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## **Structural Amnesia – The Appalling Masculinity of Economic Analysis**

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Introduction:

When my son Sam heard about this prize he said that the best award speech he knew about was when Mordecai Richler won the Giller Prize. Richler accepted by saying that he was happy about it, but what he really wanted was the Cy Young award. [I'm little embarrassed to admit that I had to look up Cy Young award.] I'm bringing this up because there isn't any other prize I'd rather have than the John Kenneth Galbraith prize given by this organization.

Here's why: Economics is dominated by masculinity – the analysis of the economy has been shaped by the concept of 'economic man' (who we all are supposed to understand to represent individuals or the household) and the complexities of satisfying his self interest and insatiable wants through an infinite ability to calculate. The focus of economics is resolutely on the masculine nature of work and other male endeavours. Over time the language has shifted and modernized, but masculinist ideas are embedded in the foundations of thought and serve as a conditioning framework for understanding economic activity. There are exceptions, of course, but very few famous economists have been at all interested in the gendered nature of the economy and its significance to the economy's performance itself.

John Stuart Mill is one significant exception and he understood that the economy suffered by the masculine nature of the state, its legal limitations on women's work and the highly gendered division of labour. He was demonstrably a feminist in the liberal tradition, but it was such an outrageous position for a male at the time that his writings related to women were attributed, by other economists who admired him, to his wife, Harriett Taylor Mill.

Aside from that, most established economists, if they think of it at all, have been baffled by the implications of what including gender would mean. Probably the best known of these was Alfred Marshall's musing about how the national income would go up if women each cleaned their neighbour's house for pay. Not that he 'got it' -- that there was value in this work, or that it was a significant economic contribution.

Economic philosophers did not always ignore women and some, like the socialist utopian Charles Fourier (who is credited for inventing the term 'feminist' in 1837) made the link between sex and the economy. His ideas are amazing. His utopia, for example, was a kind of sexual welfare state. He advocated for a 'sexual minimum,' a kind of sexual social safety net where no one would be denied sexual satisfaction because they were unattractive, old, or nasty. Altruists would meet these needs, which he understood as work, in schemes too complex to recount here. But for most economists, dealing with anything other than the market, in its most narrow sense, was ignored over the course of the development of economics as a discipline.

John Kenneth Galbraith is one of the very few 20<sup>th</sup> century mainstream economists who had any interest in the notion of an economy that was wider than market activity. Early in the 1970s he wrote convincingly about the significance of labour within

the context of the household and the gendered distinctions in understanding economic activity. Unlike most economists, Galbraith extended his analysis beyond production and was interested in consumption. He understood that consumption was not trouble free: it was work and that it also needed management, particularly in rich societies where the economic foundation is so squarely on consuming more services and more stuff.

Galbraith calls women a ‘crypto-servant class’ and getting them to do this required work was an ‘*economic accomplishment of the first importance.*’ This is because the work is critical for the expansion of consumption, and the management of the distribution of time between various tasks associated with the family/household/market -- tasks that became increasingly complex and demanding. As he says, all of this has been disguised in economic analysis by the economic unit ‘the household.’ And I could add, it is increasingly denied visibility by the increase in the paid work of the vast majority of women. They still manage and do the work involved in consumption too.

Also, I like Galbraith’s skepticism of the mainstream economics profession and took heart early on in my studies from a comment he made about the supposed equal power of capital and labour. He said it’s the kind of thing one “can believe only after careful training.” It’s amazing how liberating a simple thought like that can be.

In addition to my admiration for J.K. Galbraith himself, I am so proud to be in the company of the admirable group of economists who have received this prize so far: Kari Polanyi Levitt, Mel Watkins, John Loxley, Mike McCracken, and Lars Osberg.

They are names that are not just known among economists of all political stripes for their exceptional insights, but also among social activists in Canada. They are especially appreciated for their ability to articulate a progressive analysis in a way that

can be widely heard, and to be seen to care about how economic and political decisions affect people. Their consistent energy over long periods of time and firm connections with people-centred research and economic activism is exceptional and an inspiration.

My intent, with a rather aggressive title to my lecture, is to talk about how we in Canada can differently understand both our past and the present if we have a better analysis of the gendered dimensions of economic activity and economic policy.

### **My First Point:**

In general there is little examination or attention paid to the economic significance of ‘social reproduction.’ At no stage have workers’ wages alone provided subsistence for either individuals or families, and mostly overlooked is the idea that there is a production process in labour itself. It’s not that some people haven’t talked about this, but that it is not central to analysis on either the right or the left, and is considered insignificant to any changes that occur in the economy. So, my point goes beyond a notion that women worked too and that their work was part of the economic transformation that occurred in the country, although that certainly is part of the analysis that has been monumentally discounted. The bigger picture is what we can know about Canadian economic change if an analysis of gender is included and why this is important for the future and public policy decisions. The over-all masculinist analysis of economic activity serves as a conditioning framework for how the entire system of political economy works, a framework that has been constructed very narrowly.

Before proceeding I’d like to talk briefly about two important concepts: social reproduction and the gender order. Social reproduction isn’t a good term, but it is one

that is useful to talk about how people's needs are met in any society. Usually when the term is used it's assumed we're talking about housework, but it embraces more than that.

