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parents?**

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# **Alternative rationalities, or why do economists become parents?**

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## Abstract

This paper argues that caring for children has significant effects on economic processes, both through the time spent on it by parents and the contribution it makes to the reproduction of the economy. However, conventional economic models based on rational choice are inappropriate for analysing parental motivations and behaviour. This paper examines five types of rational choice model of parenting behaviour that successively relax some of the individualist assumptions of the conventional neoclassical decision-making model. All these models, however, are methodologically individualist in that preferences internal to the individual are applied to an external world and the process of decision making is carried on independently of society. The models vary in the extent to which individualism informs the structure and development of preferences themselves.

The final model rejects rational choice as an explanation for all behaviour. Instead of looking at caring behaviour as a choice made in order best to satisfy preferences, it looks at it as the fulfilment of responsibilities that individuals feel are theirs because of their identification as members of a group subject to particular social norms. This model is therefore not individualist even in the weakest sense of the term because it looks at the process of decision making, as is *itself* being subject to social forces. The paper concludes by considering what such an explanation can bring to the analysis of changes in the care of children in the context of changing gender identities.

## **Introduction: economic theory, children and caring**

Economic theory has always had difficulty dealing with children because children cannot be assumed to behave as rational economic agents. All legislative systems have a notion of an age of majority before which children cannot be expected to behave as full citizens. Below such an age (frequently there are a whole series of such ages) children are not considered mature enough to make decisions, and somebody else, whether an individual parent, a guardian or the state, has to make choices for them. Similarly, in economic theory, children cannot be expected to know what is best for themselves and to act consistently in their own best interests; their interests are therefore usually subsumed under those of others. For neoclassical economics, with its commitment to methodological individualism based on rational choice, the failure of children to behave “rationally” is a major theoretical difficulty, which it tends to side-step by ignoring the separate interests of children and of those who behave equally irrationally in caring for them.

There is, however, good reason for economists to think about children and the care they need. Any economy not only has to produce goods and services but also to ensure its population reproduces itself. This requires *inter alia* providing for the needs of children and preparing them for their eventual participation in the economy. Children do not only have physical subsistence needs; they also require 'care' in a broader, personal, often more time-consuming sense, if they are to become full members of society.

Time spent caring is a major factor limiting people's, particularly women's, participation in the formal economy. And when parents work in the formal economy, their children's care must be provided by others, whether it be by paid childcare workers, in which case it appears as a visible contribution to the output of the formal economy, or invisibly in the unpaid care economy. The care that children (and others, such as the old and the sick) need is provided both in market and non-market settings. This complicates economic accounting but does not mean that economists can ignore care; for caring behaviour has significant effects on the formal economy.

Economists use simple abstract models to try to deal with the complexities of a real economy. If caring is to be taken into account in developing economic theory and policy, it too needs to be put within an abstract model in which its causes and consequences reduce to a reasonably small number of variables. In this paper, I shall examine the extent to which rational choice models developed by neoclassical economists can be used to look at caring and propose an alternative model that I hope captures some of the features of caring that the other models inappropriately ignore. I shall also consider some broad policy implications of this last model<sup>1</sup>.

The rational choice model of human behaviour makes a complete separation between the influences that are internal at the moment of choice to the individual (preferences) and those that are external (opportunities/constraints) (England, 1993). The behaviour of children does not fit readily into this approach. However, the separation of motivation from environment causes even more severe problems in analysing the behaviour of carers. This is because carers' motivations are bound up with the

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<sup>1</sup>For a macro-level sectoral model of how caring fits in to the wider economy see Himmelweit (1998)

relationships in which they find themselves and the processes in which they engage. The characteristic individual captured by the rational choice model is a shopper, who takes her given preferences to the market and makes the best bargains she can given the prices she finds there. The shopping model can be applied, with greater or lesser success, to certain other aspects of economic behaviour, but the relationship entailed between carer and the person they care for, whether paid or not, is not reducible to an exchange contract (Radin, 1996; Himmelweit, 1999). Any model that abstracts from the relational aspect of caring is likely to render caring meaningless.

However, rational choice models have been used to analyse behaviour as apparently irrational as having children and caring for them. While some of these models incorporate conventional neo-classical assumptions, most modify some of its standard tenets. All such models are methodologically individualist in that preferences internal to the individual are applied to an external world. The models vary in what determines individual preferences and the circumstances, if any, in which preferences might change. The differences between these models thus concern the extent to which individualism informs the structure and development of preferences themselves.

Any rational choice model assumes that people choose their course of action by its consequences. Specifically they choose the course of action that they expect to produce their most preferred feasible outcome. Such an approach is individualist at least in the weak sense that the process of decision making is carried on independently of society. Social forces may enter by providing the inputs from which the decisions arise: the preferences, the possible courses of action and their predicted outcomes. However, the decision maker *per se* is not a social actor.

Many rational choice models are individualist in a *second* stronger sense too: that the preferences used in decision making are exogenous and fixed characteristics of the individual, at least within the time-scale of the model. Society, then, has no effect on preferences and can impinge on behaviour only by providing constraints and determining what the likely outcome of different courses of action will be.

However, the rational choice model of standard neoclassical economics is also individualist in a *third*, yet stronger sense. Tautologically in any rational choice model, choices are made on self-interested grounds. The assumption in most neoclassical theory is more specific: that such preferences are 'selfish', depending only on the decision maker's assessment of her own well-being. The welfare of others does not then influence her decision making.

