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Advancing the Frontiers of Heterodox Economics

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12 Consumption in the context of social provisioning and capitalism

Beyond consumer choice and aggregates

Zdravka Todorova

Introduction

Frederic Lee has made a case for weaving various heterodox approaches into a distinctively heterodox coherent model of the capitalist economy. He constructs a model of the economy as a whole that incorporates the social surplus approach along with the stock-flow consistent modeling, Chartalist state money theory, input-output matrix analysis, the social fabric matrix (see Hayden 2006), and the methodological articulation of the symbiotic relationship between structure and agency. Obviously, Lee exemplifies a heterodox economist who draws from a variety of heterodox traditions and methods while working towards the construction of a coherent and realistic theory of a capitalist economy. In doing that, he deems the split between microeconomics and macroeconomics as misguided and unrealistic (Lee 2008, 2009, 2011, 2012).

Analysis of aggregates cannot provide a view of the economy as a whole, and micro is not limited to individual units of analysis, but studies those in order to obtain a better understanding of the whole economy (see also Jo's chapter in this book). Thus, if consumption is to be approached as one of the aspects of the social provisioning process, it can be viewed as a process itself—that is, consumption is more than an aggregate variable or outcome of individual consumer choices.

The present chapter builds on Lee's conception of the economy as a whole and discusses consumption as a process that is part of social provisioning under capitalism. Lee's (2011) heterodox model manifests linkages among essential components of the economy as a whole: that is, (1) history and the social fabric are linked to the economic model of the social provisioning process, (2) agency is linked to structures, and (3) social provisioning is linked to social activities. The concept of social process facilitates such theorizing of the economy. The first section introduces the concept of social provisioning while stressing some analytical differences this conceptualization makes for theorizing consumption. The second section delineates a number of features of the capitalist economy that affect analyses of consumption. The third section discusses consumption as a social process. Finally, the chapter concludes by drawing implications for heterodox economics.

A social provisioning framework of consumption

The concept of social provisioning is a basis for a social, historical, open-ended, evolutionary analysis of the economy that opens avenues to explore varieties of contexts, social divisions, conflicts, and hierarchical power relations. Continuation of the life-process, human well-being, and cultural values are central to the concept. Social provisioning allows for a broader and deeper formulation of economic activity, beyond the most visible occurrence of market exchange and beyond monetary production. It encompasses non-market activities, culture, and ecosystems (Gruchy 1987; Nelson 1993; Dugger 1996; Power 2004; Lee 2009, 2011, 2012; Jo 2011a; Lee and Jo 2011; Todorova 2013a, 2013b, 2014b). Provisioning is *social* because economic activities are based on social relations and socially generated knowledge that enables the creation of resources. Further, social provisioning is comprised of various *processes* because it involves continuous social activities and valuation that take place in historical time.

As emphasized by Fred Lee, at a most basic level the economy is founded by the interdependent production of inputs and outputs that provide for the material means of life. The volume and composition of surplus and basic goods are determined by the agency of capitalists. Households, the business enterprise, and the state consume surplus goods and services to reproduce themselves over time. Inputs and outputs are specific to the production of differentiated goods and services, and thus cannot be aggregated (Lee and Jo 2011; Lee 2011; see also Martin's chapter in this book).

Similarly, labor power embodies differentiated skills and biological bodies that ought to be reproduced, maintained, cultivated, and applied in the production of the various inputs and outputs; and consumes and produces differentiated consumption goods (Todorova 2009). Further, substitution of consumption goods is limited by biological needs, social status, perceptions, and habits and thereby substitution effects are limited (see Lavoie 1994, 2004). Thus, income, biological limitations, and agency-structures have a better explanatory power in the account of the actual provisioning process than a notion of the price mechanism as in neoclassical economics. The social surplus is produced by all agents involved in production, and is directed through the organization of monetary activities, which include monetary production and finance. In a monetary production economy the central motive of undertaking production is salesmanship or making money. Making goods that service livelihood is incidental to the monetary production process. Further, production needs not occur in money-making activities (Veblen [1919] 2005, 97; Keynes [1933] 1971; Dillard 1980; Henry 2003; Lee 2009). Finance is not directly engaged in production, but in activities that secure "vested interest," or claims on the social surplus (Veblen [1919] 2005). Those claims manifest themselves as *life-styles* with "pecuniary standards of living" that are part of class distinction (Veblen [1899] 1994, 63).

