



**Employer of Last Resort Policy and Feminist Economics:
Social Provisioning and Socialization of Investment**

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Abstract

The focus of the paper is on the Employment of Last Resort (ELR) policy proposal that has emerged from Post Keynesian theory. The paper discusses this macroeconomic policy as an embodiment of what Keynes called “socialization of investment,” as well as an avenue for a social provisioning approach towards socialization of unpaid care labor. Intersections between Post Keynesian and feminist economics are delineated. The paper proposes avenues for input from feminist economics into formulation of an ELR policy, and raises questions about transformation of gender relations.

Feminist economists and social scientists have discussed the gender content of social and economic policies (e.g. Abramowitz 1996; Rose 2000; Albelda 2002; Himmelweit 2002; Mink 2002), and specifically that of macroeconomic policies (Jenings 1994; Cagatay, Elson, and Grown 1995; Rubery 1997; Himmelweit 2002; Beneria 2003; Antonopoulos 2007). The focus of the present paper is on the Employment of Last Resort (ELR) policy proposal, also known as “job guarantee,” “public service employment”, and “buffer stock employment,” that has emerged from Post Keynesian theory (Minsky 1965, 1986; Mithcell and Watts 1997; Wray 1998, 1998b; 2007; Papadimitriou 1998; Mitchell 2001; Forstater 2004; Fullwiler 2005; Kaboub 2007).

The paper discusses this macroeconomic policy as an embodiment of what J. M. Keynes called “socialization of investment,” as well as an avenue for a “social provisioning approach” towards socialization of care labor. The latter has been the subject of inquiry in feminist analyses and arguably represents a transformation of gender relations. I delineate some of the intersections between Post Keynesian and feminist economics and suggest various avenues for input from feminist economics into formulation of an ELR policy¹. Questions arise when thinking about ELR as a policy that could contribute to transformation of gender relations. These emerge from the complexity of positions in feminist theory stemming from the debates on the relations between gender and capitalist production, and from the variety in conceptions of empowerment. While the raised issues in this paper have not been central in Post Keynesian work on ELR, an understanding that monetary and gender processes are interwoven necessitates the consideration of these questions and insights from feminist economics.

¹ It should be noted from the outset that while ELR policy is based on Post Keynesian theory, to the extent that there is heterogeneity within this school of thought, not all who classify themselves as Post Keynesians presently find this policy proposal agreeable - see for example Malcolm Sawyer (2003).

1. Unemployment and Socialization of Investment

Post Keynesian theory warrants formulation of public policies that assure sufficient aggregate demand and appropriate distribution (Arestis 1990). Adjustments in wage rates cannot eliminate unemployment (Eichner and Kregel 1975; Appelbaum 1978). The volume of employment depends on aggregate demand which if depressed can be restored only through government deficits (Wray 2001, 88). Furthermore, Post Keynesians do not seek the cause of inflation in increased aggregate demand,² and consequently have moved away from the dismal choice between full employment and price stability. Adjustments in distribution of income and the structures of consumption and production patterns would be areas that address price instability. Maintenance of effective demand is central for securing full employment. These ends are not mutually exclusive, and indeed are complementary. They can be encompassed by the term “socialization of investment,” the need for which was the main conclusion of Keynes’s analysis of a monetary production economy.

Keynes ([1936] 1964) like Veblen (1904) concluded that speculation tends to overwhelm production in a capitalist economy. The “rentier” aspect of the monetary production economy puts economic provisioning at the mercy of pecuniary valuation. Keynes explained the basis for this problem most forcefully in ch. 17 of the *General Theory*. The problem is that the estimation of the expected returns from production (what Keynes called marginal efficiency of capital) may suffer from “...enormously wide

² A Post Keynesian explanation of inflation centers on distribution, especially the role in the megacorp in determining the composition of investment as well as in distributing aggregate profit, and not on excess demand for goods and labor (Appelbaum 1978, 118).

fluctuations that cannot be sufficiently offset by a decrease in the interest rate” (Keynes 1964 [1936], 320). The interest rate establishes the minimum return that must be attained by assets. All things equal, lower interest rates allow more productive projects to be undertaken. If the expected return from holding productive assets is below the interest rate, the economy is below full employment. By virtue of being a store of value, money restricts employment (Keynes [1936] 1964, 235).

