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Source: *World Review of Political Economy*, Spring 2020, Vol. 11, No. 1 (Spring 2020), pp. 95-114

Published by: Pluto Journals

Stable URL: <https://www.jstor.org/stable/10.13169/worlrevipoliecon.11.1.0095>

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CLASS, DEMOGRAPHY, AND GAY POLITICS IN THE WEST

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Abstract: We examine the economic position of gay couples and show that they are relatively advantaged compared to heterosexual ones, with this advantage being most marked for male same-sex couples. We argue that the issue of gay marriage has to be seen in the context of a general demographic crisis affecting Western capitalist countries. We look at the impact of this on profitability and growth.

Key words: class; gay economics; demographics

1. Introduction

Homosexuality used to be considered an aberration in much of the world before the First World War (Hickson 1991). Homosexuals were often incarcerated or forced to participate in “rehabilitation” efforts using chemical measures (Hayes and Ford 1995).

It has clearly been a long hard struggle for same-sex couples to be accepted and to have their partnerships legally recognized. In many countries, nothing has changed; it is still dangerous to be publicly homosexual.¹ Some countries, however, have come a long way in decriminalizing homosexuality and legalizing same-sex marriage. Because this paper’s focus is on the economic impact of gay marriage, we will focus on developed countries in this respect.

When a minority group, such as homosexuals, have to struggle for so long to gain equality, a narrative is established about their difficulties and challenges. This narrative can, over time, become so entrenched that it no longer reflects reality, and does not adapt to changes in societal attitudes and norms. The narrative of the

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gay community, as being side-lined and disadvantaged, might well need to be challenged in the progressive countries of 2021. In this paper we will examine the economic effects of gay co-habitation. We do not seek to underplay the inequities of the past or the struggle gays have faced. What we want to do is to reground the narrative, at least with respect to economic reality: in fact, rather than in accordance with the established narrative.

Section 2 discusses the economic position of gays and lesbian couples. The issue of unpaid labour being carried out by women in traditional partnerships cannot be ignored in an economic sense, and section 3 explores this. We then discuss the existential crisis of capitalist society in section 4. Section 5 brings all the threads of the paper together to conclude our treatise.

2. Economic Standing of Gay and Lesbian Couples

It is worth considering whether there is any relationship between class and homosexuality in countries where the primary political division has traditionally been on a class axis. We will, in this section, rely upon statistics from several developed economies.

One's first thought might be that gay politics, for example a campaign for gay marriage, is independent of, and unrelated to, class. One might consider that gays would be as common in the wealthy propertied classes as in the working classes. Thus, whether a person is wealthy or poor would presumably have no impact on whether they support gay marriage, or not. It could be postulated that people from all classes would benefit from gay marriage. Figure 1 shows how this intuition considers the situation to be.

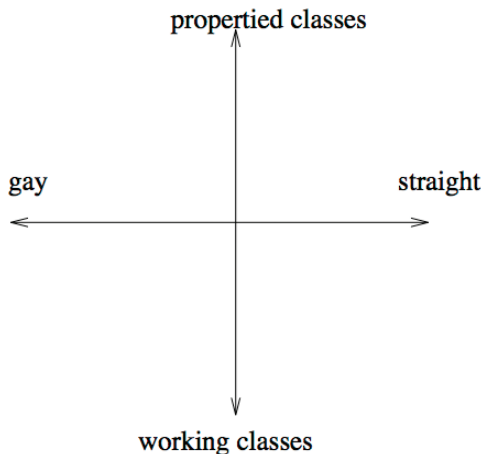


Figure 1 First Possibility, Gay Issues Being Orthogonal to Class Ones

The empirical sociological literature suggests that this intuition is misguided. It becomes clear that the issue of gay marriage is indeed connected to class interests, but not in the way that advocates of identity politics imply. There is a connection, but it is that the interests of gays are slightly aligned with those of the propertied class rather than being independent of conflicting class interests. The real situation is more like that shown in Figure 2.

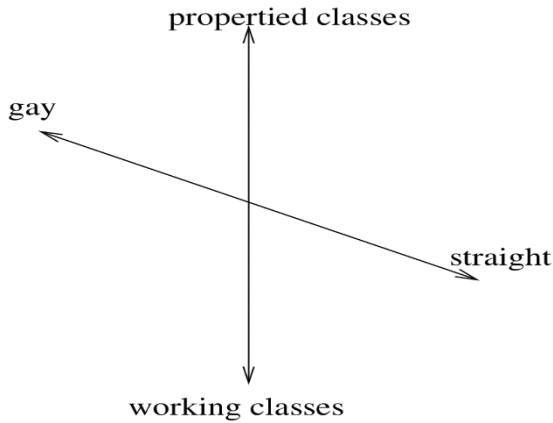


Figure 2 Second Possibility, Gay Issues Partially Aligned with Class Issues

We think that a plausible economic argument can be made that the political gay movement expresses middle and upper-class interests. We will, in this paper, try to construct an argument to this effect. We will focus on the mean class position of homosexual men and show that this puts them in the top 10% of the population. Moreover, this economic position is not incidental, but is closely connected with the gay male mode of life. Note the specificity: the argument does not apply to lesbians who have a quite distinct and different economic class position.

2.1. Economic Class

2.1.1. How Does One Define Class Position?

If we restrict ourselves initially to the Marxian tradition of class analysis, then the idea of class is fundamentally tied to the concept of exploitation. At its most basic, the distinction between exploiting and exploited classes rests on whether a person receives goods and services involving more labour than they contribute to society. This is a general definition that applies across all class societies: slave, feudal, or capitalist. If you get back more than you put in, in terms of labour, then you, at least partially, benefit from exploitation of others.