Consequently, social provisioning is theoretically explained by the surplus approach, the theory of effective demand, and the monetary theory of production. Distribution is determined outside of market exchange—by institutions

rooted in class-oriented values. Markets and incomes are only manifestations of these values, meaning that distribution of income and consumption goods and services is not determined by marginal productivity. Thus, the study of consumption as one of the processes of social provisioning has the potential to unveil the underlining social fabric.

The capitalist context of consumption

The present section delineates features of a capitalist social context of consumption inquiry. Additional characteristics could introduce context-specific variations. Delineating those features helps see that the social fabric is linked to the economic model of the social provisioning process, particularly to consumption process, that agency is linked to structures, and that social provisioning is linked to social activities.

First, economic activities are based on *economic class* relations stemming from the private ownership of assets that represents claims on the social product. Society's usage of tools, skills, labor power, and knowledge is always communally generated and organized. However, the private ownership of assets provides individualized income streams that claim the social product and restrain, direct, or preclude access to livelihood.

Differentiated consumption patterns emerge out of the effort to establish and maintain households as going concerns enmeshed in social networks that secure *social class* positions within the existing class relations and capitalist institutions. In the process of market expansion, business enterprises—particularly their financial branches, and financial institutions—enable households to temporarily circumvent financial constraints and to ameliorate the accompanying inequalities. This allows for households to become indebted and financially fragile in order to meet socially evolving needs that cannot be supported fully by their incomes (Tymoigne 2007; Brown 2008; Todorova 2009; Wisman 2009).¹

The ruling class directs the generation and distribution of the social surplus, affects public policy, and influences the broader culture through a significant access to media, education, policymaking, among others, and through control over employment, production, and salesmanship decisions. Households' daily activities, livelihoods, life-styles, identities, and agency are greatly impacted by their economic class—e.g., the necessity to sell their labor power and the lack of such. Consequently, not only social class distinction based on inequality of income and socio-economic background, but economic class ought to be present in the theory of consumption.

The presence of economic class in the theory of consumption contrasts the conceptual symmetry between production/supply and consumption/demand that allows for the formulation of the mainstream notions of 'consumer surplus' and 'producer surplus.' As a result, the 'social surplus' is absent in mainstream analysis. Moreover, a discussion of economic class, conflict, and social provisioning is circumvented, and instead 'consumer sovereignty' is the norm (Todorova 2013b) and the economy is represented by harmonious and symmetric market

exchanges with market imperfections as exceptions (Bharadwaj 1986). Consumer sovereignty is the conventional wisdom that workers (re-imagined as consumers) could equally partake in the direction of social provisioning that in turn is appropriately re-formulated as an asocial allocation of resources.

An analysis based on economic class does not preclude a further elaboration of social complexity, cultural and other variations among people and localities, and other ways of stratification, individuality, a variety of identities, and agency from inquiry. Indeed, economic class is the basis of theorizing the variation in agency such as between households and business enterprises as well as among households and among business enterprises. Furthermore, the recognition of various economic classes allows us to analyze the development and production of differentiated products that become part of the process of invidious distinction as well as the demarcation of social classes. In particular, the business enterprises' and sovereign states' decision to produce an array of consumption goods on a class basis also support the invidious wage structure.

Second, the capitalist class, the state, and global financial institutions control the *volume and composition of the output*. In addition, they simultaneously determine the level and composition of employment, wage rates, and profit mark-ups, and thus control working and financially dependent classes' access to the social surplus. Management goals formed in a particular regulatory and institutional context (which is also largely influenced by the ruling class) determine the available commodities for household activities. Working and financially dependent classes demand consumption goods out of evolving sets of commodities; they do not command the level and composition of commodities as well as the development and usage of resources utilized in the production of commodities.²

One implication of the above is that a critique of consumer sovereignty is not about revealing that consumers are passive victims of persuasion, but about making the point that market governance and power relations therein direct the functioning of capitalism.³ Another implication is that the social product is not a given entity in search for realization; rather, it is determined by effective demand together with creation and articulation of consumer needs (Lee 2011; Lee and Jo 2011). A corollary implication is that the production of the social surplus is not constrained by households' savings. On the contrary, households' activities and their financial positions including the ability to save are constrained by the desire of the business enterprise and the state to produce the social surplus.