Since interest on money essentially rewards the anti-social activity of restricting investment in productive assets and employment, Keynes concluded that “euthanasia of the rentier” or eliminating the returns of the rentier class is the only way to avoid putting livelihood and industrial development of the economy at the mercy of speculation.

In conditions of *laissez-faire* the avoidance of wide fluctuations in employment may, therefore, prove impossible without a far-reaching change in the psychology of investment markets such as there is no reason to expect. I conclude that the duty of ordering the current volume of investment cannot safely be left in private hands (Keynes 1964 [1936] 320).

In the last chapter 24 of the *General Theory* Keynes left us with the notion of “socialization of investment” as a movement from pecuniary to industrial valuation of investment - to use Veblen’s (2005 [1904]) terms. Keynes did not delineate how this is to be achieved through policy formulation. In fact, Post Keynesian analysis of an ELR policy picks up where Keynes left, and can be viewed as a manifestation of socialization of investment.

2. ELR and Socialization of Investment

Keynes's conclusion for socialization of investment underlines Hyman Minsky's ELR proposal. It is not a coincidence that Minsky, who is most famous for his work on financial instability in the USA was deeply interested in addressing poverty and unemployment (Minsky 1965; Bell and Wray 2004; Dodd 2007; Fernandez et al. 2008). In *Stabilizing an Unstable Economy* (1986) Minsky explained how the destabilizing forces in investment within financial capitalism are generated endogenously. He concluded that the inherent tendency to instability in financial capitalism makes necessary the built-in policy that contracts these endogenous forces, and emphasized the role of the government as a lender of last resort which he connected to the role of government as an employer of last resort. A built-in ELR policy addresses both the level, as well as the composition (distributional) aspects of government deficits in times of downturn. It ensures that the composition of these deficits includes a floor of the price of labor, as well as that financial instability won't be detrimental to aggregate demand and output. How?

An ELR program involves the establishment of a federally funded but locally decentralized job-creation program which secures an infinitely elastic demand for labor ensuring simultaneously full employment and price stability (Minsky 1986, 343). The program guarantees an employment opportunity for all at a socially established living wage - government would hire anyone who is ready, willing, and able to work³. Workers would be taken "as they are" and offered job training when needed. ELR projects would not compete with investment already undertaken by the private sector. When the private

³ The effective minimum wage under unemployment is zero, but when the government guarantees a job to anybody who wants to work at the established wage – there is an actual minimum wage.

sector slows down, the ELR administration would hire more ELR workers. As the private sector recovers, it can hire ELR workers away from the government at a premium above the ELR wage. The government therefore creates a buffer-stock of labor and stabilizes wages and inflation (Minsky 1986, Wray 1998, Mitchell, 2001)⁴. When employment “at the bottom” is guaranteed, businesses, and households’ expectations would be more stable. Households would know that they won’t end up being a part of the reserve army of unemployed labor if they are ready, able, and willing to work for pay. Furthermore, business enterprises would have more stable expectations of effective demand⁵. Thus, ELR will stabilize economic activity at full employment. The program would be permanent – but its size will vary depending on the business cycle which is driven by corporate investment decisions. The creation of infinitely elastic demand for labor at a floor (living) wage that does not depend on profit expectations of financiers and business, and generally on pecuniary valuation is a different approach from the standard idea of subsidizing demand (Minsky 1986, 343). ELR facilitates in fact socialization of investment as described by Keynes.

The buffer-stock nature of the policy mandates that funding must be federal as the program will expand as the economy shrinks⁶. The program will add to the annual deficit and the national debt, but those levels are just accounting indications of the private sector’s desire to net save and do not represent financial burden on the government (Wray

⁴ A comprehensive history and survey ELR-type of proposals is provided by Kaboub (2007). A summary of the employment programs that carry at least some of the elements of ELR and are currently adopted within various countries is provided by Anthonopolous (2007).

⁵ Arguably ELR supports, rather than erodes, capitalist relations, which poses the question: would feminist analysis that identifies capitalist relations as the basis of patriarchy consider an ELR policy formulation. However, Some have already suggested that the ELR proposal can also be viewed as a “radical reform” – as by making a job a democratic right as well as by creating jobs not directly tied to profit concerns, such a program transforms a central element of the capitalist system (Dodd 2007, 18).

