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Redefining Economics: From Market Allocation to Social Provisioning

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The Institutional Definition of Economics

The Search for an Alternative Definition

Neoclassical economics is clearly defined, and its definition is the generally accepted one for all of economics.[1] The definition of Lionel Robbins in particular has served to unify most practitioners of the dismal science. According to Robbins, "Economics is the science which studies human behavior as a relationship between ends and scarce means which have alternative uses."[2]

Institutional economists, however, rely on an alternative definition formulated by Allan Gruchy. Gruchy found institutionalism a very difficult discipline to define. Institutionalists have been notoriously quarrelsome and independent cusses, so getting them all within the perimeters of a manageable definition is not easy—it is a bit like herding stray cats. Nevertheless, over several decades, Gruchy patiently tried to define institutional economics. At the end of his long career, he succeeded in herding his beloved cats together by defining institutionalism as "the science of social provisioning." He emphasized that it was a "processual paradigm," a study of the changing economic processes taking place in a specific, dynamic, cultural context.[3]

Gruchy also identified the originator of institutional economics. Surprisingly, it was not Thorstein Veblen. According to Gruchy, "Karl Marx was the originator of institutional economics, for he was the first nineteenth-century economist to direct attention to the processes of institutional change within the economic system."[4]

Progressive Implications of the Institutional Definition

We should drop the neoclassical definition of economics because it is narrowing and conservative. In its place we should adopt Gruchy's definition of institutionalism because it is broadening and progressive. Institutionalism is the antidote needed to cure the narrowness and regressiveness of neoclassicism. Defining economics as a study of social provisioning and insisting that economics adopt a processual paradigm to replace the neoclassical equilibrium paradigm has six major implications: (1) While neoclassical inquiry is directed into mathematical analysis and away from social analysis, institutional inquiry is directed into historic-empirical analysis and away from formal mathematics. (2) While neoclassicists conduct static equilibrium analysis and take equilibrium to mean optimum, institutionalists conduct historical investigations or case studies of ongoing processes and take economic process to mean the continual conflict and adjustment that arise from evolving economic problems. (3) Neoclassical equilibrium implies that economic forces naturally come to a beneficent balance, while institutional process implies that evolving economic forces frequently give rise to conflict, power, and domination. (4) Neoclassicism focuses on individual choice and relies on methodological individualism. Institutionalism, on the other hand, focuses on collective action and relies on methodological collectivism. (5) Neoclassicism omits important questions. Institutionalism questions how resources come into use, how wants arise, and what economic activities mean. (6) In neoclassicism values are obscured by the attempt to be a value-free science. Institutionalism involves the open statement of values in a value-directed inquiry.

Implication 1: Historico-Empirical Analysis

First, if economics is redefined as the study of social provisioning, then economic inquiry must deal with actual social processes rather than with the mathematical logic of individual choice. Mathematical logic is neat and precise and has a beauty, an elegance, and a rigor that appeal to many students of economics. So it is no coincidence that John R. Commons, pioneering institutionalist, kept pushing his students out of his classroom at the University of Wisconsin and into the factories, sawmills, and other workplaces in Wisconsin, urging them to find out what people were actually doing and to find out what problems, conflicts, and working rules those people were facing. Commons devoted his life to the study of actual economic processes, not formal analytical techniques. He was actively involved in progressive reforms at the Wisconsin state level and also at the national level. He saw economics as the study of social provisioning, even though he did not define what he was doing in that way.[5] Wesley C. Mitchell, another leading institutionalist, devoted his life to the study of actual business cycles. He saw the business cycle as a cumulative process, inherent to the system of investing for money profit. His avoidance of mathematical formalism allowed him to see an actual process instead of a theoretical equilibrium.[6]

The historico-empirical bent of institutionalism, with its focus on process instead of equilibrium, makes it much easier for institutionalists to see the problems and conflicts that arise in their economy than it is for the neoclassicals to see them. The neoclassicals, focused on the optimality of equilibrium, find it hard to see, let alone understand, real economic problems. Neoclassicists are idealists. They see temporary deviations from social optimality. But institutionalists are pragmatists. They see social problems every place they look. And so institutionalists become interested in dealing with social problems rather than in solving mathematical problems.