Household consumption includes commodities produced through monetary production as well as goods and services that are not commodities, but the provision of which may necessitate commodities. Both commodities and non-commodities reproduce labor power which enters into the production of the social product, and thus of the social surplus, a portion of which again goes to support households' social activities. Those activities produce non-commodities that sustain labor power as well as other aspects of human life. In a capitalist economy to support activities not motivated by making money, households need money to buy commodities, and thus consumption could not be fully met outside of monetary production (Todorova 2009). Thus, commodity production emerges

out of effective demand and non-commodity production is affected by effective demand, because as pointed out social provisioning activity not directed towards the market still depends on incomes and commodities subject to market participation.

Working and financially dependent classes do have a room for *agency* in consumption through collectively organized social activities of provisioning that attempt to reduce the reliance on commodities by cultivating non-market forms of social relations. Within the social provisioning framework, agency exists in the possibility of "*non-invidious recreation of community*" (Tool [1979] 1985, 299, emphasis added) and is restricted by the class structure, inequality, and the structure of employment (see Wisman 2011). It is important to note that the possibility for such agency can be articulated only if it is recognized that the social surplus is comprised of both commodities as well as of goods and services that are produced outside of a money-making motive (including, but not limited to, households and the state). In fact in a monetary production economy commodities and non-commodities cannot be neatly separated from each other.

Third, class power relations are masked by *inequality of life-styles* within the working class as well as by the notions of *consumer* and *taxpayer*. Differentiated consumption goods are produced in accordance with income differences. Variation in consumption activities define various life-styles and are central to individual distinction (Veblen [1899] 1994; Todorova 2009, 2013b; Wisman 2009). Social categories such as 'middle class,' 'upper middle class,' 'professionals,' and 'the creative class' emerged historically to denote belonging to a certain life-style. They are reference categories that signify *groups* of people on the basis of consumption patterns, education, living quarters, neighborhoods, and occupations—in other words *social class*.

Individuals have many *identities* and strive for belonging to a number of reference groups by performing various *behaviors* to express their identities, but at any point in time they occupy a position in the economic class structure which determines *the extent* of their actions. Consequently, the role of an economic class process cannot be understated especially with respect to determination and directing of the social surplus, and the economic compulsion—e.g., to sell one's labor. This does not mean that individual lives are predetermined, but that individual actions (expressed for example by choices and patterns of behavior) are always in the context of institutions that precede the particular individual(s). Obviously, there are degrees of agency—some individuals make decisions that direct the social surplus and others choose between a paper or plastic bag at the cash register; dress provocatively; others set prices; select who to hire; vote; or a combination of these, among others.

The emergence of consumers and taxpayers as analytical categories and discourse are historically specific phenomena (Pereiman 2005; Trentmann and Taylor 2006). Formulating problems in terms of taxpayers and consumers narrows the articulation of conflicts of social provisioning to matters of exchange. While as Ben Fine (2006, 306) points out the politics of consumption is limited in its radical content as "putting politics into consumption can serve to

focus on the individual at the expense of the collective and immediate delivery at the expense of the broader parameters of provision and provisioning." Consumer politics, he argues, reflects a corresponding "consumerisation of politics." This is expressed by the marketization of non-commodities and the discourse of consumers and clients in education, healthcare, and social programs (Fine 2006; Galbraith 2008, ch. 11).

The reliance on the concept of consumers and taxpayers thus has a purpose as well as a consequence. It redirects a discourse from class relations and the degree of agency to market exchanges, from collective life process to privatization and individual costs/benefits, and from social provisioning to *neoliberal subjectivity* (Todorova 2013c, 10). When class relations and the degree of agency are out of the picture the theoretical focus is exclusively on subjective valuation which justifies asocial individualism and the politics of neoliberalism.