The structure of society rarely reduces to only two classes. In between clearly exploiting and clearly exploited groups, there is usually a whole series of intermediate ranks. For example, the China of the first half of the twentieth century had landlords and capitalists as clear exploiters and poor peasants and industrial workers as clearly exploited. However, between these, there were a number of middle strata: “owner-peasants, the master handicrafts men, the lower levels of the intellectuals—students, primary and secondary school teachers, lower government functionaries, office clerks, small lawyers—and the small traders” (Mao 1960, 15). Within these middle groups there were some who “have some surplus money or grain, that is, those who, by manual or mental labour, earn more each year than they consume for their own support” (Mao 1960, 15) and some whose position was declining.

Some Western countries still have classes of very wealthy landlords. In Scotland, for example, around 400 landowners own half the country (Monbiot 2014). All Western countries have classes of wealthy capitalists, whose share of national wealth has been increasing over the last 50 years (Piketty 2014, chap. 5), and all Western nations have a large working class whose share of wealth and income has been falling during the same period. Unlike early twentieth-century China, wage and salary earners make up the biggest fraction of Western populations.

It is important to realize that whether someone benefits from exploitation is not down to the legal form of their income. A person may formally be an employee and still benefit from exploitation of others. Obviously, this applies to a manager or public official on £250,000 a year. The question is: where is the borderline?

It is not always trivial to pinpoint the cut-off position. Merely considering wage income is obviously too simplistic. People may have property income as well, and on the negative side they may be exploited by banks to whom they pay interest, or landlords to whom they pay rent. However, simple income figures give you a first cut. An approach is to look at the share of wages in national income, then to consider the mean wage. Someone on the mean wage will be exploited by the average amount. In 2009, for example, the UK wage share was 53% (Marquetti and Foley 2012) and the average salary was £26,450,² which implies that the average employee generated a surplus value of £23,450, giving a total value created per employee of just under £50,000, so anyone earning above this was not exploited.

Because the distribution of income is uneven, the mean wage in 2009 was well above the median adult income which was only £16,400, and 67% of adults had an income of less than the average wage. About the top 10% of Britons, that year, had an income above the exploitation threshold of £50,000 (Marquetti and Foley 2012).

2.1.2. What Does It Mean to Say Someone Is Middle Class?

Can we consider a person on the median income of £16,000—in the middle of the income range—middle class? In strict statistical terms it might seem so, but socially that makes no sense. A middle-class status used to be associated with the self-employed professions or small business people, who were not exploited, nor were they employers of labourers. In terms of the current income distribution, that would be people earning around the exploitation threshold, say in the range of £45,000 to £73,000, above which a person was receiving the value they created, plus the surplus value created by an average worker. Above that level, they can reasonably be said to be in the lower ranks of the upper class.

This comprised roughly the distribution from the 88th to the 96th percentile of the UK income distribution, or 8% of the population. If you are in the top 10% of the population then you are either comfortably middle or upper class.

2.2. Economic Class and Sexuality

The literature on class attitudes shows that working class people are more likely to be hostile to homosexuality, and people from higher social classes more likely to be favourable or tolerant towards homosexuality (Andersen and Fetner 2008; Embrick, Walther, and Wickens 2007). Second, published data show that gay couples are, on average, significantly better off than straight ones. On both attitudinal and economic grounds therefore, the gay-straight polarization axis, rather than being independent of the class polarization axis, as in Figure 1, turns out to be tilted, as shown in the second figure. To readers in Britain or Ireland, the sympathy of the propertied establishment for gay rights is old news. Conservative Prime Minister Cameron was a strong advocate of gay marriage.³ The Scottish leader of the Conservative Party, an open lesbian, recently married.⁴ Prince Harry and his wife, Meghan, came out in support of LGBT rights.⁵ In France, the gay vote is disproportionately going to the far-right Front National party (Halliburton 2015). From the evidence that follows, such alignments are to be expected as demonstrating the usual tendency for economic and class interests to express themselves.

There is a large body of data establishing that the gay population is disproportionately drawn from the middle and upper middle class, with, as a result, a disproportionately small proportion being working class. In the United Kingdom, a study showed that, whereas only 16% of men had university degrees, 36% of gays had them (Arabsheibani, Marin, and Wadsworth 2005). Where only 5.5% of all men had professional or managerial jobs the proportion among gay men in the United Kingdom was 9%. In the United States, where educational opportunities

have traditionally been better than the United Kingdom, a study of couples showed that 43% of gays and lesbians had college degrees, whereas only 28% of straight men and 26% of straight women had such degrees (Black, Sanders, and Taylor 2007). Similar results come from other studies (Berg and Lien 2002; Billy et al. 1993). Given this difference in jobs and education, one would expect that there would be a significant economic disparity between the position of gay and straight families.

A large Swedish survey of 1,029,420 heterosexual and 940 gay and 968 lesbian couples found that gay couples had the highest incomes (Ahmed, Andersson, and Hammarstedt 2011). They show that gay couples earn more than heterosexual couples who, in turn, earn more than lesbian couples. This is unsurprising since male earnings are pretty consistently higher than female ones,⁶ so an all-male household would be expected to earn the most and an all-female one the least. No attempt is made in this survey to compute the *per capita* incomes of different household types, i.e., to take into account non-earning dependants, principally children, but also older relatives. To do this, one would have to know the average family size for the different households.