Finally, to operationalize such models, a further assumption is often added: that well-being depends on the consumption of purchased goods and services alone, so that decisions over the gaining and spending of money can be considered in isolation from other decisions. In practice, this amounts to assuming either that financial considerations are the basis of all decision making, or that different spheres of life are separable in their effects.

In this paper, I look at five different types of economists' model of why parents care for their children. The first model I consider is both economistic and individualist in the strongest sense; it assumes parents have and care for children because it is in the parents' financial interests to do so. The second model relaxes the economism, but still

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has parents selfishly self-interested. However, their interests are somewhat more broadly defined and include pleasure from having and caring for children. The third model allows for the possibility of altruism, of children's welfare entering into their parents' preferences; this can explain why parents care for the children they have, but not by itself why parents have children in the first place. This model is not individualist in the strongest sense outlined above; it relaxes the assumption that self-interested means selfish and allows for interdependencies between different individuals' preferences. The fourth model admits a more significant change in that it allows parents' preferences to change, in response to their experience of both their own individual behaviour and the behaviour of others. However, it is still a rational choice model in that preferences are used to decide what to do. A fifth model introduces a new element, by allowing alternative 'substantive' or 'moral' rationalities that do not depend on consequences alone to be introduced into rational choice models (Weber, 1968; Elster, 1989; Duncan and Edwards, 1997).

The final model rejects rational choice as an explanation for all behaviour. Instead of looking at caring behaviour as a choice made in order best to satisfy preferences, it looks at it as the fulfilment of responsibilities that individuals feel are theirs because of their identification as members of a group subject to particular social norms. This explanation is therefore not individualist even in the weakest sense of the term, because it models a process of decision making that is *itself* subject to social forces. The paper concludes by considering what such an explanation can bring to the analysis of changes in the care of children in the context of changing gender identities.

### **Model 1: children as an investment**

The most economic view of why people have and care for their children is that doing so is an investment by parents' in their own future well-being. This theory has been used to explain various features of family life in poorer economies, where children are expected to work from an early age, can be net contributors to the household to which they are born when they are still quite young and are expected to support elderly parents (Cain, 1977). Since children who are better cared for and better educated may be willing and able to contribute more, money and time spent on the care of children when they are young can be seen as investment. Returns to the investment accrue as soon as children are old enough to contribute to their household themselves, and are especially important for the time when the parents' own abilities to provide for themselves diminishes.

There may be a class dimension in this. Parents who own property can use control over their children's inheritance to ensure that the children fulfil customary expectations and look after their parents as they get older. Children may therefore be a more reliable investment for parents who have property to pass on, which should result in better care for such children.<sup>2</sup>

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<sup>2</sup>There will, in many societies, be a gender dimension to this too. Investment in the care of boys and girls will have different pay-offs. In particular, in societies in which women do not take employment and become part of their husbands' families on marriage, the care and education of sons rather than daughters is the better investment, because it is the sons who will bring money into the household and will eventually have to be relied on for the financial support of their parents in their old age. The contribution that daughters make in terms of domestic labour may well be overlooked, will cease when they marry, and is unlikely to be increased by an investment in their care and education. So, since it will be more important for parents to ensure their sons' survival and willingness to support them in



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The investment model can explain why subsistence farming households in a rural economy tend to have large families, investing in the quantity rather than the 'quality' of their children (Becker, 1991). Although most of the costs of children in such households can be expected to be low, the costs of education may be particularly high if education has to be paid for and if it prevents children contributing their time to their households. Furthermore, education may not be so economically important for those who expect to inherit their parents' way of life. It may then be a better investment to have more children rather than to spend more on each one's education.

The birth-rate will then fall with economic development because of the declining economic importance of children's work and the rising opportunity costs of their care, especially in terms of women's earning foregone. Further, as the proportion of the population who are dependent purely on wage labour to make a living increases, education makes a greater difference to children's future income. Such increased educational demands, resulting in longer periods of economic dependency, imply that children are less likely to be net contributors to their parents' household before they leave home. As inherited property becomes less important to the majority of the population, and thus parental control over children declines, children become an unreliable source of support for the elderly. Parents in such economies make provision for their own pensions and can look to few, if any, material benefits from having and caring for children.

So although the investment model can explain why parents find large families a less worthwhile investment and so have fewer, more educated children in developed economies, the problem is that in such economies children do not seem to be a worthwhile financial investment at all. Yet many people, even in the most developed economies, still have and care for children. The investment model does not therefore offer a plausible explanation of caring for children in economies in which most parents do not have significant property to leave and children tend to require support until they are ready to leave home.

## **Model 2: the pleasures of parenthood**

If rational choice models cannot explain fertility in countries where children cannot plausibly be argued to bring in a financial return to parents, one plausible explanation for why parents continue to have children in such circumstances is that caring for children is enjoyable in itself. If parents enjoy the process of caring, get pleasure from helping a child take its first steps or enjoy shopping for their children when away on business trips, these will enter into their preferences. They will then make a rational decision to allocate some time and money to these activities. In that case, parents may have children in order to be able to spend their time in such desirable ways, rather like buying a television in order to spend time watching it. One may also get enjoyment from owning the television set itself. Similarly parents may have children because they enjoy the status of being a parent. Just as with consumer goods, both the acquisition and the use of children may be a source of enjoyment. Thus children are consumption goods, rather than the investment goods of Model 1.