Fourth, the activities of the business enterprise as a going concern are tied to the cultivation of *growth of needs* (Lavoie 1994) and *chronic dissatisfaction*—that is, a social habit of life and thought, rather than an idiosyncratic individual state of mind (Hamilton 1987). "If production is to increase, the wants must be effectively contrived" (Galbraith 1958, 129).

Thus, business enterprises do not respond passively to autonomous consumer needs, but actively seek to create wants and needs through the development of new products and marketing campaigns. In doing so they are not acting independently from the rest of society. Rather, they seek to incorporate and respond in various ways to social attitudes, beliefs, and events. For example, business enterprises engage in social activities of "corporate social responsibility" as part of their market governance strategy (Brei and Böhm 2011; Jo 2011b).

Chronic dissatisfaction generates *systemic and growing waste*—a concept referring not only to unused by-products, but to "expenditure that does not serve human life or human well-being on the whole ... and occurs on the ground of an invidious pecuniary comparison" (Veblen [1899] 1994, 60) and represents a vested interest corresponding to a "free income." Individuals and going concerns deem such incomes, products, and activities necessary, deserving, and of worth, rather than wasteful, since they help secure social status. For that reason, waste can be discussed and addressed only in view of social provisioning and not in view of individual choices (Todorova 2013a). This is also valid for "conspicuous consumption"—that is, a particular form of waste (Todorova 2013b) since the expansion of the capitalist economy depends on the generation of "conspicuous waste" (Veblen [1899] 1994, 60).

Fifth, the state is active in creating and organizing markets that support the existing power relations. Consumption activities take place within a given infrastructure, and the development of public infrastructure enables and affects consumption of commodities. Thus, public infrastructure enables and affects consumption of commodities (Galbraith 1958; Todorova 2013a). One method of organizing markets is the creation of mass consumers or 'middle-class' with expanding purchasing power through the growth of the wage bill including public goods and services that reduce household expenditures (Glickman 1997). Another

method is through privatization and marketization of space, resources, social activities, and institutions such as media, education, and financialization resulting in growing household indebtedness and precarious wages (Wray 2008; Bayliss, Fine, and Robertson 2013). Neither entails maintaining full employment. Instead, both sustain existing power relations (Kalecki [1943] 1990; Todorova 2013b).

While the first method has disappeared through the “Keynesian devolution” (Galbraith 2008, 61), the second is contributing to the expansion and entrenchment of capitalist relations in all elements of life. The state adopts pecuniary criteria of valuation, which lead to what J. K. Galbraith called “social imbalance”: “Every corner of the public psyche is canvassed by some of the nation’s most talented citizens to see if the desire for some merchantable product can be cultivated. No similar process operates on behalf of the non-merchantable services of the state” (Galbraith 1958, 205).

Yet, the generation of monetary flows is supported by ‘non-market’ relations and by nature. In efforts to secure its position, the ruling class seeks to control those relations, the public, and nature by continuous enclosures, extraction, and marketization (Veblen 1923; Polanyi [1944] 1957; Marx 1990; Robertson 2008; LeBaron 2010) that determine the composition and level of the output available for consumption.

The delineated features of the capitalist economy prompt the analysis of consumption that goes beyond theories of consumer choice and aggregate consumption expenditures. The following section introduces the concept of social process which facilitates micro-macro analysis of consumption as part of theorizing social provisioning under capitalism.

Consumption as a social process and the economy as a whole

The concept of *social process* is consistent with Fred Lee’s formulation of micro-macro analysis of the economy as a whole (see, for example, Lee 2009, 2011) to the extent that it can capture action and agency taking place at the micro level as well as the continuity and interconnectedness of activities and outcomes within the whole economy. Furthermore, *process* as a concept in heterodox economics also exemplifies the connections among approaches within heterodox economics as it can be found in various institutional, Marxist, feminist, social structure of accumulation analyses, or combinations of those (Veblen 1898; Nelson 1993; Fraad *et al.* 1994; Power 2004; Todorova 2009).