⁶ However, as discussed below, the implementation and management of ELR projects will be locally-based.

1998, 1989b; Forstater 1999; Rima 2003)⁷. It is the *function* of the deficit/debt such as achieving full employment - that matters, not their levels (Lerner 1943)⁸. The functional finance principles allow us to view government deficits as tools (Todorova 2007). Government deficits can be employed for any purpose (Lerner 1943, 1947); for example, the composition of deficits and state policy can be formulated in a way that (re)enforces patriarchal relations. Hence, the design of ELR program is crucial (Kaboub 2007c). However, as discussed below the decentralized planning aspect of ELR gives avenues for gender informed inputs from local communities and organizations. Next, we turn towards discussing some of inputs from feminist economics into this Post Keynesian policy.

3. Feminist Economics and ELR Policy Formulation

There is a tendency of the market system to put pressure on processes not based on pecuniary motives – such as care (O’Hara 1995; Hopkins 1995). Socialization of unpaid care work through ELR provides a way to do that while reducing the instability in a capitalist economy via socialization of investment. Under a social provisioning approach to the economy where the focus is not only on for-market production but on all activities that assure the life-process, socialization of investment in fact is related to socialization of care work.

⁷ Concerns about the cost of the program its contribution to budget deficits and rising national debt have been addressed by several cost estimates have explained why that the cost of implementing ELR in the U.S. would not be a burden (Gordon 1997, Majewski and Nell 2000, Majewski 2004, Fullwiler 2007; and Wray 2007).

⁸ Technically government spending injects reserves into the economy, then taxes or bond sales would withdraw excess reserves from the system thus preventing inflationary pressures and keeping overnight interest rates at the desired policy target (Wray 1998; Bell 2000).

Post Keynesians like many feminist economists are concerned with social provisioning and study changes in distribution, structure of production, wants, and the provisioning of needs. Feminist economists specifically explore gender dimensions to these changes. They broaden the inquiry with explanations of the ideological underpinning of these processes (focusing on gender hierarchies), and facilitate understanding of the ethical values behind construction of notions of scarcity, trade-offs, and choice. Consequently, feminist and Post Keynesian inquiry have areas of complementarity⁹. Here I focus on some of these elements, particularly as they pertain to an ELR policy formulation.

Social Provisioning – a Methodological Starting Point

While there is variety of feminist traditions that inform approaches in feminist economics,¹⁰ a common thread is the reconsideration of the theoretical, methodological, and philosophical underpinnings of economics. In many cases these reconsiderations have led to significant broadening of economic inquiry, and to analyses of social provisioning similar to that of classical political economy (Picchio 1992; Jennings 1993; Nelson 1993; Grapard 1995; Himmelweit 1995; May 1996; Folbre and Nelson 2000; Matthaai 2001; Hutchinson, Mellor, Olsen 2002; Power 2004; Charusheela and Danby 2006). While explaining the historically grounded social processes of material provisioning feminist economists look at the cultural and ideological context of economic activity. This inquiry warrants reformulation of economic problems – such as delineating

⁹ Various aspects of some of these areas of complementarity are discussed by Jennings (1994); Waller (1999); King (2002); Danby (2004); and Todorova (2009).

¹⁰ See for example Tong (1998) for a review of feminist thought.

the social creation of scarcity and questioning the inevitability of trade-offs.

Post Keynesian theory which provides the grounds for an ELR policy fundamentally repudiates the trade-off between full employment and price stability. The orthodox theory of wage determination that leads to the conclusion that price stability and full employment cannot be achieved simultaneously is rejected by Post Keynesian economics (Kregel 1975; Eichner 1985). Post Keynesian theory accounts for social relations (Arestis 1990, 231). Not only does wage determination depend on the underlying social structure, but there is no trade-off between full employment and price stability. Indeed, the rejection of methodological individualism in analysis of wage determination and the critique of this trade-off manifest a social provisioning approach, and demonstrate some common analytical grounds for feminist and Post Keynesian analysis.

