proposals available to capitalist economies for the maintenance of price stability and full employment.

What then are we in the end to make of Professor Sherman's book? Foremost, the book is a thorough and easily accessible analysis of the problems inherent in modern capitalism. There is much in this book to recommend and its presentation is extremely effective in conveying the inherent instability of capitalism. As such, it is remarkably well suited for undergraduate courses studying why capitalism suffers from ups and downs — not unlike a roller coaster.

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Money and Households in a Capitalist Economy, by Zdravka Todorova. Cheltenham: Edward Elgar, 2009. Hardcover: ISBN 978-1-8472-0953-5, £59.95. 165 pages.

Schools of heterodox economics are more divided, and some paradigms are possibly less reconcilable than is frequently recognized. With her pioneering work, Zdravka Todorova tries to fill part of this gap, placing gender within a post-Keynesian and institutionalist analysis.

The book, one of the "Outstanding Academic Titles for 2010," is a re-elaboration of Todorova's PhD thesis, which was awarded the International Veblen Prize. Possibly as a consequence of it being a re-elaboration of a dissertation, the volume is relatively short (165 pages) and only comprises six chapters.

In the first part of the work, the topics of household relations and gender roles are investigated within a neo-chartalist model of a monetary economy. After a brief review of the main heterodox models of household economics, the author proposes an extension of the circular flow of income and expenditure to explicitly consider the activities of households: not only in terms of unpaid work but also including the monetary and credit relations. In Todorova's model, there is a hierarchy of money whereby households' debt comes after corporate debt, which come after banks' liabilities. Liquidity is demanded because money is the medium to service one's debt, and State debt (money) is the top of the pyramid of liquidity due to State coercitive power.

In this set-up Todorova introduces women's unpaid labor not specifically by looking at its structural role, of warranting the reproduction of the labor force (though this role is acknowledged in the book), but most notably with reference to the capitalist "spirit", in particular employing the Veblenian categories of pecuniary culture and of invidious distinction. The accumulation of trophies on the side of the higher classes exhibits as a crucial example the husband's sustainment of an unproductive housewife, so that the diffusion of the traditional sexual division of labor in the lower classes appears as mainly a consequence of households' conspicuous consumption.

Coherently with the centrality of liquidity in post-Keynesian analysis, such a definition of (un)productive labor is related to the earning of money rather than to the provisioning process. Specifically, Todorova defines unproductive expenditures as the part of unpaid housework activities that are carried out despite the fact that the household is not financially constrained and could buy the corresponding goods and services on the market, whereas the housework activities that produce goods that the household cannot afford to buy in the market are labeled as necessary consumption (i.e., productive activities). Part of households' unpaid work will always be productive because Todorova hypothesizes that firms pay workers a lower wage than what would warrant their subsistence and the reproduction of the labor force.

At the same time, households have an incentive to have women engaging in paid work because this earns them money, which, as mentioned, is the unsubstitutable liquid asset. Thus, a conflict arises between instrumental rationality (raising the demand for liquidity and thus women's employment) and ceremonial rationality (exhibiting the cult of domesticity as a form of conspicuous consumption).

Incidentally, in such a model Todorova applies the institutionalist hypothesis of conspicuous consumption to develop one of the most interesting formal models of the build-up of unsustainable levels of private debt in the United States. According to this explanation (contemporarily independently proposed by Starr, 2009), even in the face of a collapsing share of labor income the middle classes have pursued increasingly higher levels of consumption to emulate the behavior of capital-income earners, whose profits and rents were instead increasing. Such an explanation of the current crisis (which was just deflagrating at the time of writing of Todorova's work) is now increasingly accepted among a certain number of mainstream economists, but Todorova's work allows us to consider such emulative behavior as a rational response to the evolving definition of the socially necessary level of consumption.

On the whole, the most interesting result of Todorova's analysis is probably the formalization of an apparently trivial observation. While feminist economists usually focus on stressing the dependency of men's "public sphere" on women's unpaid work in the "private sphere" of the economy, Todorova reverses the perspective as she rather stresses unpaid workers' dependency on their waged partners. As mentioned, this result is only apparently trivial because in Todorova's analysis it rests on the ingenuous investigation of the role of money in the capitalist economy and in the development of households' financial and productive relations. However, Todorova's work stops short of noticing some of the less obvious consequences of the non-substitutability of money: for example, that most mainstream capability-based measures of individuals' welfare are flawed by the unwarranted assumption of substitutability between money income and the other dimensions of welfare or functionings.

In conclusion, by showing how gender affects wages, activity levels and debt relations, Todorova's book will be of interest to many, beyond the post-Keynesian and institutionalist schools. However, the overall appreciation of this work crucially depends on how relevant one deems the aim of seeking the integration of different heterodox schools and paradigms. Indeed, Todorova's work does not fit the traditional feminist aim of denouncing the gender-blind nature of economic analysis (a respect from which most heterodox paradigms do not appear as better placed than mainstream economics). With apparent naturalness, Todorova shows that institutionalist concepts fit very well in a post-Keynesian model and that gender provides a meaningful complement to such an analysis. However, the extent to which an integration of disparate paradigms is possible, or even that it is desirable beyond the requirement of a "loose" conceptual compatibility, is a matter for discussion, and the reader remains with the impression that Todorova's grand aim may even be that of eventually developing an all-encompassing realistic formal model of the whole economy: a methodological stance that several economists may probably not share, but certainly a book that many should want to read.

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Reference

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