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old-age, parents will not only spend less on their daughters' education, they may also care less well for them. This alone has been taken to account for the marked son preference shown in many poor countries and the shocking difference between female and male child mortality rates in rural Northern India until a few years ago (Miller, 1981; United Nations Development Programme, 1995).

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For most goods, consumption rises with greater economic prosperity, although not necessarily proportionately. The tendency for fertility to decline with increasing development would therefore be a puzzle for this model. The puzzle however can be solved by distinguishing between two forms of spending on children (Becker, 1991). If the enjoyment parents get from children depends on both the quantity and quality of the children, where 'quality' depends on various costly and time-consuming inputs such as education, then quality and quantity of children are substitutable consumption goods for parents. Parents choosing to have fewer children but spending more on each child as income rises are simply substituting quality for quantity of children. This may happen because the opportunity cost of having an extra child rises with increasing earning power, particularly for women. Another possible reason is that child quality becomes particularly important for parents as income rises. In pre-capitalist economies there may have been no such negative effect of income on the desire for more children, but with the transition to an economy in which most adults can earn money, rising incomes will raise the opportunity cost of children, decreasing desired family size.

Caring for children in this model is just as self-interestedly rational a choice of activity as any other form of consumption. Parents in this model enjoy spending their time caring; they do not do it for their child's sake. So long as the preference for having and caring for children is taken to be an intrinsic characteristic of people who choose to be parents, a model in which parents act rationally on such preferences satisfies all the individualist tenets of standard neoclassical theory.

### **Model 3: altruism**

Someone who cares for another person is generally thought to be concerned for the other person's welfare. The nearest a rational choice approach gets to caring is to make caring individuals "altruistic", that is to include a component in a carer's preferences for the consumption or utility of the person for whom they care. Individuals can maximize a utility function that depends on another's welfare in just the same way as one that depends only on their own consumption of consumer goods. Given the constraints of income and prices, the rational individual decides what to do by trading off the extent to which she satisfies her taste for others' welfare against her taste for various other ways of spending her resources.

Behaving this way is not exactly what we would usually mean by 'altruism'; as Becker (1991: 279) has pointed out, a person acting upon such preferences 'might be called selfish, not altruistic, in terms of utility'. However, because an individual's preferences depend on what is happening to others as well as to himself, this model is no longer individualist in the strongest sense. But so long as preferences and the method of decision making remain independent of society, the model is still individualist in both these two weaker senses.

Altruism can take two forms: an individual may care directly about another's consumption of commodities, or only indirectly about the utility generated by that consumption. In the former case, the altruist evaluates for herself the consumption bundles of those she cares about and gains utility from their consumption as well as her own. In the latter case the altruist has a taste for the utility of those he cares about, so knows and internalizes their preferences; meeting their preferences becomes similar to meeting a taste of his own for a type of consumption good. Altruistic preferences of

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either form make an individual's utility depends on another's consumption as well as their own, which causes problems for neoclassical theory.<sup>3</sup>

Fewer problems are caused by altruist concerned about another's utility, who can be said to have 'non-meddlesome' preferences<sup>4</sup>. Unfortunately, a preference for another's utility is not sufficient to incorporate a sensible characterization of caring for children. For non-meddlesome preferences imply that parents would do best for their children by simply augmenting their resources, giving them money. But one of the reasons that children are perceived as needing care is precisely because they cannot look after themselves unaided in a market economy. Nor, indeed, do the informational requirements of non-meddlesome preferences make them a plausible basis for altruism between adults.

#### **Model 4: developing a taste for childcare**

All the models we have looked at so far have treated preferences as given. Although these models are not necessarily individualist in the strongest sense of an individual only caring about their own well-being, they remain individualist in the sense of the preferences themselves being independent of social influences. However, it seems more plausible to see such preferences as ones that can be cultivated, as endogenous tastes affected by previous experience. In particular, the experience of working with children seems frequently to lead people to care for the welfare of those children and enjoy looking after them. Given that parents, especially mothers, spend a great deal of time with their new-born children, such a learning process may explain why parents are particularly concerned for the welfare of their own children, and usually prefer to spend time caring for them rather than other children. Mother-child bonding would figure in such a model then as an example of rapid endogenous preference formation.

Becker and others have developed rational choice models that allow for the influence of an individual's behaviour on preferences, in particular on the extent of altruism or the enjoyment of caring activities; and that also open up the possibility that social forces might affect preferences (Becker and Stigler, 1977; Stark 1995; Becker, 1996). At first glance, it would appear that such models have loosened yet one more degree of individualism, in that preferences are no longer exogenous, fixed characteristics of the individual.

However, this is achieved by making a distinction between current preferences and an underlying set of preferences. Whereas people's underlying preferences do not change, past experiences may alter their current circumstances and, as a result, affect their preferences between currently available options. Thus a smoker and a non-smoker can have identical underlying preferences, but because of the smoker's

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<sup>3</sup> Such 'consumption externalities', like other externalities, undermine both the equilibrium and welfare theorems of neoclassical economics: general equilibrium outcomes may not be unique, and the welfare theorem that a competitive market will always produce a Pareto-optimal allocation of resources does not hold. Either sort of altruism will both 'create a need for socially co-operative actions' and 'itself facilitate voluntary social co-operation' (Collard, 1978: 17) so that the invisible hand of the market must be replaced by co-ordinated co-operative actions if desired social outcomes are to occur.

