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**A surplus and well-being approach to welfare: economics-ethics-politics
in the social reproduction of women and men.**

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Abstract:

In this paper, we include into a classical political-economy macro approach the process of social reproduction that enables flesh-and-blood women and men to work, access a sustainable standard of living and a state of well-being. The expansion of the concept of living conditions, from a standard of living, as a list of commodities, into well-being, as a list of capabilities and functionings, widens the vision of the economic system, deepens its social foundation and recovers the richness of the Smithian tradition. The paper re-connects, in line with its Smithian foundations, the macro political economy of conventional subsistence wages, intended as normal costs of social reproduction, to the micro complexity of multidimensional flesh and blood individuals, embedded in relational, social and historical contexts.

1. Searching for proper concepts and analytical frames.

At present social and ethical aspects of the economic system are in a situation of confusion with regard to concepts, policy and position in the economic analytical frame. It is never quite clear if we are talking about problems related to normal human vulnerability or of specific conditions of disadvantaged sections of the population; of ontological differences, as between men and women, or of social inequalities; of discrimination in the access to resources or of a general scarcity of resources, et. To my advice, part of the problems arise from the fact that, on the one hand, at macro level we do not have an adequate analytical reflection on the process of social reproduction that enables real people to live, work and relate in society, on the other hand, we have a very abstract idea of the individual: basically neutral, dis-embodied, dis-embedded from time and space. Economists, with some difficulty, talk about interpersonal utility comparisons and not of real interpersonal relationships, of relational goods but not of effective individual and social relations that imply responsibilities towards one's own and other people lives. Paradigms and theories differ, as economists social awareness does too, but the social economic dimensions remain out of focus of the general frame although a new interest in the quality of life has been emerging and producing fruitful reflections and empirical data.ⁱ

As economist, in my search for analytical tools, I look for theories that can hold the life of flesh and blood women and men, embedded in specific contexts, given in time and space. With this in mind, I firstly take a stand against the neoclassical paradigm for the 'thin air' of marginal utility, the incapacity of the notion of supply-and-demand allocation of taking into proper account bodies, contexts, historical time, personal and social relations, relational responsibilities and transformative social and individual practices.

According to the marginalist theories, macroeconomics is micro-founded on individual choices, done under the constraint of persistent and general scarcity, to allocate resources on the basis of well-behaved functions of supply and demand built in respect to specific axioms. These functions determine conditions of equilibrium of all markets, including those of the so-called factors of production (labor and capital), and exclude ethical motivations, power relationships, necessities, norms and institutions from the general picture. In this utilitarian picture any public action becomes logically almost impossible, practically useless, and arguably even pernicious for social welfare (Hirschman, 2001).

There are two separate tool boxes that in different ways open a space to conceptualize living conditions referring them to the experience of real life. They both criticize neoclassical theory, one with regard to the theory of relative prices and distribution and the other with regard to total utility as a feasible metric of individual and social welfare. In this paper we work on both critical perspectives and on the two analytical concepts that get us closer to the lives of real men and

women: classical subsistence wages and individual multidimensional wellbeing. These concepts are used in two different analytical frameworks: 1) the classical political economy macro-founded Surplus Approach (Quesnay, Smith, Ricardo, Marx and Sraffa), 2) the individualistic Capabilities Approach advanced by Amartya Sen and Martha Nussbaum's.

The surplus approach has been reintroduced as a viable framework by Piero Sraffa, in 1960. The objectives of his very concise and abstract book, *Production of commodities by means of commodities* were to solve a logical vice in the measurement of values and prices and construct a system of relative prices in which distribution was defined, as in the classical surplus approach, as exogenous, institutional and inherently conflict loaded. While, Amartya Sen has reopened a space for individual and social choices that are ethically and socially motivated, based on a wealth of experiential knowledge not admitted in the utilitarian theory of social welfare. His criticism, forcefully poses the problem of individuals and their diversity, complexity and liberty: central questions indeed for individual as well as for collective well-being. However, while giving great attention to poverty and inequalities, Sen does not the functional distribution of incomes between wages and profits and the determination of relative prices.