Black et al. (2000) provide data on the proportion of heterosexual and homosexual couples with 1, 2, or 3+ children in their households. This is for the United States, but it is possible to use their data to compute the mean household sizes for different types of couples (Table 1).

Arabsheibani, Marin, and Wadsworth (2005) produce data for hourly rates of pay for men and women in the United Kingdom who are in either gay or married heterosexual couples. This broadly reproduces the results of Ahmed, Andersson, and Hammarstedt for Sweden, in that he showed that the median wage of gay men

Table 1 US Family Size by Category

<i>Children</i>	<i>gay couple</i>	<i>Married hetero couple</i>	<i>Unmarried hetero couple</i>	<i>lesbian couple</i>	<i>men single</i>	<i>women single</i>
0	0.948	0.408	0.638	0.783	0.952	0.77
1	0.03	0.224	0.181	0.126	0.029	0.101
2	0.012	0.23	0.11	0.05	0.014	0.076
3	0.011	0.138	0.071	0.04	0.005	0.045
Total	0.087	1.098	0.614	0.346	0.072	0.388
family size	2.087	3.098	2.614	2.346	1.072	1.388

Source: Calculated from table 11 in Black et al. (2000).

in couples was higher than that of heterosexual married men, which, in turn, was slightly above that of lesbian women, who, in turn, earned more than married heterosexual women (Table 2). He does not estimate incomes of couples. This cannot be assessed merely by adding the hourly wage rates of married men and women, first because of the lower employment rate of married women (71% against 85% for women in lesbian couples and 87.5% for men in gay couples), and secondly because married women have lower working hours (Kaufman and Uhlenberg 2000; Blau and Kahn 2007).

However, if we did simply add the mean hourly pay of the married men and women, scaled by activity rates, and divided that by an estimated family size, we can estimate the mean hourly pay per family member. Table 3 provides such an estimate for the United Kingdom, and Table 4 corresponding estimates for Sweden. Both tables depend on the use of family size estimates derived from Black et al. (2000). We can expect the relative family sizes of gay, lesbian, and heterosexual married couples to be similar across countries at comparable stages of development. Although the exact divisors that should be used will vary from country to country, the ordering that we obtain of *per capita* income is: gay couples > lesbian couples > heterosexual couples will be robust.

Table 2 Comparison of Median Hourly Wages of Gay and Heterosexual Individuals in the United Kingdom, Year 2000

	<i>Same sex</i>	<i>Heterosexual married</i>
Men	£10.10	£8.90
Women	£8.70	£6.20

Source: Arabsheibani, Marin, and Wadsworth (2005). Note that the figures in both cases are for cohabiting couples.

Table 3 Estimate of *Per Capita* Incomes in Gay and Straight Couples in the United Kingdom

	<i>Gays</i>	<i>Lesbians</i>	<i>Married men</i>	<i>Married women</i>
Mean pay rate	£11.70	£10.10	£10.70	£7.60
Activity rate	0.87	0.85	0.84	0.71
Product	£10.18	£8.58	£8.99	£5.40
Per couple	£20.36	£17.17	£14.38	£14.38
Scaled by family size				
<i>Per capita</i> hourly income	£9.75	£7.32	£4.64	£4.64

Sources: Mean pay rates and activity rates from Arabsheibani, Marin, and Wadsworth (2005), family size estimates derived from Black et al. (2000).

Table 4 Incomes of Gay, Lesbian and Heterosexual Couples in Sweden (unit: SEK)

<i>Type of couple</i>	<i>Gay</i>	<i>Lesbian</i>	<i>Heterosexual</i>
Mean income of couple	584,000	464,000	532,000
<i>Per capita</i> adjusted for family size	280,000	197,000	190,000

Sources: Ahmed et al. (2011); Black et al. (2000).

We are able to derive figures for *per capita* income for gay, lesbian, and straight couples in the United States from the data in Black, Sanders, and Taylor (2007) giving the same ordering. Again, the *per capita* income of gay male couples is highest, followed by lesbian couples, followed by heterosexual couples (Table 4).

The figures for the United Kingdom in Table 2 show a two to one advantage in *per capita* incomes for gay as opposed to straight couples. If we combine this with Arabsheibani's figures for the distribution of wages by deciles, we see that this means that the median gay income is as high as the top decile of heterosexual family incomes. Only the top 10% of straight families are as well off as a mid-income range gay couple. This amounts to an appreciable class difference.

3. Unpaid Social Labour by Straight and Gay Couples

The analysis, so far, has only dealt with the market economy and earnings obtained there. The family is also a place where work is done: the so-called domestic economy. Indeed, this is the original meaning of economy: management of the household. This work does not assume monetary form, either because it is entirely private (a person cooking their own meal) or because, although it is social (looking after children), it occurs under non-capitalist relations of production. Even the "private" work of a person feeding themselves is, in a sense, socially necessary labour since, without such food preparation, the population would starve. Shopping, cooking, cleaning, and washing are all activities that take place whether the household has children or not and are thus not relevant in the comparison of different household types.

On the other hand, childcare time will vary according to whether the household has children, or not, and depend also on the number of children they have. Much of the available data comes from North America. Statistics Canada (2011) gives figures which show that in the average family with children the mother spends 2.55 hours a day in childcare and the father 1.55 hours a day, to give a total per couple of 4.1 hours. On the assumption that Canadian and US household time budgets are similar to those in the United Kingdom, we have computed the expected number of hours of childcare time in different categories of family, weighting 4.1 hours a day by the probability that the household has children (Table 5).

