

Version of June 6, 2019

### **Hierarchy and Exploitation: A Feminist/ Intersectional Perspective**

Research on patriarchal institutions can contribute to a better understanding of structures of collective power, and vice versa. Hierarchical institutions that both reflect and advance collective interests often have contradictory effects on production, reproduction, and social reproduction. Clear lines of authority can help coordinate individual and collective decisions in ways potentially advantageous to all participants. On the other hand, concentrated power typically leads to very unequal—and often unfair—distribution of the gains from coordination. It also creates rigidities that impede institutional adaptations to social and environmental change. Because powerful individuals and groups can advance their interests by increasing their share of the economic pie as well as by increasing its size, they tend to resist changes that might weaken their relative position.

Efforts to understand the tensions created by hierarchical institutions have a long history in political economy. From a Marxian perspective, class power provides an exploitative means of accumulating surplus that can promote technological change but, at some point, becomes susceptible to crisis and reconfiguration. From a neoclassical perspective, hierarchical governance is efficient when it successfully aligns individual incentives with group benefits and lowers the cost of decision-making. This success, however, requires perfect markets, perfect prices, and perfect competition, which seldom prevail when consolidation of economic power offers huge advantages.

The intersectional perspective developed here extends attention to the dialectic of power and efficiency beyond capitalist firms and competitive markets to reproduction and social reproduction. It explains how structures of collective power based on patriarchal institutions help enforce family commitments that can serve the long-run collective interests, but shift a disproportionate share of the cost of these commitments to women. It pictures implicit gender bargains in terms that parallel other metaphorical bargains based on race, citizenship, and class, emphasizing their mutual interaction. It also offers a new definition of exploitation—unfair division of the gains from coordination-- that encompasses but goes beyond the extraction of surplus value in capitalist employment.

### **Competition, Cooperation, and Coordination**

From an evolutionary perspective, groups that develop forms of voluntary or involuntary coordination suited to their particular technical and strategic environment are likely to prevail over those that do not.<sup>1</sup> Altruism and trust enhance this process, but seldom prove sufficient on their own. Nor do rich potential payoffs guarantee continued cooperation. The resulting coordination problem helps explain why some groups devise hierarchical social institutions that offer a subset of group members powerful incentives for enforcing discipline. Whether disempowered members of such groups can be said to benefit from such discipline or not depends partly on counterfactual alternatives—whether or not, with equal access to resources, they could do better on their own. While these counterfactual alternatives are shaped by environmental and technological circumstances, they also depend on the capabilities of subaltern groups, especially their ability to form sustainable alliances among themselves.

### **The Costs of Competition**

Even economists who regard competition as the tonic of success recognize its potentially toxic overdoses. Firms, like families, encourage long-term relationships rather than the constant turnover associated with a daily auction of competitive bids.<sup>2</sup> Intra-firm competition promotes efficient outcomes only if fly-by-night fraud and environmental harms are averted and no firm wields significant market power. In the absence of copyrights, patents, or similar protections, competition can undermine incentives for innovation. Most corporate personnel departments recognize that overzealous competition among employees can reduce effective teamwork.<sup>3</sup> Tournament-based or winner-take-all reward structures can lead to inefficient outcomes, encouraging people to take excessive risks and to obsess over their relative status.<sup>4</sup>

Many patriarchal institutions restrict competition for sexual or reproductive partners. Monogamy makes it difficult for powerful men to monopolize wives (though it hardly restricts their sexual access to women), and aligns the reproductive interests of married mothers and fathers.<sup>5</sup> Rules of primogeniture discourage competition among adult children for a share of paternally-controlled resources. Restrictions on women's access to individual employment increase the supply of potential wives. Sanctions against female promiscuity simultaneously limit most women's ability to compare sexual partners, while state regulation and/or tolerance of prostitution provides a reliable reserve army of sex workers.

Evolutionary biologists observe that excessive competition among members of the same species can undermine group survival.<sup>6</sup> Dominance hierarchies CAN reduce conflict because they discourage competition, creating protocols for leadership succession—an issue for corporate CEOs as well as stags.<sup>7</sup> In human societies, cooperation often breaks

down in the absence of binding agreements (whether formal or informal). The theory of non-cooperative games, in which such agreements are ruled out of order, offers many telling examples. In the famous Prisoner's Dilemma, two entirely self-interested individuals fear mutual betrayal, leading them to the worst possible outcome.

### **Angels and Ants**

Team membership provides a compelling metaphor for theories of multi-level selection that acknowledge both individual and group competition. Individual performance matters, but too much rivalry among team members can weaken collective chances of success. The balance between these two depends, often, on the characteristics of the sport. War offers the most chilling yet bloody example: better to risk death fighting side-by-side with fellow soldiers than to stand alone against a hostile army. Yet the temptation to flee, the hope of escaping the conflict altogether, looms large. Armies punish their deserters.

Most groups develop hierarchical institutions that enforce a variety of different forms of cooperation. The likelihood that such institutions help ensure their collective success cannot be dismissed as mere functionalism; nor does it justify the forcible imposition of such institutions from above by individuals or subgroups who use them for their own ends. Rather, attention to the impact of hierarchical institutions provides an evolutionary explanation of the rise and decline of structures of collective power that distribute the costs and risks of cooperation in different ways.

Evolutionary biologists are not sufficiently attuned to social and economic complexity of this process among human beings. E.O. Wilson describes the force of group selection in morally loaded terms, as a source of altruism counterbalancing the pursuit of individual self-interest.<sup>8</sup> He writes that we are all

...suspended in unstable and constantly changing locations between the two extreme forces that created us. We are unlikely to yield completely to either force as an ideal solution to our social and political turmoil. To yield completely to the instinctual urgings born from individual selection would dissolve society. To surrender to the urgings from group selection would turn us into angelic robots — students of insects call them ants.<sup>9</sup>

Likewise, biologist Frans de Waal argues that moral systems provide much-needed (though not always successful) assistance in mediating the tensions between individual and collective interests.<sup>10</sup>

Moral systems alone, however, don't do the trick. Some economists dig deeper into evolutionary biology, proposing that humans have inherited propensities for strong reciprocity that foster cooperation.<sup>11</sup> Experimental evidence suggests that many people are conditional cooperators, willing to punish opportunists even at some expense to themselves.<sup>12</sup> Such altruistic actions can have the paradoxical effect of lowering the overall costs of altruism by discouraging opportunism. It is easy to see how traits conducive to cooperation could prove advantageous for those under attack from less cohesive groups; on the other hand, these same traits might facilitate cooperative aggression against less well-organized outsiders.<sup>13</sup>

Whether or not human beings have inherited propensities for cooperation, however, many forms of cooperation are socially engineered and institutionally enforced. Indeed, Herbert Simon argues that humans have likely evolved in ways that enhance receptivity to social influence, which he terms "docility."<sup>14</sup> Social engineering can take many different

forms and be applied to many different ends. Feminist theorists have long emphasized its gendered aspects, exemplified by terms such as “compulsory altruism.”<sup>15</sup>

The history of political economy richly illustrates the ideological reinforcement of feminine altruism. Nineteenth-century writers in the United Kingdom, the United States, and France praised men for seeking to better themselves, women for subordinating themselves to others as “angels in the house.”<sup>16</sup> Men embodied competition, women cooperation: marriage represented an asymmetric bargain between the two. Even today, women are expected to “make nice,” to resist the temptations of competitive individualism and temper its effects on men, for the good of all.<sup>17</sup>

This moral division of labor was not established by mere exhortation. It was imposed through the development of hierarchical institutions that limited women’s rights to pursue their own self-interest: structures of collective power based on gender, age, and sexuality. The interpenetration of these hierarchical institutions with others based on dimensions of group identity such as race, citizenship, and class help explain both their durability. Yet they also help explain their vulnerability to change. E.O. Wilson’s metaphors are misleading: we are far more socially differentiated than any species of ants or angels.