The two approaches are different, but they could be integrated as they are both rooted in the richness of Adam Smith analysis and method, finally re-established in the last decades of studies on Smith's works. A possibility is now open to use classical political economy as the genuine 'mainstream tradition', against current neoclassical methodological reductivism.

By integrating the two classical traditions I formulate an analytical perspective that takes into account both the structural role of the social reproduction of laborers, with its inherent class conflicts, and the individual normative experience of a good life. In different ways, both frameworks open a space to the material and moral quality of living conditions at the core of economic analysis: the surplus approach places 'subsistence wages', measured by the indicator of 'conventional necessities' in a central position in the analysis of functional (institutional) distribution and the determination of relative prices; the capabilities approach shifts the analytical focus from the production and exchange of means (commodities) to a state of a multidimensional process of a good living of different individuals, defined by multiple dimensions (a set of valuable doings and beings) active in specific moral, social, territorial and historical contexts.ⁱⁱ

In both frames the unpaid work of social reproduction could play a fundamental role: in the classical surplus approach, to enable people to work, in the wellbeing approach, to expand individual capabilities and freedom. The major problem we have to face is that of finding analytical tools that are open and rigorous enough to be able to hold the complexity of

multilayered processes, multidimensional individuals and fragmented societies. In this respect both Sraffa and Sen offer an analytical space that, especially if used jointly, could take us further in our quest for a viable analytical narrative.

The reappraisal of the classical political-economic surplus approach, as we said, made possible to find a logically consistent solution to the problem of measuring product and costs maintaining an institutional conflict theory of distribution between wages and profits visible. In the classical theory of distribution the concept of a normal wage, reflecting the costs of social reproduction of labor plays a key role and for its anthropological, historical and political content marks the surplus approach methodology.

To capture the meaning of this social reproductive wage it is important to work on Sraffa's papers in the Archives of the Wren Library of Trinity College in Cambridge.ⁱⁱⁱ The key words for understanding the nature of wages, in the physical-costs method used by Sraffa are: 'enable' and 'necessary'. As an illustration of their meaning, a young Sraffa, in a 'Notebook' dated Dec. 1927 – March 1928 entitled 'Looms' and marked IMPORTANT, writes (in his own English):^{iv}

Example: carrots are necessary if we want a donkey to work. But there are two sorts of carrots: those which we must have given to it before in order to enable it to work (otherwise it would be dead) and those you must show to it and promise to it in order to induce it to work.

There is a great difference between the two: the first is a definite number or weight of real carrots, determined by physiological condition, and since they have actually been consumed, it is possible to weigh them and to know to the ounce their quantity; no tricks can be played about them.

The others are different; they needn't even be real carrots. It may be a mashed paper [sic] carrot, rubbed against real carrots to take up the smell, which we simply show to the donkey, or it may be a stick [...].

Now economics deals with mashed paper [sic] carrots and whips, P.E. dealt with real costs (D3/12/10.61.1-3).

The notion of subsistence wages as normal price of labor, is crucial both for the full understanding of the classical surplus approach and for the Sraffian critique of neoclassical utility theory, considered by Sraffa the 'black night' of political economy (D3/12/7, 160)^v. In his Papers, he appears well aware that the role of subsistence is central to grasping the capitalist system of waged labor:

To understand the theories of wages and distribution, one begin with the fact that in their analyses, all economists, classical and

neoclassical, – are talking about the functioning of a capitalist system in which workers are recognized as means of production. In this sense, the costs of social reproduction of labour ought to be analyzed like the costs of reproduction of slaves, horses and machines. (D3/12/III.147)

As a matter of fact, all the difficulties in the theory of wages are due to the ambivalence arising from the fact that waged labor is both free and ‘commanded’. The element of freedom in waged labor takes above all the form of the self-management of reproduction; it is this self-management that makes waged workers different from slaves.^{vi} In the case of slaves, as with horses, the owner is assumed to control their reproduction directly, controlling diet, shelter, cohabitation and number of children, whereas the capitalist does not directly administer the reproduction of waged workers and does not dictate them the number of children, cohabitation, separations, gender relationships, diet, housing, etc.^{vii} Nonetheless, laborers are indeed human animals but they are also, in spite of all possible limitations and deprivations, free human beings, capable of composing their lives and, most of all, to change the context, resisting and organizing in collective organizations.