<sup>4</sup> If preferences are non-meddlesome the basic theorems of welfare economics hold in a modified form: Pareto-optimal allocations can be identified with the outcome of a competitive process in which transfers as well as exchanges are allowed to take place (Collard, 1978).

previous experience of nicotine consumption, his current preferences are different from those of a non-smoker, who has no history of nicotine consumption. Although both might have made the same choice in identical circumstances, that is, to smoke if addicted to nicotine and not to smoke if not addicted, they are in fact not in the same circumstances, one is addicted and one is not, and so they will make different choices. Similarly, people with experience of looking after a child may make different choices than those lacking such experience, without those people differing in their underlying preferences.<sup>5</sup>

Becker explains why the experience of looking after a child frequently leads people to enjoy doing so as a process of building up what he calls ‘personal capital’, the acquisition of which makes looking after that child in the future a more worthwhile experience. An individual’s personal capital is that stock of all past personal consumption and other experiences that affect that individual’s current and future preferences. In being an acquired stock that affects future possibilities, personal capital is similar to human capital, or indeed to any other sort of capital. However, while the use of other forms of capital makes an individual more productive, personal capital makes involvement in particular activities more worthwhile for that individual. So the time spent in building up a relationship with the child is an investment in personal capital – time spent now in order to give the parent preferences that make time spent in the future more productive of utility, perhaps including utility generated by the child’s welfare. The mother’s underlying tastes have not changed. She, like everyone else, always had underlying tastes, which, with the right stock of personal capital, would give her such utility; and now, through experience, she has acquired the means of producing it for herself.

Similar arguments can be used to explain all cases of endogenous tastes. Where tastes apparently change because of a person’s *own* previous behaviour, that person is said to have acquired ‘personal capital’. Where tastes apparently change because of a change in the actions of *others* in an individual’s social network, Becker talks of the acquisition of ‘social capital’. So while personal capital is a stock that is the result of an individual’s *own* past actions on their current and future preferences, social capital is the effect on those preferences of past actions by *others*. In other words, social capital represents the influence on an individual’s preferences of their peer group, the social milieu in which they live and of their culture more generally.

Gender differences in parenting behaviour can then be explained by reference to women’s greater enjoyment of child-centred activities, but in a way that is consistent with Becker’s assumption of similar underlying tastes. Consider a man and a woman with a new baby who have equal earning power and equal productivity in domestic tasks. Since both parents have the same underlying tastes, whichever of them looks after the baby will acquire personal capital in doing so, which means that in future they will value looking after the child differently. This means the initial carer will have a

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<sup>5</sup> On this basis, Becker and Stigler (1977: 76) claimed that economic theory should be constructed on the assumption that:

“... tastes neither change capriciously nor differ importantly between people ... one does not argue over tastes for the same reason that one does not argue over the Rocky Mountains - both are there, will be there next year, too, and are the same to all men [sic]”.

This is because all current differences of preferences between people could be interpreted as the result of the acquisition of different types of personal and social capital by people whose underlying preferences are shared and unchanging.

different trade-off between time spent on childcare and time spent on other activities from that of their partner. Compared with an equal division of time, both partners' preferences will be better satisfied through the one with experience of childcare increasing the time they spend on it, while the other shifts towards spending more time on the activities in which they may have acquired personal capital. By extension of this argument, there should be complete specialization, so that one does all the childcare (assuming it can all be managed by one person) and acquires the maximum amount of baby-specific personal capital, while the other acquires other forms of personal capital by specializing in other activities. One only needs a small element of biological difference to explain why women might have a headstart in acquiring the initial tranche of personal childcare capital.<sup>6</sup>

Social capital may also be involved in generating gender differences in parents' preferences. Mothers may identify with and spend more time with other mothers and through this may enhance their appreciation of activities culturally allocated to women. The father's absence from the home may lead him to build up different social capital. The father will interact more with a peer group who are little involved with children, so feel free to discover the joys of activities other than childcare.

Personal and social capital are not always utility augmenting. If personal experiences are not fulfilling, then the personal capital generated by those experiences lowers utility. So caring for ungrateful children can discourage parents from caring in the future. Again social capital might reinforce this. In a society which expected children to show some warmth in return – which did not take committed parenting for granted – the failure of children to live up to these expectations would be a loss of social capital to their parents, a loss that would diminish their pleasure and thus result in their withdrawal of care from difficult children.

This model in which current preferences are allowed to change does capture some aspects of the developing relationship that caring entails. However, the problem with the continuing emphasis on choice in these models remains. Frequently, caring is not a choice. Because of who she is and the relationships in which she is engaged, a carer sees herself as having responsibilities. She doesn't necessarily have such a separated view of her own interests to use as the basis of choice (England, 1993). Even when she does stand back and ask herself 'What do I want?' it is not in abstraction from the interests of others around her. In neoclassical terms, she is beset by consumption externalities. But more significantly, she spends much of her time doing what she thinks *should* be done, rather than what she would choose to do by assessing the outcomes of her actions for herself or anybody else.

