

# FEMINIST BEHAVIOURAL ECONOMICS

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## Abstract

The growing popularity of behavioural economics is also reflected in feminist behavioural economics. The contribute presents some of its postulates and constructs. In the critique of standard economic theory based on the assumption of entirely rational action, the feminine view is to bring new insights and applications. The main goal is - in addition to the introduction of feminist behavioural economics - to try to answer the question whether these alternative approaches can be an inspiration in the search for adequate economics for the 21st century? Even in the behavioural sphere, feminist economics focuses strongly on the critique of standard behavioural assumptions of mainstream economics. Behavioural and feminist economics together reject the assumption that the rational economic person fully controls economic behaviour. The favourite target of feminist critics is, therefore, the homo oeconomicus model in the feminist interpretation in the sense of the male.

**Key words:** feminist behavioural economics, homo oeconomicus, biosocial analytical framework

**JEL Code:** B54, B21, J16

## Introduction

Feminist economics also responds to the current popularity of behavioural economics, respectively, to the wave of interest in the mutual relations of economics and psychology (Sent, 2004). The article (Sent, Van Staveren, 2019) provides a critical overview of the extensive literature on the behavioural economics of gender differences, including an examination of gender roles, gender stereotypes or various interactions of male and female behaviour. It is done from a feminist point of view, resp. through the prism of basic feminist concepts. It evaluates the economic significance of gender differences in behaviour (which are to be based on various social, cultural and ideological factors, which are not always adequately considered by standard approaches) and quantifies their statistical significance. It has been shown that differences in behaviour between the sexes do not always necessarily reflect innate differences, but may instead be caused by a *"third variable"*. E.g. social pressure for individuals to adapt to

prescribed gender roles or positions in the hierarchy of social power (Nelson, 2014). Such variables are often not included in experimental studies. Many studies also do not report statistically significant differences between the sexes. When they find out, they are not adequately explained, and their economic implications and political consequences usually remain neglected. The central theme of all forms of feminist economics is, above all, the disadvantaging of women. Awareness of these contexts should set to increase, but many problems remain. Moreover, the studies of gender differences have become popular and fashionable in itself. A simple presentation of the results, without a corresponding statistical assessment of the statistical significance of the influences, can lead to biases in the conclusions and distortion of the results of behavioural research. And not just feminist research.

The paper is a summary essay (original scientific review) which is not based on original research. In addition to introducing the basic postulates and constructs of feminist behavioural economics, the authors try to answer, at least in part, the question of whether these approaches can be an inspiration in the search for adequate economics for the 21st century? To achieve the goal mention it has been used methods of description, comparison and qualitative analysis. The starting point is data from secondary sources of scientific literature and the results of research available on the topic.

## **1 Feminist views on the rationality of homo oeconomicus**

One of the ways to feminize economic science is to form and develop heterogeneous feminist economics, to which feminist behavioural economics also belongs. The boundaries of different approaches tend to be blurred, and these intersect. Some contemporary feminist conceptions are more significantly defined in relation to standard economics, respectively still the dominant neoclassical doctrine. The male methodology and the neglected role of women in the economy and economics are sharply criticized. (Nelson, 1995) distinguishes gender distortions of economics at the level of models, methods, topics and teaching of economics. It is often emphasized that women values should be absent in standard economic science (Ferber, Nelson, 1993).

Even in the behavioural sphere, feminist economics focuses strongly on the critique of standard behavioural assumptions of mainstream economics. Behavioural economics and feminist economics together reject the premise that economic behaviour is fully controlled by the neoclassical rational economic man, who is usually understood in a feminist view in the sense of male.