Sen’s approach, based on the analysis of Smith, and to a degree, that of Marx, places the quality of life at the center of the analytical scene, defined on the basis of individual multidimensionality, responsible relationships, and the freedom to dynamically compose the dimensions of their own lives. In this context, as in Greek philosophic thought, the criteria of value for a good life – a ‘life worth living’ – are worked out in a space of public reflection, and enacted within a sphere of individual liberty that also includes the valorization of the public good.

The capabilities approach is an interdisciplinary and experiential approach, which restores the close link between ethics and economics along the lines of the foundations laid down by Smith: the process of life and its quality cannot be sustained without normative objectives that precede the logistics of means. This perspective assigns to means (commodities, goods and services) their proper instrumental role. Moreover, by basing its method on the differences between individuals defined by a set of physical, cognitive and relational dimensions, it recognizes individual differences in the processes of converting means into states of effective well-being.^{viii} In *On Ethics and Economics* (1987b), Sen stresses the break between his approach and the utilitarian theory of welfare. This break is clear with regard to the measurement of total utility as a sum, maximizing rationality founded on axiomatic logic, and the assumption of a given order of preferences.

Moreover, Sen rescues Smith from overly reductive and mechanical and non institutional readings (Sen, 1987b; Sen and Rothschild, 2006; Sen, 2009) Starting from the roots of classical philosophy, he defines a new standpoint from which to evaluate social justice with regard to poverty, exclusion and inequality, posing the question that must precede any redistributive action: “Equal in what?” To which, we think, we must add the feminist questions: “Equality of whom?” and “Defined by whom?”

The shift of analytical focus directly onto the conditions of life can also open a new basis for evaluating the subsistence of the population, understood not as a bundle of commodities but as the state of a process of a good life, sustained over time. However, this means linking Sen’s ethical individualism with a macro classical political-economic perspective that may cover individual multidimensionality, diversity, freedom and agency by placing them in a reproductive and circular macro view of the economic system that includes the structural processes of production, distribution, and exchange as well as the tensions inherent in a capitalist waged-labor system. These tensions become deeper and more visible if in the macro scheme we also include wellbeing into the process of social reproduction of the working population. The inclusion of this process, the visibility of unpaid work, and the recognition of its ethics of life, make the sustainability of the system of production, distribution and exchange of means much more complex and dialectical, i.e. open and not deterministic. This inclusion changes both the micro and the macro analysis because it assumes a dynamic relationship between the two levels: effective practices for a good life can change the economic system, and the structure of the economic system defines the historical context of individual lives and real possibilities and potential conflicts in the process of its transformation. Unpaid domestic and care work lead us to the very place where the tensions collide, this work being self-controlled by the responsibility of adapting the lives of real people to the distribution of resources and modes of production. This tension is historically a women's problem but not a women's question: in the capitalist system, the structural tensions between needs and markets are determined by the conflict relationship between the adequacy of living conditions, including the quality of personal relationships, and the accumulation of capital.

The links between Sen’s micro view of ethical individualism and classical macroeconomics are problematic. For example, the return to the classical economic analysis of the surplus approach, proposed by Sraffa in 1960, concentrates on means, in particular on the physical relation between product and costs of production. In the reappraisal of the surplus approach, nevertheless, the analytical visibility of a institutional relation between profit and wages is

restored together with direct visibility of the conflict between profit (and rent) and the living conditions of the working population (Picchio, 1992).

