade liberalization, the easing of controls on foreign investment, and shifts from import substitution to export promotion development models.

Many of these measures have resulted in a much higher degree of integration of these countries into the global economy. They have also fostered the liberalization of the financial sector, the opening of doors to foreign investment, and the enforcement of rules and regulations for the smooth functioning of the market – such as the strengthening of property rights, enterprise reform, and decentralization policies aimed at decreasing government intervention in the economy (World Bank 1996).

Although these policies have clearly increased the economic freedom of many actors involved in the market, they have also represented the use of a strong hand on the part of national governments and international institutions intent on building the neoliberal model of the late twentieth century, that is, achieving the great leap forward in the construction of national and global markets.

To invoke Polanyi, they have been the product of deliberate state intervention – often carried out in the name of market freedoms – imposed from the top down and without a truly democratic process of discussion and decision-making among all affected parties. As the Wall Street Journal put it for the case of Argentina, “[T]he reforms were largely accomplished by the political will of a presidential strongman who invoked executive decrees over 1,000 times” (Mary Anastasia O’Grady 1997). In Latin America, the only country that consulted its citizens about privatization was Uruguay, and the vote there was negative. Many of these measures have also been applied in most of the countries of the former Soviet Union, where the
shock therapy of structural adjustment has taken place simultaneously with the profound changes in economic/social relations and institutions represented by the transition from central planning to market economies.

At the same time, the expansion of markets, associated also with the intensification of “modernization” across the globe, has been accompanied with triumphalist (re)statements and affirmations of discourses emphasizing the norms and behavior associated with economic rationality. They must be seen as part of the process of constructing markets à la Polanyi. We have witnessed this process in different forms, ranging from the strong emphasis on productivity, efficiency, and financial rewards, to shifts in values and attitudes – typified by the yuppies in the 1980s – such as a new emphasis on individualism and competitive behavior, together with an apparent tolerance and even acceptance of social inequalities and greed.\(^6\)

The neoliberal weekly *The Economist* sees this set of factors as symbolized by the “Davos Man” who has replaced the “Chatham House Man” in its influence in the global marketplace.\(^7\) The Davos Man, according to the weekly, includes businessmen, bankers, officials, and intellectuals who “hold university degrees, work with words and numbers, speak some English and share beliefs in individualism, market economics and democracy. They control many of the world’s governments, and the bulk of its economic and military capabilities.” The Davos Man does not “butter up the politicians; it is the other way around . . . finding it boring to shake the hand of an obscure prime minister.” Instead, he prefers to meet the Bill Gateses of the world. Written as a critique of Samuel Huntington’s thesis in *The Clash of Civilizations and the Remaking of the World Order*, the praise of Davos Man by *The Economist* turns into an ode to the global and more contemporary version of economic man:

> Some people find Davos Man hard to take: there is something uncultured about all the money-grubbing and managerialism. But it is part of the beauty of Davos Man that, by and large, he does not give a fig for culture as the Huntington’s of the world define it. He will attend a piano recital, but does not mind whether an idea, a technique or a market is (in Mr. Huntington’s complex scheme) Sinic, Hindu, Islamic or Orthodox. (*The Economist*, 2/1/97: 18)

Thus, *The Economist* expects that Davos Man, through the magic powers of the market and its homogenizing tendencies, is more likely to bring people and cultures together than force them apart. In many ways, he is the rational economic man gone global.

What *The Economist* does not recognize is that the commercialization of everyday life and of all sectors of the economy generates dynamics and values that individuals and cultures might find repulsive. In many ways we have witnessed, in Polanyi’s terms, the tendency for society to become “an
accessory to the economic system” rather than the other way around. As the article containing the quote heading this section suggests, an integral part of this discourse is the survival of the fittest: hence the view that bankruptcy is a necessary punishment for those who do not perform efficiently and according to the dictates of the market. The following quote from the article is quite explicit:

... corporations are “failing” in record numbers, but many keep on going anyway. As a result, the feeble are not eliminated, the fat is not trimmed, and the region’s long-term prospects suffer.