The fundamental pillars of standard economics, resp. (neo) liberal hypotheses about the functioning of capitalism are critically arranged starting points in the form of the anthropological conception of man as a homo oeconomicus and the role of instrumental rationality. Instrumental (or purposeful) rationality is M. Weber's term and can be interpreted as *"narrowing the mind to maximize utility - the goals and means to achieve it are culturally defined"* (Keller, 2005, p. 383). The homo oeconomicus model is sometimes seen as a portrait of economic agents based on rationality in an instrumental sense, where rationality means *"rational behaviour, where we choose between different means the ones most likely to meet the goals"* (Hargreaves-Heap, 1989, p. 39). (Sirůček, Džbánková, 2006) recapitulate the history, dimensions and problems of the concept of homo oeconomicus.

Homo oeconomicus is supposed to represent the values that are associated with masculinity in the West. These are rationality, autonomy, maximization, historicity. Thus, the male model of the rationality of homo oeconomicus (its strict rationality and independence from other people, maximizing principles of utility, ahistorism, etc.) as a general and timeless concept is often the target of feminist critics. An important role in criticism is played by the proceedings (Ferber, Nelson, 1993), which is considered a certain milestone in the development of feminist economic thinking or even directly as a *"Manifesto of feminist economics"*.

It is usually pointed out the absence, resp. failure to take women's values into account in the form of emotions, interdependence, sharing, modesty or anchoring in the relevant historical context. The concept of homo oeconomicus is also criticized by feminist economics that converting quality into quantity and is ahistorical. *"He is not born or disappears; his past consumption does not play a role in his future consumption. It is rationality, autonomy, maximization and ahistoricity that are in contrast to the values stereotypically considered feminine: emotion, interdependence, sharing, modesty and anchoring in family history."* (Horký, 2011, s. 332).

However, other feminist interpretations point out that homo oeconomicus is often feminine, where, on the contrary, women's work is often performed by men. The problem is then related to the system of values established by the male economy, which led to the creation of the existing destructive economic system and relevant structures (Mellor, 2006).

The identification of science (including economics) with masculinity, distance, and control, while femininity with nature, subjectivity, and submissiveness, should, according to the feminist theory of science (Bordo, 1987), follow from the language of 17th-century scientists. Scientific, Western and modern consciousness should be instruments of masculine thinking. Above all, the work of R. Descartes is to contribute to the cultural escape from the

female world of emotional connections to the masculine world of rational separation. Thus, women are to be incorporated into space, while men are to be relatively distant, in the sense of so-called objective observers. Male is perceived as rational, distant. Its counterpart is to be a woman, in the sense of mediating power between man and nature, with reminders of his childhood, human body, sexuality and passion. The woman is meant to be a source of emotional life and irrational aspects of human experience.

Nicholson (1986) operates with the masculine principles of Cartesian dualism. These principles are reflected in individualistic philosophies of self-determination and self-interest, related to the traditional prerogatives of men. L. J. Nicholson combines the development of modern individualism with the emergence of the difference of public vs. private and with liberal theories of the state. The differences of the social spheres should simultaneously create cultural masculinity and femininity. Different spheres of social life should not have existed before. Economic, political, and kinship relations overlapped, and there was to be no identifiable sphere of private life. Only thanks to the work of J. Locke a "*political division*" into the public and private spheres were to be in the 17th century. The public sphere of individualism is subsequently growing, which it should continue to do even in situations where women are fighting for their economic and political rights.

An approach emphasizing subjectivity and emotionality is presented as an alternative to the definition based on strict scientificity and rationality. However, modern science is supposed to lack precisely new perspectives on gender, value and knowledge, which are to be developed by feminist ideas, some studies of philosophy and the sociology of science, or research in language.

Feminism seeks to question the value-neutrality of various economic claims and practices, including asking the value-neutrality of neoclassical economics, which sees itself in terms of Anglo-Saxon positive economics. Feminist thinking, including feminist economics, also uses methods of historical interpretation, psychoanalysis, or techniques of literary criticism to discover social meanings, hidden symbols, and thematic agendas in scientific texts (including economic ones). Feminism relativizes the objectivity of science as such. It breaks down traditional ideas about the objectivity of science also in economics (in addition to social and cultural anthropology, social geography, etc.). Even economics should always reflect the attitudes, experiences and prejudices of scientists themselves. Therefore, even if the economy looks neutral, it is supposed to be a science of men, a science of male gender. Feminism perceives objectivity primarily as a social phenomenon and does so intending to promote women attitudes, values and experiences in science. In the spirit of the gender asymmetry

approach, some of his strategies reject the possibility of correcting the masculine tendencies of science by merely adding women to science, with the argument that the particular can hardly be changed to universal. And with the repeated reminder that science, masculinity and femininity are mere intellectual constructs.