Table 5 Estimates of Gay, Lesbian, and Straight Couple's Incomes and Contributions of Unpaid Labour for the United States 2007

	<i>Gay</i>	<i>Lesbian</i>	<i>Straight</i>
Mean couple income	\$82,000	\$66,500	\$65,700
Mean family size	2.144	2.356	3.173
Per capita income	\$38,259	\$28,234	\$20,700
Unpaid SNLT hrs/yr	74	329	882
Bourgeois value	\$567	\$2,495	\$6,692
Marxian valuation	\$2,324	\$10,229	\$27,433
Derivation of Marxian valuation			
US per capita GNP 2007			\$46,000
Participation rate			63%
GNP per participant			\$73,000
Paid working week, hours			47
Hours per year			2,350
Value created per hour of labour			\$31

Sources: Incomes derived from Table 5 in Black, Sanders, and Taylor (2007), and family size is derived from Table 2 in the same paper. Bourgeois valuation of unpaid labour follows the valuation of Colman and Atlantic (1998) and is in 1998 \$Can. Hours per year unpaid Socially Necessary Labour Time (SNLT) derived from figures for daily childcare by men and women couples in Statistics Canada (2011) weighted by the probability that a given family type has children (Table 1).

From this we see that straight couples perform much more unpaid socially necessary labour. The obvious question is: how much is this labour worth? One approach, taken by Colman and Atlantic (1998), was to value childcare labour at the rate of pay of childminders in private childcare businesses. That would conflate the value of labour power with the value *created by* labour and, from the standpoint of orthodox economics, it also underestimates the impact of withdrawing this much-needed labour from the market economy. Workers are only paid a fraction of the value they create, so valuing unpaid labour at the prevailing wage rate is a serious underestimation of the value that that labour would have created were it deployed in the market sector. It amounts to the assumption that there would be no additional property income were the effective labour force to increase. Adding the equivalent of millions of additional full-time workers to the market economy would generate additional value flows that would filter through to profit, interest, tax revenues, etc.

A better estimate is the monetary equivalent of social labour time, as is presented in the subsidiary table. This gives a figure of about \$31 value created per hour by US labour in 2007. Scaling the unpaid childcare labour in families by this gives the bottom line of Table 5. We see that whereas the average gay couple did unpaid social labour with a value of about \$2300 a year, the average straight couple did unpaid social labour to a value of over \$27000 a year, more than ten times as much. Of that labour, about \$17000 worth is done by the mother, and \$10000 worth by the father.

It could be argued that this is an unfair comparison; that having children is a private decision and it is nobody else's business if a gay couple do not want to have children. Why should they work to create labour power for the capitalist system?

The reality is that having children is, in part, a private decision although social expectations play a huge role in the decision (Cheung 2002; Billari et al. 2010). However, things can be simultaneously private and social. Commodity production rests on this kind of duality: commodities are produced by private individuals and firms, but they are produced to meet social needs. Children are produced as a result of private actions but once they are grown up, they constitute the future society, and via their work, support that society. A person who, due to choice or circumstance, has no offspring, depends for their day to day existence on the offspring of others. It may appear that, by saving for their old age, they have provided for themselves. But this is a monetary illusion. You do not save for your old age by putting cans of beans and sacks of flour in a cellar to sustain you; instead, you rely on freshly produced food, clothes, etc., produced by the labour of the generation that follows you. If you rely on a state pension, then the next generation will be taxed to support you. If you have a private pension, it will be invested in government bonds to produce interest. That interest will, again, come from tomorrow's tax payers. If it is invested in shares, then the pension will come from the employment of tomorrow's workers.

The unpaid labour of raising children, labour predominantly done by mothers, is socially essential and all the current generation, whether they have children themselves or not, benefit indirectly from it. Gay activists are wont to identify their campaigns with campaigns against women's oppression, but the economic analysis so far shows that this concept is fallacious. Not only are gay couples financially better off, they also, in the main, often opt out of the socially necessary unpaid labour that is at the root of the disadvantaged position of women/wives. The establishment and normalization of gay marriage will tend to increase the inequality of men and women in this respect. Insofar as a portion of the male population were once covert homosexuals, who would have hidden their preferences, married women and helped to bring up children, they can now move directly into a respectable gay marriage where they are statistically very unlikely to do any unpaid child raising work. The net effect is obviously to accentuate the disparity

between men and women and shift even more of the burden of raising the next generation onto women.

The economic basis of marriage is not love. As both experience and the tradition of romantic literature tell us, you do not need to be married to love, and many marriages continue despite an absence of love. The legal institution of marriage regulates, on the one hand, rights and duties with respect to children, and on the other, the sharing of various juridical assets. These include both direct ownership of dwellings, instances where there are heritable tenancies, and personal rights to other public and private benefits: pensions, insurance, citizenship. Two processes operating over the last decades may have made the juridical asset aspect of marriage more attractive. The first of these is just the cumulative result of the economic advantage that gay couples enjoy. It enables them to accumulate property faster than other couples, so they have more to share on the death of a partner. Gays are twice as likely to own dwellings in the highest property band as heterosexuals. Black, Sanders, and Taylor (2007) showed that over 34% of middle-aged gays owned houses in the highest property band as against under 16% of married men and women of the same age. We have been unable to find statistics on ownership of financial assets, but one would expect, from the big income disparity, to find a similar bias there. At the same time, the advance of privatization, neoliberalism, and the undermining of universal health and social benefits increases the importance of heritable or shareable private insurance rights.