### **Free Riders vs. Top Riders**

Institutionalist economics emphasizes the difficulties of achieving stable forms of social collaboration. Even a few opportunists—those who pursue their individual interests at the expense of a larger group—can undermine cooperation. They can steal from others, becoming bandits who specialize in appropriation.<sup>18</sup> They can shirk responsibilities to the group, becoming free-riders.<sup>19</sup> Or, in the scenario outlined by Karl Marx, opportunists can

seize authority to discipline bandits and free-riders, then use that authority to skim off a surplus for themselves, becoming top-riders or exploiters.

The idealized markets of neoclassical economy theory do not solve the coordination problem, because many of the goods and services we rely on are “public” in the sense that they cannot be easily priced for individual exchange.

Natural endowments and environmental services--including a stable climate--offer the most obvious examples, but future generations of humans and the groups they will constitute are also, in a sense, public goods. They do not participate in today’s markets or today’s elections: they have no way of directly influencing the decisions that will bring them into existence. Both reproduction and social reproduction require institutional coordination.

One solution to the public goods problem, offered by the neoclassical strain of welfare economics, posits an imaginary, altruistic social planner whose aim is to maximize the welfare of society as a whole. As proponents of this thought experiment explicitly realized, the challenge of aggregating individual preferences in a society is exactly the same as the challenge of overcoming differences within a family. As Paul Samuelson observed, “What we have been calling a family is after all but a disguised version of society itself — i.e., a collection of more than one person.”<sup>20</sup> The benevolent dictator of welfare economics is rather like a good father who subordinates his own interests to that of his family.

Some neoclassical economists, proudly skeptical of benevolence, warned that social planners would likely become tyrants, engaging in rent-seeking behavior—a fancy term for trying to get something for nothing.<sup>21</sup> Yet they remained oddly preoccupied with elected officials as opportunists, and the public sector as the only venue for rent-seeking. Many

socialists seemed to take the opposite tack, arguing that all capitalists were exploiters and that dictators like Mao or Fidel had the best interests of their people at heart. To end capitalism, from this perspective, would be to end opportunism, by rewarding people's best behavior rather than their worst.

In traditional Marxian theory, a classless society theoretically makes cooperation easy, vitiating the need for realistic attention to the nuts and bolts of democratic governance.<sup>22</sup>

Few economists from either camp extended their concerns regarding opportunism to families, or questioned the common assumption that fathers and husbands would seldom if ever abuse their institutional power, an assumption formalized by Gary Becker's Rotten Kid Theorem, which explains how an altruistic household head can induce spoiled children to act in the interests of other household members.<sup>23</sup> Yet as another nominally neoclassical economist has pointed out, this explanation boils down to the claim that selfish children can be bribed to behave.<sup>24</sup> Woe be it if the household in question is selfish.<sup>25</sup> Rotten fathers, kings, dictators, and capitalists can do far more harm than rotten kids.

Many institutionalist economists, including Douglass North, John Joseph Wallis, Daron Acemoglu and James Robinson point beyond formal democratic processes to argue that inclusive institutions are more likely than extractive ones to foster economic development.<sup>26</sup> However, they largely focus on political institutions, with little attention to other sites where "extraction" might take place, such as the capitalist firm or the patriarchal family. They never fully consider the ways that unearned wealth—whether gained through force and violence, monopoly, or inheritance—gives its owners power to extract labor from those without property. Nor do they concede the possibility that patriarchal institutions give men, as a group, power to extract services from women.

This institutionalist literature also leans toward a self-congratulatory history that holds the United States and Europe up as models for other countries and soft-pedals the global effects of colonial and imperial power. People in privileged positions tend to assume that top riders seldom get more than they deserve: As if serfs paying tribute to lords were merely paying for protection, as if slavery had a civilizing influence on slaves, as if colonial powers introduced innovations that compensated for violent subjugation, as if workers generating profits for employers were always paid the value of their work, as if women abused by men were nonetheless adored and well provided for.

Such ideological rationalizations are more far-fetched than most utopian fantasies. Social institutions do not evolve in anything resembling an idealized market, and the most efficient institutions for increasing the production of goods and services do not always prevail. Institutional evolution is shaped by individual and collective bargaining power, including threats of organized violence in ruthless pursuit of economic interests.

### **Hawks and Doves**

The set of payoffs in the stylized game known as Hawk-Dove illustrates why individual choices can be less important than group characteristics. In this non-cooperative game, the players cannot, by assumption, make binding agreements with each other. The evolutionary version focuses not on individual strategies, but on the outcome of a process in which one set of players designated as Hawks adopt a combative strategy, while the others, designated Doves, adopt a sharing strategy.

Whether the combative strategy pays off—in the sense that the population of Hawks expands relative to that of Doves—depends not only on the outcomes of encounters between members of the two groups, but also on the composition of the

hypothetical population.

Players do not know in advance whether they will encounter a Hawk or a Dove while searching for food. If a Hawk encounters a Dove, Hawk gets a positive payoff and Dove a negative one. If a Hawk encounters another Hawk, it fights, with a substantial risk of losing the fight, being hurt, and suffering a negative payoff. If a Dove encounters another Dove, both share the available food, both receiving a positive payoff. A population consisting entirely of Doves enjoys a higher collective payoff than a population consisting entirely of Hawks, because no bird gets hurt.

In this respect, that Doves are more efficient. But it does not follow that Doves will prevail, unless they can keep all Hawks at bay.

A small number of Hawks, invading a much larger population of Doves, will find plentiful sources of food and their population will expand (assuming that they can avoid fighting long enough to successfully mate and raise their offspring, a detail that is typically missing from the stylized game). On the other hand, if their population expands so successfully that it renders Doves extinct, the Hawks will likely cannibalize each other and the last one will starve to death.

In more technical terms, the relative payoffs in the three types of encounters (Hawk-Hawk, Hawk-Dove, and Dove-Dove), combined with the frequency of Hawks and Doves in the population determine the expected payoffs to the two sets of players. Both Hawk and Dove do better in a population consisting largely of Doves and a simple model of repeated encounters makes it possible to predict whether the relative population shares of Hawk and Dove will increase, decrease, or remain the same. Under different assumptions, different equilibria shares will be reached.<sup>27</sup>

What the non-cooperative game leaves out—by definition-- are the various ways in which social institutions could alter the outcome: For instance, Hawks might be able to forge a non-aggression pact with one another, or Doves might figure out how to exclude Hawks from their territory, or to hire some Hawks to protect them.

Unfortunately, Hawks cannot easily be excluded, and they can easily assume Dove disguise. Acknowledgement of pacifist vulnerability does not require game theory; Sun-Tzu and Machiavelli both made the point centuries ago that nice guys tend to finish last. In the version of the game outlined above, however, Hawks also need Doves; they cannot survive on their own. It hardly seems incidental that hawks are associated with masculinity, doves with femininity.<sup>28</sup>

The larger dynamics of mutual dependence and gains from trade help explain why societies benefit from institutional efforts to minimize violence.<sup>29</sup> Even aggressors can gain more from the threat of violence than its actual exercise.

Institutionalist reasoning suggests that, in early human history, roving bandits were replaced by stationary bandits (such as emperors and kings) who had incentives to increase the productivity of those they subjugated. As Mancur Olson puts it, they were less like wolves preying on elk than like ranchers protecting their cattle until they were ready for slaughter.<sup>30</sup> Domestication can be more profitable than hunting.