(Sheryl WuDunn 1998)

The hegemonic assumption in orthodox economics that the “feeble” must be eliminated rather than “transformed” or helped in order, for example, to prevent massive layoffs and human suffering, is thus not questioned – reflecting the centrality given to efficiency rather than to people and social goals. Nor does the author consider that the Asian way may serve as a model for diminishing the social costs of the crisis while long-term solutions are sought and developed.

The shift toward this discourse has been particularly dramatic in the transitional countries of the former Soviet Union. The abuses associated with the search for individual economic gain and rapid accumulation of wealth from the newly created markets has been criticized even by some who have been involved with the process (George Soros 1998). The transition from centrally planned to market economies during the post-1989 period has been carried out with a great deal of state intervention, and often guided by outside forces and teams of advisers from the capitalist world (Kotz 1995; Jeffrey Sachs 1991, 1997). Unlike market formations in earlier Europe, as Polanyi described them, the transition has developed within the context of a globalized neoliberal model. In this sense, some of the transitional processes in these countries, particularly in responding to global forces, resemble those observed in the Third World.

IV. GENDER AND THE MARKET

This section argues that Polanyi’s analysis of the social construction of markets has important gender-related implications that he did not take into consideration. A central argument in this paper is that the links to the market have been historically different for men and women, with consequences for their choices and behavior. Although Polanyi pointed out that all production in a market society is for sale, he failed to discuss the fact that, parallel to the deepening of market relations, a large proportion of the population engages in unpaid production, only indirectly linked to the market. Women are disproportionately concentrated in this type of work, which includes agricultural family labor – particularly but not solely in subsistence economies
– domestic work, and volunteer work. In contemporary societies, women perform by far the largest proportion of unpaid activities. According to the UNDP’s “rough estimates” at the global level, if unpaid activities were valued at prevailing wages, they would amount to $16 trillion or about 70 percent of total world output ($23 trillion). Of this $16 trillion, $11 trillion, or almost 69 percent, represent women’s work (UNDP 1995).

To be sure, it is difficult to compare paid and unpaid work because, without the competitive pressures of the market, productivity levels might be very different. However, estimates of this type do provide a rough indication of the contribution of unremunerated activities to human welfare. They also complement a variety of studies that have analyzed the importance and diversity of women’s unpaid work (Maruja Barrig 1996; John Friedmann, Rebecca Abers, and Lilian Autler 1996).

Thus, to a large extent, men and women have been positioned differently with respect to both market transformations and the linkages between gender and nature (Carolyn Merchant 1989). While the market has been associated with public life and “maleness,” women have been viewed as closer to nature – often in essentialist ways instead of as a result of historical constructions. This perspective has in turn had an impact on the meaning of gender, a subject analyzed, for example, in the feminist literature dealing with the construction of femininity and masculinity (Carol Gilligan 1982; Sandra Lipsitz Bem 1993; Judith Butler 1993) and on our notions of the market itself (Donald McCloskey 1993; Diana Strassmann 1993). Clearly, Polanyi’s 1944 analysis needs to be expanded to incorporate gender dimensions.

The norms and behavior associated with the market do not apply to the sphere of unpaid work that produces goods and services for use rather than for exchange. To the extent that unpaid work is not equally subject to the competitive pressures of the market, it can respond to motivations other than gain, such as nurturing, love, and altruism, or to other norms of behavior, such as duty and religious beliefs/practices. Without falling into essentialist arguments about men’s and women’s motivations, and keeping in mind the multiple differences across countries and cultures, we can conclude from the literature that there are gender-related variations in norms, values and behavior (Paula England 1993; Julie Nelson 1993; Stephanie Seguino, Thomas Stevens, and Mark Lutz 1996). Likewise, the literature has discussed extensively women’s concentration in caring/nurturing work, either unpaid or paid (Folbre and Thomas Weisskopf 1996). Women have also concentrated in the service sector. To illustrate, the average proportion of women in this sector in the OECD countries has been reported to be as high as 95 percent (Susan Christopherson 1997).