*Definition:* Social reproduction includes the activities of both males and females, and the ways that the market, the state, the community, the household, and the individual are involved in meeting the direct needs of people. The state's role includes activities that directly and universally support individuals and the household (medical care, education, pensions, labour regulation and support), as well as programs that are more targeted to meet the needs of specific populations (social assistance, disability aid, employment insurance, child care).

At various capitalistic stages each share undertaken by the actors in this process is different, with the state assuming a larger or smaller influence on social reproduction, depending on the time, state of development, and political ideology in ascendance. In the feminist literature this change in the relative contributions (of the state, market & individual) to social reproduction is associated with a specific *gender order*.

*Definition:* The gender order refers to patterns of power relations between masculinities and femininities that are widespread throughout society and to the different ways that the entire economy interprets these relationships.

Historically the gender order changes considerably over time and is defined by the economic relationships. In the proto-industrial period in Europe the gender order could be characterized as a household or cottage production model. The family, the market and the community had major roles in providing needs, but the state had almost none. When industrialization took firm hold the economy was organized so that men's main economic role was as a wage earner and women's dominant role was within the household to care

for the family, a system widely known as the male-bread winner model. In this model the state assumed a very small share of the contribution to social reproduction.

As markets grew and supplied more in the way of meeting the household needs, the demand for labour also grew and women began to participate in the paid workforce in very large numbers. This is referred to as the dual income-earning gender order. In this order, the state takes a much bigger role in aspects of social reproduction, which, of course, varies considerably over time and place.

Today I want to use a few specific examples to pierce the masculinity of economic analysis as it relates to Canada. The first will be to begin with the understanding of how Canada developed out of colonial domination. The point is not to be critical of thinkers in the past, who were a product of their time and place and like everyone else struggled to expand thought, but to show that more was going on than was factored in the analysis. And then I want to show, with regard to current problems, how a gendered analysis could expand our knowledge to lead to different economic objectives.

### **Canadian Beginnings: Its Gendered Nature**

The idea of development around a staples trade is an important one. To me it informs us in important ways. Its main contribution was the ability to explain the enormous volatility of an economy that relied heavily on exported resources and the need to figure out how to develop a more robust and stable economy with state intervention. And Mel Watkins, of course, gave us ‘theory’ of staple development. The staples thesis also differentiated Canada from the typical idea of how a nation developed as a capitalist economy, analyses that up to that point had been entirely based on the European or

American historical experiences. Also, and this is what I'd like to emphasize, understanding the distinct ways that Canada developed has significant implications for the atypical way labour and gender were configured in the historical development process.

Historically, in the early analysis of industrialization, women's work was understood (both by feminists and others) to be integral to industrial development in Europe, primarily because women and children were so very central to the proto-industrial stage of family manufacturing and the monetary income of the family, but also because of their dominance in the early factory systems as wage earners.

As feminism was gaining a tiny toehold in universities in Canada in the 1970s and 80s, those of us exploring how to teach the Canadian *economic past* from a gendered perspective had almost no material to use. The only written scholarly work available related to an earlier literature of what had happened in England and Europe, and a small literature on the US experience. This clearly did not explain women's role in development in Canada in any way whatsoever, except perhaps in the ideology of gender that was associated with and reinforced by European immigration.

At that time the push to have Canadian subjects taught in Canadian universities (spearheaded by the very courageous Robin Matthews and Mel Watkins) made me realize I could not focus on European or American women's experience, but absolutely had to find out how women figured in the shaping of Canada.

At first I was interested in seeing how women 'fit into' Canadian economic development by examining the nature of women's labour in both staples production and the agricultural/subsistence sector. The first books related to this were two excellent and

serious studies dealing with aboriginal women in the fur trade written by historians. These were Sylvia Van Kirk's book, *Many Tender Ties*, and Jennifer Brown's book, *Strangers in the Blood*, published in 1980. They showed how central aboriginal women were to the success of the fur trade, regarding both market-oriented production and reproduction of the fur trade labour force. Understanding how the population grew and maintained itself during periods of violent economic fluctuations and how the economy grew despite these wild swings meant not just seeing how women 'fit in' to an already understood growth pattern. Rather, including an analysis of what most people were doing can revise ideas about how capital accumulation occurred in the early periods.

There were clues all over the place about how to see labour and women's role in early development, particularly if one examined historical records with the intent of specifically looking for these issues. Ideas from other scholars also provided other methods of examining the staple's relationship to the wider economy. These included H. Clare Pentland and his analysis of paternalistic productive relations (between labour and employers in the fur and timber trades) and Vernon Fowke, who was interested in disputing the sense that pre-industrial agriculturalists were primarily self-sufficient, but instead were initially and continuously reliant on an exchange and monetary economy even when isolated units. In Quebec Louise Dechene and Jean Hamelin pointed out that even in the earliest periods only a small proportion of labour was directly involved in the staple-exporting sector, which meant that other forms of economic activity had been dominant. And most significantly there were the accounts of women and men themselves that could be read, both to see what types of work they did and how they and their families understood the significance of the family's work. By looking at what most



people were doing and including women's labour in the mix, their significance of gender relations in the whole project of capital accumulation becomes more apparent.