Some Marxian economists seem to describe capitalists as roving bandits, challenging the view that capitalist development fostered any positive forms of social or technological change. Stephen Marglin argues that capitalist development simply

established new forms of class power that redistributed surplus and blocked potentially valuable forms of technological change.<sup>31</sup> Likewise, some feminist theorists argue that patriarchal institutions emerged simply as a result of men's desire to dominate women sexually, or capitalists' desires to exploit working families.<sup>32</sup> An evolutionary perspective suggests that these explanations are too simple. Top-riders have powerful incentives to increase the size and productivity—though not the strength--of those they ride upon.

### **Democratic vs. Authoritarian Hierarchy**

Hierarchical control does not necessarily lead to exploitation. Democratic institutions were designed precisely to minimize this problem: to combine leadership with accountability. Democracy, however, is no mean feat. Many versions of democratic decision-making—especially the “first-past-the-post” rules that are widely used—fall short of guaranteeing fair outcomes.<sup>33</sup> Also, for most of its relatively short global history, democratic decision-making has been confined to a narrow range of political institutions within individual countries and left vulnerable to corruption resulting from grossly unequal distribution of wealth and income.

The economist Kenneth Arrow, famous for demonstrating the logical impossibility of a perfectly fair democracy, explains “Most systems are not going to work badly all of the time. All I proved is that all can work badly at times.”<sup>34</sup> Winston Churchill made the same point in more memorable language: “Democracy is the worst form of government, except for all the others.”<sup>35</sup> Both rueful assessments seem to assume that democracy has been clearly defined and put into practice. Yet the word is often used loosely; most nominal democracies initially excluded women from the franchise and resisted their inclusion. All nominal democracies today leave children under-represented, with neither direct votes nor

parental votes on their behalf.<sup>36</sup> Strategic campaign financing and lobbying distort political decisions.<sup>37</sup>

Democracy is still a work in progress. It could be improved in many ways and extended in many directions, including economic governance. It could potentially reduce both free-riding and top-riding, punish bandits, reduce costly forms of collective conflict. It could also make the world safer for Doves. Needless to say, Hawks are not terribly enthusiastic about it.

### **Efficiency and Inequality**

Most of the games that people play have at least some cooperative dimension—some way of at least partially enforcing commitments. The dialectic between cooperation and conflict, however, is often convoluted. Many contracts, including commitments to democracy, are difficult to specify and enforce. Whether on the international, national, community, or family level, people who benefit from cooperation with one another also negotiate over their share of benefits. Bargaining is fractal, taking place explicitly or implicitly, sequentially or simultaneously, in a strategic environment structured by social institutions as well as technological parameters.

Social institutions are created by a process of collective nudging, pushing, and shoving, and they, in turn affect the fallback positions that define the spaces in which individual and group power can be exercised. This circular causality influences processes of production, reproduction, and social reproduction in similar ways, and explains why the neoclassical economic effort to separate efficiency from inequality is often thwarted. To define a social optimum as a situation in which no one can be made better off without making someone else worse off (in technical terms, Pareto optimality), is to ratify the

existing distribution of bargaining power and repress acknowledgement of collective conflict.

### **Principals and Agents**

Economists, pulling on different ropes, have long recognized a tug of war between equality and efficiency within capitalist firms. They have been less appreciative of similar dynamics within patriarchal families. In both venues, however, principal-agent models illustrate the contradictory implications of hierarchical institutions. The term “principal” is a bland synonym for “he or she who has the power to specify the contract” and “agent” for “he or she who may agree to the contract but try to subvert it.”<sup>38</sup> In most cases the principal has decision-making power over contract design and is the leader or first-mover, while the agent can be considered the follower. This implies institutional context; in idealized forms of competitive market exchange, by contrast, buyers and sellers are on an equal footing and cannot influence one another’s individual decisions.

Many neoclassical economists use principal-agent models to explain their confidence in the stylized capitalist firm as an efficient institutional form. Employers (principals) hire workers (agents) and agree to pay them for work performed over a specified period of time. Because employers are residual claimant with legal rights to whatever is left over after all the costs of production have been paid, they have strong incentives to increase productivity in order to maximize profits.<sup>39</sup> They impose a valuable form of discipline that may seem harsh (such as firing or laying off workers without compunction) but, in the long run, benefits everyone.

Of course, much depends on how these putative benefits are distributed. But there is another serious flaw in the logic. When workers are paid according to hours on the job,

rather than by a share of profits, they have an incentive to reduce their effort, or shirk. In production processes where piece work is impractical, pay-for-performance is difficult to administer, and workers must cooperate with one another in order to be effective, shirkers are difficult to identify.<sup>40</sup> Profit-sharing would likely align the incentives of owners and workers more efficiently.<sup>41</sup>

Many economists are skeptical of firm-level democracy or worker ownership, because of its vulnerability to free-rider problems. If workers were co-owners sharing profits, they might slack off in the expectation that others would make up the difference. Even one opportunist could undermine the efforts of diligent and honest workers. But workers have incentives to monitor and discipline one another. And they may, in other ways, reduce other forms of free-riding. For instance, they live and raise families in the local community, and may be more willing to invest in its environmental and social sustainability than an owner who cares only about the firm's bottom line.

Modern corporations do not fit the traditional picture of an owner-managed firm, because ownership is typically dispersed, with management delegated to salaried professionals (creating another layer of principal-agent problems). The logic of residual claimancy remains unchanged, however, with implications that reach beyond individual firms. Strategies for incentivizing workers may include paying them a premium that increases the cost of job loss, but intensifies inequalities among workers and contributes to lower employment rates.<sup>42</sup> Owners and their deputized managers have a collective incentive to reduce the bargaining power of workers, which they can achieve by firing union organizers or merely threatening to relocating to lower-wage communities. Such

political investments can offer a higher rate of return than technological innovation or improved management.

In some countries, the institutional structure of the traditional patriarchal family prefigured the institutional structure of the capitalist firm. Until the latter half of the nineteenth century, English and American common law gave married men legal claim over both family property and the labor of their wives and minor children, including any wages they earned. Husbands and fathers were required only to provide for the basic subsistence of wives and children, not to fully share their income with them.<sup>43</sup> In other words, they were residual claimants, who, like capitalists, legally controlled any surplus that remained after basic expenses were paid.

Were families more disciplined and efficient as a result? Hardly. Nineteenth-century feminists, accused of desanctifying marriage and fomenting anarchy at home, helped democratize family life by reducing the relative power of husbands and fathers. Their collective efforts to change legal rules, cultural norms, and control over property enhanced the bargaining power of at least some women, which, in turn, encouraged further feminist mobilization. Today, family law in the U.S. enforces a responsibility for the mutual support of spouses, but still does not require equal sharing (though in some states community property laws dictate equal sharing of wealth acquired during marriage in the event of divorce). Men in the U.S. long enjoyed the right to physically abuse their wives, as long as they caused no lasting injury. Even after these rules were reformed, protection against the domestic violence within marriage remained largely ineffective until quite late in the twentieth century.

Like workers in a capitalist firm, wives could shirk, a strategy sometimes dubbed “burnt toast.” They also had recourse to more personal forms of bargaining, based on withdrawal of affection. Still, their options were limited; while they could not be literally fired they could be beaten, confined, or economically abandoned. That husbands could potentially resort to such options does not imply that they frequently did so. The mere threat of physical or sexual harassment exerted a disciplinary influence, making women more appreciative of (and dependent on) non-abusive men, just as horrendous treatment of many slaves in the American South enhanced the bargaining power of benevolent slaveholders. Many members of powerful groups choose to ignore or tolerate abuses of power that they would never directly perpetrate.

No matter how groups are defined, bargaining over distributional outcomes can create incentives for powerful groups to resist institutional changes that might increase overall output but reduce their share.<sup>44</sup> A large slice of a small pie can contain more fruit than a small slice of a larger one. Slaveholders in the U.S. outlawed the education of slaves because they believed that the resulting threat to their authority outweighed the potential economic benefits.<sup>45</sup> Individual employers may prefer technical innovations that preserve or increase their leverage over employees.<sup>46</sup> Capitalists as a class may prefer to keep unemployment high, reducing worker bargaining power, even if such policies reduce economic growth. Likewise, patriarchs may prefer to keep their wives at home under their control even at the cost of their potential contribution to family income.