### **Model 5: accepting moral responsibility**

For many parents, perhaps the most important reason why they care for their children is a sense of moral responsibility for those particular children. A mother who gets up to see to a crying child at night does so because she sees it as her responsibility, whether or not she feels empathy for the child at that particular moment. Indeed,

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<sup>6</sup> There is a clear parallel here with Becker's argument for specialization within the household based on the acquisition of human capital: that it is efficient for one partner to acquire and use household - specific human capital and for the other to acquire and use human capital appropriate to the workplace (Becker, 1991).

parents may love one child more than their others, yet still accept an equal responsibility for them all.

Another way to put it is that parents whose sense of moral responsibility leads them to care for their children are doing so because they feel it is the right way to behave, rather than assessing whether it will lead to their most preferred outcome. If parents behave according to their moral beliefs in this way, then parenting requires an explanation quite different from rational choice. Rational choice is above all concerned with outcomes, which for parents could be their own financial benefit, their enjoyment of parenting or the welfare of their child. By contrast, behaving in a particular morally correct way is not outcome-oriented (Elster 1989)<sup>7</sup>. It is much more like the adoption of an internally imposed rule.

However even a rational utility maximizer might follow rules, including rules that they think of as moral imperatives, in certain circumstances. In complex situations, following a rule can be shown to be a more effective way of maximizing an actor's utility than case-by-case maximization (Vanberg, 1994a; Heiner, 1988). To obey the rule might reduce decision-making costs. It may be too costly to assess all the advantages and opportunity costs of having each child; it may be less costly to adopt normal practice and raise a family of two children. Alternatively, conforming to a rule might reduce the likelihood of mistakes. The complexity of the decisions involved in caring for a child might lead parents to adopt certain rules, such as never leaving a toddler alone in the house.<sup>8</sup> Further, the need for co-ordination can also provide a reason why it might be rational to follow certain rules, or norms, if others are doing so (Sugden, 1989; Young, 1996). If the other children in a neighbourhood are equipped to play football, it is not taking good care of one's own child to ensure that they have a tennis racquet.

Utility maximizing is not necessarily a conscious process, so the actor may not be aware that she is rule following in order to maximize her personal gain. Indeed many such rules may be experienced as moral obligations<sup>9</sup>. She may believe that because she is not case-by-case maximizing, she is following a morally superior course of action. However, for a rational choice theorist, that people explain their own behaviour as having moral rather than instrumental motivations does not rule out the need to search for a rational explanation of the behaviour (Vanberg, 1994b).

Moral norms are more typically seen by sociologists as an alternative explanation of behaviour to, rather than something to be explained by, rational choice theory. Max Weber talked about fulfilling moral norms as part of a logic of 'substantive' rather than formal rationality, as people feel impelled to let values, responsibilities and obligations

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<sup>7</sup> This is not to say people do not consider outcomes in choosing in which particular way to behave in accordance with their moral beliefs. However, the reason for behaving according to the moral norm in the first place is not a result of rational choice based on outcomes.

<sup>8</sup> If norms are adopted to reduce decision-making costs, the resulting decisions will be worse on average (produce less utility) than if taken on a case-by-case basis, but the reduced cost of decision making makes adopting the norm worth while. However, conforming to a norm to avoid making mistakes should result, on average, in better outcomes.

<sup>9</sup> Frequently, the term 'convention' is used to signal a rule whose content has no particular moral weight, but is a sensible course of action to follow given that others are doing so, such as driving on the left-hand-side of the road. The term 'norm' is more usually applied to a rule to which people experience a moral obligation to conform.

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override the calculation of the best means to meet given ends (Weber, 1968). Such norms become social if they are shared at least by some members of society, and individuals conform to them because they feel subject to social approval and disapproval. The development of sociology on the basis of such ideas led to Duesenberry (1960: 233) to coin his well-known aphorism that ‘economics is all about how people make choices; sociology is all about why they don’t have any choices to make’.

If social norms are enforced by social sanctions, then conforming to them may again just be a matter of rational choice<sup>10</sup>. Commonly such social sanctions are seen to be social disapproval and/or loss of reputation, rather than disutilities that are more material. Social norms, then, have effects through concerns about the opinions and behaviour of others, to which it is assumed people are sensitive. People may gain utility from the respect and esteem of others acquired if they conform to social norms; the shame or loss of reputation experienced if they do not conform may be a source of disutility.

Finally whatever form social sanctions take, they may be internalized so that people do not require the sanctions. Instead, they develop a conscience so that expectations of a gain in self-esteem from following norms, or guilt from not doing so, figure in their unconscious calculation of utility<sup>11</sup>. This is the important step that turns social norms into moral imperatives. Cancun (1975: 5) in her discussion of this theory of the ‘socialized actor’ puts it like this: ‘this potentially anarchic individual [the rational utility maximizer] is harnessed to society through the internalisation of norms and value ... individual members are motivated to conform to shared norms; they want to do what they are supposed to do’.

In all these accounts, norms are followed because it suits people to do so. Conforming to a norm is a utility maximizing strategy that reduces decision-making costs and/or mistakes or achieves co-ordination. Alternatively, it is utility maximizing strategy because it values the benefits of enhancing reputation and avoiding social sanctions, and/or of making people feel good about themselves and avoiding guilt. Either of these explanations of why individuals conform to a norm is consistent with those individuals believing that they are behaving in accordance with the norm because it is their moral responsibility to do so.