Couples seeking to protect their relationship and family through wills and other mechanisms in the absence of a marriage contract need significant resources, including knowledge and money. This is equally the case in the dissolution of a relationship not recognised by the state, where only those with these same resources can pursue an equitable distribution of joint assets. (Bhroin 2009)

The conclusion from the evidence, so far, is that the gay marriage movement is fundamentally conservative, aimed at the securing of relatively privileged property ownership and it makes the relative position of women in society slightly worse.⁷ The economic effects are small since the affected population segment is tiny, but the debate on gay marriage takes on a prominence way beyond any direct socio-economic effect that it may have.

4. Relation to the Existential Crisis of Capitalist Civilization

Capitalism is gain-driven, run with the aim of monetary gain. This drive may seem far removed from issues of marriage and sexuality, but it can be argued that, from the standpoint of classical political economy, they are closely related, and that,

ultimately, monetary gain is a demographic question. Monetary quantities, say the classics, are the abstract symbolic representation of relations between people.⁸ Profits are measured in money, but this is only a “nominal measure”. The value of money changes over time, so the real measure of profit, or any other sum of money, is the amount of labour that it will exchange against.⁹ It is of no advantage to a firm if their money profit goes up, but the amount of labour that this commands actually falls.

If we want to ask what, in the long run, and at the level of society as a whole, determines the possibility of making a profit, we need to use an invariant measure, so we will express things in labour magnitudes rather than money magnitudes. This is similar to the assumption made by Keynes that national income be measured in employment quantities.¹⁰

Let P denote the total profit in the economy, N the number of full-time equivalent workers, and w the wage expressed as the fraction of a full-time equivalent working year required to produce the goods consumed by the average labourer. We then have

$$P = (1 - w)N$$

The dimension of P is millions of full-time person years per annum, which is obviously the same as millions of full-time equivalent persons. We can view this as the population which produces those goods purchased out of profits. The reality of profit, behind the screen of money, is the millions of people whom it commands: the producers of luxury goods, tax advisers, servants, plus the people working to produce new capital goods whose wages are paid out of reinvested profit. Capital stock is the accumulation of past labour, it can be accounted for in terms of the working years it took to produce. The rate of profit per annum, r , is then given by

$$r = \frac{P}{K}$$

K is the capital stock measured in millions of person years. The dimension of r , persons/person-years, is t^{-1} as we would expect. Over time r will fall if the rate of growth of K exceeds the rate of growth of P , that is to say, if the capital stock grows faster than the population available to produce profit goods.

The main determinant of the rate of growth of P will be the growth of the working population. A secondary influence will be any change in the wage share, w , over time. The lower w falls, the less significant the impact of a given percentage reduction in w . A working assumption for the long term is that proportional rate of change of profit is given by the rate of growth of the population, n ,

$$n = \frac{\dot{N}}{N} = \frac{\dot{P}}{P}$$

In the early stages of capitalist development, it grows very rapidly. In nineteenth-century Europe this was as a result of improved food supply after the agricultural revolution. In the twentieth century the same process was experienced in many third-world countries, as a result partly of the Green Revolution, and also of medical advances limiting infant mortality. This phase of rapid population growth is the first demographic transition as societies moved from patriarchal agriculture to capitalist or socialist industrializations.

Later, with the elevation of the social status of women, the abolition of child labour, and with education becoming costly, family sizes shrink. In highly developed capitalist countries the population stabilizes or even starts to decline, in a second demographic transition. What is the implication of this?

So long as population was expanding there existed the possibility of a positive equilibrium rate of profit so long as capital stock grew no faster than the working population.

The growth rate of capital stock is given by:

$$\frac{\dot{K}}{K} = \alpha r - g - \delta$$

where α is share of profit going as accumulation, g the growth of labour productivity which has a negative effect since it accelerates the obsolescence of existing capital, and δ the rate of depreciation. It follows that the equilibrium rate of profit is:

$$r^* = \frac{n + g + \delta}{\alpha}$$

But if population stabilizes, $n = 0$ and the rate of profit falls to a level only sufficient to cover depreciation plus a boost term due to improvement in labour productivity. But the general trend is for technical improvements to slow down over the course of the development of a capitalist economy (Eichengreen, Park, and Shin 2012; Marquetti 2003; Edgerton 2011) so economies with stable or falling populations like Japan have very low rates of profit. This tendency for the rate of profit to move to zero after the second demographic transition lay behind the crisis of 2008 and the ever-lower rates of interest prevailing since then—negative rates in Japan (Figure 3). To maintain population, a country needs a total fertility rate of just over 2 children per woman. In the European Union, in 2013, it had fallen to 1.55. This implies a negative growth rate of population and a long-run negative rate of return on capital. One cannot assume that pro-natalist arguments will fall on deaf ears across Europe in the future.