Pressures can also work the other way: sometimes a change in the potential size of the pie alters the way it is divided up. Not that dispassionate cost-benefit analysis always drives decisions. People become addicted to power, and sometimes clinging to it even

when costly or dysfunctional, but economic incentives can alter behavior, reshape negotiations, and weaken hierarchical institutions. Such incentives are not always the byproduct of external events or technological change; sometimes they are created by collective action: the conscious reform or redesign of social institutions.

### **Level and Share**

The dialectic between efficiency and distribution is neatly illustrated by a diagram that highlights the distinction between levels and shares of collaboratively produced output. This diagram, featured in John Rawls' *Theory of Justice* and in many models of household bargaining, provides a way of visualizing both the causes and the effects of institutional power.<sup>47</sup> John Rawls, Amartya Sen and others have referred to this process as “cooperative conflict,” since it describes interactions between two parties who can potentially benefit more from cooperation than from exiting the relationship.<sup>48</sup> Charles Mills correctly points out that this terminology makes the process seem altogether benign and consensual.<sup>49</sup> Sometimes the more apt term is coerced collaboration.

The terminological shift highlights disparities created by structures of collective power that cannot be reduced to mere differences in wealth or income.

Strategies of negotiation over institutional arrangements are shaped by fallback positions, next-best alternatives, or exit options that influence success in making distributional claims. Groups that gain institutional advantage—whether by legitimate or illegitimate means—can lock in claims to a larger share of the gains from cooperation, which, in turn, reinforce their collective power over social institutions.<sup>50</sup> This approach to collective conflict subsumes both the neoclassically-influenced concept of rent-seeking and the Marxian theory of surplus extraction under a larger rubric of “gain-seeking.”<sup>51</sup>

In lieu of principal-agent terminology, picture a leader and a follower who are collaborating in ways that go beyond exchange in a competitive market. Imagine also that there are significant gains from cooperation, but it is difficult to measure individual contributions because they are contingent on synergies with others, unpriced resources, or public goods that cannot be neatly priced.<sup>52</sup> Note also that, emphasized in the earlier discussion of reproduction and social reproduction, human capabilities are themselves produced. Who, then, deserves the credit for what they create? In this context, the gains from collaboration are determined by a process of bargaining.

Let the terms “leader” and “follower” represent either individuals or groups. Gains are defined here as economic output, but similar analysis could apply with other metrics, such as utility or leisure time. Figure 1 pictures a downwardly concave line, labeled P, representing the maximum value of all feasible efficient distributions. The vertical axis represents the resources available to the leader designated as A. If A receives all the gains from cooperation, its resources are represented by  $A_1$ . B represents the follower, and the resources available to it can be read off the horizontal axis. If B receives all the gains from cooperation, its resources are represented by  $B_1$ . If the resources are equally shared, both A and B will be at  $A_2$  and  $B_2$  respectively, and each will be equally well-off ( $A_2=B_2$ ).

The downwardly concave line P lies above a dotted straight line connecting points A and B, indicating that both parties potentially gain from cooperation; each has more to gain from any point on P than on the dotted line. All the points inside P represent situations in which either the leader or the follower could increase its resources without making the other worse off. P represents a maximum value frontier (also known as the Pareto

frontier). On this line, the only way for either to increase its resources is to reduce those available to the other.

Assume that A can offer a specific distribution of the gains from cooperation, including one that is quite unequal (such as a much higher level of  $A_2$  and a much lower level of  $B_2$ ) but will consider possible consequences of this distribution for the level of gains. An authoritarian leader might be able simply to dictate shares, but if he decided to offer the follower nothing, would need to impose a penalty, or threat of punishment for exit in order for cooperation to continue. The leader may also take subsistence constraints into consideration, ensuring that followers receive a level of resources adequate to their survival and continued voluntary or involuntary cooperation.

This incentive structure suggests a rough lower bound on the distribution of gains to the least empowered participant: a slaveholder has a vested interest in not beating or starving his slaves to death; a capitalist must pay enough to ensure workers' subsistence; a patriarch may be legally obligated to meet the subsistence needs of his wife and children. However, forms of violence and neglect that are costly on the individual level may prove cost-effective in the aggregate. As noted earlier, the risk of economically irrational punishment exerts a disciplinary influence.

### **Democratic Hierarchy**

Democracy mediates these dynamics. Unlike an authoritarian leader, a democratically-elected leader is subject to replacement. (In the next round, the followers, as voters, temporarily become leaders). Because she must choose an allocation that will persuade voters to keep her in power, an elected authority is more easily held accountable, even though perfect accountability is typically out of reach. The elected authority, like other

authorities, claims a share of the gains on the grounds that she provides governance that enhances cooperation.

Both an authoritarian and a democratically-elected leader, starting from the same cooperation frontier, promise future gains. What determines the relative size of the total gains that both leaders are likely to deliver? If democracy is too costly and time-consuming, or if the voters make poor decisions (i.e. the elected leader is not as effective as the authoritarian leader), it may not shift the cooperative frontier outward very far. On the other hand, authoritarian leadership almost certainly requires greater investments in monitoring and punishment to shore up its distributional advantage. While the relative size of these possible effects can vary, authoritarian leaders are, by definition, less constrained than democratic leaders, so they are likely to claim a larger share of the gains from cooperation. As a result, followers could benefit more from democratic leadership even if it were less efficient.<sup>53</sup>

The very existence of democratic institutions offering a superior alternative can weaken authoritarian hierarchies, even those operating in different domains: effective democratic states can challenge the viability of authoritarian power in the family, the community, and the firm. As a result, groups that benefit from authoritarian hierarchies based on gender, race/ethnicity or class have less to gain from political democracy than others do. Likewise, citizens of rich countries have less to gain from global democracy than citizens of poor countries. Anyone in a position of privilege has an incentive to protect it (and to deny its very existence).

The intersection of diverse, heavily entangled structures of collective power can have both stabilizing and destabilizing effects, with consequences for processes of social

reproduction that are not necessarily intended. For instance, potential gains from aggressive use of military power may both grow along with a larger population, which can be achieved through appropriation of women from other groups and coercive pronatalism. No conspiracy is required: groups that adopt this strategy may simply prevail over those who do not. As the following chapter will argue, this possibility could help explain why authoritarian hierarchies often feature patriarchal institutions.

On the other hand, the potential gains from accumulation of knowledge, human capital and productive innovation may outweigh those from other sources, creating economic pressures for more gender-egalitarian, low-fertility institutional regimes that promote the development of human capabilities. These economic pressures can remain latent and they can also be violently repressed. Much depends on the success of coalitional strategies can enable disempowered groups to take advantage of their expanded bargaining space.

Coalitional bargaining cannot be reduced to electoral strategies, written agreements, or explicit protest. It often takes implicit forms including allegiance to principles of economic justice and mutual aid. It can be enacted through simple nonconformity, cultural contestation, the threat of exit, and the development of alternative institutions.<sup>54</sup> Unfortunately, once structures of collective power are established, they become difficult to reform or modify. They have a brittle quality that can shatter under pressure, leading to unpredictable consequences and, sometimes, collateral damage.

### **Bargaining and Exploitation**

This picture of bargaining over the allocation of gains from cooperation offers a way of defining exploitation in terms of the processes by which structures of collective power are established, based on a counterfactual comparison with democratic processes. Any form of institutional governance imposed without the consent, participation and equal bargaining power of the governed is exploitative if it locks in unequal distribution of the gains from cooperation. This could be termed a path-dependent definition, because it hinges on the ways that collective and individual bargaining power are obtained and perpetuated over time. Examples of processes that qualify as causes of exploitation are threats of violence, exclusion from political or cultural influence, and inheritance of large assets.