Cartesian heritage, with its masculine character, leaves a mark on the very definition of the subject of research into neoclassical economics (Nelson, 1995). In the standard definition of economics as the science of individual choice in the world of rarity, nature, bodily needs, childhood or human reciprocity usually fall out of its masculine areas of interest. Feminist approaches also criticize the mathematization of the theory of individual choice. It is asked the definition of economics that consider human beings about the world. Feminist approaches also criticize the mathematization of the theory of individual choice. It is asked the definition of economics that considers human beings in the relationship of the world (Seiz, 1993). However, with an emphasis on the gendered nature of economics, which is not usually presented in textbooks, but it should be evident in hidden symbolic and structural expressions. It is again to be evidence of masculine superiority. And if the researcher does not respect this, his work should traditionally be called "soft" and unscientific.

Another feminist view blames neoclassical economics for constructing a separative model with androcentric inclinations. And it criticizes the basic premises of neoclassical research, including given preferences. Ignoring the endogeneity of preferences should mask gender inequalities. In (England, 1993) a critique of the underlying assumptions of neoclassical economics is given, formulated as follows: 1) interpersonal comparison of benefits is impossible, 2) preferences are exogenous and unchanging, 3) economic actors in markets are selfish, and their interests are independent, 4) economic actors according to the separative model, they do not behave within their own families; when in the family, especially men, should be altruistic and empathetic. The elucidation of altruistic behaviour by maximizing benefit in the spirit of (Becker, 1981) is rejected. Also, according to (Strassmann, 1994), neoclassical theory glorifies male autonomy outside the family and values altruism within the family as merit. The altruistic "I" assumed for a household should not be consistent with the separative "I" in market behaviour.

The model is called separative because it assumes that human beings are autonomous, perfect, indifferent to social influences, and lack emotional connections to each other, allowing empathy. The importance of empathizing with the feelings of those who are the subject of economic research is often pointed out (Keller-Fox, 1985). If we consider a broader context like the philosophy of science or developmental psychology, feminism criticizes the

glorification of the separative "I" and its connection to gender. At the same time, some currents of feminist economics do not promote their own women economics, nor do they call for the solution of economic issues within sociology, but demand objective and balanced economic science in accordance with the interests of all mankind.

## **2 Some topics of feminist behavioural economics**

Feminist behavioural economics brings a feminine perspective to the critique of standard economic theory based on the assumption of fully rational behaviour and comes up with novel applications. An example of this is the view of the Great Recession. Including proposals related to the "*Lehman Sisters hypothesis*" that the 2007-08 financial crisis would have been avoided if women had been in charge of the financial sector (Van Staveren, 2014). At the same time, some male authors admit male dominance in the conduct of stock exchange operations and the fact that men tend to be more likely to take risks.

Behavioural economics deals primarily with psychological aspects, while feminist economics aims to combine a broader set of interdisciplinary approaches to critique the homo oeconomicus model and to develop an extended model of the economic actor. Including taking into account emotions in the spheres of market or government institutions (Ferber, Nelson, 1993). In the case of an adequately conceived economic actor, it should be necessary to consider a wide range of conscious and unconscious motivations, and his behaviour must not be completely separated from the context in which he moves and makes decisions. Feminist economics, therefore, pays attention to social structures, such as power relations and institutions or specific social environments (Figart, Warnecke, 2013).