Social process enables theorizing the social provisioning process that takes place in historical time generating stable institutional arrangements and power relations, and thus encompasses analysis of agency and structures. Individuals’ purposeful actions (expressed for example by choices, strategic decision-making, and patterns of behavior) take place in the context of institutional settings that precede particular individual(s) and groups. The advantages of utilizing the concept of social process is that the social context and agency gain explanatory power, that is, agency is not formulated in terms of methodological individualism, nor is it lost within aggregate analyses.

Social process emerges out of the evolution and interaction of conventions (working rules and procedures), discourse, symbols, norms of valuation, standards, personal attitudes, rituals, and customs that emerge out of the activities of going concerns. Together with specific going concerns those categories comprise an *institution*: the business enterprise, the household, the state, global organizations, religion, schooling and research, the foundation, the stock exchange, the beauty pageant, military, media, unions, cooperatives, and collectives. Institutions embody collective action that is connected to the class structure. Table 12.1 delineates the elements of social processes, expanding on (Todorova 2014a), and provides examples with a particular reference to the process of consumption.

Social activities are organized and carried out by going concerns on the basis of historically established institutional settings. Thus, the individual *act* of socializing is a part of a particular social activity that is organized by a *going concern* (the household, the business enterprise, the state). Going concerns engage in continuous, relatively stable social activities through which they exercise agency that help create symbols and discourse, promote norms of valuation, social beliefs, and personal attitudes, and help establish conventions. *Conventions* consist of procedures and working rules. For example, the conventions of ‘reduced margins of safety’ in lending and borrowing, and the shorter planning span of business enterprises are based on the *procedures* of: securitization; flexibility of labor and subcontracting; reliance on credit scoring in lending; and the switch to define contribute retirement plans (Brown 2008; Kregel 2008). *Working rules* include legal statutes, contracts, legislation, tax codes, and regulations (such as consumer protection provisions, financial regulation, and tax structure).

Diverse individual *perceptions* and multidimensional *identities* underline collective action. Identities may not be clearly formed and recognized, and are not purely subjective in the sense that they are also based on relatively stable social arrangements—institutions or structures. For example, the debt-credit process cannot be transcended by subjective perception. Theorizing an objective existence of debtor-creditor relations need not harm the conceptualization of diverse identities and perceptions. Discourse, social beliefs, standards, norms of valuation, and symbols affect perceptions. *Discourse* includes sign, conventional wisdom, and expert discourse. *Sign* is a depiction or image that conveys a message or status, such as a logo of a brand. It acts as a shortcut for a complex social statement. *Conventional wisdom* represents a knowledge claim and a widely accepted matter of fact understanding of how things work based on ‘myth’. For example, it is a conventional wisdom for freedom to be equated with the opportunity to shop and to choose among variety of products (Galbraith 2008, ch. 2). Conventional wisdom is reinforced by *expert discourse* including by specific academic theories, concepts, and methods, such as marginal productivity theory of distribution, consumer sovereignty, and utility maximization. Unlike social belief, conventional wisdom is a knowledge claim, even if those who profess it may not be aware of its theoretical underpinnings.

A *social belief* is a shared conviction that does not necessarily make knowledge claims, rather it serves as a center of gravity for a sense of unity among

people, as mechanism of coping, and as motivation and justification for (in) action. A social belief could be interpreted and acted upon in varieties of ways. For example, the American Dream is a social belief that has been articulated in a particular way in the politics of 'the ownership society' (Todorova 2014a; see Wray 2005 for a detailed discussion of the politics of ownership society). In turn, the 'ownership society' is *rhetorical construct* used as a justification for financial deregulation and privatization. Emerging out of social beliefs, rhetorical constructs not only manifest social beliefs but also are directly connected to norms such as "pecuniary strength," "pecuniary beauty," and "pecuniary reputability" (Veblen [1899] 1994, 63) that signify success and social worthiness. Norms of valuation are connected to specific *standards*, such as "pecuniary canons of taste" and "decency" used in the judgment of acceptable and distinct consumption thresholds and product specifications (Veblen [1899] 1994, 71). The existence of various lifestyles is concurrent to the evolution and persistence of varieties of consumption standards, including size of yards, rooms, and houses, as well as amenities and product specifications that are deemed minimally adequate. Such standards are also symbolized. The proper lawn today is a symbol of 'middle class living standards' (another rhetorical construct). While *symbols* serve as visualization of standards, moral norms, social beliefs, and rhetorical constructs, they can also be conventions as they involve procedures and rules. Capitalist activities produce symbols in terms of monetary valuation. Thus, the institution of the stock exchange promotes specific norms of social worthiness. Further it communicates appropriate behavior and personal attitudes via its symbols that are present in everyday life. For example, ubiquitous stock price tickers help establish a social belief that 'watching the market' is not only beneficial but also important for everybody's livelihood. *Rituals* (e.g., ringing the bell at the stock exchange) are also symbols that embody, express, and reinforce social values. More general rituals could also be delineated. For example, the BBDO advertising company defines ritual as "sequences that are developed over time" and as "series of actions that move people emotionally from one place to another" (Brady 2007).⁴ *Customs* involve many people routinely engaging in specific type of activities with shared meaning, albeit with variations (e.g., celebrations). Both rituals and customs involve the consumption of particular class-specific goods and services.