### **Bargaining Spaces**

A slight modification of Figure 1 illustrates how fallback positions affect the likely outcome of bargaining between two distinct social groups or between two people belonging simultaneously to more than one group. In Figure 2, the horizontal straight line in Figure 2 indicates the level of resources player A could enjoy by exiting the cooperative relationship. A will not accept a share of the gains from cooperation lower than those available at its fallback. The vertical straight line indicates the levels of resources B could enjoy by exiting the cooperative relationship. Player B has a much lower fallback position than player A, and will be unwilling to accept a share of gains lower than those available at its fallback. The feasible bargaining space lies between the two dots on line P. However, the shares are determined within this space, Player B will be at a disadvantage.

Fallback positions define the set of feasible alternatives in which bargaining is likely to take place. Any group in a weaker fallback position than another group is likely to receive a smaller share of the gains from cooperation and individual fallback positions are likely to be affected by the cumulative effect of their group fallback positions. For instance, a structure of patriarchal institutions reduces the fallback position of women independently of their individual characteristics or personal resources. As a result, it reduces their share of the gains from cooperation or increases the effort or sacrifice they must make for their share.

Efforts to increase the share of output, rather than to increase its overall size, are sometimes referred to as rent-seeking, because “rents” are largely a return to ownership rather than to effort. A more general term is “gain-seeking,” but perhaps the distinction between “value-creation” and “value-extraction” efforts—or making versus taking—makes the point most clearly.<sup>55</sup> Value-extraction is akin to what Marx described as exploitation.

Yet the bargaining approach outlined above challenges the distinction that Erik Olin Wright and other Marxist theorists make between oppression and exploitation. Wright argues that the welfare of the oppressor (unlike that of the exploiter) “depends simply on the exclusion of the oppressed from access to certain resources, but not on their effort.”<sup>56</sup> But the mutual dependency of groups –their voluntary or coerced cooperation-- need not take the form of direct control of labor; it can take more indirect forms such as contributions to public goods or enforcement of the rule of law. These contributions often depend on effort. Many forms of implicitly coerced cooperation lead to an unfair distribution of the resulting gains—forms of exploitation that are not directly based on class.

Wright's distinction between exploitation and oppression remains meaningful. Not all economic interactions can be reduced to bargaining, whether it be fair or unfair. Some of the most consequential economic interactions take the form of outright theft, expropriation, injury, murder, or genocide. At the other extreme, some may be properly described as gifts. In between, however, lie many forms of gain-seeking and value-extracting behavior facilitated by unfair social institutions. When exploitation is defined as unfair advantage, even apparently innocent and impersonal choices made by those with no evil intent can lead to exploitative outcomes.<sup>57</sup>

Patriarchal institutions that increase men's bargaining power relative to women in both the family and the labor market lower women's lifetime incomes, increase their vulnerability to poverty, and lengthen their total work day. Men benefit. Similarly, racist institutions that increase the bargaining power of whites diminish the relative access of other racial/ethnic groups to both private wealth and public services.<sup>58</sup> Whites benefit. Partly as a result of imperial legacies, citizens of affluent countries enjoy more purchasing power and political power than citizens of the global South; they are, as a result, buffered from many of the costs and risks of extreme climate change. And so on. However difficult it may be to locate different forms of institutional power on horizontal and vertical axes, it is easy to understand how collective disadvantages reduce available options.

## **Exploitations**

Attention to institutional structures of collective power expands Marxian accounts of dispossession as a form of primitive accumulation by highlighting the ways in which coercion can be capitalized into a steady stream of economic benefits.<sup>59</sup> The notion that history matters stands in sharp contrast to views endorsed by libertarian

philosophers like Robert Nozick, who maintain that any voluntary exchange is legitimate, even if the goods and services being exchanged were acquired in the previous period by collective force and violence.<sup>60</sup> In Nozick's world, people can inherit privilege without any responsibility for the way it was obtained.

Structures of collective power create long-lasting economic legacies, effectively dramatized by debates over reparations for slavery in the U.S.<sup>61</sup> To ask what slavery cost black Americans as a group is to ask how much better off they would be if it had never existed or if earlier political promises to compensate for it had been kept. Such counterfactual thought experiments offer a benchmark for assessing fairness. Liberal political philosopher John Rawls asks what economic arrangements people might choose behind a veil of ignorance that prevented them from knowing their own economic position. Marxist economist John Roemer argues that workers are exploited if they would be better off withdrawing from a capitalist economy with their per capita share of total productive assets.<sup>62</sup>

Roemer defines exploitation exclusively in terms of asset ownership, which would apply to women only in circumstances (not unusual) in which they did not legally own property. But his counterfactual reasoning could easily be extended to include a broader set of social institutions. What if men had never established property rights over women themselves? What if women had always had equal access to education, skilled employment, or the franchise? The list of questions could go on, and it points toward institutional arrangements that could encourage greater parity in bargaining power based on gender. Echoing Roemer, Robert Goodin aptly proposes a "feminist withdrawal rule" that pertains especially to the division of labor within the household, one that allows both partners to

take an equal share of all that has been invested in the household if they part ways, where investments are defined broadly to include time devoted to family care.<sup>63</sup>

Counterfactual reasoning can also be applied to possible future outcomes. Erik Wright argues that “capitalism systematically generates unnecessary human suffering—unnecessary in the specific sense that with an appropriate change in socioeconomic relations these deficits could be eliminated.”<sup>64</sup> One could substitute “patriarchal institutions” or “racist institutions” (or other coercive institutions) for “capitalism” in this claim. If everyone could potentially benefit from the reform of a particular institutional structure, then it clearly leads to unnecessary human suffering.

Not all forms of exploitation are the same, and their economic consequences often differ. Because everyone belongs to more than one socially-assigned group, the cumulative consequences of group membership are always complex and often contradictory. Exploitation along one dimension can countervail or compound exploitation along others, leading to divided loyalties and conflicting interests. Still, members of most socially-assigned groups benefit from cooperation with one another and could gain, in the long run, from efforts to define and discourage forms of unfair advantage.

Not all oppression leads to exploitation, nor is exploitation necessarily the more evil of the two. Indeed, sometimes people gain economically by entering into an exploitative relationship because it represents a better alternative to what they would otherwise fall back upon. This is exactly why fallbacks are so important. While the neoclassical presumption that freedom to buy and sell in a competitive market can never lead to exploitation is preposterous, the Marxian propensity to define exploitation only in class terms is simplistic—it obscures the complexity of collective conflict.

## **Fallbacks**

The notion that social institutions have intersectional effects on the bargaining power of entire groups of people is consistent with feminist efforts to understand inequality between men and women on the household level.<sup>65</sup> There is a certain poetic justice in the extension of this bargaining approach to other forms of inequality. The very term fallback has a military feel, connoting the best option for retreat. Socially constructed fortresses of advantage are often built from the prizes of a prior round of bargaining. Just as large firms can gain market share and then take advantage of economies of scale to ward off new entrants, groups can direct their collective winnings toward investments in their own long-run hegemony, whether by influencing laws and norms or simply by accumulating wealth.

Individuals, as well as groups, engage in bargaining, and they typically have more than one fallback, influenced by a particular social context or by level of advantage. Their fate is never perfectly determined by group membership: they have personal and financial resources of their own. But individual fallbacks are also a complex function of their place in intersecting structures of collective power.

