

# Hearts and Spades: Paradigms of Household Economics

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**Summary.** — This paper explains why the feminist critique of inequalities within the family poses a serious challenge to conventional economic theories of the household. But it also discusses those aspects of both neoclassical and Marxian theory that are useful to an analysis of conflict within the family, arguing that the bargaining power models being developed by some neoclassical theorists are complementary to Marxist influenced structural accounts.

## 1. INTRODUCTION

Years ago, in a classic experiment in the psychology of perception, Gestalt psychologists Jerome Bruner and Leo Postman asked subjects to identify individual playing cards that were briefly flashed before them. The psychologists slipped a few anomalous cards, such as a black four of hearts, into the deck. Until the exposure time was considerably lengthened, the subjects almost always confidently indentified these anomalous cards as normal (Bruner and Postman, 1949). Thomas Kuhn (1970) uses this example, among others, to argue that scientists, as well as experimental subjects, are prone to see what they expect to see.

Households, like decks of cards, have suits and hierarchies; their members are almost always differentiated by gender and by age. Although most social scientists live in households, or perhaps because they do, scientific views of the household are based on little more than glimpses of a deck that is constantly being shuffled. What is it, exactly, that we economists, in particular, expect to see? What combination of hearts and spades? And how do we ascertain to what extent our respective expectations are fulfilled?

Economists often perceive questions of methodology as unscientific, and consider questions concerning the household somewhat non-economic (Klamer, 1984; Koopmans, 1957). Yet the answers to such questions are relevant not only to theories of the household, but also to a larger understanding of the economy as a whole. Both major paradigms of economics, neoclassical theory and Marxian theory, have diametrically

opposed theories of the firm, but remarkably similar theories of the household.

Economists of both persuasions tend to treat the household as though it were an almost wholly cooperative, altruistic unit. Today, however, they are confronted by certain "anomalies" — empirical evidence of economic conflict and inequality within the household. Most economists choose to ignore these anomalies; many seek ways of reconciling them with conventional assumptions. But some economists in both the neoclassical and Marxian camps have begun to explore the possibility that economic self-interest operates within the home as well as within the market.

This exploration could benefit from more systematic methodological self-reflection. In this paper, I explain why the feminist critique of intrafamily inequalities poses a serious challenge to conventional economic theories. But I insist that some elements of the neoclassical and Marxian theory are useful to an analysis of conflict within the family. Furthermore, I argue that the bargaining power models being developed by some neoclassical theorists are complementary to, rather than competitive with Marxist influenced structural accounts.

The first section of this paper interprets the similarities and the differences between neoclassical and Marxian economic theory from a feminist standpoint. The second section discusses ways of accommodating an analysis of conflict within the family, arguing for a synthesis of microeconomic and structural approaches. The third section simply raises questions about self-interest, altruism and reciprocity that deserve far more serious

consideration from economists than they have as yet received.

## 2. COMPARING ASSUMPTIONS

Contemporary philosophy of science has had remarkably little impact on the theory or practice of economics. A simplistic and outdated brand of positivism has insulated the basic assumptions of neoclassical economic theory from critical scrutiny. Yet neoclassical theory, no less than Marxian theory, is largely structured by its basic assumptions. Kuhn argues that distinct "paradigms" are characterized by distinct, virtually incommensurable sets of assumptions. Whatever their other differences, however, both neoclassical and Marxian economic theory seem to be wedded to a rosy picture of the household as "home, sweet home."

Economists often pride themselves on practicing the most scientific of the social sciences. Yet as Thomas Kuhn and Thomas Feyerabend, among others, have argued, the borderline between science and other intellectual pursuits is difficult to draw (Kuhn, 1970; Feyerabend, 1975, 1978). Even the most "scientific" of theories are based on untestable or circular assumptions. They are seldom, if ever, verified or even falsified in any conclusive way by empirical research. Even more important, normal scientific research agendas are often limited to questions that can be answered simply by means of technical ingenuity. As Kuhn writes, "normal science does not aim at novelties of fact or theory, and, when successful, finds none" (Kuhn, 1970, p. 52).