Implication 2: Evolving Conflict

Economic process, the subject of institutionalism, is dynamic. Economic equilibrium, the subject of neoclassicism, is static. But what is far more important, neoclassical equilibrium is optimal. In equilibrium, we live in the best of all possible worlds, barring minor frictions. In equilibrium unemployment is natural, pollution is not a political problem but an individual problem handled through individual negotiation à la the Coase theorem, race and sex discrimination are forms of statistical errors or individual preferences, and in equilibrium the market optimizes consumer and producer surplus.

Institutional economics, on the other hand, takes as its subject dynamic change. Institutional economics could even be called the economics of maladjustment, of cultural lag. Under the constant drive of changing processes, our economy is suboptimal. It suffers from maladjustment, from leads and lags. Dynamic change gives rise to new conflicts between those who benefit from the old status quo and those who stand to gain from change. Dynamic change opens up new struggles between the underdogs and the topdogs. Equilibrium is order. Dynamic change is disorder. Equilibrium resolves conflicts of interest. Dynamic change creates conflicts of interest anew. So while neoclassicism is an antidote to economic discontent, institutionalism is the economics of discontent.[7]

Implication 3: Domination and Unbalanced Growth

The economics of discontent, the processual paradigm of institutionalism, implies that the conflict and discontent that continually arise in a changing economy are due to processes that are not automatically balanced in equilibrium. Processes of change do not necessarily come to rest in optimal balance. Instead, in societies possessed of significant economic, political, and social inequalities, processes of change more often lead to cumulative inequalities and outright domination. Dominant classes and interest groups can influence the direction of change in their favor. Using their economic power, they can invest in new areas and in new technologies that benefit them at the expense of others. Using their political power, they can define new property rights that give them advantageous access to resources or that give them differential bargaining advantages. They can use political power to influence the enforcement of existing property rights and laws in their favor. They can manipulate the nature and the flow of information. Furthermore, they can use their social power to impose new meaning for economic activities and repress old meanings in such a way as to elevate their own standing and lower the standing of others. Such power is cumulative and can give rise to increasing domination of one class or interest group over others. Institutionalism, then, is the economics of domination while neoclassicism is the economics of balance. Unfortunately, while the theory of general equilibrium (balance) is highly developed, the general theory of domination is not.[8]

The theory of cumulative causation of Gunnar Myrdal, however, is a big step in the right direction. Myrdal explained the equilibrium assumption as a belief that "a change will regularly call forth a reaction in the system in the form of changes which on the whole go in the contrary direction to the first change."[9] But actual changes usually occur in a cumulative rather than an offsetting fashion. Myrdal laid out in general terms how circular and cumulative causation worked:

> [T]here is no such tendency toward automatic self-stabilization in the social system. The system is by itself not moving toward any sort of balance between forces but is constantly on the move away from such a situation. In the normal case a change does not call forth countervailing changes but, instead, supporting changes, which move the system in the same direction as the first change but much further. Because of such circular causation a social process tends to become cumulative and often to gather speed at an accelerating rate.[10]

Cumulative change and domination, not quiescence and equilibrium, are the norms. This is particularly true for modern social systems that are already in an unbalanced state, that are already operating with gross economic, political, and social inequalities. Institutionalism is the economics of cumulative change and domination, the economics of racism and sexism and classism. Neoclassicism is the economics of equilibrium and quiescence, the economics of social harmony.

Implication 4: Culture Matters

Individuals choose. That much is indisputable. But while neoclassicism is the economics of individual choice with the culture that molds the individual left out, institutionalism is the economics of individual choice in its cultural context.

A culture is a system of interrelated patterns of behavior, meaning, and belief.[11] Economies and the economic choices individuals make are part of a culture. They are influenced by the cultural context in which they take place and, in turn, influence that cultural context. This, in a general sense, is what Stephen A. Resnick and Richard D. Wolff mean when they say that their new Marxian theory is characterized by "overdetermination." Economic factors are determined by other cultural factors and other cultural factors are, in turn, determined by economic ones.[12] For economic terms to mean anything, they must be related to other terms, to their cultural context.

Applying this contextual definition of meaning to economic ideas makes it essential to connect them to the other ideas and relations of the culture to which they belong. For the individual to mean anything and for individual choice to mean anything, they must be put into a cultural context. Neoclassicism does not do so. Institutionalism does.