In contrast, South Africa has had a rapidly rising workforce, which has, moreover, been growing at an accelerated rate. The effect of a rapidly growing

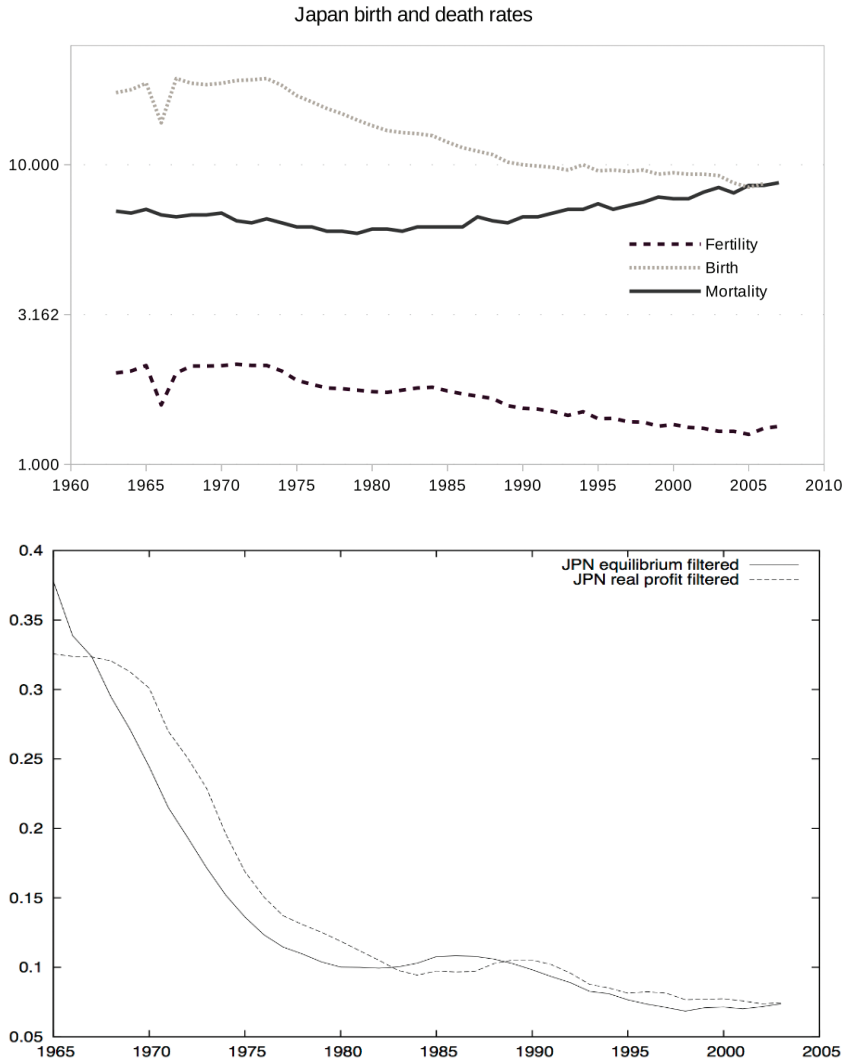


Figure 3 Top, Evolution of the Birth Rate and Death Rates in Japan. Bottom, Evolution of the Actual Profit Rate and Dynamic Equilibrium Profit Rate in Japan

Source: Produced by T. Tadjadinov from the Extended Penn World Table (Marquetti and Foley 2012, ver. 4.0).

population is most strikingly seen if we contrast an emerging capitalist economy like South Africa with a mature one like Japan. As Figure 4 shows, instead of falling, the South African profit rate rose rapidly from the 1970s. A similar pattern is seen in other African countries like Egypt (Zachariah 2009).

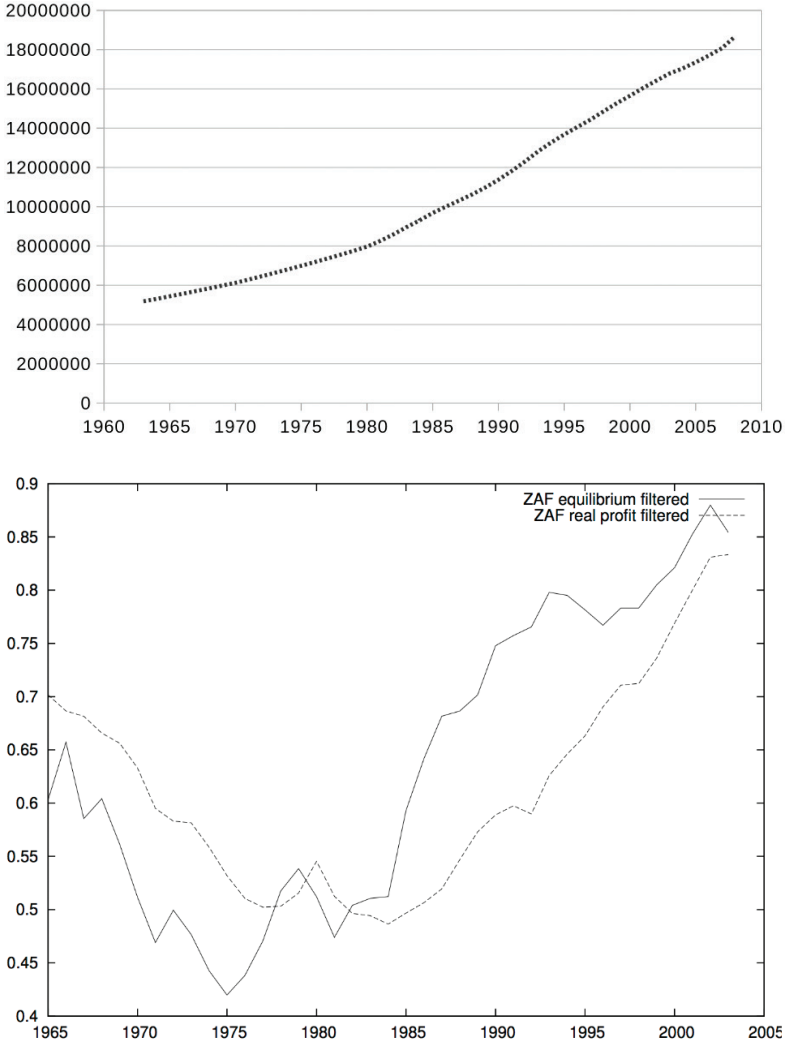


Figure 4 Top, South African Employed Population. Bottom, Profit Rate

Note: The acceleration of employed population growth allows a rising rate of profit. Compared to Figure 5 the absolute rate of profit on capital stock in South Africa is about 4 times as high as in the UK.