Furthermore, the principles of functional finance that underpin ELR policy allow for moving beyond the dismal notions of scarcity in formulating economic policy (Forstater 1999). As Vickrey (1993, 16) states, when notions of government budget balancing "... compel us to tolerate the wastage of human resources and all the concomitant social problems that unemployment provokes, we must look at the 'real' side of the coin." These concerns with outcomes measured in terms of sustaining the life process are in tune with a feminist framework of social provisioning. The planning and implementation of life-sustaining and life-enhancing ELR projects at the socio-economic and eco-system level indeed represent an institutional adjustment (Kaboub 2007c) – such as a gradual shift away from an economy oriented toward individualistic short sighted goals.

Full Employment, Gender, and the “Labor Market”

Post Keynesian arguments that underpin the formulation of an ELR policy are also complementary to some labor market discussions in feminist economics. I will briefly describe the Post Keynesian view, and will connect it to discussions in feminist economics for the purpose of providing grounds for gender-informed ELR policy.

It is important to understand that in Post Keynesian theory the concept of a labor market is meaningless in the sense that there is no market clearing price mechanism that secures full employment (Appelbaum 1978, 115; King 2001, 65; Rima 2003, 274). The theory problematizes analysis that aggregate results from the individual level to the entire economy, and specifically with respect to the explanations of demand for labor at the macroeconomic level. The theory disputes the inverse relationship between the level of employment and real wages that underpins the orthodox approach to unemployment, where rising money wages result from an increase in demand for labor and are the cause of inflation, and rigid money wages are cause of involuntary unemployment. As a result, Post Keynesian theory disputes that flexible wages together with flexible prices in the goods and loanable funds markets can facilitate the achievement of full employment. Even the “New Keynesian”¹¹ efficiency wage models that incorporate arguments about the normality of wage rigidities and dispute the inability for labor markets to clear and achieve full employment, are not entirely favored by Post Keynesians. These are mostly viewed as extensions of neoclassical theory, for one, because they preserve the notion of

¹¹ New Keynesians offer micro-foundations of wage stickiness and explain market failures that amplify and result in unemployment. Thus, this body of theory explains why efficiency wages may exist in the micro level, allowing for the role of social norms and status relationships in wage determination, and how this generates adverse effects at the macroeconomic level.

NAIRU, and furthermore in effect accept the existence of a “reserve army of labor” as a necessary evil rather than designing policies oriented towards the achievement of full employment (Davidson 1992; King 2001 67-68; King 2002, 233-8; Cornwall 2003, 278-9). Consequently, Post Keynesian theory does not confine to wage rigidities as explanations of unemployment. Reduction in real wages could not increase employment. Neither the demand, nor the supply of labor depends on real wages; and thus the effects of changes in real wage rate on labor supply are disputed. Workers are not in a position to withdraw their services with a decline in their real wage (King 2001, 68). Thus, most often they are not concerned about trade-off between leisure and consumer goods, rather money wages are of importance, as well as their anthropogenic character - belonging to social groups (Keynes 1964 [1936]; Ginzberg 1976; Eichner 1985; Riach 1995; Rima 2003). Thus, in Post Keynesian theory the marginal productivity of labor is irrelevant for the determination of business enterprises’ demand for labor. The theory offers a macroeconomic, monetary explanation of aggregate level of employment (Kregel 1978, 49).

Complementary to these conclusions, feminist economics does not explain gender wage differentials with variations in marginal productivities, nor is marginal productivity deemed an appropriate criterion for fairness in remunerations. One objection is that the orthodox approach in all its variations is limited in its consideration of hierarchical gender norms and power relations. Feminist economists have contributed to the development and elaboration of segmented labor market theories (grounded in Marxist approach¹²) and to dual labor market theories (grounded in the original Institutional

¹² See: Gordon (1972); Braverman (1974); and Gordon, et al. (1982).

approach¹³) (Hartman 1976; Rubery 1978; Albelda and Tilly 1994). These models dispute any universal ahistorical reflections of fairness in marginal productivity, as well as emphasize the social construction of individual productivity. Furthermore, they emphasize the duality or segmentation of jobs that differ in their (in)adequacy of wages and benefits; job (in)security; and (lack of) unionization. Most of the unemployment is concentrated among the secondary sector characterized by depressed, inadequate wages and benefits. Feminist economists discuss the role of gender norms in the wage-setting process and the process of defining labor market segments in a historical context (Figart 1997).