Both neoclassical and Marxian theory take somewhat circular assumptions as their starting points. The principle of utility maximization is "impregnable" because utility can be defined as whatever is being maximized (Meek, 1962). The principle serves primarily to generate very general predictions regarding the effects of changes in relative prices and incomes on individual behavior. The labor theory of value also holds true by definition. It merely asserts that value can be defined as the amount of socially necessary labor time embodied in a good, and that value bears a determinate mathematical relationship to prices (Steedman, 1977). Individual utility functions are unobservable, and because revealed preference can be ranked only in ordinal terms, they cannot be aggregated or compared (Arrow, 1963). By the same token, socially necessary labor time (which includes infinite generations of indirect labor inputs) cannot be directly calculated, in part because it requires the aggregation

of heterogeneous forms of labor (Bowles and Gintis, 1977).

To take another pair of examples, neoclassical theorists assume that individuals (or households that behave as though they were individuals) and firms are the primary actors in an economy, and they interact almost exclusively through competitive markets in which no single individual or firm can affect supply and demand. They cling to methodologies based on this assumption despite considerable evidence that few if any markets are perfectly competitive (Friedman, 1953). Marxian theorists tend to use classes as their unit of analysis, defining classes in terms of relationship to means of production and control over the labor process. They pursue the methodology of class analysis despite the evidence of more diverse and complicated forms of social stratification (Poulantzas, 1975; Wright, 1979).

Such assumptions, however unrealistic, seem to be an indispensable means of structuring research. Acknowledging this unpleasant fact, postivists argue that assumptions themselves merit little scrutiny, that theories should be judged solely by their success at generating and satisfying empirical predictions. Milton Friedman's classic statement of this view in "The Methodology of Positive Economics," continues to be widely quoted by economists, who tend to respond to criticisms of their assumptions simply by reiterating their empirical results. This response is not particularly convincing when, as Thomas Kuhn and others have pointed out, the same empirical results may be consistent with more than one theoretical construction (Kuhn, 1970, p. 76).

The lack of realism inherent in most theoretical assumptions does not, however, render comparisons between them inconsequential or unnecessary. Among the criteria that are often used to compare alternative sets of theoretical assumptions are internal logic, consistency, and range of explanation. Marxian economists, largely excluded from the "dominant" paradigm, not only reject positivist or empiricist views but occasionally tend to the opposite extreme. Barry Hindess and Paul Hirst (1975), for instance, question the relevance of historical "facts" and elevate the role of deductive logic. Steven Resnick and Richard Wolff (1982) argue that neither assumptions nor facts provide adequate criteria for choosing between theories. Different theories merely represent different "points of entry," chosen for historical or personal reasons.

Between these two extremes of positivism and relativism lies a more appealing middle ground. On this terrain, both theoretical assumptions and empirical results deserve careful scrutiny, and the

impossibility of specifying any absolute criteria for success or failure does not vitiate the need for constant evaluation. As E. P. Thompson writes, the evidence "is there, in its primary form, not to disclose its own meaning, but to be interrogated by minds trained in a discipline of attentive disbelief" (Thompson, 1978, p. 28). Such attentive disbelief can be enhanced by efforts to compare contending theories and "translate" them into commensurable terms. Such an analysis must go well beyond a comparison of competing hypotheses. As Foucault (1973) observes, the silences within theories often speak more loudly than the claims.

Why are both the neoclassical and the Marxian paradigms so "silent" on the issue of inequality within the home? Their convergence is somewhat ironic: On the other hand we have a paradigm, largely unconcerned with issues of conflict, which offers a well-developed theory of nonmarket production. On the other hand, we have a paradigm with a well developed theory of conflict that is largely unconcerned with nonmarket production.