Their relative advantages or disadvantages do not necessarily cumulate in an additive or linear way, but it is usually possible to ascertain the sign of the effect: all else equal, membership in a socially disadvantaged group contributes to individual disadvantage.<sup>66</sup>

People cannot always ascertain, however, just how big such a disadvantage is, or whether it will outweigh the influence of other memberships. We are all faced with uncertain and uncomfortable strategic choices: How much time and effort should we devote to improving our individual trajectories, how much to challenging—or

reinforcing—exploitative institutions that constrain those trajectories? The difficulty of answering this question demonstrates the limits of formal bargaining models, and invites a broader exploration of social negotiation.

### **Process, Norms, and Preferences**

Most transfers and exchanges are influenced to some degree by implicit or explicit bargaining. As advertisements for a prominent business training consultant put it, “You don’t get what you deserve. You get what you negotiate.”<sup>67</sup> Even this slogan is too narrow. Not all bargaining is based on negotiation, and not all games end with contractual agreements. Threats and promises, fakes and feints, persuasion and coercion, coalition and compromise can take place without participants ever sitting down together at a table. Even market exchange is often contested.<sup>68</sup>

The process of negotiation probably matters as much as the structure of payoffs.<sup>69</sup> Effective bargaining may benefit from rational calculation, but is easily undermined by inadequate information, poor communication, and emotional dysfunction. (Military strategists refer to the “fog of war”). Explicit bargaining is costly and time-consuming; it can also create resentment and ill will. Economists typically assume that outcomes are efficient in the narrow sense that agents always reach the bargaining frontier—that is, they don’t try to block any move that improves another’s outcome if it comes at no cost to them.<sup>70</sup> In the real world, however, spite often trumps reason, invites retaliation, and leaves both bargainers worse off than they were before: domestic murders are sometimes followed by the perpetrator’s suicide. On the global level, the threat of mutually-assured destruction—whether as a result of all-out nuclear conflict or irreversible environmental damage—continues to loom large.

These difficulties explain why social norms are so important: they offer implicit rules, and sometimes, explicit solutions to costly forms of disagreement. How best to divide a pie? “You slice, and I’ll choose.” Want to avoid a fight? “Let’s flip a coin.” Yet conformity to existing social norms generally favors those in already favored positions.<sup>71</sup> Once seized, rights to authority and property are often sanctified by ideology. As Edna Ullmann-Margalit writes, a norm may “be conceived of as a sophisticated tool of coercion, used by the favored party in a status quo of inequality to promote its interest in the maintenance of this status quo.”<sup>72</sup> Just as norms of appropriate femininity can reinforce gender inequality, patriotic norms can justify aggression against countries, racial pride can fuel white supremacy, and elitist values can legitimate class disparities.

Norms are often internalized in ways that affect individual preferences and perceptions. If one bargainer cares more about the other (or about third parties who may be affected), bargaining outcomes will be skewed in favor of the less altruistic or more assertive member, as suggested by the phrase “nice guys (and nice gals) finish last.” In a generalization of the “hidden injuries” of class, confinement to the bottom of a hierarchy weakens individual and group agency.<sup>73</sup> Reminders of inferior social position—known as “stereotype threat” can hamper the performance of those who are stigmatized.<sup>74</sup> Heteronormative values as well as homophobic attitudes undermine the confidence of those labeled deviant. Patriarchal power and colonial power can be poisonously internalized in in remarkably similar ways.<sup>75</sup> The view from the top, by contrast, is empowering--sometimes dangerously so.

The effects of socialization reach beyond psychological predispositions and emotions. What psychologists term “belief in a just world” represents a cognitive

misperception more than a norm.<sup>76</sup> Well-designed experiments show that information regarding rewards strongly influences--even dominates—information regarding performance. Winners are perceived as significantly more competent than losers even in the presence of information to the contrary. These results are consistent with the sociological concept of “blaming the victim,” and the economic analysis of framing effects.<sup>77</sup> They are also consistent with the Marxian concept of false consciousness: people often cannot clearly identify the causes or effects of social power.<sup>78</sup> Belief in the possibility of justice is indispensable to sustained efforts to achieve it, yet it is often preempted by the assumption that people already get what they deserve.

Acknowledgement of bargaining over cultural norms and interpretations of social reality helps explain the ideological construction of group allegiances whose complexity can have immobilizing effects. Yet it also creates the opportunity to show how a systematic challenge to one particular belief in a just world-- that gender inequality is “natural”—can spill over in subversive ways. Opposition to feminist efforts often reveals fear of just such ideological externalities.

### **Modes of Production vs. Hierarchical Systems**

Individuals make strategic decisions constrained by institutional structures of collective power. These structures do not result purely from class conflict, and they cannot be reduced to a single mode of production such as capitalism. They can best be understood as interlocking hierarchies based on many different dimensions of assigned group membership, including gender. None of these is intrinsically more consequential than the others; their relative importance depends not just on specific economic circumstances, but also on creative strategies for building coalitions.

The magnitude of top-rider problems puts free-rider problems in perspective, and the similarities among different forms of authoritarian hierarchy provide some clues to their co-evolution. The deep legacy of collective conflict in human history cannot easily be overcome, but rotten dads, rotten employers and rotten leaders can be deposed. Ideals of democratic cooperation, equal opportunity, and mutual aid have sustained successful challenges to many authoritarian hierarchies, including those that can still be described as patriarchal. Moreover, the gradual if partial erosion of patriarchal institutions prefigures other possible advances toward democratic governance on a larger scale.

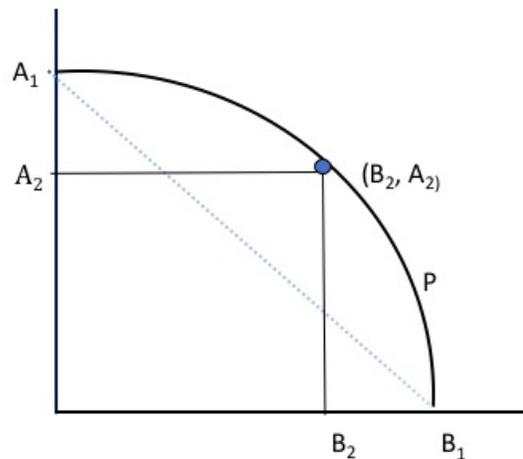


Figure 1

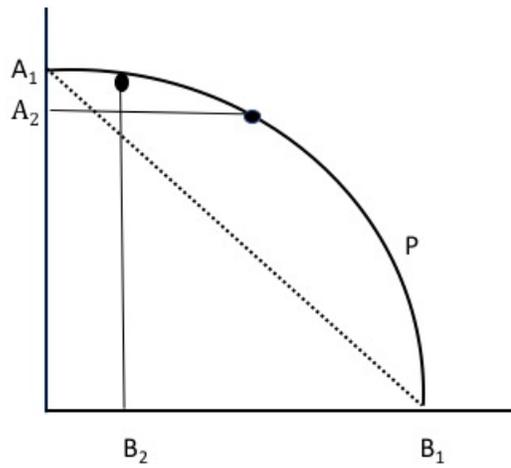


Figure 2

### Notes to Chapter 5<sup>79</sup>

<sup>1</sup> For a broad overview of the ways that economists have engaged with the issue of group selection, see Jeroen C.J.M. van den Bergh and John M. Gowdy, "A Group Selection Perspective on Economic Behavior, Institutions, and Organizations," *Journal of Economic Behavior and Organization* 72 (2009), 1-20.

<sup>2</sup> Robert A. Pollak, "A Transaction Cost Approach to Families and Households," *Journal of Economic Literature* 23:2 (1985), 581-608.