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<sup>10</sup> It may be rational to observe social norms in such cases, but it is not necessarily rational to participate in enforcing them, which is not a costless exercise for others. Why, then, do others do so? In order to avoid others imposing sanctions on them, perhaps? But this leads to infinite regress, which suggests that something more is involved in the social construction of norms than just a self-interested calculation of utility, even where that utility includes sensitivity to socially imposed sanctions.

<sup>11</sup>The economist who has most successfully introduced such ‘sociological’ norms into economic theorizing is George Akerlof (1980). In his labour market model, individuals maximize utility, that is, a function not only of their income, but also of their self-respect that depends on whether they are behaving in accordance with their personal norms, and their reputation that depends on conforming to social norms. Further, these norms are endogenous to the model with their strength depending on the extent to which they are obeyed. Thus people are less likely to believe in norms that are infrequently observed and will suffer less loss of reputation from flaunting social norms that others do not share. Akerlof’s model displays the same path dependence due to density dependent behaviour, as the model discussed in the next section of this paper, though for a different reason

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However, both these rational choice approaches fail to answer fundamental questions. The economist's explanation of conforming to norms as the best way to maximize utility in complex situations, requires there to be a utility function defined prior to and independently of the norms themselves. Therefore, such an account of parenting norms must have a pre-existing notion of what parents hope to gain from having children, perhaps derived from one of the theories outlined earlier in this paper. The sociologist's explanation of conforming to norms as a way of avoiding social sanctions and gaining social approval require an explanation of why people are sensitive to such sanctions and approval in the first place (Elster, 1989). Second, it requires an explanation of the content of norms; why certain behaviours are approved and others sanctioned, where particular social norms come from and how they change.

### **Norms as expressions of social identity**

The previous section showed that norms can be incorporated into a neoclassical framework, but that by themselves they add little to our previous analysis. To give them substantive content, we need to examine how norms are *embedded* in society. In particular, to account for parental/maternal/paternal behaviour we need a theory that explains how particular norms apply to people in particular circumstances on the basis of their membership or identification with particular groups. The responsibilities that norms reinforce are allocated to people according to their positions in society and their relationships. It is as parents, wives, husbands, workers, employers, teachers, school-children and friends that people hold certain specific responsibilities to certain specific others and particular expectations are made of their behaviour. For example, only members of some groups may see themselves as under any obligation to have children. Married women, for example, may feel themselves subject to social pressure to have a child, while, until very recently, the norm for an unmarried woman was not to become a mother.

Norms, like other institutions, differ across societies. The norms of most societies impose a primary obligation on parents to take responsibility for their children. However, societies vary in how gender specific parental responsibilities are and in the extent to which they are shared more widely among families and the wider community. Some societies are based primarily on care being delivered within the mother-child relation, others have a nuclear family norm, others rely on an extended family, and some on sharing many responsibilities for the next generation between a whole clan. Such different family forms in turn affect the accumulation of capital, the structure of land holdings, the existence of a landless class and so on, and thus the form production relations take in the economy. Responsibilities for children therefore form one part of an interlocking and mutually sustaining set of norms that together make up a society of a particular type.

So where do such norms come from and why do people conform to them? Social identity theory treats these questions as interlinked: norms are collective ideas about what type of behaviour confirms an individual's membership of a particular social group. Individuals therefore conform to social norms in order, consciously or unconsciously, to validate an identity, their membership of a social group, whose norms are formed by the behaviour characteristic of that group (Cancun, 1975).

This means that norms change when people's identities change and norms also change when the behaviour they support is no longer characteristic of the relevant group. If



an increasing number of members of a particular group fail to conform to an existing norm, this norm will weaken for all people who identify themselves as members of that group.

And why might people not conform to a social norm? One reason is that what people do is influenced by a variety of factors. In particular, external conditions may change; if acting according to a particular norm becomes more costly, or in other ways more difficult, people are less likely to fulfil it. Further, norms may come in conflict with each other. Many mothers, for example, talk about a daily juggling of obligations: to employers, children, husbands, parents, friends and so on. Where norms conflict, people must choose, consciously or otherwise, between them. Stronger norms, those that are observed more frequently being fulfilled by the relevant group, and those that are less costly to fulfil, are likely to be the ones that survive in such competition between norms.

In this section, I shall develop a simple model of caring based on changing norms but unchanging identities, in which the assumption is made that the norms applying to people identifying with a particular group are formed by the predominant behaviour of that fixed group of people. Later I shall consider what happens if identities can change too. So, for example, if most mothers with jobs are at home before their children come home from school, this becomes a norm for women identifying themselves as working mothers, to which others will then feel some responsibility to conform. Whether they will actually manage to do so will depend on a number of other factors, such as employer flexibility, bus schedules, family income and so on. Further, there is also another norm concerning their family's standard of living and for many mothers there will be some conflict between these two norms: whether to work long enough hours to ensure their family can live up to current expenditure norms, or to work shorter hours in order to be at home before the children return.