The extraordinary volatility of the staple economy was a starting point for understanding the nature of productive relations, both those in the market and those within the family. It became obvious, as I learned more, that *patriarchal* productive relations were just as significant in capital accumulation as were capitalist productive relations (or paternalistic relations of an earlier time described by Pentland). That productive relations were patriarchal was absolutely clear: within household economies men owned the means of production, a position that was crucial to establishing power and control. It not only affected the division of labour, but also the distribution of the products of labour.

I want to briefly talk about a few examples of significant aspects of women's labour in the 19<sup>th</sup> century. One relates to family size. The serious problem of labour supply created monumental problems, making hired labour relatively expensive. But the women of Ontario certainly did their bit. Ontario in mid-century had one of the highest birth rates ever recorded in the world. A completed family consisted of at least eight children and not infrequently thirteen, which meant women were having children often well into their 40s, so would be responsible for children most of their adult lives.

What to me was most striking, in reading diaries and newspaper accounts in early periods was the extent of male attachment to income earning work off the farm. Men were absent from farms for waged employment: for work in the staples trade, working on canals, in mines, on roads, or on established farms; or absent when they were required for military service or to travel long distances to markets. But it was essential work

because, as Folke uncovered, the family economy simply could not survive on subsistence production and a money income from farming was too slight to support a family. Yet even during these periods, as is fairly well documented in official records, the capital accumulation on farms increased. Women and children did everything on the farms during these absences and this work sustained the family. The male wage did not have to support everyone – and it didn't. This configuration of 'social reproduction' allowed wage remuneration of males to be relatively contained, a very important factor in capitalist accumulation.

Women were also directly involved in the staples trade – primarily and most notably through dairying. There is not time to explain this today, but it was a female dominated industry during the period it became a 'staple.' Women were also directly involved in the wheat economy, again something that was acknowledged early on with the significance not only of women's farm organizations, but also books like Georgina Binnie-Clark's *Wheat and Women* first published in 1914.

My point with regard to this early period is that women, through their distinct work, were as involved in capital accumulation and establishing the foundations of the economy as were men, and the significance of women's work was recognized at least by families at the time. But their activities have been eclipsed by the male-oriented activities. Women's labour was crucial for surviving in a highly volatile market economy through supplying the labour force, by providing family subsistence that was crucial for keeping wages relatively low, and by participating directly in market-oriented activities.

This centrality of women's work in the past needs recognition in 21<sup>st</sup> century because the focus on male activities continues today and, it continues to be disproportionate to the characteristics of the economy and the nature of its success.

### **Current issues: economic crisis & climate change**

The amnesia with regard to gender and economics is not simply confined to a lack of understanding of the household sphere today. There is also a myopia with regard to the significance of paid work that can be understood roughly along gendered lines. But before talking about paid work, at this point I would like to bring us back to the point of the Galbraith Prize: that is, the significance of both research but also engagement with current issues. As all of us here know, neither aspects are easy. It takes a lot of work to figure out what's going on and why, particularly when we are confronting conventional economic wisdom. But it is also very hard to make it relevant to others.

The participation of progressive economists in the debate over free trade in Canada is probably one of the finest hours for showing how something complex could be worked on collectively by men and women all across the country. There was, in a sense, a democratization of economics in the anti free-trade campaign. We economists did not know all at once what the implications would be, but worked on this as a mutually reinforcing unit to figure out what it might mean to specific sectors, and ultimately to the over-all understanding of Canada's economic and social future. This involved not just academics but most decidedly people close to where the impacts would be noticed – in trade unions, farmers, among community-based groups, and in among activist groups like the National Action Committee on the Status of Women.

At this time the major contribution I felt I could make was first to look at women's work to see how it would be affected. In manufacturing the potential effects were absolutely clear – virtually all of those areas where women worked would be mightily affected by import penetration or a shift in production to low-wage US states: textiles, clothing, footwear, small electronics. Since most women worked in services, examining how services would be affected was new – and the examination of the impact of free trade on services led not only to analyses of labour, but also (once we actually saw the agreement itself) how social services themselves would be affected.

Our warnings about the effect of free trade were not exaggerations. Manufacturing has certainly suffered and women's participation was almost eliminated from manufacturing fairly early in the 1990s as the industries where they were concentrated were, as predicted, first affected. Women are now even more resolutely confined to the services sectors.

The enhancement of export-led growth strategies that occurred since the free trade agreements became central to economic policy in Canada and the significance of export-led growth still haunts our over-all analysis.

[I can see how it would affect average politicians' ideas of good policy – particularly when they see exports compared to GDP. It appears huge at around 35%, so of course it is the main consideration for policy. But these days its significance is exaggerated even more when the impact of trade is demonstrated by the bizarre practice of *adding* imports and exports and showing that figure as a % of GDP. I frequently see this done by political economists of all political

stripes. So, at anything from 65 to 70% of GDP, trade appears not only crucial, but for politicians it is clearly the primary aspect for consideration.]

Initially governments, when first arguing for free trade, were intent on showing how the free trade agreements could provide the stimulus to the economy that would, in turn, provide the funding for enhancing social programs. Once the agreements were in place the argument switched completely: competition for exports meant taxes had to be lowered and, therefore expenditures on social programs would also need to be reigned in.