<sup>3</sup> Edward Lazear, "Pay Equality and Industrial Politics," *Journal of Political Economy* 97 (1989), 561-80;

- 
- <sup>4</sup> Philip J. Cook and Robert H. Frank, *The Winner-Take-All Society*. New York: Free Press, 1995.
- <sup>5</sup> Richard D. Alexander, *The Biology of Moral Systems*. New York: Aldine de Gruyter, 1987; Kevin MacDonald, "The Establishment and Maintenance of Socially Imposed Monogamy in Western Europe," *Politics and the Life Sciences* (February 1995), 3-23.
- <sup>6</sup> Steven A. Frank, "Repression of Competition and the Evolution of Cooperation," *Evolution* 57:4 (2003), 693-705.
- <sup>7</sup> Frans de Waal, *Good Natured*. Cambridge, MA: Harvard University Press, 1997.
- <sup>8</sup> Edward O. Wilson, *The Social Conquest of Earth*. New York: W.W. Norton, 2012.
- <sup>9</sup> Edward O. Wilson, "Evolution and Our Inner Conflict," *New York Times*, June 24, 2012, available at <https://opinionator.blogs.nytimes.com/2012/06/24/evolution-and-our-inner-conflict/> accessed January 11, 2017.
- <sup>10</sup> Frans de Waal. *Good Natured*. Cambridge: Harvard University Press, 1996, p. 30.
- <sup>11</sup> Herbert Gintis, Samuel Bowles, and Ernst Fehr, "Explaining Altruistic Behavior in Humans," *Evolution in Human Behavior* 24:3 (2003), 153-172.
- <sup>12</sup> Samuel Bowles and Herbert Gintis, *A Cooperative Species*. Princeton, N.J.: Princeton University Press, 2013.
- <sup>13</sup> Jung-Kyoo Choi and Samuel Bowles, "The Coevolution of Parochial Altruism and War," *Science* 318: 5850 (October 26, 2007), 636-640.
- <sup>14</sup> Herbert A. Simon, "A Mechanism for Social Selection and Successful Altruism," *Science*, 250:4988 (1990), 1665-1668.
- <sup>15</sup> Nancy Folbre, "Should Women Care Less? Intrinsic Motivation and Gender Inequality," *British Journal of Industrial Relations*, 50:4 (2012), 597-619.
- <sup>16</sup> Nancy Folbre, *Greed, Lust and Gender*. New York: Oxford University Press, 2009.
- <sup>17</sup> Nancy Folbre. *The Invisible Heart: Economics and Family Values*. New York: New Press, 2001.
- <sup>18</sup> Mancur Olson, "Dictatorship, Democracy, and Development," *American Political Science Review* 87:3 (1993), 567-576; Douglass North, "Institutions," *Journal of Economic Perspectives* 5:1 (1991), 97-112.
- <sup>19</sup> Mancur Olson, *The Logic of Collective Action*. Cambridge, MA: Harvard University Press, 1965
- <sup>20</sup> Paul A. Samuelson, "Social Indifference Curves," *Quarterly Journal of Economics* 70:1 (1956), p. 12.
- <sup>21</sup> J.M. Buchanan, R.D. Tollison, and G. Tullock, *Toward a Theory of the Rent-Seeking Society*. College Station, Texas: Texas A and M Press, 1980.
- <sup>22</sup> Alec Nove, *The Economics of Feasible Socialism*. New York: Taylor and Francis, 1983.
- <sup>23</sup> Gary Becker, *A Treatise on the Family*. Cambridge, MA: Harvard University Press, 1981.
- <sup>24</sup> Jack Hirshleifer, "Shakespeare vs. Becker on Altruism: The Importance of Having the Last Word," *Journal of Economic Literature* 15:2 (1977), 500-502.
- <sup>25</sup> Nancy Folbre, "Hearts and Spades: Paradigms of Household Economics," *World Development* 14:2 (1986), 245-255.
- <sup>26</sup> Olson, "Dictatorship, Democracy, and Development," Douglass North, John Joseph Wallis, and Barry R. Weingast, *Violence and Social Orders*. New York: Cambridge University Press, 2009; Daron Acemoglu and James Robinson, *Why Nations Fail*. New York: Crown, 2012.
- <sup>27</sup> One of the most straightforward and easily accessible explanations of these dynamics in terms of Cooperators and Defectors (instead of Doves and Hawks) can be found in Chapter

---

7, "Beyond Self Interest" of Robert H. Frank, *Microeconomics and Behavior*. New York: McGraw Hill, 1991.

<sup>28</sup> Polarities between the masculine and feminine in economic theory tend to assign a strong positive to the former and a weak negative to the latter. See Julie Nelson, "Gender, Metaphor, and the Definition of Economics," *Economics and Philosophy* 8:1(1992) 103-125. An example of a bird with feminine connotations that is not a predator, but seldom vulnerable to hawks, would be a swan. An example of a bird with masculine connotations less appealing than a hawk would be a vulture.

<sup>29</sup> Douglass North, John Joseph Wallis, and Barry R. Weingast, *Violence and Social Orders*. New York: Cambridge University Press, 2009. Whether or not such efforts are gradually gaining traction or not remains a subject of debate; For a pessimistic view, see Scheidel, *The Great Leveler*. For an optimistic view, see Steven Pinker. *The Better Angels of Our Nature*. New York: Penguin, 2011.

<sup>30</sup> Mancur Olson, "Dictatorship, Democracy, and Development," *American Political Science Review* 87:3 (1993), 567-576.

<sup>31</sup> Steven Marglin, "What Do Bosses Do? The Origins of Hierarchy in Capitalist Production," *Review of Radical Political Economics* 6 (1974), 60-112.

<sup>32</sup> Susan Brownmiller, *Against Our Will: Men, Women, and Rape*. New York: Simon and Schuster, 1975; Sylvia Federici, *Caliban and the Witch: Women, Capitalism and Primitive Accumulation*. New York: Autonomedia, 2005.

<sup>33</sup> Kenneth Arrow, *Social Choice and Individual Values*. New Haven: Yale University Press, 1963; Jane Mansbridge, "What is Political Science For?" *Perspectives on Politics* 12:1 (2014), 8-17.

<sup>34</sup> Quoted in Phil McKenna, "No Voting System is Perfect, but Why do We Put Up with One of the Worst?" *New Scientist*, April 12, 2008, p. 33.

<sup>35</sup> For some discussion of the background of this quote, see

<https://richardlangworth.com/worst-form-of-government>, accessed May 10, 2019.

<sup>36</sup> John Wall, "Why Children and Youth Should Have the Right to Vote: An Argument for Proxy-Claim Suffrage," *Children Youth and Environments* 24:1 (2014), 108-123.

<sup>37</sup> Martin Gilens, *Affluence and Influence*. Princeton, NJ: Princeton University Press, 2012.

<sup>38</sup> Principal-agent models apply a more specific definition of agent than the one used in Chapter 2.

<sup>39</sup> The classic formulation remains Armen A. Alchian and Harold Demsetz, "Production, Information Costs, and Economic Organization," *American Economic Review* 62:5 (1972), 777-795.

<sup>40</sup> Samuel Bowles and Herbert Gintis, "A Political and Economic Case for the Democratic Enterprise," *Economics and Philosophy*, 9 (1993), 75-100; Gregory K. Dow, *Governing the Firm*. New York: Cambridge University Press, 2003.

<sup>41</sup> Joseph R. Blasi, Richard B. Freeman, and Douglas L. Kruse, *The Citizen's Share*. New Haven: Yale University Press, 2014.

<sup>42</sup> Samuel Bowles, "The Production Process in a Competitive Economy: Walrasian, Neo-Hobbesian, and Marxian Models," *American Economic Review* 75: 1(1985), 16-36.

<sup>43</sup> Elissa Braunstein, and Nancy Folbre, "To Honor or Obey: The Patriarch as Residual Claimant," *Feminist Economics*, 7:1 (2001), 25-54.

<sup>44</sup> For a simple but compelling illustration of this point, see Robin Hahnel, *The ABCs of Political Economy*. London: Pluto Press, 2002, p. 106.