As historians of economic thought have noted, neoclassical theory offers a "universal" theory of economic behavior that presumes the existence of markets but is independent of any other institutional context (Hunt, 1979). Markets are, by definition, sites of free and voluntary exchange. Any theory that restricts its attention to the market will be unable to provide any explanation of conflict or inequality. In a neoclassical world, exploitation, in the economic sense, cannot exist; unless both parties benefit from a transaction it will not take place. The equality or inequality of any given exchange cannot be ascertained because interpersonal comparisons of utility cannot be made.

The plausibility of the "new home economics" rests on an analogy between the household and the firm, where individuals within the household operate in an "implicit" rather than explicit market. Gary Becker (1976) theorizes, for instance, that new households are formed by means of a marriage market. Once established, households deploy labor in response to differences in marginal productivity between home and market (Gronau, 1973). They choose between home produced and market produced goods on the basis of price, although some goods, like one's own children, can only be produced at home. Decisions about family size are influenced by changes in the price of children, due to increases in production costs such as education (sometimes termed improvement in child quality) or the increased opportunity cost of time devoted to childcare (Schultz, 1981).

As many critics have noted, the analogy between the household and the firm is somewhat strained. Many different types of exchange take place within and among households, but these exchanges do not conform closely to sales and purchases in a competitive market. Individuals seeking mates are usually not satisfied with an "undifferentiated" product. In household production, unlike commodity production, demanders and suppliers are often one and the same. The cost of home produced goods, like children, is not exogenously determined. Parents choose, to some extent, how much time and how many resources to devote to children. And children affect their own price. As adults they make certain choices concerning their economic commitments to aging parents (Parsons, 1983). Finally and perhaps most importantly, the neoclassical household does not have an objective function that is as clear-cut as that of the neoclassical firm. It does not maximize profits. It presumably maximizes the "joint utility" of its members.

The specification of joint utility function poses a serious problem for neoclassical theory because it requires the aggregation of individual tastes and preference, a task that is intrinsically problematic (Arrow, 1963). One way of solving this aggregation problem is to assume that altruism prevails within the family (Samuelson, 1956). But it is somewhat inconsistent to suggest that individuals who are entirely selfish in the market (where there are no interdependent utilities) are entirely "selfless" within the family, where they pursue the interests of the collectivity. The vision of pure altruism within the family resembles nothing so much as the Marxian vision of utopian socialism. There is something paradoxical about the juxtaposition of naked self-interest that presumably motivates efficient allocation of market resources and a perfect altruism that presumably motivates equitable allocation of family resources.

Lest Gary Becker unfairly be assigned responsibility for this paradox, it should be noted that it has distinguished roots in the history of economic thought. One of the most widely quoted passages of Adam Smith's *Wealth and Nations* observes, "It is not from the benevolence of the butcher, the brewer, or the baker that we expect our dinner but from their regard to their self-interest" (Smith, 1937, p. 14). But as Smith made clear in *The Theory of Moral Sentiments* (1966), he was not so skeptical of the benevolence of fathers and husbands.

Becker (1976, 1981) seeks to provide a scientific basis for his modern explanation of "moral sentiments," drawing from the sociobiology

literature to argue that sharing in the family represents true altruism (rather than mere reciprocity). But the threat of selfishness dogs his analysis. In trying to explain why individual family members do not "free-ride" on the benevolence of others, Becker resorts to the concept of a benevolent dictator. How else to describe heads of household who use their economic power to ensure that every family member acts in the interests of the family as a whole? (Evenson, 1976). In Becker's words, "parents may use contingent transfers of wealth to provide children with a long-run incentive to consider the interests of the whole family" (Becker, 1981, p. 188). This explanation of the joint utility function assumes that the only power holders in the family are altruists and the only rotten family members are those who wield no effective power. In other words, Becker allows for rotten kids, but not for rotten parents, rotten husbands, or rotten wives. "Selfishness" in the family is kept strictly in bounds.