Implication 5: Asking the Important Questions

An economics defined to be the logic of individual choice regarding the use of scarce means for alternative uses, which is narrowed down so as to leave out the meaning of the individual and is narrowed down so as to leave out the meaning of choice itself, omits important questions. Economic behavior means something to those performing it and economic behavior has motives behind it. Neither behaviors nor motives just drop out of the sky. Nor do economic resources just drop out of the sky. They all come from somewhere. Behaviors and motives are learned, so, unless we beg the questions, we must investigate how they are learned. J. Ron Stanfield argues that "the treatment of behavior as learned behavior" is the essence of institutionalism.[13] Institutionalists take the "givens" of neoclassicism and incorporate them into their theory of the economy. Or, as Geoffrey Hodgson sees it, we make the exogenous variables endogenous.[14] We do so by asking the important questions regarding the learning of wants and the source of resources.

But institutionalism does more than just make the exogenous variables endogenous. It also inquires into the meaning of wants, choices, and resources. For example, Thorstein Veblen's works still provide some of the most penetrating analyses of the questions begged by neoclassicism. Veblen's *Theory of the Leisure Class* investigated the nature of consumer wants and choices in the cultural context of gross inequality and industrial capitalism. His essay on the nature of capital probed the sociotechnological nature of resources and of productivity.[15] After Veblen, a number of works probed into related questions. Let me cite just three of them: Adolf A. Berle and Gardiner C. Means investigated the nature of private property in the corporate age; Erich W. Zimmerman explained that resources are functional (that is, he explained that they are a function of new technology); and John R. Commons investigated the nature and evolution of property rights.[16]

When the important questions are asked, insight can be gained into how resource availability changes, how wants change, and into the formation and reformation of economic meaning. Such insights are the subject matter of institutionalism.

Implication 6: Economics Cannot Be Value-Free

Economics is a cultural science and since we are all part of a culture and since we all place positive value on some aspects of our culture and negative values on other aspects of our culture, we cannot purge all values from our inquiries. Nevertheless, we can be effective. To be effective we cannot pretend to be value-free, because then values enter our inquiry unconsciously, as it were. They enter unanalyzed and unchallenged. To be effective we must begin by explicitly stating our values so they can be analyzed and challenged. This is the method used and proposed by institutionalist Gunnar Myrdal.[17] Institutionalists are instrumentalists regarding the value question.[18] That is, they favor values produced by a continuing process of democratic policy making, policy correcting, and policy remaking that is based on participatory decision making. In the instrumentalist tradition, values are never definitive, never absolute. But they must be explicit and open to challenge. As Myrdal explained it,

> I am not pretending to have arrived at a final and fully satisfactory solution. . . . But I do insist that if we . . . spell out, in as definite terms as possible, a set of instrumental value premises—however they have been reached and whichever they may be—and if we allow them to determine our approach, the definitions of our concepts, and the formulation of our theories, this represents an advance towards the goals of honesty, clarity, and effectiveness in research. These are steps in the direction of "objectivity" in the only sense this concept can be understood.[19]

Economics should be redefined to be the study of social provisioning. It should be a processual paradigm defined to ask the important questions. Economics should be institutional and not rely on a facile, subjective–objective dualism that draws a distinction between the subject (the value-free scientist) and the object (the allocation of scarce resources to alternative uses).

Process: The Central Feature of Economics

All economies involve processes that expand or retard social provisioning. Socialist economies, capitalist economies, anarchist economies, industrial economies, and pastoral economies all involve intricate webs of social provisioning processes. These processes are all interrelated, "overdetermined." These processes produce goods and services, but they also produce people. These processes are the result of individual choices but they also give substance to individual choice and set limits on individual choice. These processes continually change. They do not tend toward equilibrium, balance, or optimality. Instead, they tend to change, and generally in a cumulative fashion. I find the following fourfold grouping to be helpful in approaching social provisioning problems: (1) the resource process, (2) the want process, (3) the production/reproduction process, and (4) the meaning process.