Although the UNDP-type data show that the current predominance of women in unpaid work and that of men in paid activities is beyond dispute, engagement in nongainful activities is no more the exclusive domain of
women than is market work the exclusive of men. In earlier societies, the principles of reciprocity and distribution described by Polanyi did not necessarily function according to the rules of market rationality. Instead, tradition, religion, kin and community played an important role in setting up norms and affecting collective and individual values. But nonmaximizing behavior can also be found in contemporary societies. In subsistence economies, production is not geared to the market, and family labor is motivated primarily by needs rather than gain. Likewise, in market economies, behavior following norms of solidarity and work/leisure choices not necessarily pursuing gain or following the dictates of efficiency, competition and productivity associated with economic rationality has certainly not disappeared. This is symbolized by the large numbers of volunteer workers performing countless unpaid activities or by those engaged by choice in creative and/or in poorly remunerated work. In the case of volunteer work, such as that carried out at the community level, the motives might be associated with a sense of collective well-being, empathy for others, or political commitment; in the case of artistic work, they might result from the pursuit of beauty and creativity, irrespective of their market value.

Feminist economists have written extensively about the way economic rationality, even in capitalist economies, may not be as prevalent as mainstream economics assumes. Their work has led them to recognize the need to develop alternative models based on assumptions of human cooperation, empathy, and collective well-being (Ferber and Nelson 1993; Myra Strober 1994; Folbre 1994). In seeking alternative models, they join other scholars who have also questioned neoclassical assumptions on the grounds that they are predicated upon the Hobbesian view of self-interested individuals.

These authors argue that the numerous exceptions to this rule suggest that human behavior responds to a complex set of often contradictory tendencies (Gerald Marwell and Ruth Ames 1981; Robert Frank, Thomas Golovich, and Denis Regan 1993). Thus, neoclassical assumptions seem to contradict “real-life experiments in which collective action and empathetic, connected economic decision-making are observed” (Seguino et al. 1996). Adopting a gender perspective, some authors have pointed out that this type of behavior is more frequently encountered among women than among men (Jane Guyer 1980; Carol Gilligan 1982; Lourdes Benería and Martha Roldán 1987).

For example, in a study comparing the behavior of economists and noneconomists, Seguino et al. (1996) have suggested that “social structures that shape our preferences may differ along gender lines, with women more likely to exhibit constitutive desires and empathetic or connected behavior in contributing to public goods than do males” (p. 15). Recent experiments with individual preferences have shown that many alternatives exist to the traditional self-interested model, with motivations responding, for instance,
to notions of altruism, fairness, and reciprocity (Susan Croson 1999). Other authors have emphasized the extent to which social codes and identities are constructed “at the deepest cognitive levels through social interaction,” thus questioning the validity of the static assumptions about tastes and preferences that underlie conventional economic models (Richard Cornwall 1997). As product developers and advertising agencies well know, this implies that social codes and individual preferences are subject to social constructions and to exogenous interferences that result in dynamic and continuous change.

The claim on the part of feminist economists that models of free individual choice are inadequate for the analysis of issues of dependence/interdependence, tradition and power (Ferber and Nelson 1993) is particularly relevant for cultures in which individualistic, market-oriented behavior is more often the exception than the norm. Feminists have also pointed out that neoclassical analysis is based on a “separate self model” in which utility is viewed as subjective and unrelated to that of other people. As Paula England has argued, this model is linked to the assumption that individual behavior is selfish, since “emotional connection often creates empathy, altruism, and a subjective sense of social solidarity” (England 1993). Thus, to the extent that women are more emotionally connected than men, in large part because of their roles in child rearing and family care as well as the prevalent gender ideology, the separate self model has an androcentric bias. Moreover, to the extent that this model typifies Western individualism, it shares a Western bias and is foreign to societies with more collective forms of action and decision-making. Neoclassical economic analysis has had little to say about these alternative modes of behavior and their significance for different forms of social organization and for policy and action.

We might ask if women’s behaviors are changing as they enter the labor market in increasing numbers and as globalization intensifies the feminization of the labor force. Many studies have documented women’s role in processes of industrialization in a variety of countries and their participation in production for global markets. During the past quarter century, we have witnessed the rapid formation of a female labor force in many countries. This labor force is often tied to the service sector and to production for export, even in countries where women’s participation in paid work was traditionally low and socially unacceptable (Jean Pyle 1982; Catherine Hein 1986; Aiwa Ong 1987; Shelley Feldman 1992). In addition, the feminist movement, in its quest for gender equality, has contributed to this trend by emphasizing the need for women to increase their financial autonomy, bargaining power, and control over their lives.