Over time the political focus on exports has become even more intense, especially as we approach what might be an era of 'extreme oil'. The extractive industries and their exports are assumed by most governments to be a precondition for allocating funds to the things people need. It seems odd, but there exists an embedded idea that wealth is only created through resources or manufacturing— and everything else derives from that. That approach is not different now at the national level, even though we are in an era of sunnier times and 'austerity' is a little more relaxed. In the current economic climate the significance of entire sections of the economy are not considered as important as others. These secondary sectors are places where women work and where people receive the greatest proportion of the things they need.

I will come back to this, but before that I want to point out that major economic changes are rarely accompanied by appropriate ways to deal with instability in social reproduction. With the rise of the market system, over a very long period of time, the ability to meet the needs of the market with the competing needs of social reproduction found some reconciliation through the mechanisms of the welfare state, in all of its very different forms. This attention to social reproduction changed considerably with the neo-

liberal ‘austerity’ shift associated with the last decades of the 20<sup>th</sup> century. This shift has undermined the state’s role in maintaining social reproduction and is at serious odds with the economic demands on both individuals and families. There is some indication that this shift may be profound and chronic.

Rise of ‘austerity’ economics associated with the free trade eras really came into its own in the 1990s in Canada. This, as you will see in the slides, has had a negative impact on government spending as a proportion of national income in most countries, but Canada stands out.

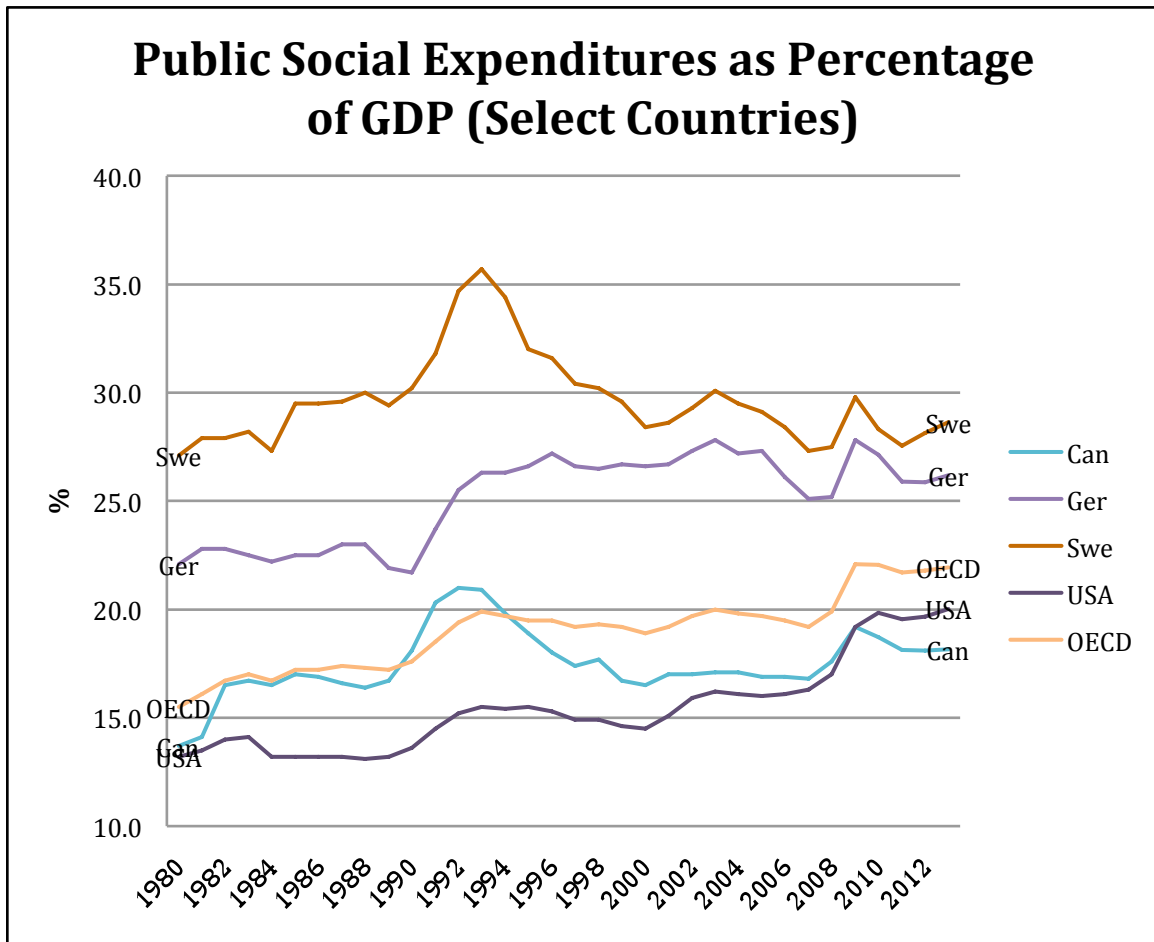
Since the shift to ‘austerity’ economics governments have now more or less abandoned the idea that economic crises can be avoided. The focus on stimulus spending tends now to deal primarily with crises as they arise. The counter-cyclical kinds of support for social reproduction that governments pursued, because there was an economic rationale for them, were radically altered – at all levels of government. The automatic stabilizers in particular were reduced and became much less effective in keeping the economy from rapid downturns. All of this leaves the economy subject to increasingly volatility.

