

Feminist Critique of Joseph Stiglitz's Approach to the Problems of Global Capitalism

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Abstract: In his book *Making Globalization Work*, Joseph Stiglitz proposes reforms to address problems arising from the global spread of capitalism, problems that he asserts are not inherent to globalization or capitalism but are due to the way those systems have been “managed.” Conversely, postcolonial feminist theorist Chanda Talpade Mohanty’s analysis of those same systems demonstrates that capitalism is not compatible with global justice. In this essay I use Mohanty’s analysis to argue that Stiglitz’s proposed reforms would not achieve his stated goals and that the global capitalist system must be dismantled if global justice is to be achieved.

INTRODUCTION

In his book *Making Globalization Work*, renowned economist Joseph Stiglitz focuses on issues surrounding economic globalization, a process characterized mainly by a rise in the flow of capital, goods, and labor between countries of the world, increased integration of countries’ economies, and the spread of capitalism.¹ Stiglitz sets out to establish two arguments: first, that globalization has failed, and second, that this is not because globalization is inherently bad; rather, it is because it has not been managed well. Stiglitz believes that the problems of globalization can be solved while working within the economic system of capitalism. Critiques of capitalism and globalization are widespread in philosophy and other disciplines, and Stiglitz thereby opens himself up to criticism from a variety of angles by taking for granted these two systems from the outset. Feminism, which is a

¹ Joseph E. Stiglitz, *Making Globalization Work* (New York: W. W. Norton & Company, 2007), 44.



diverse collection of ideologies that have historically been very critical of existing dominant systems and structures, represents one possible angle (or set of angles) from which to approach and critique Stiglitz.

In this essay, I will first demonstrate how Stiglitz neglects to defend his choice to remain within a capitalist system when proposing solutions to the problems of economic globalization. I will then use what I see as Stiglitz's shortcomings as a springboard to pursue an exploration of feminist critiques of capitalism. I will focus my investigation on a piece by postcolonial and transnational feminist theorist Chanda Talpade Mohanty entitled "Women Workers and Capitalist Scripts."² I will approach Mohanty's piece in the context of Stiglitz's book and will ultimately use Mohanty's arguments to critique Stiglitz and argue that, while Stiglitz's proposals would undeniably do much to improve the current global order, they ultimately are not radical enough to attain his stated goals. In particular, equity—a concept that must include equity between economic classes and nations, as Stiglitz addresses, but also gender and racial equity—will not be achievable without dismantling the global capitalist system.

MAKING GLOBALIZATION WORK AND STIGLITZ'S LACK OF JUSTIFICATION FOR REMAINING WITHIN A CAPITALIST SYSTEM

In *Making Globalization Work*, Stiglitz analyzes current international practices involving issues of trade, patents, natural resources, global warming, multinational corporations, national debt, and international democratic institutions. He exposes the problems with the current way these matters are being managed, which result in unjust and devastating consequences for many people around the world. He puts forth a variety of reforms that are necessary to alter these negative consequences and achieve "success," which he defines primarily as "sustainable, equitable and democratic development that focuses on increasing living standards, not just on measured GDP."³ It is my opinion that Stiglitz is successful in showing how changes to the current way that globalization is being managed would result in substantial strides towards the success he defines. However, I also think

² Chanda Talpade Mohanty, "Women Workers and Capitalist Scripts," in *Feminist Genealogies, Colonial Legacies, and Democratic Futures*, eds. Chanda Talpade Mohanty and M. Jacqui Alexander (New York: Routledge, 1997), 3-29.

³ Stiglitz, *Making Globalization Work*, 44.

that Stiglitz’s argument is missing some key components. Throughout the course of his book, Stiglitz states and implies time and again that certain systems and processes have failed and that this has happened not because they are inherently bad but because they have been managed poorly. In general, the systems and processes he refers to are capitalism and economic globalization. Yet, in my view, Stiglitz never adequately defends these as free of inherent problems. He simply shows how they could be managed much better than they are currently being managed and how his suggested changes would result in improvements in the lives of many individuals in all countries of the world. I do not think, however, that showing potential improvement is enough. Just because a system could be managed better than it is currently being managed and then result in positive outcomes does not prove that there are not also problems with the system itself.

In short, Stiglitz never defends his implicit stance that spreading capitalist systems around the globe is the best way to achieve his definition of success. This recognition leads us to Chanda Talpade Mohanty’s piece, which represents a position from which to press Stiglitz on this issue.

MOHANTY’S “WOMEN WORKERS AND CAPITALIST SCRIPTS”

Mohanty’s piece is best introduced by first examining her background and perspective in opposition to that of Stiglitz, as well as the context within feminist discourse in which she writes. Both are academics and authors, but Stiglitz’s position as a white American male economist gives him a very different approach than Mohanty. Mohanty describes herself as a “South Asian anticapitalist feminist in the U.S.” and “a Third-World feminist teacher and activist.”⁴ Her form of feminism is “transnational,” meaning it is intersectional: she analyzes systems of oppression from the perspectives of race, class, nationality, ethnicity, ability, religion, and so on, as well as from the perspectives of gender and sexuality. She also works within the academic discipline of postcolonial theory, which focuses on examining the lasting impacts that colonialism and imperialism have on our world today.