The Resource Process

The resource process involves the creation and discovery of new resources on one hand, and the allocation and destruction of existing resources on the other hand. Clarence Ayres and Erich Zimmermann emphasize the significance of technology in the resource process.[20] In their technological view, resources do not just exist; they become. The neutral stuff of nature becomes useful resources because new technologies make it possible to find, or to extract, or to process them, or because new technologies transform previously useless materials into useful ones. From the technological point of view, resources are not scarce. They are not given, not exogenous. Instead, they are a function of technological advance itself. This is not to say that scientists and engineers are magicians who can pull rabbits out of their hats whenever they need them, however. Nor is it to say that society should grant huge rewards to inventors and entrepreneurs who implement the accumulated knowledge of their culture and push it a tiny bit further. But it is to say that social policy regarding public education, research, and science can have strongly positive effects on the rate at which new resources can be discovered and created.

The allocation and destruction of existing resources are largely legal and political processes, the significance of which is heavily emphasized by the followers of John R. Commons. The allocation of existing resources has to do with the determination and enforcement of property rights. Property rights are not god-given and immutable. They change through the actions of adjudication, legislation, and revolution. Property rights are complex bundles of *liberty*, *capacity*, *compulsion*, and *exposure*, all of which are made effective through collective action—through the coercion of the state, if necessary. *Liberty* establishes what may be done without interference from others. *Capacity* establishes what can be done with the support of collective action. *Compulsion* establishes what must or must not be done, under threat of collective action. *Exposure* establishes what collective action will not do on behalf of one party to protect it from the compulsion of others.[21] Property rights have not and do not evolve through simple individual bargaining à la the Coase Theorem. Instead, Commons explained how the property rights system of feudalism evolved into the property rights system of capitalism. It evolved as the underdogs pressed to expand their capacities and liberties against the topdogs. It evolved as the underdogs pressed to contract their exposures and compulsions at the hands of the topdogs. And property rights continue to evolve in the same way today—as a collective push from below against privilege and as a collective defense from above against usurpation, with the "establishment" resisting those from below.

The resource process also involves cultural norms. In patriarchical societies, the creation and use of resources within the family are usually invisible. The resource process within the family is invisible because the family is largely a sphere of traditional female activity. According to the cultural norms of patriarchy, housewives and mothers do not really "work." They receive no pay. They do not make anything. So, they do not create or allocate resources. They are dependents of men, not producers and allocators of resources. They just keep house and watch the children. Furthermore, according to the cultural norms of patriarchy, women should stay home. They should not "work." Hence, women are not considered resources; they are not part of the work force or labor supply. Such cultural norms have enormous crippling and limiting impacts on the creation and allocation of resources. So changing cultural norms can significantly affect both the quantity and the quality of resources.[22]

The theory of the resource process, as built up by institutionalists, makes resources endogenous. Resources are not scarce, not given as in neoclassical economics. Instead, resources are functions of technological change, evolving property rights, and changing cultural norms. Institutionalism has a theory of resources. Neoclassicism takes them as given.

The Want Process

Rather than beginning with given individual preferences, institutionalism makes wants endogenous. It explains them as the products of individual learning and collective action in the context of a specific ongoing culture. The want process involves the creation and expansion of new wants along with the destruction of old wants. Commodity fetishism, conspicuous consumption, and the theory of the revised sequence explain wants in affluent societies. Neoclassicism has no corresponding theories of wants, just the logic of individual choice with wants taken as given.

Commodity fetishism refers to a cumulative process of buying more and more consumer commodities without ever receiving any intrinsic, consummating satisfaction from them but only being driven to buy more of them. Conspicuous consumption refers to trying to keep up with the "Joneses" while the "Joneses" are themselves trying to keep up in a vain attempt to acquire status in the eyes of others by consuming more than they do. The theory of the revised sequence is John Kenneth Galbraith's explanation that we no longer produce in order for others to consume badly needed goods. Instead, we consume in order for others to have jobs and profits as they produce.

Marx refers to "the fetishism of commodities" in section 4 of the first chapter of *Capital*.[23] Although this passage may be the most widely read of his passages on commodity fetishism, it is not the clearest statement of his views; nor is it the most powerfully moving. Marx's best writings on commodity fetishism are contained in his *Economic and Philosophical Manuscripts*.[24] Under capitalism, Marx explains,

> No eunuch flatters his tyrant more shamefully or seeks by more infamous means to stimulate his jaded appetite, in order to gain some favor, than does the eunuch of industry, the entrepreneur, in order to acquire a few silver coins or to charm the gold from the purse of his dearly beloved neighbor. (Every product is a bait by means of which the individual tries to entice the essence of the other person, his money. Every real or potential need is a weakness which will draw the bird into the lime. . . .)[25]