### **Government Social Spending:**

In what follows I will show how the richest countries on earth have progressively reduced the proportion of government spending toward meeting peoples’ needs and how this has affected the economy. You’ll see that Canada has had the most dramatic changes. I show four countries and the OECD average here – just for ease of viewing. (I’ve

calculated it for six countries plus OECD average from 1980 - 2013. The others, not shown, are UK and Australia.)

**Slide 1. Government Social spending as % of GDP**



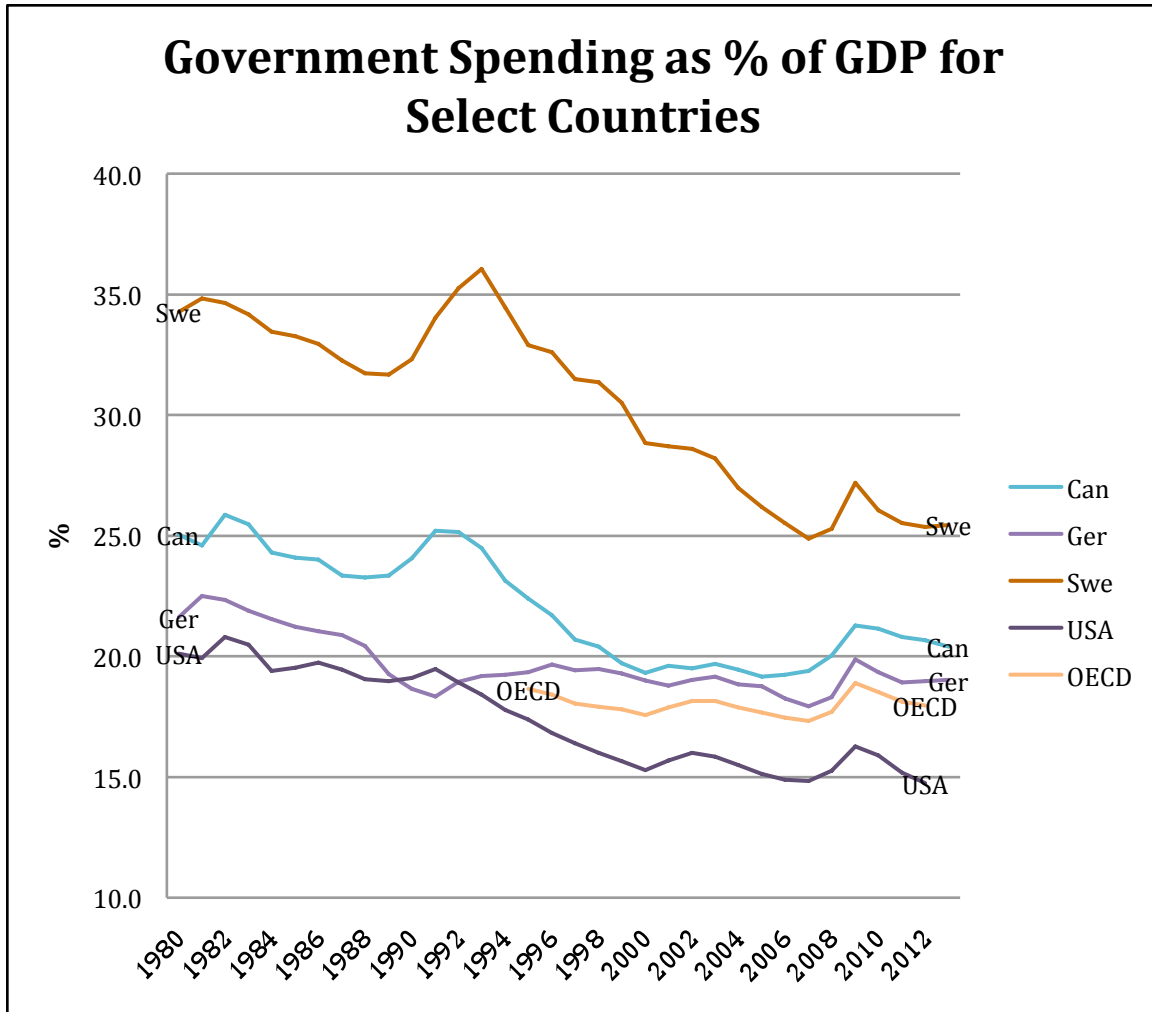
These OECD statistics include expenditures for all level of governments. Of course, comparisons between nations are always difficult because of the need to rely on the disparate ways nations often count things. This calculation by the OECD excludes education expenditures, other than federal transfers.