In these two works, Mohanty and Stiglitz approach the same subject matter: globalization and capitalism. Although both view the current effects of the global spread of capitalism as generally quite

⁴ Mohanty, “Women Workers,” 4-5.



negative and problematic, in “Women Workers and Capitalist Scripts,” Mohanty offers a fundamental critique of capitalism that directly undermines Stiglitz’s assumptions. In this piece, Mohanty is primarily interested in developing a theory about the potential common interests of what she calls “Third-World women workers” across the globe and in examining potentials for collective organizing as a strategy to achieve justice. As part of her method of arriving at these theories, Mohanty conducts an analysis of historical transformations of gender, capital, and work across the globe. It is this part of her piece that I will focus on, as it represents a perspective from which to approach Stiglitz’s book.

It is important to place Mohanty’s analysis of capitalism in this piece within a particular strand of feminist discourse and theory. Many Marxist, socialist, radical, and other feminists have linked gender and class inequality in order to criticize capitalism by identifying the devaluation of women’s reproductive labor (giving birth, raising children, and performing housework) that is unpaid and yields extra surplus value in a capitalist system. These feminists view this sort of “private” labor as a form of exploitation.⁵ Mohanty is clearly of this same perspective; she writes of the “capitalist script of subordination and exploitation” which “structures the nature of the work women are allowed to perform or precludes women from being ‘workers’ altogether.”⁶ She also writes of the “hidden costs of women’s labor” and the “*systematic* invisibility of [women’s] form of work” that are inherent in a capitalist system.⁷ In other words, Mohanty argues that women’s labor, which is essential to the workings of a capitalist system, is undervalued, underpaid, and, in the case of domestic labor, unpaid. This is a gross inefficiency (“hidden cost” as Mohanty puts it) in the system. Women’s domestic labor both reproduces the next generation of laborers and relieves their male laborer partners from necessary household work like cooking and cleaning so that the men have more time and energy to devote to their paid labor in the capitalist system. Women also serve as a flexible workforce that can take on seasonal

⁵ Ann Ferguson and Rosemary Hennessy, “Feminist Perspectives on Class and Work,” *The Stanford Encyclopedia of Philosophy* (Winter 2010 Edition), ed. Edward N. Zalta, <http://plato.stanford.edu/archives/win2010/entries/feminism-class/>.

⁶ Mohanty, “Women Workers,” 6-7.

⁷ *Ibid.*, 13, 21.

and part-time work, which are typically undercompensated. Mohanty sees these aspects of the capitalist system as fundamental ways that the system exploits women.

Mohanty primarily approaches the issue from a historical perspective, writing that “women’s labor has always been central to the development, consolidation, and reproduction of capitalism in the U.S.A. and elsewhere.”⁸ Mohanty’s perspective is also a global one, as she is especially interested in the effects of globalization and the worldwide spread of capitalism. She argues that the effects of these processes, which are being carried out in an excessively exploitative and dominating way, are devastating to a great majority of the world’s population. Furthermore, she claims that women workers in the Third-World (the term she prefers over “developing world”) are disproportionately harmed.⁹ Mohanty views these women as occupying a position that “*illuminates* and *explains* crucial features of the capitalist processes of exploitation and domination.”¹⁰ Mohanty argues that these “crucial features” ultimately prove that the problems with capitalism run so deep as to make a capitalist system incompatible with gender equality.

One of the “crucial features” Mohanty writes about is a process by which capitalist systems build upon the historical ideologies, exploitative systems, and social hierarchies of specific locations and then simultaneously transform and consolidate those circumstances into “new modes of colonization.”¹¹ Thus capitalism across the globe is built upon, benefits from, utilizes, enforces, codifies, and is inextricably linked to various systems of oppression that have existed in localities for generations upon generations. Mohanty uses three case studies of women workers to illustrate the various forms this process takes in different locations around the world. For example, in a case of immigrant women in Silicon Valley, Mohanty shows how historical gender, race, and ethnic hierarchies in the United States have interacted with a capitalist system to enforce exploitation of the workers. One specific instance is industry leaders seeking cheap labor from Asian immigrant women by defining jobs as unskilled, “requiring tolerance for tedious work,” and supplementary. These industrialists

⁸ Ibid., 9.

⁹ Ibid., 10.

¹⁰ Ibid., 7.

¹¹ Ibid., 6, 11.



view Asian women as “more suited” to tedious work (because of a stereotype of docility) and in need of activity to “supplement” their primary activity as homemakers.¹² In this way, the capitalist system in the U.S. works together with structures of gender and race-based oppression in a manner that intertwines the systems into a hierarchy of domination. Mohanty believes that gender and racial oppression cannot be eliminated without overhauling the entire “system,” which includes a capitalist economy.