Source: From Extended Penn World Table (Marquetti and Foley 2012, ver. 4.0).

In such nations the capital accumulated each year is insufficient to keep up with the rising population, so the capital to labour ratio falls. A lower capital to labour ratio then gives rise to a higher rate of profit. Ultimately it is sex that drives capitalism. The soaring profit rate in South African capitalism is driven by the much

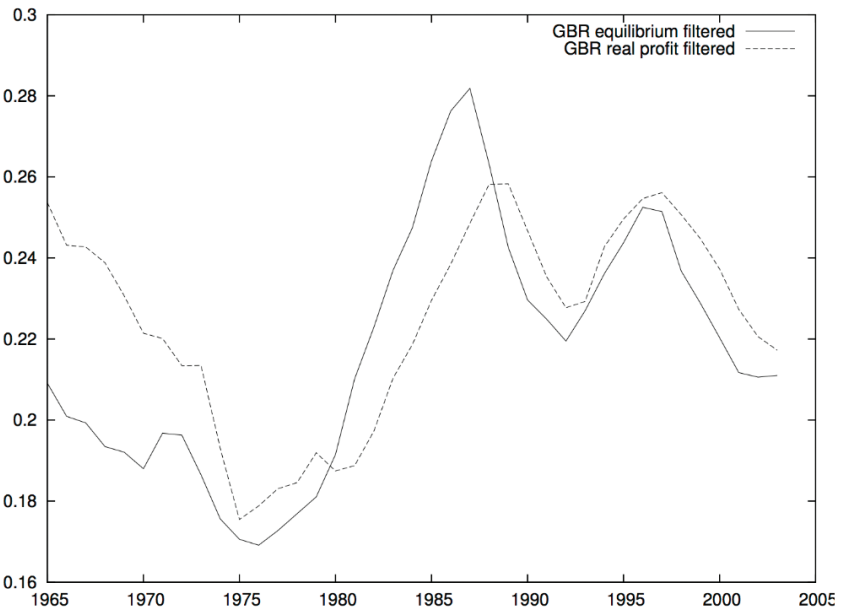
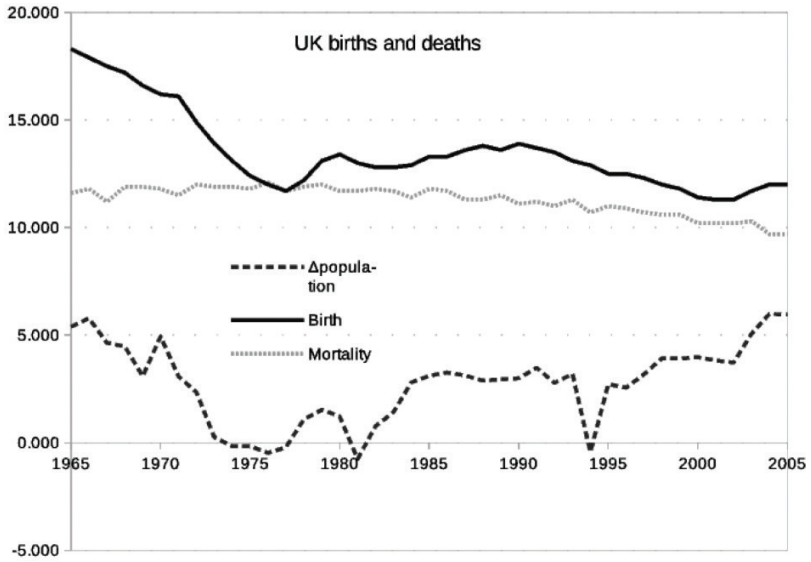


Figure 5 Top, Evolution of the Population Growth. Bottom, Actual Profit Rate and Dynamic Equilibrium Profit Rate in the United Kingdom

Note: The tracking of the profit rate and the rate of population change. Unlike Japan, the UK workforce is significantly affected by net immigration. Bottom produced by T. Tadjadinov. Top from Extended Penn World Table (Marquetti and Foley 2012, ver. 4.0).

greater sexual productivity of South African women. South African fertility was still 2.5 in 2008 against only 1.3 in Japan. But South Africa is already on the path towards capitalist maturity. Its 2008 fertility rate was only half what it was 40 years earlier. In other African countries the demographic transition is barely starting. In Nigeria, fertility in 2008 was a huge 5.7 children per woman, in Zambia 5.8, in Tanzania 5.6. Equatorial Africa is, in the early twenty-first century, capitalism's last best hope of profitability.