At first glance, Marxian theory might seem less susceptible to such idealization. The Marxian tradition has always emphasized the importance of conflict, inequality, and exploitation. Yet conflict is defined along the axes of the class position of families, rather than individuals (Ferguson, 1979). Furthermore, much of Marxian theory is specific to capitalism as a dominant mode of production. Nonmarket institutions such as private property, the family, and the State are explained primarily in terms of their implications for class relations and differences between men, women, and children in the same economic class remain largely unexplored (Hartmann, 1981).

The Marxian preoccupation with capitalism as a mode of production has shaped the application of Marxian theory to the household. Like neoclassical economics, Marxian economics assumes that firms maximize profits. Unlike neoclassical economics, Marxian economists (with a few recent exceptions), make no explicit assumptions about the economic objectives of individuals, but aggregate them within economic classes (Roemer, 1982). Workers' primary goal is to survive, to "subsist," to struggle to claim the product of their labor. Household production, described as production for use motivated by basic needs, is often counterposed to production for exchange, motivated by an insatiable desire for gain. As a result, production for use has distinctly non-economic implications.

Conventional Marxist conceptualizations of relations within the household avoid the term "altruism." Implicitly, however, they assume that altruism rules, particularly within the working-class family. Jane Humphries' (1977) essay on the

working-class family in Britain, for instance, argues that women relinquish the economic independence that wage-work affords them because they recognize their husbands may earn higher wages as a result. Similarly, Deere, and De Janvry (1979) focus on the extraction of surplus from the peasant household as a whole, and bypass the opportunity to explore material inequality within the peasant household. Mamdani's (1981) Marxist analysis of fertility decisions explains desired family size by reference to externally imposed economic constraints. And Arizpe's work (1982), like that of many Marxian scholars on migration, stresses the "survival strategies" of the household as an undifferentiated unit.

Interestingly, many Marxists emphasize the role of domination and alienation in the household even as they eschew any analysis of the pursuit of economic self-interest — or the possibility of exploitation — within it (Bowles and Gintis, 1981). But even Marxist feminists largely avoid direct consideration of economic inequality within the home (Vogel 1983).

In short, the conventional neoclassical and Marxian paradigms view the household through a set of lenses shaped by certain expectations. Neoclassical theory arbitrarily aggregates individual tastes and preferences with a joint utility function. Marxian theory arbitrarily aggregates men, women and children into undifferentiated classes based on household membership. Neoclassical economists expect their theory of markets to provide a theory of household production, while Marxians expect their critical analysis of capitalism to suffice. These respective expectations have conditioned a common failure to recognize the importance of conflict and inequality within the family. They have also set the stage for a growing literature that seeks to redress this failure.

### 3. ACCOMMODATING CONFLICT

To call a spade a spade is to acknowledge an unpleasant reality: hearts are emblematic of romantic affection. To return to the metaphor of the psychology experiment described above, observers of the household tend to see hearts instead of spades. A growing body of research, largely informed by feminist concerns, documents inequalities that represent anomalies for both conventional Marxian and neoclassical theories of the household (Folbre, 1985). Oddly enough, the differences between these economists who try to reconcile these anomalies with conventional assumptions and those who revise

the conventional assumptions are far greater than the difference between neoclassical "revisionists" and Marxian "revisionists."

Theoretical preconceptions have blocked both the perception and the acknowledgment of material dimensions of inequality within households in both the advanced and developing countries. However, evidence of inequality and conflict is emerging from numerous historical as well as contemporary empirical studies. Research on Europe and the United States reveals substantial conflict over the intergenerational distribution of income and wealth (Berkner, 1973; Folbre, 1979). Although parents in many developing countries seem to wield more economic power over their children than in the industrialized countries (Wolf, 1972; Salaff, 1981), surveys of parents in developing countries show that they are not always satisfied with the level of economic assistance their children provide (Burpakdi, 1978).