Veblen did not base his theory of conspicuous consumption on capitalism itself, but on the struggle for invidious distinction that arises in pecuniary culture. As Veblen put it:

> The decent requirements of waste absorb the surplus energy of the population in an invidious struggle and leave no margin for the non-invidious expression of life. . . . The canons of decent life are an elaboration of the principle of invidious comparison, and they accordingly act consistently to inhibit all non-invidious effort and to inculcate the self-regarding attitude.[26]

More recent works on commodity fetishism and conspicuous consumption analyze consumerism as a continual round of working harder and feeling worse.[27] The harder we work, the more we have to spend on commodities to try to overcome the effects of our alienated work, and the more we spend on conspicuous consumption, the more other consumers spend on it, depriving us of the invidious distinctions we seek from it. Spending on commodities that satisfy artificial wants does not overcome the effects of alienation. Nor does conspicuous consumption make us feel better about ourselves. They both just leave us deeper in debt and more dependent on our paychecks. With commodity fetishism and conspicuous consumption, more is not better. It is worse.[28]

The theories of commodity fetishism and conspicuous consumption lay down an epistemological foundation for a critique of the want process in affluent societies. They show that individual utility is not the causal factor in want creation and want satisfaction. The causal factors are external to the subjective preferences of the individual consumer because those preferences are learned, not inherent. Only such basics as hunger and thirst are inherent. A desire for potato chips and beer is learned. The Galbraithian theory of the revised sequence fills in the actual details of how advertising and salesmanship teach us what we want: "The revised sequence sends to the museum of irrelevant ideas the notion of an equilibrium in consumer outlays which reflects the maximum of consumer satisfaction."[29]

The Production/Reproduction Process

The production/reproduction process involves a whole series of social relations: the ownership of the means of production, the organization of the workplace, relations within the family and between the sexes, policies of the state, and continuous struggle over the control of all these relations. Neoclassical economics reduces the production/reproduction process down to the theory of the firm. The theory of the firm then reduces the firm down to little more than a production function and an individual chooser who maximizes his profits within a set of given constraints. With the substance squeezed out of the production/reproduction process, neoclassicism then proceeds to develop an elaborate analysis of the logic of individual choice as applied to production/reproduction. The social relations of ownership, management, patriarchy, politics, and conflict are replaced by isoquants, budget lines, and equilibrium conditions which become the mathematical abstractions analyzed. Neoclassicism substitutes the logic of individual choice as applied to production/reproduction for explanations of production/reproduction itself.

Marxists who inquire into institutional issues have made significant contributions to the theory of production. Such Marxists have constructed a number of powerful theories of ownership of the means of production, theories of control of the workplace, and theories of class conflict in the workplace. For example, Harry Braverman's *Labor and Monopoly Capital* is a theory of private property in the means of production that explains how private ownership has affected the production process at every turn. To Braverman's theory of ownership, Richard Edwards's *Contested Terrain* adds a theory of workplace conflict. Edwards shows how continued struggle over control of the workplace has shaped the production process in the United States. Then, Stephen A. Marglin's "What Do Bosses Do" rounds out the Marxist-institutionalist theory of the production process by explaining how managerial hierarchy has shaped the evolution of the production process.[30]

To these Marxist-influenced theories of the workplace and class conflict, institutionalists add theories of the state and theories of gender, to round out the explanations of the production/reproduction process. The state and the political process are shown to have profound effects, both positive and negative, on the production/reproduction of the material means of life. Furthermore, gender inequality is shown to distort both the way we understand the economy and the way the economy itself actually works.[31]

The Meaning Process

The meaning process involves assigning meaning to the three other processes. To understand what the economic activities mean to the people involved in them does not involve reading their minds or prying open their heads to get at their individual subjectivity. Understanding meaning does not require that we project our own introspections onto other people. Those other people can talk. They can write. They can tell their own stories. What economists need to do is learn how to ask questions and learn how to listen to people's stories. The collection and interpretation of oral histories already provide us with considerable insight into the meanings of economic activities.[32] The meaning of the life process lies out there in the hearts and minds of millions of folks, just waiting for us to ask the right questions and to listen to the answers.