In the context of ELR creation of jobs have to enable those who are willing to work for pay to readily become employed. The job design can consider the heterogeneity in geographical regions, skill type, and demographic factors. This means not only addressing discrimination (Minsky 1986, 345) but also expanding the notion of work and incorporating (usually unpaid) care labor in the new job creation. A feminist social provisioning approach warrants a broader understanding of discrimination - as multidimensional interaction of economic, social, political, and cultural forces acting within business enterprises and household relations, and resulting in differential outcomes with regard to pay, employment, and status (Figart 1997, 4).

While ELR, nor any other single program, can resolve outright the structural problem of discrimination formulated in this broader manner, it addresses some of the central issues within segmented markets that enhance these hierarchical processes. Namely, ELR defacto eliminates the reserve army of labor; provides an effective floor for benefits and wages; affects positively unionization; and blurs the lines between

¹³ See: Doeringer and Piore (1971); Kaufman (1988).

“productive” paid and “unproductive” unpaid care labor; facilitates mobility through provision of appropriate training. Overall, ELR is a policy that offers a macro-micro approach to generating living wage jobs in a socially and environmentally sustainable manner, and goes beyond allocating unemployed workers among scarcely available jobs¹⁴.

ELR is not a welfare program, it is rather a way to move beyond the punitive means-tested approach to securing income. The welfare-to-work reform, specifically in the USA required individuals to obtain (often poor jobs) to demonstrate that they are “deserving” welfare recipients had is not gender-neutral (Peterson et al. 1994; Rose 2000). ELR would give women the opportunity to be employed in jobs with adequate and stable pay and benefits if they want to work for a wage (Tcherneva and Wray 2005). In their study of the *Jefes*¹⁵ program in Argentina Tcherneva and Wray (2005) conclude that they have observed that benefits for women’s participation in the program include: “increased probability of obtaining formal work in the private sector; working cooperatively with neighbors; contributing to and participating in their community; and learning life skills from their co-workers.” As pointed out by Anthonopolous (2007, 16) the challenge is to ensure that when women participate as ELR workers they do not end up working even longer hours (combined paid and unpaid work time). Arguably this problem could be addressed through proper design of the ELR jobs that would lead to blurring the lines between “market” and “non-market” activities, as the newly created ELR jobs could reduce unpaid domestic work.

¹⁴ This is consistent with policy recommendations coming out of segmented labor markets theories - see for example Fichtenbaum et al. (1994, 38).

¹⁵ The *Jefes* program carried some elements of ELR in terms of offering public service employment, but was restricted only to “heads of households.” Tcherneva and Wray (2005) report that the program had 64 % female participation.

Expanding the Notion of Work: From Marketization towards Social Provisioning

It is important to distinguish between a socialization and marketization or commodification of unpaid household work. Some goods and services (e.g. restaurant food) offered by the private sector replace to a certain extent unpaid household work. Marketization however does not provide comprehensive social provisioning. The pecuniary valuation that underlines market activities puts limitation to social provisioning, as fast food may be profitable, but affordable adequate care services often are not.

Furthermore, under the market approach it may appear that the labor force has expanded with more women engaging paid work. However, these jobs are often part time and not including adequate benefits. Furthermore, occupational segregation related to perceptions of feminine and masculine jobs may still be perpetuated and hierarchical gender division of labor expressed through wage and benefit differences may still persist. Notions of public (market) and private (non-market) spheres are intrinsically related to masculine and feminine domains and thus to a hierarchical gender division of labor (Jennings 1992, 1993). These notions contribute to gendered occupational segmentation too. Thus, to the extent that ELR could contribute to the dissolution of these binary categories, it would be a step away from hierarchical gender division of labor.

As a beginning, definitions of what constitutes work and leisure, as well as the opposition between the two should be critically assessed in ELR policy, thus questioning the conceptual boundaries between market and non-market activities. Anthonopolous (2007) finds that variants of employment guarantee projects as currently practiced in

some countries miss what she calls “hidden vacancies” – the invisible unpaid work - that could expand the list of new employment-intensive projects. Most recently, the network Economists for Full Employment have come up with a petition that makes this point with regards to the job creation plan of Barak Obama’s administration. In addition to the proposed green and infrastructure jobs the signatories urge job creation in place of the hidden vacancies in social care. “Unused and underutilized labor resources could and should be mobilized to deliver jobs while improving life in our communities” (Economists for Full Employment 2008). Bringing the “invisible vacancies” into the market (marketization) in itself does not constitute a significant social transformation, however ELR has the potential for social provisioning approach to socialization of unpaid household work.