Gender-based differences in the allocation of household resources are manifest in the continuing differentials in female and male access to education (World Bank, 1983, p. 196). Some studies also show that gender has a significant impact on nutritional levels. Girls and women in many areas of the developing world apparently receive a smaller proportion of their Recommended Daily Allowance of protein and calories than do men (Chen *et al.*, 1981; Horowitz, 1980). Some studies suggest that increase in women's incomes have a far more positive impact on increase in children's nutritional levels than do increase in men's incomes (Miller, 1981). In India, dramatic differences in male and female mortality levels seem significantly related to differences in food consumption (Miller, 1981).

Time budget studies reveal significant differences in hours of work between men and women in areas as diverse as the United States, the Soviet Union, and Western Europe (Hartmann, 1981; Lapidus, 1978; Szalai, 1975). These differences, also characteristic of many areas of the developing world, are particularly pronounced in regions where men's and women's household budgets are somewhat separate, as in the case in much of Africa. Jane Guyer's detailed household survey of Ghanaian households shows that women's incomes average only one-fourth those of men (Guyer, 1980, p. 19). Jeanne Henn (1982) documents comparable inequalities in Cameroon. Monsted and Kongstad's study (1979) of Western Kenyan households shows that men benefit from women's and children's labor in both subsistence and cash crop agricultural production but share only a small percentage of the cash income.

McSweeney (1979) reviews a number of African time allocation studies showing that women work longer hours than the men in their households. Kossoudji and Mueller (1983) report similar results from Botswana. Unequal time allocation has also been extensively documented in the Asian countries of Bangladesh (Cain *et al.*, 1979), Nepal (Acharya and Bennett, 1982) and the Philippines (Folbre, 1984; King and Evenson, 1984). Time budgets have received relatively little attention in the Latin American context, although inequality and conflict in household decision-making have received some attention (Roldan, 1983) in developing countries.

While these findings cast considerable suspicion on the joint utility assumption, they are by no means irreconcilable with it. Inequalities of any sort can be explained by a "taste" for altruism or voluntary sacrifice. At first glance, this explanation seems inconsistent with the thrust of the new home economics. As Becker himself complains, "the economic literature is full of references to changes in tastes and preferences, introduced, ad hoc, to explain human behavior" (Becker, 1976, p. 12). But the gist of the neoclassical approach is not that tastes and preferences are unimportant, but that they are exogenously given and randomly distributed. It is this assumption that makes it possible to attribute changes in economic behavior to changes in prices and incomes. Once some degree of altruism is taken as a starting point, it can be "held constant," and changes in the distribution of resources between family members, can be attributed to changes in prices and incomes.

For instance, Willis (1982) argues that a decline in intergenerational transfers over time can be explained by voluntary increases in parental expenditures on children that result from a high income elasticity of demand for "child quality." Similarly, Rosenzweig and Schultz (1982) argue that Indian families devote more resources to male children than to female children because it is "efficient" for them to do so: the higher wages male children earn promise more benefit to the family as a whole.

Both these explanations presume that disagreement and struggle play no part in the distribution of familial resources. But the same factors that increase "child quality" (primarily increased education) and female wages also increase the relative bargaining power of youth and women. As is often the case with competing paradigms, two distinct theoretical approaches can explain the same empirical results, posing a serious identification problem for both theories

(Folbre, 1984). More detailed empirical studies could help solve the problem. But the household's underlying objective functions will always remain unobservable.

This empirical indeterminacy amplifies the importance of a careful consideration of alternative assumptions. These alternatives grow naturally out of the criticisms of household joint utility discussed earlier. Both neoclassical and Marxian revisions of the conventional approach emphasize the importance of conflict and bargaining power within the household. They model conflict and bargaining on distinct, but somewhat complementary levels of analysis, reflecting their underlying methodological assumptions.

Most microeconomic approaches to bargaining closely resemble conventional neoclassical theory in their emphasis on individual decision-making. They differ from the conventional approach primarily in the types of individual objective functions they specify. For instance, Manser and Brown (1980) and McElroy and Horney (1981) discuss a model in which individuals maximize the product of their gain from marriage and their partner's gain from marriage. Individuals' respective economic positions outside marriage serve as a "threat-point" in a Nash-bargaining game. Parsons (1984) provides several different specifications of a log linear Stone-Geary utility function in which both own utility and the utility of the younger or older generation enter as arguments. He also explores the way in which initial assets may be used as threat points in a Nash-bargaining game.