Sraffa introduces a system of relative prices that completely ignores the conditions required by marginalist economics – variations at the margin, the equilibrium of supply and demand, continuous price-quantity functions, inverse relations between productivity and quantity of production factors, substitution at the margin between the factors themselves – though he does accept the heroic hypotheses of perfect competition and uniformity of the rate of profit (Sraffa, 1960). Not only in particular cases but also in his general framework, Sraffa opens up new analytical ground which, breaks the traditional logical link, widely used also by progressive economists, between wages and productivity and rejects the neoclassical supply-and-demand functions. He clearly brings to light the conflict between profit holders and rentiers and the living conditions of the working population, allowed by subsistence and net wages (Sraffa, 1960).^{ix}

A link between Sen's well-being approach and the surplus approach could be found in their common descent from Smith's theory of natural wages given by a list of conventional and sentimental necessities which, for instance, include Sen's favorite example: the linen shirt or the English waged laborer's and his shame to go out in public without it (Sen, 1987, p.17). Example that Smith uses, in Article III of Chapter Five of the *Wealth of Nations*, to specify the exogenous and conventional notion of subsistence wages (Smith, 1976, pp. 869-70).^x

While on the level of vision, the elements of contact between the two approaches may have some common elements as they both pass through an intellectual tradition that runs through Gramsci, and, in part, Marx (Sen, 2003; Sen, 2010, pp. 119-22); Sraffa and Sen part from the different roles given respectively to class conflict and individual liberty and most of all from the notion of the standard of living: for Sraffa a list of commodities, for Sen a list of individual capabilities and functionings. To assess the degree of tension between the two approaches it would be necessary to work on the different use of humanism and materialism in both authors.^{xi}

2.An extended reproductive approach

An analysis thought to take account of life processes, both at individual and at macro level, is attempted in what is called an “extended and reproductive macroeconomic approach”. This heterodox approach constitutes the attempt to place women's and men's material and relational lives at the center of economic analysis, and to link them to the analysis of production, income distribution, the labor market, development and public policies. This approach proposes a re-reading of macroeconomics, bringing out the unpaid work of reproduction (Isabella, Bakker,

1998, 2007; Cristina, Carrasco, 1991; Elson and Cagatay, 2000; Picchio, 1981, 1992, 2003b; Beneria, 2003).

In defining living conditions as part of the economic structure, this macro extended approach acknowledges women's social experience of individual and social necessities and of an increasingly difficult reconciliation between living conditions and the capitalist labor market. To this regard it is important to notice that human capabilities can be seen in a double dialectical perspective: on the one hand they are the wealth embodied in people's lives, on the other they are the new form of productive (surplus) capital which needs workers with enhanced capacities. This is increasingly true for the growing service sector which produces information, networking, health, knowledge, caring, and imagination for the market, and which does so by using knowledge, relations, reliability, care, imagination, etc. In the global labor market, the worker's whole life is the new capital, and thus his or her capabilities must be formed and sustained over time, in a domestic process of reproduction (Bakker and Gill, 2007). The structural tensions between production for profit and effective well-being are thus internalized in anxieties, self-destruction and violence, as reaction to new forms of exploitation, displacement, insecurity and control.

Time use statistics of caring and domestic unpaid work take us to every-day life where the complexity of human individuals is experienced and their physical and emotional vulnerability disclosed. It is important to note that statistically, at international level including the highly industrialized countries, the household unpaid domestic and care work done by women and men is higher than the total paid work done by men and women counted in National Income (UNDP, 1995). Qualitatively the relational and ethical content of the unpaid work plays a crucial role in the sustainability of the social and economic system. It is not only a problem of caring for vulnerable infants and frail aging population but also of vulnerable adults, first of all adult men. At this level, sex and class interplay in ways that impact on intra women class and intra class gender relationships.

Domestic activities reveal gender relations and disclose the ambivalent nature of the waged labor market: women and men are used as means of production and reproduction but they are also free to organize their lives: i.e. they are free to find the ways to adapt the quality of their lives and expectations to the capitalist distribution of resources. This ambivalence reflects the contradictory nature of the waged labor market: laborers are, at the same time, free citizens apparently free in deciding of their own reproduction and commanded in the work process as dependent laborers. It is just in this tangle made of vulnerability, command, work, livelihood, insecurity and freedom that unpaid domestic-and-care work is positioned: at the basis of

patriarchy and at the core of the capitalist system, where different spheres and aspects of production and social reproduction cross and conflict in an economy motivated by profit.