Besides providing income for presently unpaid but performed work, it is suggested (Anthonopolous 2007, 12) that the creation of these types of new jobs could initiate a process of transforming gender relations within households and communities especially if men begin to participate in these now paid care activities. However, this process is not straightforward. For example, Pastoret and Tapa have reported that in their study based on interviews with participants in the Jefes program in Argentina men believed that the program was associated with women’s duties and appeared “... ashamed to participate, except when receiving education and training in some of the microenterprises” (Levy Economic Institute *Conference Proceedings* 2006, 41).

A change in the habit of thought that constructs activities along the binary categories public/private; market/non-market, and masculine/feminine is a process – broader than the implementation of a single program. What “separates” these domains is

not only paid vs. unpaid work, but the profit motive behind these activities. The profit motive is the driving force in market production, as well as in restriction of production. Unpaid care work is generally not subject to that motive (Folbre and Nelson 2000). The nature of ELR allows for a design of a program that creates jobs absorbing some of these activities and thus remunerating them – while at the same time freeing these investment decisions from the pecuniary concerns that restrict output and employment in a capitalist economy. Under ELR program designed with such considerations, not only it becomes more obvious that care work activities are intricate part of the production process, but also the removal of the profit motive behind creation of jobs that incorporate activities that today are largely performed within individual households is central in eroding the divide between production and reproduction. The creation of such jobs is a manifestation of an erosion of the border between private and public domains. It should be emphasized that although these activities become visible by means of being remunerated, the monetary remuneration is not subject to market motives, and so this is not marketization, but socialization of care work.

Thus, the design of an ELR program can enhance livelihood and social provisioning and move beyond the restrictions of pecuniary valuation. This is consistent with social provisioning feminist analysis (Nelson 1993; Hutchinson, Mellor, Olsen 2002; Power 2004). The possibilities for such transformation of valuation method in policy formulation are enhanced by the local administration of the program, as well as by its permanent government funding¹⁶. Since ELR jobs would have not been otherwise

¹⁶ This is possible to the extent that a country has sovereignty in issuing its own currency. This sovereignty is restricted under fixed exchange rates, high level of external debt, and international conditionalities (Wray 2007, 20). Consequently, across countries there are degrees of political difficulties in securing such permanent government funding. Addressing the difficulties of running perpetual government deficits in countries who face such restricted sovereignty in conducting their macroeconomic policies are related to a reform of the international financial structure and politics. While in the US the only obstacle would be a

offered by the business enterprises (i.e. they would not displace private sector investment), inadequacies not only in the level of employment, but also in its composition is addressed through such policy. Under the current circumstances what are the conditions of possibility that there will be sufficient business sector investment for example in child care services at prices that are accessible for all income groups? ELR policy can address the gap in affordable care services by offering jobs in this invisible sector. While business enterprises invest in providing child-care market services these are out of reach for low-income households, and thus these services do not exist for all. In this case low-income households do not exist as market segments in the investment decisions of business enterprises. If business enterprises want to provide this product – they can do so by administering lower prices, and/or offering higher wages and better benefits packages. The same is true for other areas of the ELR jobs.

Other ELR activities that enhance livelihood rather than being governed by enterprises' pecuniary motives are discussed by Wray (1998, 2007). Kaboub (2007b, c) delineates possibilities for such jobs specifically in the context of a developing country. Minsky (1986, 345) has pointed out from the outset that the program could include the maintenance and improvement of national parks and forests; and address youth unemployment. Forstater (2004) has focused on creation of green jobs and environmental clean-up. Given that ELR job creation won't be subject to the usual pecuniary considerations that are characteristic of private investment decisions, instrumental considerations of livelihood sustenance – or social provisioning could become central.

political one – implementing ELR in developing countries would require not only change in politics but consideration of the global context.

The absence of a pecuniary motive and thus pecuniary valuation allows the ELR program to facilitate a move from marketization to a social provisioning approach to care labor.