Although, on food security grounds, it may be advisable not to have a continually growing population, that does not mean a shrinking population should be the goal. We have said that a falling rate of return on capital is one way in which a stagnant population expresses itself in a market economy. The low rate of return suppresses investment and prevents full employment even of a declining workforce. This effect is specific to a free market system. Other economic models, where returns were not the goal, might be able to sustain full employment in the face of low rates of return. But any system would face problems if the population went into continuous decline. A society with a birth rate below reproduction levels has a skewed age structure with a disproportionate number of elderly households. Supporting them is bound to depress the living standards of those still working. To avoid this, one needs an average reproduction rate of about 2.1 children per woman.

We have used references to Keynes and Smith to frame our argument here, but that is not critical. We could have used Marx (Freeman 2015) or Solow (1956). The conclusion remains. The second demographic transition undermines the viability of capitalism. What appears at the level of finance, as a problem of the rate of return, is driven by something failing at the most basic level of social reproduction. In a capitalist economy the low rate of return expresses itself as a driving force for recession (Carchedi and Roberts 2013) and secular stagnation in investment. The low rate of return hits annuities and pension funds, and is a factor contributing to the drive to eliminate final salary pensions. This, too, has an incidental relation to gay marriage. In a pre-industrial society, the great bulk of the population depended on their own children to help on the farm and support them when old, and the wealthy, who had servants to do the work, wished to pass on their estates. In such societies the demand for gay marriage in its modern form was unlikely to arise. For it to be economically viable, either mutual funds or state pensions had to come into existence.

The same argument, of course, applies to the heterosexual population, whose disinclination to have enough children has much more impact on the reproduction rate. The general point is that by socializing the support of the old, through pensions that depend on a socially determined rate of return, the economy undermines what once was a major motive for having children. At the same time, the mobility required by the labour market, the wide geographical distance between

generations, precludes a return to older forms of support. Rising economic inequality, a falling wage share (Piketty 2014), means that it becomes impossible for what the Americans call a “middle class” family to support the sort of living standards that were possible 50 years ago on one income. To compete in the labour market, more people require tertiary education, the cost of which means it makes sense to have fewer children.

Low rates of industrial return channel savings into “buy to let” investment, leading to house price inflation, which makes buying a family home harder, again motivating people to postpone starting a family.

5. Conclusion

Although to gays and lesbians it is currently an issue of paramount importance, gay marriage is a distraction from a much bigger economic question. How can the economy of human reproduction be so organized as to achieve equality between the sexes, whilst ensuring an adequate birth rate?

Modern economies are dependent on the full participation of women in the monetary, social economy, but the work of raising and caring for children remains vital. If an increase in time devoted to the market economy comes at the cost of insufficient time being allocated to raising children, you have a self-destructive process analogous to the depletion of fossil fuels. Medium-term economic growth is won by passing on costs to subsequent generations. From the standpoint of social economy, the solution has to involve increasing labour productivity in the rearing of children. Otherwise apparent monetary gains are illusory, both hiding continuing unpaid household work and undermining social reproduction.

Much more radical steps than gay marriage may have to be contemplated. We may have to look to models as diverse as utopian settler societies in the United States, both Christian and secular, shared childcare in Jewish utopian kibbutzes, communal dining experiments in China, or making available, free, to all parents, the boarding schools to which the upper classes are understandably attached.

Notes

1. See <https://76crimes.com/76-countries-where-homosexuality-is-illegal/>.
2. See www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/agegroupashetable6.
3. See <https://www.mirror.co.uk/news/uk-news/david-cameron-says-legalising-gay-8411815>.
4. See <http://www.bbc.com/news/uk-scotland-36357584>.
5. See <https://www.townandcountrymag.com/society/tradition/a19855210/prince-harry-meghan-markle-lgbt-rights/>.
6. See <http://www.oecd.org/gender/data/genderwagegap.htm>.

7. In short, the secret history of gay marriage is that its real history, as a rapacious, greedy, and entirely selfish campaign carried out by rapacious, greedy, and entirely selfish gay men and women has been systematically erased by gay men like Frank Bruni and their unctuous straight allies like Frank Rich and Linda Hirshman. The secret history of gay marriage is not that it might prevent our sex lives from being more interesting, but that its victory enables the cementing of a neoliberal society where only private relationships can ensure access to economic security and healthcare. The preferred narrative is that gay marriage will be a dream come true. The reality is that gay marriage is nothing but a nightmare and neoliberalism's handiest little tool (Nair 2015).
8. What is bought with money or with goods is purchased by labour, as much as what we acquire by the toil of our own body. That money or those goods indeed save us this toil. They contain the value of a certain quantity of labour which we exchange for what is supposed at the time to contain the value of an equal quantity. Labour was the first price, the original purchase-money that was paid for all things. It was not by gold or by silver, but by labour, that all the wealth of the world was originally purchased; and its value, to those who possess it, and who want to exchange it for some new productions, is precisely equal to the quantity of labour which it can enable them to purchase or command (Smith 1974, 133).
9. At all times and places, that is dear which it is difficult to come at, or which it costs much labour to acquire; and that cheap which is to be had easily, or with very little labour. Labour alone, therefore, never varying in its own value, is alone the ultimate and real standard by which the value of all commodities can at all times and places be estimated and compared. It is their real price; money is their nominal price only (Smith 1974, 136).
10. In dealing with the theory of employment I propose, therefore, to make use of only two fundamental units of quantity, namely, quantities of money-value and quantities of employment. If E is the wages (and salaries) bill, W the wage-unit, and N the quantity of employment, $E=N \times W$ (Keynes 1936, 35).

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