Given its size, ethical content and relational quality, unpaid work needs not only to be properly defined and measured but also placed within an analytical frame capable of holding its complexity and inherent tensions. With regard to economic theory, the multidimensional features of domestic reproductive activities impose a change of perspective that impacts on different analytical levels: vision, analysis, measures and policy.

Counting unpaid work plays a major theoretical role because time-use statistics indicates that it is one of the major aggregates of the economic system (Luisella, Goldschmidt-Clermont and Elisabetta, Pagnossin, 1996; Ironmonger, 1996). Yet, beside the fact that we need yet more data to allow us to scrutinize changes in time and in the life course, we also need a narrative that allows us to make connections with other aggregates and with the structural features of the economic system; unless we want to treat time-use surveys simply as a monument to women's self sacrificing.

A new narrative is particular important in the present crisis because in order to find a sustainable exit policy it would be important to know the impact of growing unemployment, decreasing wages, increasing work time and instability of jobs, decreasing welfare expenditure and growing personal and collective insecurity, on women and men lives and on their unpaid work. Moreover, in the present situation of ethical crisis with regard to its impact on people's lives, it would be also important to be able to trace the whole ethical chain that connects the irresponsibility of financial speculators with the density of women's final responsibility with respect to the quality of life of their family members.

In the last decades, the weight of this responsibility has been increasing for a change in the sharing of risk between the individual and society: the aggressive greed and irresponsibility of financial operators, the deterioration of labor regimes and the persistent attacks on welfare states, have shifted the risks of daily life increasingly onto the individual who finally discharges them on women. In this context caring is a crucial political issue but we need theory to illuminate its public face.

In this paper we introduce a structural process that extends the economy to non-market reproductive activities and elects individual well-being as the main objective and as the ground for assessing the quality of life, taking into consideration the historical and institutional context in which the process of social reproduction takes effectively place. It is an exercise in connecting real processes, institutional levels, individuals and society, personal and social relationships, public and private spheres,

In order to find an adequate frame, capable of holding the complexity of unpaid reproductive activities, we need to be aware of the challenge that goes beyond counting and takes us to the core of economic theory and to the normal features of the process of social reproduction of the population.^{xii} Analytical clarity on unpaid work, stems from experience, reflection on facts, research, policy and politics. Political movements, in fact, in the effort to change social reality and shift power relationships, play a great role in disclosing innovative connections and opening new ground for local and systemic changes.^{xiii}

An overview of the complexity of the conversion process of means into an actual state of well-being may serve to specify possible connections between levels of analysis, relational networks and institutions, linking material and immaterial dimensions, micro and macro, private and public spheres. This complex reality requires a great variety of analytical tools that go beyond economics, considering the anthropology, history and politics of real material processes of production and reproduction. Hence it is not reducible to a mental projection pinning the value of commodities to individual psychology in an abstraction which, thanks to a set of axioms, may be transformed into a universal technique able to exorcise the complexity of having to take decisions, for instance, about fertility rates, the proportion of paid to unpaid work, and personal responsibilities.

The different paradigms (surplus and utilitarian theories) order the macro context in completely different ways: population (not seen only as given endowment but qualified by its living standards and relational networks), conventions, institutions, human relationships, techniques, modes of production and subsistence. These differences impact on the structural dynamics of the economic system with regard for instance to effective demand and the sustainability of the conditions of reproduction of the population and the State.^{xiv}

Without a clear idea of what the real lives of workers are and a greater awareness of gender relationships, policies are doomed to be unrealistic, unjust and inefficient – as in fact they often are. This theoretical *naïveté* will lead to disastrous effects in the long crisis ahead, as it will deepen the social vulnerability of women and men, with a long-term depressive impact on their lives. The real frontier of present welfare policies, in the EU as well as in the US, is their effective ability to change social contexts and to create conditions for individuals of different gender, class, nationality, ethnicity and age to shape their lives in a social context that enables them to lead worthwhile lives. In order to make this social context sustainable, women and men need adequate access to income, public services, and time, to be able to relate to each other in a responsible way and face their caring responsibilities.