APPLYING MOHANTY’S ANALYSIS TO STIGLITZ’S *MAKING GLOBALIZATION WORK*

When read in light of Stiglitz’s book, Mohanty’s condemnation of global capitalism draws attention to some critical issues. In his book, Stiglitz demonstrates the many ways that market systems absolutely fail in real-world application, and he elaborates on the ways in which they therefore need to be regulated. Drawing attention to these many failings begs the question: why is it useful to stay within a market system in the first place? Why is a market system better than any other? Because he does not ever explicitly defend his reasons for offering a solution to global problems that stays within the existing economic system, one can only assume that Stiglitz takes it as a given—and believes his readers take it as a given—that capitalism is the best way of achieving “success” as he defines it: “sustainable, equitable and democratic development that focuses on increasing living standards, not just on measured GDP.”¹³ However, Mohanty’s analysis—which is situated within an established tradition of feminist, Marxist, and socialist works that similarly critique capitalism—shows that capitalism is not accepted as a given by many of a significant strain of thought. Given this, Stiglitz needs to find a way to defend his position that the problems that exist in the world do not stem from capitalism itself and his implicit stance that the best way to achieve his aforementioned view of success is to remain within a capitalist system.

Does Stiglitz have the tools to do this? Could he adequately defend a capitalist system against feminist critiques like Mohanty’s? In order to be fair to Stiglitz, we must consider what sort of response he might have to such critiques, because he clearly believes that capitalism is the best option, even if he does not explicitly state why in this piece.

¹² Ibid., 14-18.

¹³ Stiglitz, *Making Globalization Work*, 44.

It is likely that in defense, Stiglitz would point out the benefits of a capitalist system, such as the freedom it gives individuals to live out their own conception of the good life and to make choices, the ways in which it rewards hard work and productivity, and how it advances innovation and growth. He might also point to the way in which it generates wealth, including in many of the countries he is most concerned with. Even though he views the people of those countries as mostly being exploited, he recognizes the overall improvements in quality of life over time that they have experienced in part as a result of the spread of capitalism. For instance, he discusses at length the benefits that the global spread of capitalism brought to East Asia, primarily in helping to lift many countries out of poverty. He also argues that this was not achievable without extensive government regulation of the markets, but he is clear that “export-led growth” (globalization and capitalism) is what helped bring those regions to where they are today.¹⁴

Nevertheless, I think that even given these considerations, Mohanty and many other feminist and postcolonial theorists would not accept Stiglitz’s favorable view of capitalism. Mohanty shows that equity—one of Stiglitz’s stated goals—cannot be achieved unless the global capitalist system is undermined. She emphasizes the ways that capitalism necessarily devalues women’s work and the way it has interacted with existing systems of oppression to enforce subjugating structures. In this context, she might also point out that viewing Western influences and interventions as the keys to “improving” non-Western nations plays into common imperialist narratives. Such a view ignores the devastating impact that centuries of colonialism has had on non-Western societies and then gives credit to the West for “saving” those countries from the poverty that the West played a role in creating in the first place. It presents Western cultures as progressive and enlightened and non-Western cultures as backwards and primitive. It also overlooks the context in which “progress” was made; it disregards the other possible downsides that come along with the spread of market systems and uses a Western value system to define “progress” and “development” by highlighting qualities like individual freedom, growth, and innovation.

Stiglitz is not totally unaware of these issues. He heavily criticizes the Western fixation on GDP (gross domestic product) as a measurement of success. He emphasizes the need to ensure

¹⁴ Ibid., 30-35.



economic equity between members of a nation and not just strive for overall increases in a country's total wealth. Stiglitz also discusses the importance of improvements in life expectancy, infant mortality rates, levels of education, and quality of life, all generally neutral and widely-accepted measurements of a population's well-being.¹⁵ However, even these measurements reveal Stiglitz's bias as an economist. He is very focused on inequality between the poor and the rich; he also concentrates on inequalities between nations. He recognizes the adverse effects of globalization that members of non-Western nations and the global poor experience, but he fails to recognize the adverse effects globalization and capitalism have on other oppressed groups such as women, persons of color, and ethnic minorities. In his discussion of measurements of a country's well-being, gender- and race-based equality are not mentioned, even though worldwide, levels of poverty, health, quality of life, and education (the issues he is most concerned with) are directly correlated with gender and race. A variety of other issues are as well: freedom to work, susceptibility to violence, and representation in the public sphere, to name a few. Mohanty makes it clear that inequalities such as these are linked to the capitalist system so strongly that the system is incompatible with global justice and must be dismantled.

CONCLUSION

In this essay, I have analyzed two works that approach the problems of globalization and the spread of global capitalism from very different angles. Chanda Talpade Mohanty views capitalism as detrimental to those most affected by intersections of oppression, such as non-Western women. Her arguments undermine Joseph Stiglitz's acceptance of capitalism as a system within which to enact reforms. Mohanty would no doubt welcome many of the changes that Stiglitz recommends; however, she would also no doubt believe that his reforms would ultimately not be enough to reach true global equity. Theorizing about such a goal requires critically examining systems of oppression on the basis of gender, race, nationality, class, and other intersections of identity, and ultimately it requires working to overhaul the capitalist system itself.

¹⁵ Ibid., 43-46.