Some exceptions to these trends can be found in the economies of the former Soviet Union where the post-1989 period has created contradictory tendencies. Women in these countries had registered very high
labor force participation rates during the Soviet era, but they have suffered disproportionately from the social costs of the transition, including unemployment, gender discrimination, and reinforcement of patriarchal forms. The transition to more privatized market economies has reduced women’s employment opportunities and relegated women to temporary and low-paying jobs (Moghadan 1993; Sue Bridger, Rebecca Kay, and Kathryn Pinnick 1996). At the same time, the new market forces have generated jobs for women as a source of cheap labor, particularly in labor-intensive production for global markets. Engagement in markets is not new for women in these societies since they played a part in the “second economy” during the Soviet period. Should international capital flow into these economies, the employment of women at relatively low wages will likely increase.

The extension and deepening of markets across the globe raises many questions. What is the effect of being integrated in market activities on individual behavior? More specifically, what is the effect on women as the weight of their paid labor time increases relative to their domestic work? Does it imply that they are increasingly adopting the norms of economic rationality à la “economic man”? Are women becoming more individualistic, selfish and less nurturing? Is market behavior undermining “women’s ways of seeing and doing”? Are gender identities being reconstituted? The answers to these questions are not clear-cut. To begin with, a non-essentialist view of gender differences implies that social change influences gender (re)constructions; as women become continuous participants in the market, it is likely their motives and aspirations will change, and they will adopt patterns of behavior traditionally observed more frequently among men. Casual observation and anecdotal evidence may persuade many of us that this is already happening. In addition, there remain areas of ambiguity, tension, and contradiction in the answers to these questions. These are rooted in different variables, some of which are historical and related to other factors.

The market can have positive effects, such as the breaking up of patriarchal traditions or the curtailment of arranged marriages that limit individual autonomy. On the cultural side, it can accelerate the diffusion of both “liberating” and “sexist” practices. It can also have negative consequences for those who suffer from discrimination and market exploitation. The literature on female labor in export-processing industries has provided examples of how an increase in women’s autonomy and bargaining power can run parallel to discriminatory practices against them, at the work place as well as at the community level (Pyle 1982; Hein 1986; Ong 1987; Altha Cravey 1998). Consider the following from a World Bank report on the former Soviet Union:

Transition affects women much differently in some ways than it does men. In considering whether transition has increased welfare for
women, the real test is whether it has left them freer than before, or more constrained. So far, at least, the answer in many transition countries appears to be the latter.

(World Bank 1996: 72)

Several authors who have observed the changes in gender ideology in these countries have emphasized that the transition has exacerbated “latent and manifest patriarchal attitudes,” increasing women’s vulnerability both culturally and economically (Moghadan 1993). Bridger et al. (1996) note that “[T]he initial rounds of democratic elections in Russia have virtually wiped women off the political map and their re-emergence is now painfully slow and fraught with difficulty” (p. 2). In some Central Asian republics, new restrictions on women’s lives have been imposed, such as barring them from appearing in public without a male or an elder woman, wearing pants, and driving cars (Nayereh Tohidi 1996). A key question, however, will be the extent to which market forces will transform these norms and how the process of “modernization” spread through the market might shatter or erode patriarchal forms.

Ambiguity can also be found in feminist discourses themselves. For example, feminists have emphasized gender equality as a key goal, including the importance for women to have the same access to the public sphere as men. In this sense, it is often assumed that women can behave as men do. Yet much feminist research has emphasized women’s “difference.” Gilligan (1982), for example, documented the “different modes of thinking about relationships and the association of these modes with male and female voices.” These different modes arise, she argued, “in a social context where factors of social status and power combine with reproductive biology to shape the experience of males and females and the relationship between the sexes” (p. 2). Although Gilligan’s work has been criticized for its essentialist overtones, it suggests that a key issue for feminism is how to combine an emphasis on difference with the pursuit of equality, and how to preserve gender traits that contribute to individual, family, and human welfare without generating or perpetuating gender inequalities based on unequal power relations.10 One danger, for example, is to perceive difference in essentialist ways – a danger that is often encountered by those who view gender differences in oppositional ways, such as idealizing women’s goodness and female superiority while viewing men as their opposite.11 This is different from understanding the extent to which it is important to maintain and even to foster, among men and women, what are identified as women’s ways of knowing and doing, and the extent to which these can contribute to transforming knowledge and determining social change. The next section will deal with these questions.
V. BEYOND SELF-INTEREST?