As you can see, the pattern is similar for most countries, although Canada has the most dramatic changes in social spending. In 1980 Canada was 3<sup>rd</sup> from bottom (in the group and all eight countries compared). But social spending increased dramatically until 1992 when social spending was 21% of GDP and above the OECD average. The dramatic decline in social spending began in the 1990s and was the steepest of any of the 8 countries compared. This was the beginning of radical changes throughout Canada and singled a fairly persistent drop off in spending until the 2008 recession. At this time the possibility of a dramatic recession was real and the Harper government stepped in to control the crisis. But this was short lived. Canada is now at the bottom of these countries in public social spending to GDP, a far cry from where is stood in 1991 and 92, and also below the average for OECD countries. You'll notice all the countries being compared have social spending levels much lower than they were in the beginning of the 1990s.

### **Total Government spending as percent of GDP**

It is not that Canada's governments spend less than other rich countries, but that we spend much less as a percent of GDP than other countries spend on social programs. But total spending of Canadian governments, relative to other countries is not as negative, in that Canada has more or less retained its ranking as 2<sup>nd</sup> after Sweden and is well above the OECD average. This is actually important.

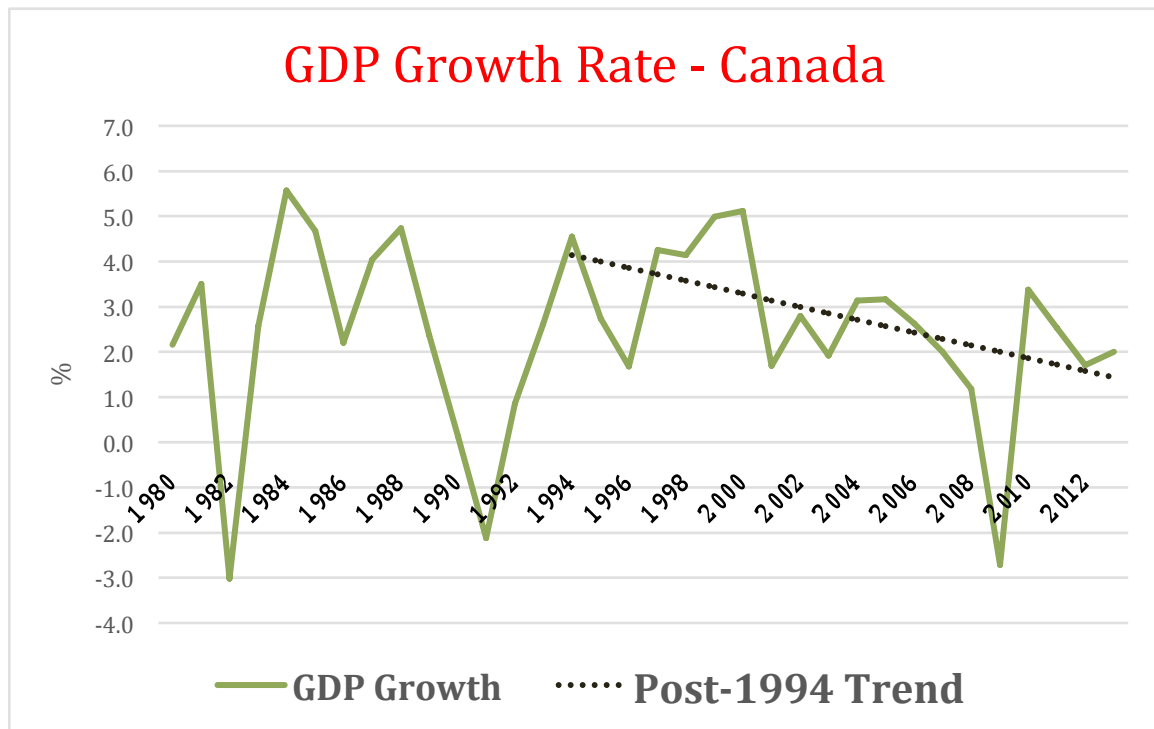




The point to be taken from this is that not only does the over-all level of government spending matter, but also the *type* of government spending matters. And, most significantly what happens to the health of the over-all economy when there are serious reductions in programs that prevent economic crises from being really bad. These reductions tended to be counter-cyclical programs in the public sector and relate directly to provisions for social reproduction. These are areas that are very significant for women, both for jobs, because women predominate here, and for the services provided.

#### Growth Rates in Canada

Policies of ‘austerity’ can be correlated to low-growth.



This graph shows that growth rates fluctuate considerably in short period of time. Of course there are many reasons for changes in growth, and I am not implying that these changes are attributable only to changes in social spending by state. [Also significant to a country like Canada is the value of the currency and the prices for major exports.]

But the correlations between the over-all trend in slower growth rates are significant with relation to the austerity programs instituted in a major way since the mid-1990s. As can be seen the growth rate trend line since 1994 has a downward trajectory and there is no signs of this changing soon.

1994 was a particularly important year. This was when a major change was instituted by the federal government in its direct spending on specific areas within provinces, namely health, education, and social assistance. This direct spending was

shifted to block funding that did not specify the nature of program expenditure, but it was also accompanied by cuts to total amounts as well. The 1990s also saw dramatic changes to the way unemployment insurance was treated, including a dramatic reduction in the proportion of unemployed, who were eligible for benefits, the withdrawal of the government from funding contributions, and a confiscation by the government of the surplus in the plan. This was a direct weakening of one of Canada's most important automatic stabilizers.