Some studies in this genre directly address the issue of altruism. For instance, Parson's and Goldin's study of the disposition of the earnings of child wage-workers in the textile industry provides an empirical estimate of the degree of parental altruism as well as evidence of inter-generational conflict (1983). But skepticism about the degree of altruism within the family is not the distinguishing feature of the revisionist approach. Unequal treatment of certain family members can be treated simply as an exogenously given "taste or preference." Behrman and Kenan (1984), for example, use the term "pro-male bias" to describe allocational inequality that cannot be attributed to differential returns to nutrient investments.

Revisionist neoclassical models of the household differ most dramatically from conventional neoclassical models in their use of objective functions that are at least partially endogenous. Because Nash-bargaining models incorporate "threat points" that are largely determined by individuals' potential economic positions outside

of relative economic bargaining power. These models redirect attention from the purely microeconomic level to the economy-wide factors that determine relative bargaining power.

Not all proponents of this approach explore this determination. Manser and Brown, for instance, simply observe that women typically earn a lower market wage than men. But neoclassical revisionists who seek to explain historical change, like Parsons (1984) and Mosk (1983), must explain the dynamics underlying changes in relative bargaining power between the generations and the genders. These dynamics pertain to the behavior of groups, rather than individuals; they grow out of social and economic institutions, rather than the competitive market. As a result, these dynamics are not susceptible to the traditional tools of neoclassical theory.

It is no accident that a certain amount of structuralist or Marxian language, such as "control over the means of production" has crept into the neoclassical bargaining power literature (Mosk, 1983). In virtually all precapitalist, and many capitalist societies, legal and political institutions, as well as property ownership, lend elder males considerable bargaining power within their families. Unfortunately, the bargaining power literature does not analyze the genesis, the reproduction, or the modification of these inequalities in rigorous terms. The weakening of patriarchal power is often treated as though it were merely an inevitable byproduct of the process of capitalist development (Caldwell, 1981; Parsons, 1984; Mosk, 1983). This assumption echoes the tradition Marxian argument, first articulated by Engels (1968) that capitalism would automatically bring about the liberation of women.<sup>1</sup>

The feminist version of revisionist Marxian theory offers a far more promising analysis of structural aspects of bargaining power between men, women, and children. It stands in much the same relationship to the microeconomic analysis of conflict within the household as the Marxist literature on class dynamics stands relative to the microeconomic analysis of conflict within the capitalist firm (Bowles, 1985). Just as the structure of capitalism as a system sets the stage for an analysis of bargaining power within a specific firm, the structure of patriarchy as a system sets the stage for an analysis of bargaining power within a specific household.

Marxist feminists have conceptualized patriarchy in a number of different ways, as a set of institutions, as a system with important ideological as well as economic elements, and as a mode of production (Hartmann, 1981a; Barrett,

emphasis on structural factors that place women and children in different social and economic (rather than merely biological) positions than adult men. Gender and age differences became analogous to, though not identical to, class differences. In most Marxist feminist analyses the analogy between class and gender is only a first step towards a consideration of their somewhat contradictory interaction.

In my own work, for instance, I have argued that the emergence of capitalist relations of production transforms rather than merely weakens pre-existing patriarchal systems. Opportunities for wage labor eventually reduce patriarchal control over the younger generation, curtail the economic incentives for large numbers of children, and diminish the incentives for certain forms of patriarchal control over women (Folbre, 1983). But elder men are able to control the ways in which women participate in wage labor, limiting their access to all but the most low-paying jobs. Employers, as well as men, benefit from low-cost female labor, and both occupational segregation and the sexual wage differential reproduce traditional patriarchal inequalities within modern capitalist systems (Hartmann, 1979; Rubery, 1978).