“I don’t need money, I want the river’s color back.”
– Silas Natkime, son of the Waa Valley Chief, Irian Jaya, Indonesia

These words, a ringing affirmation of the value of a clean river over that of money, symbolizes one of the dilemmas of development, for it expresses an individual’s desire to give priority to ecological over economic outcomes. It could also be interpreted as a reaction against the water-polluting outcome of “development.” To return to Polanyi: his criticism of market society was that it is based on self-interest, leading to “disruptive strains” and “varied symptoms of disequilibrium,” such as unemployment, class inequalities, “pressure on exchanges” and “imperialist rivalries.” We might now add environmental degradation to his list of disruptive strains. Ultimately, Polanyi saw fascism as the outcome of these market-related strains, resulting from “the impasse reached by liberal capitalism.” A different outcome was represented by socialism, defined by Polanyi as: “the tendency inherent in an industrial civilization to transcend the self-regulating market by consciously subordinating it to a democratic society” (p. 234).

For Polanyi, this tendency led to the need for planning or toward forms of market intervention that would counteract not only disruptive strains but also the domination of economic self-interest over all aspects of political and social life. This is not just history. As we observe the unfolding of global markets in the late twentieth century, we see these strains reappear. To be sure, the global market has displayed its dynamism and ability to supply unprecedented amounts of goods and services and to generate new forms of wealth. However, it has also generated new imbalances and economic/social crises, particularly in Africa and Latin America during the 1980s, and in Eastern Europe and Asia during the 1990s. Evidence linking globalization with increasing inequalities and maldistribution of resources within and between countries has been growing (ECLAC 1995; Richard Freeman 1996; Benería 1996; UNDP 1996, 1998, 1999).

Analogously, high unemployment or underemployment in many areas, including high-income countries such as in Europe, disrupt the social fabric of communities and countries. As Dani Rodrik (1997) has argued, globalization undermines social cohesiveness, requiring compensatory policies and the design of social insurance systems. In some Latin American circles, the tendencies of the past decade have been viewed as leading toward what some authors have called “socially unsustainable development” in the long run. In the same way, Asian, Russian, and Brazilian economic crises have raised new questions about the instability of financial markets, and they have begun to change course, initiating a new debate on global reforms and national controls over capital flows. Fifty years after The Great Transformation, Polanyi’s call for subordinating the market to the priorities set by
democratic societies resonates urgently, even though to achieve this goal we will have to accommodate new, late twentieth-century realities.

This prospect poses challenging questions for feminism, which could in fact be viewed as one of Polanyi’s countermovements, representing an emphasis on gender equality but linked also to wider social issues. Can feminism make a contribution to the quest for new directions in human development? Can the alternative models discussed by feminists provide useful guidelines for constructing alternative societies? Can women offer different voices as they become more integrated in the market and public life? Can “difference” be maintained, and can it be a source of inspiration for those who work toward progressive social change? The following example suggests the variety of answers to these questions, as well as some of the tensions involved.

In a New York Times article (9/17/96) about the gender gap in the 1996 election in the United States, author Carol Tavris discussed the differences between women’s and men’s motivations and the reasons why more women than men tended to support President Clinton, the Democratic Party candidate, than the more conservative Republican candidate, Senator Dole. Conservative explanations, she wrote, argue that women tend to be more sentimental, more risk-averse, and less competitive than men; as a result, they are less inclined to be appreciative of free-market economics, claiming that the Democratic Party itself has become “feminized” – “just about the nastiest charge you can make.” Democratic explanations of the gender gap, she added, argued that women vote for that party “not because they are emotional and muddleheaded but because they are more compassionate and less aggressive than men, and thus attracted to the party that will help the weakest members of society.” The interesting aspect of the article was that Tavris wanted to demonstrate that women are neither sentimental nor irrational: they vote Democratic because “it’s in their interest.”