*Community Participation, Cultural Specificity,
and Notions of Empowerment and Equality*

The permanency of the employment program does not mean that the projects will be fixed – just the opposite, Minsky (1986, 343) pointed out that the tasks to be performed will require continuous review and development because of the changing size of the buffer stock – the jobs that need to be created. This provides opportunities for community participation through involvement in design and implementation of the program (Tcherneva and Wray 2005; Levy Economic Institute Conference Proceedings 2006, 41; Anthonopolous 2007, 18; Das 2008, 8) and warrants insights about gender relations from feminist economics into this originally Post Keynesian policy. The decentralized character of the ELR program provides avenues to ensure that jobs could be selected by local community groups and non-profit organizations. Thus, ELR is an example of policy with a macroeconomic significance and effects, but with a local participation and democratic process in terms of determining what will be the composition of the activities in the program - what are the social benefits to the community at the local level. In that sense ELR transcends the macro-micro dualism.

A more general problem of dealing with macroeconomic instability across countries is a “modernist” policy formulation based on a binarism between “traditional” and “modern” institutions (Olson 1994, 82; Charusheela and Danby 2006, 44). One of the

consequences of such a dualistic thinking is that the literature concerned with women in the global economy "... assumes that what oppresses women is family and kinship and what will free them is greater participation in markets..." – through microcredit or wages (Charusheela and Danby 2006, 46). Would the ELR policy formulation draw on the conventional literature on women and development, would ELR programs be formulated in a non-modernistic fashion? (Danby 2004) Recognition of the diversity among feminist approaches warrants this question.

Notions of women's empowerment and equality emerge as mimicking men's positions and remunerations. Within capitalist relations the public-private divide of spheres is fictional. Yet this dualistic habit of thought plays a ceremonial role especially with regards to social valuations and notions of empowerment. Thus, access to ownership of property or to wage income offer solutions essentially grounded in individualism. As discussed above ELR has a potential to move away from a market-based approach to empowerment.

One could take however a "modernist" – dualistic understanding of the relation between gender and markets – and view ELR only as a vehicle of increasing market participation of women. Alternatively, what are the conditions of possibility for formulating an ELR policy in a way that abandons the rigid traditional/modern dualistic understanding of empowerment? A broader question: how can we do that without "collapsing into relativism" (Charusheela 2001, 206)? Feminist economists can address some of the issues in implementing ELR across various economies and cultures.

While the problem of economic instability and depressed effective demand is central across regions subject to capitalist production, we need a consideration of the

consequence of adopting any blanket macroeconomic policy that assumes a desire to preserve (or enhance) these very capitalist relations. To the extent that local communities may already engage in other ways of organizing their social provisioning (not necessarily based at all on wage work), it is legitimate to ask would ELR be in conflict with these values. The decentralized character of ELR's administration distinguishes the program from other policies of the capitalist state, nonetheless, it is the institution of wage work – the main feature of capitalist relations - that is at the center of ELR. Consequently, in addition to the different macroeconomic realities such as market competitiveness of “developing” economies, the problem of what constitutes development cannot be ignored. Since the objective of an ELR is to reduce instability in capitalist production, there is of course an assumption that capitalist development is the end-in-view (albeit transformed), while in fact developing countries and local communities, at least theoretically, have other options for social provisioning, even under the conditions of capitalist globalization.

Conclusion

The idea of socialization of investment prompts the formulation of an ELR macroeconomic stabilization policy based on a gendered Post Keynesian theory. The possibility of full employment, price stability, and stabilization of effective demand is complementary to the possibility of socialization of unpaid care work and transformation of gender relations. ELR clearly warrants an input from feminist economics. Given the diversity of theoretical and methodological approaches in feminist economics, a clear

distinction should be made between market vs. social provisioning approach towards incorporating feminist input in ELR policy formulation.

ELR policy provides a way to move from marketization of housework to social provisioning. Yet such “transformation” is not obvious and straightforward given the heterogeneity of approaches within feminist theory regarding conceptualizations of empowerment and gender. In the context of ELR gender can be discussed either as a variable, or as a process; empowerment can be envisioned either as better access to market activities or as a structural change of valuation depending on are we taking a marketization or a social provisioning approach to unpaid care work.

Thus, it is important to delineate the theoretical grounds of our feminist inquiry before we embark on engendering any policy formulation. My interest as explicated in this paper is in the broadly formulated social provisioning approach, (as opposed to marketization) which I see as coherent with the Post Keynesian/Institutionalist research program that works towards full employment, price stability, equity, and alleviation of socially created scarcity.

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