To inquire into meaning, however, is to go to the very heart of the economic system. And that, neoclassicism fails to do. Instead, it retreats from a theory of meaning by posing as a value-free science. For at the heart of any class system is the conflict between class interest and general interest, the contradiction between the general will and the particular will. In the old Soviet system it was the contradiction between the class interest of the state bureaucracy and the underlying populations. In the U.S. system it is the contradiction between the class interest of monopoly capital and the broad public. Marx emphasized,

> For each new class which puts itself in the place of one ruling before it, is compelled, merely in order to carry through its aim, to represent its interest as the common interest of all the members of society put in an ideal form; it will give its ideas the form of universality, and represent them as the only rational, universally valid ones.[33]

If we do not inquire into the meanings of economic processes, we run the danger of having an economic theory that, at best, does not mean anything and, at worst, serves merely to obscure and preserve the position of those who derive wealth and power from the status quo. It is in the understanding of the meaning process that institutionalism becomes particularly significant. Most important is the contribution made by Thorstein Veblen. He lifted the myths that had shrouded the meaning of the predatory processes of our economy.[34] Important recent contributions to the Veblen branch of institutionalism can be found in work produced by "radical institutionalists."[35]

Institutionalism has developed theories of the resource process, the want process, the production process, and the meaning process. Neoclassicism has not. Whether most economists realize it or not, institutionalism has matured into a paradigm with a fully developed body of theory.

Conclusion

Due to its broad definition of economics as the study of social provisioning, institutionalism has become a synthesis. The synthesis includes the commonly recognized institutionalism of Veblen, Commons, Mitchell, and Ayres—traditional institutionalism. But the synthesis also includes the originator of institutionalism, Karl Marx, and it includes some contemporary Marxists like Stephen Resnick, Richard Wolff, Samuel Bowles, Herbert Gintiss, Thomas Weisskopf, and Howard Sherman. Furthermore, institutionalism has been enriched by the works of many others who have inquired into the social provisioning process, whether or not they call themselves institutionalists (Douglass North and Oliver Williamson, for example). Considerable disagreement exists within the synthesis, but then considerable disagreement always exists within any paradigm.[36] What is significant about this synthesis is its very real theoretical depth and breadth. Its broad definition encompasses a theoretical body of knowledge far surpassing what can be fit within the narrow confines of the neoclassical definition. Furthermore, the institutionalist definition focuses inquiry on social processes rather than on mathematical forms, on dynamic change rather than on optimal equilibrium. Economics should be redefined to be the study of social provisioning.

Notes

1. The views expressed in this chapter benefited from the contributions of Warren J. Samuels, J. Ron Stanfield, Marc Tool, William Waller, and Charles Whalen.
2. Lionel Robbins, *An Essay on the Nature and Significance of Economic Science*, 2d ed. (London: Macmillan, 1935), p. 16.
3. Allan G. Gruchy, *The Reconstruction of Economics* (New York: Greenwood Press, 1987), pp. 4–7 and 21.
4. Allan G. Gruchy, *Modern Economic Thought* (New York: Augustus M. Kelley, 1967), p. 275.
5. John R. Commons, *Myself* (Madison: University of Wisconsin Press, 1964).
6. Wesley C. Mitchell, *Business Cycles, The Problem and Its Setting* (New York: National Bureau of Economic Research, 1927).
7. A similar view of orthodox and institutional economics is suggested by John M. Clark; see his "The Socializing of Economics," in Rexford Tugwell's *The Trend of Economics* (New York: Knopf, 1924), p. 85.
8. But see François Perroux, "The Domination Effect and Modern Economic Theory," *Social Research, 17* (1950), 188–206.
9. Gunnar Myrdal, *Economic Theory and Underdeveloped Regions* (New York: Harper and Row, 1957), p. 13.
10. Ibid., p. 13.
11. For further discussion, see William T. Waller, "Methodological Aspects of Radical Institutionalism," in William M. Dugger (ed.), *Radical Institutionalism: Basic Concepts* (New York: Greenwood Press, 1989), pp. 39–49; J. Ron Stanfield, "Phenomena and Epiphenomena in Economics," *Journal of Economic Issues, 13* (1979), 885–98; J. Ron Stanfield, "Learning from Primitive Economies," *Journal of Economic Issues, 16* (1982), 471–79; and Anne Mayhew, "Culture: Core Concept Under Attack," *Journal of Economic Issues, 21* (1987), 587–603.
12. Stephen A. Resnick and Richard D. Wolff, *Knowledge and Class* (Chicago: University of Chicago Press, 1987).
13. J. Ron Stanfield, "Learning from Primitive Economies," p. 471.
14. Geoffrey M. Hodgson, *Economics and Institutions* (Philadelphia: University of Pennsylvania Press, 1988), pp. 13–17.
15. Thorstein Veblen, *The Theory of the Leisure Class* (New York: Augustus M. Kelley, 1975); and Thorstein Veblen, *The Place of Science in Modern Civilization and Other Essays*. (New York: B. W. Huebsch, 1919), pp. 325–86.
16. Adolf A. Berle and Gardiner C. Means, *The Modern Corporation and Private Property*, rev. ed. (New York: Harcourt, Brace and World, 1968); Erich W. Zimmermann,