Feminist economic research operates with an asymmetric role of institutions that are supposed to act differently for men as a whole compared to women as a whole. Competent institutions should reduce behaviour and reinforce gender stereotypes. It should have economic implications for access to and control over resources, choice, well-being, or even the number of hours worked or the rewards of assets that are to be different for men and women. Therefore, the economic behaviour of men and women - in the opinion of many authors of feminist economics - cannot be interpreted in terms of rational choice based on given preferences.

Feminist economics self-proclaims to J. M. Keynes's reference regarding the importance of expectations for economic action. However, the expectations of future actions of oneself and other subjects should be burdened by gender prejudices, which can affect self-esteem, trust, cooperation or a tendency to take risks. Thus, feminist economic research on behaviour should

add to the psychological approach the consideration of the context of the socio-economic environment through the socializing effects of institutions and endogenous preferences. And it should also pay attention to expectations, which may be gender-distorted due to gender stereotypes. The conduct of standard behavioural research, especially in developed countries, is also critically mentioned, with special emphasis usually placed on the USA.

Feminist economics should be based on a biosocial analytical framework, with an initial analytical framework, according to (Wood, Eagly, 2012). This framework is not limited to traditional static analysis, nor does it neglect the study of complex biological processes. Within this framework, a distinction is made between vertical gender processes and horizontal processes. The vertical dynamics explain the globally common, yet diverse, gender division of labour due to biological differences that have historically been related to men's strength and women's reproductive abilities. This gender division of labour acquires new dimensions with the advent of agriculture and private property. It changes over time and also shows significant differences between companies. Horizontal dynamics should be more important today in understanding the differences in the behaviour of men and women. It is based on the gender division of labour, which results from the vertical dynamics and related gender roles in the spirit (Wood, Eagly, 2012). Gender roles and stereotypes should relate to behaviour in both descriptive (what men and women do) and normative (what they should do) aspects. According to feminist economics, "*faith*" in how "*right men*" and "*right women*" should behave also plays a role. The gender "*faith*" is tested in (Vyrastek et al., 2015).

An integral element of the research is gender roles, including gender stereotypes, with impacts not only on, for example, the perception and appreciation of women in patriarchal societies. Other elements of the biosocial constructionist framework include gender identity and the internalization of gender roles, which should contribute to social behaviour that is stereotypical by gender. This aspect is examined in more detail in feminist economics, for example, in the context of the analysis of household negotiation processes (Bittman et al., 2003).

Part of the analytical framework of research is the two-way relationship between behaviour and biological processes that relate to hormones, nervous systems or cardiovascular reactions (Fine, 2017). The relationship between hormones and behaviour should be two-way, with gender roles tending to influence hormone levels and at the same time, hormones should take affect behaviour. With conclusion that, for example, caring for adult women reduces testosterone levels in both men and women. It was also found - according to (Coates, Herbert, 2008) - that financial trading in highly volatile markets should increase the level of cortisol in

male traders. When, the administration of testosterone to women should affect the results in negotiation games according to (Eisenegger et al., 2010). However, the mentioned research (e.g. regarding testosterone and risk-taking) yielded ambiguous results, which differ depending on several factors, e.g. depending on the number of hormones administered, etc. (Apicella et al., 2015).

## Conclusion

Feminist economics concludes from the above that biological processes (including hormonal levels) do not necessarily mean "*hard differences*" between men and women, but rather help us understand how, under certain conditions, social and biological processes can enhance male and female behaviour. The concurrence of biological and social processes is intended to organize the action of both sexes into appropriate patterns that are adapted to given conditions that differ over time, in different cultures and different situations. This includes by cultures shared psychological conviction, leading to the fact that typical activities of men and usual activities of women appear to be natural and inevitable within a specific society (Eagly, Wood, 2011).

Feminist economics and feminist behavioural economics have certain theoretical benefits, especially in the critique of traditional economic models. And although it does not yet represent a real alternative to mainstream economics at the level of economic-political practice, the use of a women perspective may be one of the possible ways to solve the social and other problems of today's world.

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