Only after having clarified what is meant by living conditions, and established where they belong in the analytical framework, can we begin to confront the problems involved in seeking resources and ensuring the efficacy of public expenditure – bearing in mind that before destroying what has been laboriously built up over long periods of social conflict, mediation, recognition of new subjects and their human rights and institutions building, one should check the available analytical tools and their capacity to do the job, as any good craftsman would.

If the focal perspective changes, so do causal relationships, observed facts, and the indicators used to illustrate them. If the analytical object is the experience of human life “of flesh and blood women and men, embedded in specific contexts given in time and space” as previously stated, the final results cannot be determined purely by the competitive exchange of commodities and ‘factors of production’.^{xv} In a capitalist system requiring the use of sophisticated human capacities – physical, intellectual, emotional, moral – in its growing services sector, it becomes urgent to work out the qualitative dynamics of the process of the social reproduction of the population, and to abandon reductive and mechanistic hypotheses that take for granted the adaptation of people’s lives to the dynamics of commodities markets, including financial ones, which are volatile and speculative.^{xvi} In actual fact, this spontaneous adaptation does not take place, and it is important to read the signs of this lack of adaptive capacity, but – more problematic for the theory – if it did happen, the system would see an impoverishment of its human and social capital that could end up putting its very sustainability in crisis. The structural containment of human development inherent in capitalist modes of production, with its conflict distribution between profit/rent and the well-being of the working population leads to a deeper contradiction than that of under-consumption to which Marxists call our attention.^{xvii}

To construct this humanist (not humanitarian) counterweight in the framework of the economic system, we have introduced here an extension of the analysis to include the unpaid activities of social reproduction, and an expansion of the concept of living standards from a list of commodities to well-being as a list of individual capabilities for women and men to live their lives in many dimensions, in interactive relations with other human beings.^{xviii}

This field of well-being and public action must be sustained directly and cannot be left as a residual and adaptive after effect of the global productive process.^{xix} In this new macro perspective women must be seen, and must act, not as a dependent subject, a subservient social group, a worker with no wage in a waged-labor system, a means of biological and social reproduction, but as an autonomous subject of cognitive and political perspectives, an agent of change at the systemic structure level

At the level of policy, this means that welfare must take note of the systematic links between production and reproduction, i.e. between employment and the processes that normally enable people to work, live and relate to each other. In the case of production-reproduction connections, reproductive problems normally emerge only at the level of policies regarding poverty, social exclusion and the so-called ‘woman question’. At the social-reproduction level, we need specifically planned policies to provide an enabling context via transfers, services, social norms, etc. In this complex frame, pre-constituted solutions do not work and they are forced to be pragmatic and context aware: the problems must be made explicit; possible solutions must take into account the diversity of individuals, their different access to resources, workloads, and caring responsibilities. Finally, policy results must be audited directly in terms of their impact on the quality of the living conditions of different people.^{xx}

The first specific point to address in the present crisis is the enormous power that financial rentiers and profit holders have gained to establish the nature and scope of public intervention and to rule our lives. Since the eighties, a major distributive conflict is taking place with disastrous effects on the equality of incomes, working conditions, health, education and pensions, individual and labour rights. The attack on working conditions, wages and social services is rooted in a distribution issue, as such it must be resolved at an institutional level, explicitly bringing out the direct tension between profits and financial rent on the one hand, and the living conditions of the working population on the other.

Living conditions and working conditions are indissolubly interwoven. What determines the consent of workers is the adequacy of wages to satisfy their expectations and their sense of justice. That consent is an essential element of their productivity. This aspect of the labor market – at the foundation of classical political economy – has been lost in the neoclassical analysis, or at most is maintained only as a pale reflection in *ad hoc* analyses. Trying to control labor through general insecurity causes lacerating ruptures in social relations, whose final effects can be seen in the public expenditure required to repress social conflict and illegality and to mitigate poverty and exclusion.