Tavris wanted to emphasize that women behave like men – as equal agents in a market system based also on “rational economic woman” – thereby equating self-interest with a more “rational” form of behavior. Thus, while the Republican/conservative explanation of the women’s vote was based on an emphasis on difference – viewed as a backward trait rooted in pre-market relations – the Democratic version emphasized equality in market-oriented behavior. For the conservatives, as well as for Tavris, the economic rationality associated with the market was superior to nonmarket perceptions of human welfare.

An alternative explanation is that women’s vote is indeed based on a different mode of evaluating society’s needs, human welfare, and politics – including a sense of solidarity with “the weakest members of society.” Far from seeing this mode as “backward” or “irrational,” we can perceive it as a source of inspiration leading to alternative ways of organizing society based on nonhegemonic conceptual/theoretical tools and models. This
means, for example, not taking rational economic man’s objectives as the desired norm, which does not necessarily imply a rejection of markets as a way to organize production and distribution of goods and services. As Polanyi stated, “the end of market society means in no way the absence of markets” (p. 252). However, this view calls for subordinating markets to the objectives of truly democratic communities and countries. The goal is to place economic activity at the service of human or people-centered development and not the other way around; or to reach an era in which productivity/efficiency is achieved not for its own sake but as a way to increase collective well-being. Hence, in the same way that it is possible to think of Christianity without hell, it is also possible to design ways to reduce the social costs of bankruptcy. All of this implies placing issues of distribution, inequality, ethics, the environment, and the nature of individual happiness, collective well-being, and social change at the center of our agendas. It follows that an urgent task for economists and social scientists is to translate these more general objectives into specific policies and action.

People-centered development also calls for transforming knowledge so as to rethink conventional approaches to theory and decision-making. As Elizabeth Minnich (1990: 151) has put it:

Behind any particular body of accepted knowledge are the definitions, the boundaries, established by those who have held power. To disagree with those boundaries and definitions, it has been necessary to recognize them; to refuse them is to be shut out even from debate; to transgress them is to mark oneself as mad, heretical, dangerous.

Definitions, boundaries, and power each have historical specificity. For example, in the societies of the former Soviet Union, the transition has created a fluid situation in which the old “accepted knowledge” has been replaced by the new hegemonic thinking linked to the market. The negative effects of the transition on women will raise many questions regarding the market’s inability to generate gender equality. Will this situation lead to a new search for alternatives? Will women play an important role in this process? Will women’s agency within true democratic processes prevail? These questions are relevant for all market economies. Polanyi dared to say that “[T]he passing of market-economy can become the beginning of an era of unprecedented freedom . . . generated by the leisure and security that industrial society offers to all” (p. 256). He wrote these words in the 1940s, at a time when it was difficult to predict the problems that state interventions would create: history did not fulfill his optimistic prophecy.

After two triumphant decades, crises in global capitalism may finally have brought Davos Man to a turning point, as an increasing number of people decry his excesses. The Asian crisis led to a break in the Washington Consensus; and the notion that “there is no alternative” to the neoliberal model
seems increasingly less acceptable. The present danger is that proposals for global governance might be introduced in a top-down fashion and without a real world-wide democratic debate. Feminism has played an important part in the struggle for solutions at the decentralized, local, and institutional level: it has fought discrimination and inequalities across countries; it has changed institutions and decision-making processes; it has incorporated new agendas in the politics of daily life; it has affected national policies; it has made an impact on international agendas; and it has been influential in bringing human welfare to the center of debates on economic and social policy. It now has to meet the further challenges posed by globalization.

Polanyi wrote that the endeavor of thinking of people first “cannot be successful unless it is disciplined by a total view of man and society very different from that which we inherited from market economy.” The principal message of this paper is that this effort must be transformative and based on a “total view of wo/man and society.” Rather than diminishing this view as “soft,” “idealistic” and “female,” we must dare to take up the challenge and continue to follow the concrete, bottom-up strategies that have made feminism such a powerful agent of social change.

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NOTES

1 Gary Becker’s analysis of altruism in the family is often singled out as an exception, when in fact it has been much criticized by feminist economists (Folbre 1994; Barbara Bergmann 1995).

2 From a refrain attributed to Westerners in a New York Times article on the Asian crisis which argues that, during the crisis, corporations in Asia failed in record numbers but without disappearing from the market (WuDunn 1998), i.e., without “going to hell.”