World Resources and Industries, rev. ed. (New York: Harper and Brothers, 1951); and John R. Commons, *Legal Foundations of Capitalism* (Madison: University of Wisconsin Press, 1968).

17. Gunnar Myrdal, *Objectivity in Social Research* (New York: Pantheon, 1969).
18. See Marc Tool, *Essays in Social Value Theory* (Armonk, NY: M.E. Sharpe, 1986).
19. Gunnar Myrdal, *Objectivity in Social Research*, p. 72.
20. Clarence E. Ayres, *The Theory of Economic Progress*, 2d ed. (New York: Schocken Books, 1962); Erich W. Zimmermann, *World Resources and Industries*; and Thomas R. DeGregori, *A Theory of Technology* (Ames: Iowa State University, 1985).
21. John R. Commons, *Legal Foundations of Capitalism*, p. 6.
22. Further discussion is in Barbara Bergmann, *The Economic Emergence of Women* (New York: Basic Books, 1986).
23. Karl Marx (ed. by Frederick Engels), *Capital* (New York: International Publishers, 1967), pp. 71–83.
24. I have relied on T.B. Bottomore's translation in Erich Fromm, *Marx's Concept of Man* (New York: Frederick Ungar, 1966), pp. 90–257.
25. Ibid., p. 141, parentheses in original.
26. Thorstein Veblen, *The Theory of the Leisure Class*, p. 362.
27. Juliet B. Schor, *The Overworked American* (New York: Basic Books, 1991).
28. J. Ron Stanfield and Jacqueline B. Stanfield, "Consumption in Contemporary Capitalism: The Backward Art of Living," *Journal of Economic Issues*, *14* (1980), 437–51. For an analytical framework, see William M. Dugger, "The Analytics of Consumer Externalities," *Review of Social Economy*, *43* (1985), 212–33.
29. John Kenneth Galbraith, *The New Industrial State* (Boston: Houghton Mifflin, 1967), p. 213.
30. Harry Braverman, *Labor and Monopoly Capital* (New York: Monthly Review Press, 1974); Richard Edwards, *Contested Terrain* (New York: Basic Books, 1979); Stephen A. Marglin, "What Do Bosses Do? The Origins and Functions of Hierarchy in Capitalist Production," *Review of Radical Political Economics*, *6* (1974), 33–60.
31. Recent works in this line include William M. Dugger and William T. Waller (eds.), *The Stratified State* (Armonk, NY: M.E. Sharpe, 1992); and Janice Peterson and Doug Brown (eds.), *The Economic Status of Women Under Capitalism* (Aldershot, UK: Edward Elgar, 1994).
32. See the following books by Studs Terkel: *Hard Times* (New York: Pantheon Books, 1970); *Working* (New York: Pantheon Books, 1974); and *The Great Divide* (New York: Pantheon Books, 1988).
33. Marx in Erich Fromm, *Marx's Concept of Man*, p. 214.
34. Thorstein Veblen, *Absentee Ownership and Business Enterprise in Recent Times* (New York: Augustus M. Kelley, 1964).
35. See William M. Dugger, *Radical Institutionalism: Basic Concepts*, for an introduction to radical institutionalism and its recent contributions to economics.
36. See William M. Dugger and Howard J. Sherman, "Comparison of Marxism and Institutionalism," *Journal of Economic Issues*, *28* (1994), 101–27.