The concept of social process encompasses all of the analytical categories delineated above. Agency exercised within specific institutional arrangements, gives rise to specific *habits of life and thought*. Thus, financialization, conspicuous consumption, fashion, standardization of consumption, sexism, racism, austerity, tourism, and gated consumption can be defined as habits of life and thought, which represent ideas and action. Habits of life and thought become instituted through the organization of social activities and agency exercised by going concerns such as business enterprises, households, the state, trade unions, non-for-profit organizations, and international organizations, among others; and also through the creation of conventions—e.g., sexualized advertising, individualized packaging, reduced margins of safety in lending and borrowing (Todorova

Table 12.1 Elements of social process with reference to consumption process

Element	Examples with reference to consumption process
acts	calling out; preparing food at home; celebration
consumption activities	households; business enterprises; universities; state; unions; collectives
conventions	bottled water; individualized packaging; reduced margins of lending and borrowing; sexualized advertising
working rules	food safety regulations; water pumping laws; financial deregulation
procedures	packaging and distribution methods; securitization
perceptions	perceptions about health, prestige, product benefits; expectations about income
identities	masculinity; beauty; good parenting; success
discourse	freedom through commodity consumption
conventional wisdom	variety of products equated with freedom; expressing individuality/agency through products
expert discourse	consumer sovereignty; healthy dietary needs; necessary water intake
rhetorical constructs	consumers
sign	brand name/logo
social belief	American Dream
norms of valuation	'pecuniary strength'; 'pecuniary beauty'; 'pecuniary reputability'; sustainability of the life-process
standards	nutrition and health norms; 'standards of pecuniary decency'; 'middle-class' consumption standards, including number, size, and kind of rooms in homes
symbols	shopping centers; store/restaurant chains; engagement rings; lawn; reusable drinking bottle
customs and rituals	gifting of commodities; special food preparation; themed commodities/marketing; consumption to feel good and to go on
personal attitudes	importance of brand names for personal self-esteem
habits of life and thought	conscious consumption; fashion; tourism; standardized consumption; gated consumption; sexism; racism; ageism.
(an amalgamation of particular developments in the above elements)	

2014a). Habits of life and thought are different from *personal attitudes*. In order for personal attitudes to become habits of life and thought, a *collective action* ought to take place. Such a distinction allows for a micro-macro analysis of the economy as a whole. For example, personal attitudes towards the importance of brand status for one's self-esteem are only part of the conspicuous consumption as habits of life and thought.

Social processes unfold in historical time and form an open system with full of uncertainty but no finality. All social processes involve cognition, learning, and the formation of expectations. While individuals are integral in the analysis, the delineated categories of social processes are not limited to individuals and groups. Consequently, the delineated conception of social process supports non-reductionist micro-foundations that are not based in methodological individualism (Lee 2009, 2011; Jo 2011a; Lee and Jo 2011).

Table 12.2 depicts social processes based on *social provisioning activities* and suggests ways that consumption of commodities and non-commodities are part of those processes. To emphasize, those are not two separate worlds, but two dimensions of social provisioning. The distinction is useful for recognizing the distinct motivation and valuation associated with the production of commodities and non-commodities (for more details on each one of those processes, see Todorova 2014b).