### **The future:**

The two major issues would seem to provide the potential for rethinking economic policy in a radical way. These issues are associated with the problem of chronic low growth rates plus the serious problem of climate change.

Both would indicate that the economic solutions of the past are insufficient to deal with these issues. Yet, the current solutions for the future are bound by similar masculinist concepts used in the past. This masculinist thinking is especially obvious when stimulus spending is needed: the focus is almost completely on the resources and manufacturing sectors, and the mostly male jobs in these sectors, with at best only a nod to the services sectors – areas where most people work. One of the most obvious examples is what has happened to Employment Insurance when adjustments to the program are needed.

Currently EI favours areas in the oil and gas sectors affected by the economic downturn, in addition to the *regional* unemployment rates. But what about the tragedies that occur when areas of the services sector are affected? The collapse of Target, for example, (just one firm) led to 18,000 people (mostly women) losing their jobs, but there was no special

help for people in this sector, as there had been for those experiencing unemployment related to a decline in oil/gas.

Partially this focus on extractive industries and manufacturing rests on how the idea of capital accumulation occurs and what constitutes capital. Recently I saw almost identical ideas used by both a Heterodox and a Marxist economists for what *really* counts for economic health:

- real investment in the form of buildings, structures, equipment, tools and machinery constitutes the most important leading edge of growth and job creation in the economy” (heterodox)
- the progressive amassing of machinery, equipment, buildings and structures – is the engine that drives capitalism forward. (Marxist)

There is no doubt that what type labour is regarded as unproductive is a result of a long process of power negotiations that involved not simply class relations, but also gender relations. But what is or is not productive labour is also something that is shaped by ideas of what counts as the foundation of wealth and value at a given period of time.

This idea of manufacturing and resources as the leading edge of the economy is not borne out by the actual structure of the workforce, because the service sector of the economy of wealthy nations dominates economic activity. This includes financial services, business services, government services, and care services, which together account for three-fourths of all employment and national income in most rich countries.

Since the economic crisis of 2008 many have had a sense that we are on the brink of seismic societal changes. The problems are evidenced through enhanced media and

activists' focus on the upward spiral of inequality, the devotion of most governments to 'austerity' policies, the timid acceptance of shoddy corporate behaviour, and the ratcheting down of needed social supports. Accompanying this is a strong sense that a different vision of the future is needed.

### **Climate change:**

For many *climate change* is or can be the catalyst for change. It should be – but I think it is unlikely that it will be. This is primarily because the offered solutions are so squarely focused in replicating the current economy, but with cleaner energy.

The problem is that the most prominent ideas about 'green jobs' and a 'green economy' take the social organization, including the gendered division of labour, as given and assume that the issues of climate change are able to be appropriately dealt with within a system that accommodates market-oriented solutions. I see these objectives and solutions to climate change as a denial of the scale of the magnitude of changes needed and do not seem to recognize that the basis of social organization also needs to change.

As with solutions to economic crises, the solutions to climate change for the most part still see productive work as work in the resource and manufacturing sectors, areas that are still considered the basis of economic stability and growth. In virtually all ideas about a green future the significance of social reproduction, and the gender implications of its role in creating a green economy is not a crucial part of change. This, then, inhibits a shift in thinking about what kinds of economic activities could be foundational for economic success in the future. These solutions are obscured because of the gendered

construction of our economy and the long-standing theoretical prioritization of economic activities based on gender.

The major progressive approaches to dealing with climate change are versions of either ‘Green Keynesianism,’ or take a no-growth approach. The main attractiveness of the concept of a green economy (or Green Keynesianism) is that there does not appear to have to be a choice between economic growth and environmental sustainability and that new industry to support the shift away from fossil fuel use could provide economic growth. The categories of activities nearly universally cited as ‘green jobs’ are those related to the following: the generation of green energy (wind, solar, biomass), public transportation, green building (primarily retro-fits and green construction), waste management, and agricultural and forest management. These include jobs in relation to both manufacturing, construction and distribution aspects of the sectors. Sometimes tourism is included as a site for increasing green jobs as well.

The main policy initiatives proposed relate to the adequate pricing of the ecosystem to reduce greenhouse gas emissions. The pricing of carbon relies on systems with brilliant design (which almost never happens) to avoid increases in inequality. This ‘green capitalism’ relies heavily on continued economic growth and assumes the compatibility of economic and environmental objectives. The gender discussions associated with the market-solutions approach is usually confined to the ways that the incidence of the tax falls most heavily on the groups that have low incomes and how this might be rectified. So if gender is taken into consideration at all, it is as a subset of class.

Despite early objections to notions of climate change, corporations are now on-board and over time have actively positioned themselves as the primary agents for

government policy considerations for action on climate change. This is very evident in Canada where, for example, most new clean energy initiatives involve constricting the public sector and expanding the private. Almost without exception creating new private markets is seen as the right direction for dealing with climate change. Some environmentalists applaud the shift of capital toward wearing a 'green' coat and see it as a 'step in the right direction,' but altogether the corporate vision of good green policy is contentious.