There are other complementarities between patriarchy and capitalism that may help explain why women's relative bargaining power within the home does not increase more in the course of economic development. For instance, State policies toward the family may shift the burden of child-rearing expenses increasingly onto individual, often single, mothers (Folbre, 1985b). Until recently, relatively few historical studies traced the influence of employers' choices, trade union actions or State policy upon women as a group. But the growing literature on the economic position of women in both the advanced capitalist countries and the developing world provides a rich basis for more careful consideration of structural influences on individual bargaining power within the household (McCrate, 1985; Acharya and Bennett, 1982).

Even when posed in purely descriptive, rather than theoretical terms, the evidence of structural inequalities based on gender and age casts considerable doubt on approaches that treat the household as a purely altruistic unit. The suggestion that women and female children "voluntarily" relinquish leisure, education and food would be somewhat more persuasive if they were in a position to demand their fair share. It is the juxtaposition of women's lack of economic power with the unequal allocation of household resources that lends the bargaining power approach

proponents of a bargaining power approach to the household accept the analogy with bargaining power within the capitalist firm, they have something in common with, and perhaps something to learn from, contemporary Marxian methodology. Likewise, conventional Marxists who have yet to apply their new game-theoretic models to the household or family have something to learn from revisionist neoclassical theorists.

#### 4. PRODUCING HEARTS

Is home never a sweet place, after all? Could it be that all the cards we thought were hearts were just different colored spades? This view seems as unrealistic as its inverse. But economists who reject the conventional neoclassical view that altruism resides in the family and the conventional Marxian view that it can thrive anywhere except under capitalism are left with the need for an alternative theory of altruism. If there are limits on the pursuit of economic self-interest, narrowly defined, how and why do these limits emerge?

The household remains one of the most interesting arenas for asking this question because altruism is more visible there than elsewhere. Parents may respond to changes in the costs and benefits of children, but they continue to raise children even when the economic costs are very high. Likewise, children may often resist any formal economic obligation to their parents, but nonetheless remain an important source of security and support. The partial altruism that is one of the defining characteristics of family life cannot be attributed to a sociobiological imperative to maximize genetic fitness. It may be partially explained as a complicated form of reciprocity. The economics of the family highlights the importance of a theoretical understanding of how and why reciprocity occasionally prevails in economic life.

Altruism, denotes, in Webster's terms, "unselfish concern for the welfare of others." In neoclassical terms it denotes interdependent utility functions, the possibility that one might derive more pleasure from another's pleasure than from one's own. This is the pleasure that Adam Smith's butcher and baker could not be relied upon to experience. This is the pleasure that, from Wilson's sociobiological point of view, represents an evolutionary dead end. Individuals who sacrifice a share of their resources for others without reciprocity diminish their own chances of survival and, in the long run, are likely to be

eliminated through natural selection (Wilson, 1975).

The one exception, in Wilson's view, is kin-based altruism. Individuals who sacrifice for the sake of others who share their genes (brothers, sisters, or offspring) may diminish their own chances of survival, but they enhance the viability of their genes, and thereby improve their own "reproductive fitness." Becker's emphasis on altruism within the family and his frequent references to Wilson imply that he accepts this "reproductive fitness" argument. However, Becker diverges considerably from Wilson's view when he argues that altruists can garner important economic benefits in the form of reciprocity. Where there is considerable physical and social interaction, he argues, reciprocal altruism can benefit everyone (Becker, 1976, p. 294).

Of course, Becker never extols the merits of reciprocal altruism outside the family. If he did so he would come dangerously close to an endorsement of the possible merits of collective ownership and the possible virtues of democratic economic planning. Neoclassical economists have traditionally been skeptical of any cooperative behavior because of its associated "free rider" problems (Olsen, 1965). On the other hand, Marxian theorists have often assumed that the elimination of class differences would be a sufficient condition for effective economic cooperation.