The outlined social processes and their application to consumption provide a starting point for a context-specific analysis. Social processes are not fixed or universal. Some of the social processes may be delineated on the basis of identifiable social activities that take place at the micro level and affect the composition and distribution of the social surplus at the macro level. Social activities are delineated on the basis of acts that emerge in the course of the life-process. Thus, such activities as caring, working, recreation, studying, inquiry, organizing, aggression, lending/borrowing, gifting, consumption, disposal, traveling, migration, and transportation are all social activities that address the continuation of life-process in particular and non-interchangeable ways. For example, one cannot fully replace care for somebody by purchasing commodities. Neither could one care about somebody without commodities (given a capitalist context). Specifically, a consumption process is defined in terms of consumption activities that are centered on consumption acts. Consumption activities are intertwined with other social activities such as care, leisure, work, and business negotiation. For example, leisure activities (e.g., wine tasting, restaurant tours, practicing various sports, traveling, and craft-making) could be simultaneously recreation, business, and consumption activities (Todorova 2014a).

Social processes based on social provisioning activities are part of a broader *culture-nature life-process* (see Todorova 2014b). Consumption process then is connected also to: geography, landscapes, physical spaces/buildings, and biological life-processes (bodies, biophysical processes, and ecosystems). Moreover, consumption process is based in and affects social processes, such as gender, race/ethnicity, social class, language, economic class, citizenship and legal residency, ownership, contracts, worship, and kinship. Thus, consumption ought to be

Table 12.2 Other social processes and consumption of non-commodities and commodities

Social processes	Consumption of non-commodities	Consumption of commodities
Labor	subsistence production; cooking and other unpaid work contributing to maintaining non-commodity life-styles	monetary production; labor power used in 'salesmanship' activities such as advertising and product differentiation
Care	non-commodities supporting paid and unpaid care provision	unpaid care
Recreation	public space and access to means of recreation such as nature and art	art for sale; commercial sports and exercise
Mobility and residence	public spaces; publicly supported goods	individualized automobile transportation; tourism; internet used for consumption purchases; gated communities; invidious distinction through housing and vehicles
Communication, expression, and persuasion	non-commodity inputs for art; downshifting campaigns; promotion of non-commodity production and life-styles	corporate media promoting life-styles; advertising; art for sale and commodity inputs for art
Undertaking	non-commodities supporting mobilization and community organizing	developing business partnerships, entrepreneurship, investment (golf; business presents; business entertainment) technology; invention; patents; destruction of memory through commercialization; folklore appropriation for commercial purposes
Cultivation and transmission of knowledge, memories/tools	development and preservation of non-commodity production techniques (such as food preparation); destruction of resources; invention and technology	financially feasible innovations and innovations in not-for market production and activities; sharing of non-commodity output
Resource creation and usage		transforming non-commodities into commodities

theorized as part of the social provisioning process as well as more broadly as a part of a *social fabric* embedded in nature.

Conclusion: implications for heterodox economics

The proposed formulation of consumption as a social process encompasses individual decision-making as well as the generation of consumption expenditure flows in the economy, while broadening the terrain of heterodox analysis of consumption. Consumer choice is an aspect of the consumption process that is part of social provisioning. Aggregate consumption expenditures also have a limited role in understanding the social provisioning process. In order to obtain a fuller discussion of consumption within the capitalist economy, the starting point ought to be the logic of the capitalist system and the conception of the economy as social provisioning. Economic analysis of consumption should not be limited or reduced to either an aggregated macro analysis or a micro theory of consumer choice. The proposed approach is neither micro nor macro. Consumption is viewed as a process in conjunction with other processes constituting social provisioning, a part of a culture-nature life process.

One of the implications is that an inquiry into consumption as a process could start with any institution, not just the household or the individual consumer. A further implication is that behavior, choice, and identity are only parts of the picture. Focusing exclusively on those elements could lead consumption analysis straight into subjectivism and relativism on which neoliberalism thrives. In the presented approach there is no division between cultural and material—social provisioning is both.