If the relative cost of conforming to the two norms changes – let us say there is a rise in the cost of living – then some mothers may increase their hours of employment to earn more but come home later. The first ones to change in this way will probably be those for whom the change is more appropriate: perhaps those who have relatives living nearby who can look after the children, or those whose children are older and are therefore more responsible but cost more to keep. The fact that more mothers are now not at home when their children come from school will weaken the 'being there' norm. Conversely, family expenditure norms will strengthen, so that other mothers will now feel a greater responsibility to augment their family income. Where this process stops will depend on how responsive the norms are to changing behaviour. If they are resistant to change, sluggish one might say, then norms and behaviour will settle down to a stable equilibrium. After the initial disturbance, old patterns will re-establish themselves, with perhaps just a few more mothers working longer hours, but others still more influenced by the 'being there' norm. On the other hand, if norms are more volatile, the initial change may set off a bandwagon, which will only stop when norms and behaviour again converge, possibly only when most women with school age children are in full-time employment.

Even if prices subsequently fall, reducing the income needed to meet expenditure norms, the old norm of mothers being at home after school will have weakened, and mothers spending more time earning money may no longer consider that 'good

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mothers' need to be at home. Rather than re-establishing the norm of being at home before their children, these mothers may consider whether they should work longer hours now that the real value of their wage has increased.

Contrast this with the standard neoclassical approach that takes preferences as given exogenously. It, too, would recognize that a rise in the cost of living will, *ceteris paribus*, increase the amount of time a woman works and decrease the amount of time she spends at home. However, once the cost of living falls again, on the assumption that her preferences have not changed, the amount of time she spends at home should return to what it was before. The fact that there was a past change is no longer relevant in explaining current behaviour.

This is one important difference between a model in which norms (or preferences) change, and a model that takes preferences as given. If preferences are fixed, then history is irrelevant to them. The same external conditions will produce the same behaviour, whatever happens in the meantime. On the other hand, an approach that models how norms shift can explain how changes in the past have affected current norms and therefore current behaviour, and how in apparently identically current circumstances quite different outcomes may result because of a different historical development of norms, identities and behaviours, what is usually meant by culture.

Changing norms can have lasting effects because the model assumes a positive feedback mechanism, in which, as an initial change works through the system, the further changes that are produced work in the same direction, reinforcing the initial change. This is unlike negative feedback models where change in one direction leads to a correcting effect in the opposite direction, dampening the initial change. Negative feedback models tend to converge to an equilibrium, and are commonly used in economic theory, particularly for modelling markets. Positive feedback mechanisms may not converge to an equilibrium or there may be more than one, in which case initial conditions and the path followed continue to have relevance in determining outcomes. Further, even where there is convergence, the outcome may be unstable and subject to bandwagon effects in which a few individuals initially changing their behaviour can result in large numbers eventually following suit. Whether such a bandwagon rolls will depend on how strongly changes in behaviour affect norms and vice versa. If norms are sluggish and do not weaken much when a few people fail to behave as they prescribe, then bandwagons will be hard to start; a norm that does not easily shift will tend to induce dissidents to conform, rather than their behaviour encouraging others. Such a norm and the behaviour it induces will be stable. More volatile norms, where small numbers changing their behaviour may easily induce others to challenge the norm, will lead to instability and bandwagon effects (Hargreaves-Heap, 1992).

The feedback process between norms and behaviour described above is particularly strongly positive because norms are socially generated and so the effects on people are interdependent; a change in the behaviour of any one individual feeds into the norm and this affects not only their own behaviour but that of others. Behaviour affected by norms in this way is 'density-dependent', in that the likelihood of any particular individual adopting a particular type of behaviour is affected by the frequency with which that behaviour occurs among a relevant population. Social norms are not the only possible case of such density-dependent behaviour. Indeed, it could be a result of

rational choice, if observing others behaving in a particular way either makes similar behaviour more desirable or gives new information about its desirability<sup>12</sup>. Observing other mothers letting their children come home from school on their own might convince a mother that it is safe to let her children do so too. Further, if other mothers are at home with their children after school, there is the basis for an enjoyable social life with other mothers and children, which would not be available if all other children were in after-school clubs. Conversely, the decisions of other mothers to work longer hours might make it more likely that the school would provide after-school care and thus make it easier for any individual mother to decide to do the same. And, as before, such rational grounds for following others' behaviour may be experienced by actors as having moral force, making conforming to the norm seem the right thing to do in the circumstances.

All density dependent behaviour, whatever its cause, leads to path dependence, and so can set up local and cultural differences in caring behaviour, which become entrenched even though the initial impetus in one direction or the other may have been slight. The mathematics of such models can be very complex and lead to results which are much less predictable than those of the equilibrium models of neoclassical economics (Kirman, 1997). Small changes in initial conditions can lead to much larger changes in behaviour in the long run, thus leading to considerable variations in outcome across different countries or cultures.

In the model with norms, the speed at which a norm changes depends not only upon how much each person reacts to a changing norm, but also upon how much the norm changes in response to the behaviour of members of the group. If all members of a group face similar conditions, then there is less chance of some members, because of their particular circumstances, changing their behaviour and thus challenging group norms. We should therefore expect, for example, that in a society in which all women face similar conditions, the norms governing their behaviour will be relatively strong.