3 Opposition to structural adjustment policies that, as argued below, have been instrumental in introducing market deregulation schemes in many developing countries, has been quite loud in the Third World and in many international
forums. This opposition includes political parties, different social groups, and activist organizations representing the large proportion of the population adversely affected by these policies (Haleh Afshar and C. Dennis 1992; Lourdes Benería and Shelley Feldman 1992; Nahid Aslanbeigi, Steve Pressman, and Gale Summerfield 1994; John Friedmann et al. 1996). In high-income countries, globalization has led to fiscal pressures, unemployment, and the weakening of the welfare state. The political debates during the 1997 French election provided a clear illustration of the public perception of the objectives of the European Union’s Maastricht Treaty as contrary to the interests of a large proportion of the population. Similar protests emerged in the Asian countries affected by the 1997 economic crisis.

4 To be sure, economic interests are not the only forces driving such schemes. In the case of the European Community, for example, the political objectives of European unification were important from its early stages as a way to overcome historical tensions and divisions in the continent. However, trade liberalization and economic integration schemes have largely been driven by financial and industrial interests, such as transnational corporations, global capital, and economic sectors expecting to profit from expanding and less regulated trade and foreign investment. For specific examples, see Epstein et al. (1990).


6 Despite continuous debates and resistance to these changes, the evidence supporting this shift has been overwhelming. As an article in the New York Times put it, “[W]ith the growth of free markets generally accepted around the world, debates focus less on whether greed is good or bad than on specific checks on excess: on when or which superpayments may be deserved” (Andrew Hacker 1997). For a typical view of the pre-eminence of productivity, see “The Future of the State. A Survey of the World Economy,” The Economist (9/20/97).

7 The reference is to the annual meeting in Davos, Switzerland, of “people who run the world.” The Chatham House is the “elegant London home” of the Royal Institute of International Affairs where “diplomats have mulled the strange ways of abroad” for “nearly 80 years” (“In Praise of the Davos Man,” The Economist, 2/1/97).

8 The task is not an impossible one. Nancy Folbre (1982) has argued that some comparability exists between domestic and market work because, indirectly, household production is also subject to pressures that, at a minimum, lead to a survival level of productivity. Beyond this argument, during the past two decades, and as a result of the many efforts to account for women’s unpaid work, much progress has been made – at the theoretical, methodological, and practical levels – toward a more accurate measurement and greater understanding of unpaid work (Benería 1992; ILO 1998).

9 There is an extensive literature on the subject; for a non-exhaustive list, see Richard Anker and Catherine Hein (1986); Susan Joekes (1987); Ong (1987); Standing (1999); Nilufer agatay and Gunseli Berik (1990); Diane Elson (1991); agatay and Sule Ozler (1995); Rae Lesser Blumberg, Cathy Rakowski, Irene Tinker, and Michael Monteón (1995); Richard Anker (1998).

10 At Cornell University where I teach, three well-established fields that served traditionally feminized service professions – nursing, social work, and teaching in childhood education – have recently been discontinued, reflecting a loss of interest in these fields on the part of both students and the university. These were
fields that had been set up as an extension of women’s domestic responsibilities; as female labor force participation rates increased over time, these activities were viewed as “feminine” and appropriate for women. They also offered lower wages than those jobs viewed as “masculine.” However, as a result of the women’s movement and as the intense criticisms of these divisions increased steadily during the past twenty-five years, these professions became associated with nineteenth- and early twentieth-century gender stereotypes. Interestingly, however, some women students at Cornell have been questioning the cancellation of these fields at the university level. They have argued, for example, that “[A]t a time when capable and enthusiastic teachers and nurses are in short supply, Cornell is discouraging some of the most intelligent and talented candidates from pursuing these careers” (Rachel Harris 1997). They also point out that “[A]lthough encouraging women to enter traditionally male occupations is a step forward for feminism, discouraging involvement in traditional ‘women’s work’ is a step backwards.” This discouragement is viewed as resulting from a type of feminist rhetoric that disdains “feminine qualities” and particularly the “ability to care.” I have chosen this example because it clearly illustrates the kinds of tensions and contradictions that I am emphasizing here.

11 An example is provided by some of the literature associated with ecofeminism. For a feminist critique of this approach, see Bina Agarwal (1991).


REFERENCES


ARTICLES