Recently, however, both schools of thought have begun to examine the issues of reciprocity and cooperation more systematically. On the neoclassical side, Maital and Maital (1984) argue that appropriate socialization or enforcement mechanisms can make cooperation an effective long-run strategy for optimization. Andrew Schotter, (1981), among others, suggests that customs and habits may represent a more "efficient" solution to certain coordination problems than the market. On the Marxian side, Roemer's argument that exploitation can take place within socialist economies illustrates the point that there are no simple or obvious guarantees of economic reciprocity.

The family is also susceptible to exploitation. It nonetheless seems true that more reciprocity and sharing takes place within families than elsewhere in the economy. What determines whether reciprocity is "successful" there? Becker seems confident that social and physical proximity are a sufficient guarantee that fairness will prevail (small is beautiful?), but this argument is, *a priori*, unconvincing.

One could make a much stronger case for the effects of socialization on reciprocity. Virtually every social science except for economics empha-

sizes the ways families and other social institutions convey culture, tastes, and preferences to children, in both conscious and unconscious ways. These conveyances help define individuals' concepts of themselves and their definitions of "selfish" behavior. Altruism as action may be, in some sense, "produced," or at the very least reinforced, by altruism as ideal.

Stated in terms of the theory of bargaining, ideals are one of the mechanisms of cooperation that help solve free rider problems (North, 1981). And the ideals of family life may help explain why families enjoy at least somewhat more reciprocity than other groups. Sharing within the family is viewed, not only by parents, but also by economists, as something resembling a responsibility. Sharing outside the family is typically viewed, at best, as charity. Parents seldom endorse the pursuit of individual self-interest as a means of achieving an optimal growth path within the home. Economists, however, eagerly reinforce the very self-interested behavior that they take as a heuristic starting point in explaining market forces.

Perhaps women's position in and commitment to families helps explain why women often seem less motivated by "economic" concerns than men. Recent feminist scholarship emphasizes the ways socialization in family and schools reinforces existing gender inequalities partly by encouraging women to be better altruists than men. Wives and mothers are expected to be more "selfless" than other family members, to put other's needs before their own (Polatnick, 1984). As women begin to spend less time working within the home, and more time in the capitalist marketplace, will their traditional altruism diminish?

The Marxian theory of historical materialism asserts that "human nature," such as it is, is shaped by its material surroundings, its social context. Hence the implications that the pursuit of economic self-interest applies only to the capitalist context. However naive this implication, it does seem that capitalist culture sanctions and encourages the pursuit of economic self-interest more than most previous cultures (Sahlins, 1972). It is often said that the invisible hand, wielding the ideology of *laissez-faire*, swept the medieval concept of a moral economy aside (Polanyi, 1944).

It seems instead that the invisible hand swept the moral economy into the home, where an imaginary world of perfect altruism could counterbalance the imaginary world of perfect self-interest in the market. The bulk of economic theory either takes altruism as a given or rules it out of order. Neither of these alternatives is ver-

convincing, and both legitimate the social institutions that structure economic life within the family and without. They also seriously handicap the development of any general theory of cooperation and conflict.

Cooperation and conflict in the family, in particular, raise questions that cut across the traditional boundaries of neoclassical and Marxian theory, revealing not only a common methodological bias, but also a common agenda

for research: Under what conditions can economic reciprocity prevail? In pursuing this agenda, we should remember that our perceptions will be affected by what we hope for as well as what we expect to see. Household economics teaches us that it's all too easy to confuse the hearts and spades. But it also teaches us that at least some of the cards we play with are the ones we deal ourselves.

#### NOTE

1. The new neoclassical institution literature in general suffers from an apparent ignorance of recent feminist critiques of orthodox Marxian theory. Both Schotter (1981) and North (1981) explain how and why "free rider" problems are overcome, and how group allegiances shape the emergence of nonmarket institu-

tions, but neither entertains problems of intergenerational or intergender conflict. North (1981) not only leaves feminist struggles entirely outside the scope of his analysis but explicitly treats population growth as a process completely exogenous to economic growth.

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