The concept of the consumption process enables an analysis of consumption activities within the delineated characteristics of capitalism. As a result, the utilization of the analytical category of *consumers* needs to be critically examined within heterodox economic theory. On the one hand the process of consumption is important to heterodox economic theory since people consume as part of their material survival and social lives. On the other hand, whenever the 'consumer' is deployed as an actor, it is hard to avoid the symmetry of exchange that is constructed for the purpose of obscuring social conflict and the existence of distinct economic classes. Similarly, the neoliberal construct of 'consumer choice' has little significance for the development of heterodox economic theory.

Historically a discourse on consumers was used to promote collective actions of consumer groups, women's movements, and unions. However, it has become entirely neoliberal and individualistic and thus it runs counter to heterodox economics. The proposition of this chapter is that 'consumers' is a *rhetorical construct* and *not* an *analytical category* that is suitable for heterodox economic theory. People engage in consumption as well as in a multiplicity of other activities. Still, they cannot escape the economic compulsion pointed out by Marx; why would we describe them/us as consumers?! Consequently, one task for heterodox economists is to bring back 'labor' (in its broadest form) into the popular and academic discourse through a non-universalizing formulation of social

Table 12.2 Continued

Social processes	Consumption of non-commodities	Consumption of commodities
Machine process	sharing of non-commodities	purchase of domestic 'labor-saving' appliances; standardization of products; marketing surveys, profiling, business data mining and surveillance for the purpose of salesmanship
Threat and punishment	production; management of household or other non-commodity production	welfare system; austerity policies; advertising and consumption based on fear; credit scoring; censorship of harmful product features or effects based on administered prices and incomes, and notions of property rights, conventions, and notions of productivity
Gift/exchange	gift of non-commodities	gifting commodities
Deprivation	malnutrition; enclosure preventing self-subsistence, or production of non-commodities	sabotage of 'industrial efficiency' in the design of products, and their level (unemployment); destruction of resources; austerity policies; promotion of mis-information about products; business practices of recycling and reuse; cost cutting disposal; conspicuous waste
Waste	reuse; repurposing; disposal; conspicuous waste	obligation to provide non-commodity output
Debt-credit	judgment about personal worth; using non-commodities for invidious practices of femininity, masculinity, parenthood, and nationalism; communitarianism	invidious comparison based on moral/physical consumer debt and credit; mortgage debt disposal; conspicuous waste
Violence	invidious comparison based on moral/physical commodities for invidious practices of femininity, masculinity, parenthood, and nationalism; communitarianism	invidious comparison based on money/wealth; displacement; ecological destruction

provisioning as a cultural-material process. Perhaps abandoning the concept of 'consumers' altogether and instead focusing on processes would have a liberating potential for heterodox economics, consumption inquiry, and beyond.

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Notes

- 1 See Mishel *et al.* (2012) for the distribution of wealth and class mobility in the USA; Wolff (2007) for wealth inequality and rising US household debt; and Wolff and Zacharias (2013) for class and inequality. For a discussion of the various economic classes see Lee (2009) and Todorova (2013b).
- 2 Given capitalist economic class relations, unions, consumer organizations, and community groups are only in the position to *respond* to business decisions. Responses are the function of collective action, such as unionization. The US Bureau of Labor Statistics reports that in 2013, the union membership rate was 11.3 percent; in 1983, the first year for which comparable union data are available, the union membership rate was 20.1 percent. While workers do participate in various degrees in political processes, their power in the distribution of the social surplus—its level and composition—and in the generation of income flows is very limited.
- 3 For a critique of consumer sovereignty and the use of "the imagery of choice" see for example Joan Robinson ([1933] 1969, xii) and J. K. Galbraith (1973, 223).
- 4 According to the report *BBDO—The Ritual Master* rituals that by definition "make people feel good" include: "preparing for battle: transforming us from the cocoon to alone to face the day"; "feasting: the pleasure of eating ... transforming us from without stress (particularly for women), that transforms us from our everyday selves to our most fabulous selves"; "returning to camp: that moment when we unwind and exhale, transforming us from tense to relaxed"; "protecting yourself for the future: that last ritual of the day that moves us from relaxed to feeling safe and secure before the next day comes around" (Brady 2007).

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