The process of reproduction of individual and group capabilities, on which the quality of work and life depends, requires adequate incomes and a system of public services (education, culture, health, housing, transport, personal services to children and the elderly) which can accommodate for the fact that the flesh-and-blood people who use them are different and have different ways of accessing resources; they also function, at different levels, coordinating work, responsibilities, time and movements in the territory. Because of their historical role, women

elude reductions and simplifications, because they clearly express – in various ways, generally penalized – the need to connect, in a sensible way, production and reproduction.

What is not clear or hidden in welfare theory becomes problematically cogent in welfare policy because flesh-and-blood people do not disappear and if not cared for they need, at least, to be disciplined, usually at higher costs.

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ⁱ One example of a change of scope is the J.Stiglitz, A. Sen, J.P. Fitoussi, Report by the Commission on the Measurement of Economic Performance and Social Progress.

ⁱⁱ The bibliography on the capability approach is now very vast; key works include Sen (1985, 1987a) and Nussbaum (2002, 2003). See also Ingrid, Robeyns (2005) and Bina, Agarwal, Jane, Humphries and Robeyns (2003). An up-to-date and informed bibliography can be found at www.hd-ca.org.

ⁱⁱⁱ This part of the paper draws on the work done for a research project financed by the Italian Ministry of Research under the title of Sraffa and Modern Economics directed by Pierangelo Garegnani and published in Picchio 2010.

^{iv} The classification used at the end of quotations is the one used in the Archive of Sraffa's Papers at the Wren Library of Trinity College in Cambridge.

^v Actually, in *Production of Commodities by Means of Commodities* in measuring physical costs in relative prices, Piero Sraffa excludes subsistence commodities from the category of basic commodities which, by definition, enter the production of all other commodities (Sraffa, 1960, pp. 7-10). By so doing, he partly modifies the wage theory adopted by the surplus-approach theorists, from Petty to Marx.

^{vi} In the separation of production and social reproduction, Smith identifies the source of a significant reduction in the costs of reproduction of wage labor relative to slavery (Smith, 1976, pp. 183-4).

On the capitalist relationship between production and social reproduction and its importance for the analysis of the labor market and welfare, see Picchio 1992.

^{vii} This aspect of direct control over the reproduction of slaves and its implications for the relationship between men and women is perceived by Smith in the *Lectures on Jurisprudence* of 1762-3 (Smith, 1978, pp. 175-182). To this regard, the following text is indicative of the material and social basis of sexual relationships:

When a man takes a wife she comes to be altogether under his protection; she owes her safety and maintenance (especially in the lower ranks) entirely to her husband, and from this dependence it is that she is thought to be bound to be faithful and constant to him. But a female slave who cohabits with a male has no such obligation; she is not maintained by his labor, nor defended by him nor anyway supported. [...] Many other things render their cohabitation precarious: The duration of it does not depend on themselves but on their master. [...]

The slave in this manner deprived of all the comforts and can have but very little of the parental affections of a parent. [...] The slaves were [...] altogether dependent on others for their lives and property and deprived of

their liberty and cut out of the consolations of marriage, for we may justly say they had no wives [...] Slaves were of all others the most dependent and uncertain of their subsistence. (Smith, 1978, pp. 178-79).

In fact, in the passage from slavery to paid labor in US, freedom was mostly intended as the right to have a family (Amy Dru, Stanley, 1999).

^{viii} Sen's approach has merged into a coordinated collective effort, initiated by his late friend Mabub Ul Haq, who gave more attention to the applied analysis of human development undertaken by the UNDP, and in particular by the Human Development Office, which since 1990 has published annual reports. For a selection of important articles published in these reports see Fukuda-Parr and Kumar (2003).