- 
- <sup>45</sup> On acts against the education of slaves in the U.S. South, see <http://www.pbs.org/wnet/slavery/experience/education/docs1.html>
- <sup>46</sup> Harry Braverman, *Labor and Monopoly Capital*. New York: Monthly Review Press, 1974; Peter Skott and Frederick Guy, "A Model of Power-Biased Technological Change," *Economics Letters* 95:1 (2007), 124-131.
- <sup>47</sup> John Rawls, *A Theory of Justice*, Cambridge, MA: Harvard University Press, 1971.
- <sup>48</sup> Amartya Sen, "Cooperation, Inequality, and the Family," *Population and Development Review* 15 (1989), 61-76.
- <sup>49</sup> Charles W. Mills, *The Racial Contract*. Ithaca, New York: Cornell University Press, 1999.
- <sup>50</sup> For a discerning explanation of lock-in, see W. Brian Arthur, "Self-Reinforcing Mechanisms in Economics," pp. 9-31 in Philip W. Anderson, Kenneth J. Arrow, and David Pines, *The Economy as an Evolving Complex System*. New York: Addison-Wesley, 1988.
- <sup>51</sup> On rent-seeking, see J.M. Buchanan, R.D. Tollison, and G. Tullock, *Toward a Theory of the Rent-Seeking Society*. College Station, Texas: Texas A and M Press, 1980.
- <sup>52</sup> For a more detailed discussion of "just deserts" and its imbrications in the neoclassically theory of marginal productivity, see Nancy Folbre, "Just Deserts? Earnings Inequality and Bargaining Power in the US Economy." *Washington Center for Equitable Growth Working Paper*, available at <http://equitablegrowth.org/working-papers/earnings-inequality-and-bargaining-power/>, accessed December 13 (2016): 2016.
- <sup>53</sup> In mathematical terms, assume that the relative number of leaders and followers is the same in both groups, and let democratic output be  $Y$  and followers' share be  $\lambda$ ; let authoritarian output be  $Z$  and followers' share be  $\pi$ . Followers are equally well-off if  $\lambda Y = \pi Z$ . As long as the ratio of  $Y/Z = \pi/\lambda$ , they will be equally well-off even if  $Z$  is greater than  $Y$ .
- <sup>54</sup> Albert Hirschman discusses some but not all of these options in *Exit, Voice and Loyalty*. Cambridge: Harvard University Press, 1970.
- <sup>55</sup> Maria Mazzucato, *The Value of Everything*. New York: Penguin, 2018.
- <sup>56</sup> Erik Olin Wright, *Class Counts: Comparative Studies in Class Analysis*. New York: Cambridge University Press, 1997, p 11.
- <sup>57</sup> Benjamin Ferguson, "Exploitation and Disadvantage," *Economics & Philosophy* 32: 3 (2016), 485-509.
- <sup>58</sup> See, for instance, William Darity Jr. and Darrick Hamilton. "Bold Policies for Economic Justice," *The Review of Black Political Economy* 39:1 (2012), 79-85.
- <sup>59</sup> Karl Marx, *Capital*. Volume 1. Chapter 26. New York: Vintage Books, 1976; David Harvey, "The 'New Imperialism': Accumulation by Dispossession," *Socialist Register* 40 (2004), 63-87.
- <sup>60</sup> Robert Nozick, *Anarchy, State and Utopia*. Malden, MA: Basic Books, 1974.
- <sup>61</sup> William Darity, "Forty Acres and a Mule in the 21<sup>st</sup> Century," *Social Science Quarterly* 89:3 (2008), 656-664.
- <sup>62</sup> John Roemer, *A General Theory of Exploitation and Class*. Cambridge, MA: Harvard University Press, 1982. The adjective "alienable" is relevant here because human capital is also a productive asset, but not one that can be redistributed within a single generation.
- <sup>63</sup> Robert E. Goodin, "Women's Work: Its Irreplaceability and Exploitability," in O'Neill, Daniel I. O'Neill, Mary Lyndon Shanley, and Iris Marion Young, eds. *Illusion of Consent: Engaging with Carole Pateman*. University Park, PA: Pennsylvania State Press, 2008.
- <sup>64</sup> Erik Wright, *Envisioning Real Utopias*. London: Verso, 2010, p. 26.

- 
- <sup>65</sup> Marjorie McElroy, "The Empirical Content of Nash-Bargained Household Behavior," *Journal of Human Resources* 25: 4 (1990): 559-83; Nancy Folbre "Gender Coalitions: Extrafamily Influences on Intrafamily Inequality," in *Intrahousehold Resource Allocation in Developing Countries: Methods, Models and Policy*, ed. Lawrence Haddad, John Hoddinott, Harold Alderman. Baltimore: Johns Hopkins University Press, 1998; P.A. Chiappori, B. Fortin and G. Lacroix, "Marriage Market, Divorce Legislation and Household Labor Supply," *Journal of Political Economy*, 110 (2002), 37-72.
- <sup>66</sup> Leslie McCall, "The Complexity of Intersectionality," *Signs* 30:3 (2005), 1771-1800.
- <sup>67</sup> See <http://www.karrass.com>, accessed September 30, 2015.
- <sup>68</sup> Samuel Bowles and Herbert Gintis. "The Revenge of Homo Economicus: Contested Exchange and the Revival of Political Economy." *The Journal of Economic Perspectives* 7:1 (1993), 83-102.
- <sup>69</sup> Bina Agarwal, "Bargaining and Gender Relations: Within and Beyond the Household," *Feminist Economics* 3:1 (1997), 1-51.
- <sup>70</sup> Shelly Lundberg and Robert A. Pollak, "Efficiency in Marriage," *Review of Economics of the Household* 1:3 (2003), 153-167.
- <sup>71</sup> For a classic description, see Pierre Bourdieu, *Outline of a Theory of Practice*. New York: Cambridge University Press, 1977. See also Edward Ross, *Social Control: A Survey of the Foundations of Order*, New York: The Macmillan Company, 1901.
- <sup>72</sup> Edna Ullmann-Margalit, *The Emergence of Norms*. Oxford: Clarendon Press, 1977, p. 189.
- <sup>73</sup> Paula Ionide, *The Emotional Politics of Racism*. Stanford, CA: Stanford University Press, 2015; Richard Sennett and Jonathan Cobb, *The Hidden Injuries of Class*. New York: Norton, 1993.
- <sup>74</sup> See, for instance, Karla Hoff and Priyanka Pandey, "Discrimination, Social Identity, and Durable Inequalities," *American Economic Review* 96:2 (2006): 206-211.
- <sup>75</sup> Paula England, "Sometimes the Social Becomes Personal," *American Sociological Review* 81:1 (2016); Paula England and Irene Browne, "Internalization and Constraint in Women's Subordination," *Current Perspectives in Social Theory* 12 (1992), 97-123. Frantz Fanon, *The Wretched of the Earth*. New York: Grove Press, 1968.
- <sup>76</sup> The classic formulation of the "just world hypothesis" is Melvin Lerner's *Belief in a Just World. A Fundamental Illusion* (New York: Plenum, 1980). For instance, in one experiment, participants incorrectly reported that a student who won a cash lottery worked harder than the loser. In another, individuals who were randomly punished (with a fake electric shock) were derogated, especially if they appeared to have no way of avoiding punishment.
- <sup>77</sup> William Ryan, *Blaming the Victim*, New York: Pantheon, 1971. Timur Kuran, "Social Mechanisms of Dissonance Reduction," in Peter Hedström and Richard Swedberg (eds.), *Social Mechanisms: An Analytical Approach to Social Theory*, New York: Cambridge University Press, 1998. Daniel Kahneman, *Thinking, Fast and Slow*, New York: McMillan, 2011.
- <sup>78</sup> Arthur T. Denzau and Douglass C. North, "Shared Mental Models: Ideologies and Institutions," *Kyklos* 47:1 (1994), 3-31.