The counterpoint to the rosy scenario of green growth through the normal working of the market economy with appropriate carbon pricing is the no-growth model. The calls for no growth by some environmentalists, feminists, and community economic development promoters, in the name of material sanity, usually pay no attention to the dreadful consequences a no-growth policy could have for real people. But, ultimately anyone dealing with climate change needs to struggle with the issue. It is irrational to perpetuate the proliferation of more and more irrelevant things that destroys our environment, simply to make the economy function. Very few have a vision of a green economy that encompasses in a serious way the kinds of work that women have historically done in all kinds of different economic contexts.

The real issue is the logic of our economic system and whether there is any way to better match real needs with production and employment. More employment is important, but our analysis cannot stop there and, any discussion of economic policy ultimately has to deal with the economy as it is presently structured, even if we want to change it.

**Significance of services:**

The huge growth in the services sectors of advanced industrial nations indicates that real prosperity may not be tied, ultimately and forever, to manufacturing and resource extraction. The bias against certain aspects of the services sector (particularly those services directly meeting people's needs) has a long-standing logic that sees this type of work as unproductive labour, very much along the lines of analyses that understand unpaid work associated with the household as unproductive work. That bias against the social reproduction dimensions of the economy, which is rooted in gendered differences, is reflected in the downward trend of government spending as a proportion of the national income on social programs.

The point that I want to stress is that what 'counts' in a capitalist economy is whatever gets produced and sold and there is not a requirement that anything bought or sold has a physical value. Capitalism does not specify what is to be produced, or how it should be distributed, or, most importantly, that production necessarily meet basic human needs. Selling anything will make the system itself work, whether it is something useful like nutritious food, wasteful like cars, or something useless like paper stocks or mutual funds. Any kind of selling puts money into the economy and people to work and it could function with any sector as a lead sector (as seems to be occurring now with the financialization of the economy). The world does not need ever-increasing amounts of stuff – but there is a huge need that could be met through the logical planning of the system. This relates to the real needs of people that currently are not met, even during a time when many need work and we need a real transition to a much less carbon intensive economy.



### **Different Vision:**

A different vision for an economy that focused on meeting rational needs of people would require a value system that understood the critical nature of social reproduction to the successful functioning of the system. As was mentioned earlier, sustaining an economy without growth is extremely difficult in any economic system, but is particularly problematic within a capitalist system. This difficulty needs to be factored into any shifts in the sectors that are promoted within the society. We now know that the exploitation and exports of resources, and the maniacal manufacturing of more and more things that are irrelevant to a good life is highly damaging to the environment. The superstructure of global free trade systems not only encourages and promotes this kind of economic activity, but insists that all countries pursue it.

Using a gendered perspective on economic construction and an understanding of the possibilities of social reproduction activities contributing to growth could point to the beginnings of an economic vision that could counter the current dominant ideas about a green economy.

### **Shape of Economic Analysis and its Objectives**

Galbraith clearly understood power and its role in economic analysis: The contribution of economics to the exercise of power is its “instrumental function – instrumental in that it serves not the understanding or improvement of the economic system but the goals of those who have power in the system.”

As we all acknowledge, this dominant economic interest becomes the standard, accepted voice and it is around this that policy is shaped. Anything extraneous might be considered interesting, imaginative – but not anything to guide action or belief in how the system works. What Galbraith emphasizes is that the *moral* structure of the capitalist system depends profoundly on the centrality of the concept of the individual – It is individual choices that are understood as the source for instruction to the market – as a consumer. Similarly, the individual guides the political system: theoretically the individual is ‘supreme both in the private economy and the state.’ That is, it is not the *needs* of people that are the moral compass of the system. In this understanding of the morality of the market, economists in essence are able to overlook social consequences and ‘support a system that maltreats large numbers of people;’ one that fails to satisfy genuine need. It is in the necessity to satisfy genuine need that examining gendered aspects of the economy can give different ideas about both what has, and what *should* happen.

In closing I want to return to John Stuart Mill. He asked the crucial question about economic activity in an industrial capitalist economy: “to what goal? Towards what ultimate point is society tending by its industrial progress? When the progress ceases, in what condition are we to expect that it will leave mankind? It must always have been seen, more or less distinctly, by political economists, that the increase of wealth is not boundless: that at the end of what they term the progressive state lies the stationary state...”

Mill understood that the relentless pursuit of profit need not continue forever in order for the economy to function well, but that shifting the focus of the economy is

possible: “It is scarcely necessary to remark that a stationary condition of capital and population implies no stationary state of human improvement. There would be as much scope as ever for all kinds of mental culture, and moral and social progress.” According to Mill, true and successful stationary state would require no growth in population. But there is another possibility. With a stationary state in material goods, and a growth in labour directed toward care services, even population could grow. It is in the areas of care services that countries like Canada are deficient and where the state’s contribution, relative to the national income, has been declining steadily.

Material needs do need to be met and the re-distribution of wealth within and among nations will certainly need to happen in order to arrive at a stationary material state. In the meantime, crucial shifts in government policy toward support for social reproduction could increase economic activity without increasing GHG emissions. This would mean recognizing the economic contributions of social reproduction to the strength of the system. But all of these approaches would require the strong assertion on the part of the state and its willingness to shift economic priorities away from the focus on material good and financial services, toward working in the interests of social development and welfare.