^{ix} In actual fact Sraffa, in his book *Production of Commodities by Means of Commodities* (1960) treats wages as net wages, paid at the end of the production process. For a discussion on Sraffa's theory of wages on the basis of his papers at the Wren Library in Cambridge, see Picchio (forthcoming).

^x Smith writes:

Consumable commodities are either necessities or luxuries.

By necessities I understand not only the commodities which are indispensably necessary for the support of life, but whatever the custom of the country renders it indecent for creditable people, even of the lowest order to be without. A linen shirt for example, is, strictly speaking, not a necessary of life. [...] But, in the present times, through the greater part of Europe, a creditable day labourer would be ashamed to appear in publick without a linen shirt, the want of which would be supposed to denote that disgraceful degree of poverty, which, it is presumed, no body can fall into without extreme bad conduct. (Smith, 1976, pp. 869-870)

^{xi} Marx himself would have had fewer problems than modern Marxists in articulating his dialectical materialism in terms of radical humanism, given his classical roots and the depth of his work on the history of thought of classical economists published in his *Theories of Surplus Value*. It is interesting to note that in this very work he prefers to use the word 'Arbeitsvermögen' (work-capability), rather than the word 'Arbeitskraft' (work-force).

^{xii} For an extensive review of the international debate on social reproduction, see Isabella Bakker, 2007.

^{xiii} In particular, the feminist movement has undertaken struggles to have women's unpaid domestic and care work recognized, and certain sections have also demanded wages for housework. The debate on housework started from the article "The Power of Women and the Subversion of the Community" by Maria Rosa Dalla Costa (1973).

^{xiv} To this regard it is interesting to recall that in the opening lines of Book IV of the *Wealth of Nations* Smith offers an interesting definition of political economy:

POLITICAL economy, considered as a branch of the science of a statesman or legislator, proposes two distinct objects: first, to provide a plentiful revenue or subsistence for the people, or more properly to enable them to provide such a revenue or subsistence for themselves; and secondly, to supply the state or commonwealth with a revenue sufficient for the public services.

It proposes to enrich both the people and the sovereign. The different progress of opulence in different ages and nations has given occasion to two different systems of political economy with regard to enriching the people. The one may be called the system of commerce, the other that of agriculture. I shall endeavour to explain both as fully and distinctly as I can, and shall begin with the system of commerce. It is the modern system, and is best understood in our own country and in our own times.

^{xv} Even the mathematics applicable to the analysis of causal relations can change. For example, states of being (good, bad, adequate, sustainable, etc.) can be expressed better with mathematics open to multidimensionality and, in particular, with mathematics that uses fuzzy logic (Lotfi, Zadeh, 2004).

^{xvi} A critical reading of the present structural and dynamic relations between processes of production and of capitalistic accumulation, financial markets, institutions and social reproduction can be found in the collection of essays edited by Bakker and Stephen, Gill (2003).

^{xvii} Marx himself was more ready than Marxists to acknowledge the deep tensions that can lead to anthropological changes in the capitalist modes of subsistence and production (Terry, Eagleton, 1997: 17-33).

^{xviii} As Marx teaches us, however, the growth of knowledge does not depend on the mere force of concepts, but on that of dealing with real processes. On this, see “Thesis on Feurbach”, in Lewis, Feuer (1969).

^{xix} On the global features of the relation between production and reproduction see: Elson (1998); Dalla Costa and Franca, Dalla Costa (1999), Folbre, (1995, 1999); Beneria (2003).

^{xx} In Italy, since 2003 some local administrations (Regions, Provinces and Municipalities) have been promoting gender budgets in a well-being approach (WBGB). These are experiments whose objective is to evaluate the impact of public policies on women’s and men’s well-being. In order to do this the public accounts are organized according to a list of capabilities, derived from the administrative structure itself, its program objectives and budget documents. After consultation, this list emerges as the set of dimensions for which the administration takes responsibility. In this list, the capabilities of caring for the others and for oneself are included and made explicit. On this subject see Addabbo, Diego, Lanzi and Picchio (2010) and Addabbo, Giovanna, Badalassi, Francesca, Corrado and Picchio (2011).