All this points to the importance of the process by which people identify themselves as members of the group to which a norm applies. Norms work through identities, through particular people identifying themselves as subject to the norms applying to particular groups. The father who defaults on his child support payments may be shifting his identification from being a father to being a single man. He may be making this shift consciously and hedonistically, or he may feel forced into this position by an ex-wife who denies him access to his children. Either way, by identifying himself with another group, a different set of norms influencing his behaviour comes into play.

If there are rigid gender divisions in society, women and men will be more likely to develop distinct identities, as members of separate groups with their own separate norms. So a society more rigidly divided by gender would be more successful than a

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<sup>12</sup> In recent years, economists too have become interested in the behaviour of people who appear to be directly influenced by the behaviour of others, such as speculators on the stock exchange, consumers of fashion items or investors in new technology who all display density-dependent behaviour (Schiller, 1984; David, 1985). So, for example, observing others buying a particular stock might be indication that they have information that it is likely to rise in value. 'Herd' behaviour occurs when the information that is provided by others' behaviour outweighs any possible private information that actors may acquire themselves (Banerjee, 1992; Bikhchandani *et al.* 1992; Sharfstein and Stein, 1990). Similar effects occur when the benefits of adopting an inferior technology once it has become an industry standard, outweigh any inherent advantages in the superior technology (Arthur 1989).

more egalitarian society at enforcing gendered norms of behaviour, especially on a gender whose range of options was so small that they all faced similar conditions and so behaved similarly. On the other hand, if women and men begin to identify themselves in less gender-specific ways, so that both see themselves as workers and parents, rather than as mothers and breadwinners respectively, then they will adopt different, less gender-specific norms.

### **Understanding change in caring behavior**

To understand how change happens, we therefore need to consider what factors can increase or decrease people's willingness to care for others according to our different models. Considering the costs and benefits of caring is easiest. In all the models, other things being equal, parents will care more for children if the costs of doing so fall and if the benefits, financial or emotional, to the parent increase. If the costs of caring increase or the benefits fall, parents will be less inclined to devote their time and energy to caring.

In some models, the way people think about caring may also change and so alter their behaviour. We saw that altruism and pleasure in caring for children is a taste that can be developed. In particular, it can be induced by personal experience, 'building up personal capital' as Becker would say, or by living in a more caring society, in which more 'social capital' accumulates.

Finally in the social identity model, not only do all the above factors affect caring behaviour, but caring norms are more likely to be fulfilled when they are in harmony with other norms and apply to a large group of people facing reasonably homogenous conditions.

We can therefore list some factors that should work in favour of a society caring well for its children. They are all relevant only to the model with social norms. Of the rational choice models, as the tenets on individualism are weakened, successively more of these factors can be incorporated:

- 1 The costs for individuals of caring are not too high, in terms of both direct consumption costs and the opportunity costs of devoting time to caring.
- 2 Those who care for children personally benefit from doing so in financial and/or emotional terms.
- 3 Those who care for children are able to build up long-term relationships with those they care for.
- 4 The benefits to society of caring are recognized, so that those who care for children have experience a positive social valuation of the work they do.
- 5 A reasonably strong caring norm, which is not in conflict with other norms of society, places the obligation to care for children upon a sufficiently large group of people under similar conditions.

This list obviously oversimplifies many of the factors involved. Nevertheless, it can be used to analyse two possible ways of improving the care of children. One, the traditional view, attempts to encourage men and women to fulfil their traditional gender-specific responsibilities better. The advocates of such 'family values' appear to have decided that the best way of establishing a breadwinning norm for men and a caring norm for women is through emphasizing gender differences and restricting the

choices open to women, decreasing thereby both the opportunity costs of caring for individual women and their variability.

However, this is not the only way in which children could be better cared for. Another way would be to encourage men and women to identify with each other across gender boundaries by pursuing a greater equality of experience, through developing norms which required both men and women to contribute financially to their children and to care for them. If the above analysis is correct, it is equality of experience that matters in fostering group identity and shared norms. Widening the numbers who contribute time to caring would also reduce the individual costs to those who do and ensure that the opportunity costs are more spread. Greater shared experience of caring could also result in the community at large recognizing better the benefits that it derives from the caring work that parents do, and so being more willing to contribute institutionally and financially to these costs.

To put this in a contemporary context, consider the anxieties which have been expressed in many countries in which gender norms are changing about the care that children receive (Folbre 1994); though not all these anxieties focus directly on gender norms – some are about inadequate diets or educational failings, for example. The analysis above suggests that, once we start moving away from a gender-divided society, in which each gender is expected to make its own specific contribution to the care of children, towards a more equal one, we have to go the whole way if children are to be sufficiently well cared for. If caring is determined by norms, and norms depend on the group with which people identify, then any contemporary deficit of care may have to do with being in transition between a gender-divided society and a more equal one. Effective norms require a well-defined group for them to apply to. In the current transitional situation, women may no longer identify themselves sufficiently as the only ones who should provide all the care that children need, and men may no longer sufficiently identify themselves as the sole breadwinners to provide enough money. Traditional norms of breadwinner father and caring mother may have sufficiently broken down that men and women fulfil neither norm adequately on their own, yet a new egalitarian norm, based on equality of caring and financial support, may not yet be well enough established. If children are to be cared for while such more egalitarian norms are established, society more widely will surely need to contribute more to the care of its children than it does in most economies; this, of course, might also help with those problems children face that are nothing to do with changing gender norms.

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