

CONSUMER CAPITALISM, by Anastasios S. Korkotsides, Routledge, 2007.
ISBN: 978-0-415-37518-4; 256 pages.

Reviewed by Peter T. Manicas, University of Hawai'i at Mānoa

Consumer Capitalism is Volume 87 in the series, *Routledge Frontiers of Political Economy*. As an essay on the “frontiers,” it does not disappoint. As Korkotsides writes: “This book treads an unorthodox, controversial, often quarrelsome path in its content and writing style” (viii). Indeed, exploiting resources that range from Aristotle to Stigler, Korkotsides is unabashedly speculative and comfortably radical, going well beyond the by now familiar criticisms of mainstream economic theory. He thus offers not another heterodox view, but a view grounded in premises not usually found in economic theorizing. This makes the argument rough going at times. His implicit philosophy of science draws on recent “realist” heterodox views which “challenge the mainstream equilibrium-oriented perspective, and attempt to reconstruct economics as a social discipline” (80). But because he finds a critical lacuna in both heterodox and Marxist theory, he offers a far bolder program for economic “science.”

The lacuna, innocent on its face, is the absence of an adequate theory of consumer behavior. Plainly, the fundamental premises of neo-classical theory are essential for the construction of both the supply and demand curves. Once these assumptions are rejected, one needs to utterly rethink the whole of price theory. Korkotsides’s primary focus is on demand. He writes: “An honest theory of consumer behavior and choice must explain rivalry in consumption, the genesis and development of tastes, that is, how demand is actually shaped. It must explain the ubiquitous cynicism of capitalist rationalization” (54). With regards to this last point, Marx’s idea of alienation “was a hypothesis which was not far from the truth” (74) but his followers betrayed his historicism and “his own neglect of psychological foundations of behavior” contributed to the failure of Marxist theory. “What has changed and needs to be appended to Marx’s theory is what may called *capitalist mode of consumption*, which has activated dormant psychological drivers” (74).

But the project is not, we may notice, the same as E.H. Chamberlin’s (1933) argument that the oligopolistic model gave a new and important role to advertising. In the model of perfect competition, advertising could only be informational. Chamberlin insisted that “selling costs” must be distinguished from “production costs” and that the efforts of sellers alter the shape of the demand curve for a product. The implications of this are of enormous importance and include total rejection of the idea of “consumer sovereignty.” On the pure competitive model, demand curves are the outcomes of autonomous choices by rational consumers and suppliers are not in a position to manipulate demand. But as Chamberlin noted, “...the art of the advertiser is akin to that of the hypnotist. Control of the buyer’s consciousness must be gained, and while it is being gained additional expenditure yields increasing returns” (1956: 133). Indeed, for Baran and Sweezy (1968), if market capitalism is to be reproduced, new needs must constantly be created, or as Schor put the matter, “consumerism is not an ahistorical trait of human nature, but a specific product of capitalism” (Schor 1992: 117).

Korkotsides project then is to provide the ontological and psychological ground for consumer behavior in capitalist society. He argues that “what is revealed of the requisite ontology through consumption is a *grave* (sic) distress of amazing proportions. This, as noted by Lawson (1997: 180), who cites Giddens (1984), can supply ‘continuity, stability and sameness in daily affairs; and ‘at the level of the unconscious is a basic need for inner security grounding a generalized disposition towards the maintenance of trust in the natural world and the avoidance of anxiety’” (38). In successive chapters, Korkotsides unpacks the metaphysics of a world filled with contingency and of the anxiety which underlies and prompts all consumer behavior. Thus, to get a mere hint of this: “Uncertainty is impossible to harness and uncertain choices and events are intrinsic to real time-space” (91). Kierkegaard drew the psychological consequences of this: “Philosophy is perfectly right in saying that life must be understood backwards. But then one forgets the other clause—that it must be lived forwards” (91). Between birth and death, “we try with all our powers *to remain*: to be in control of our situation; to survive; to experience what intervenes between these two extremes...So we form bonds and join forces with others in order to augment our powers over nature, producing means through which we deceive ourselves into believing that we can control our destiny. Thus, economics becomes our long strong arm for reaching into the world that surrounds us” (92). “People need to make man-made things scarce so as so to be able to ascribe value to them and then claim it from others” (110). Finally, then, “capitalist reality...is a show, where all value is reduced to a capacity of artifacts to substitute for life, acting as instruments of life taking” (103).

As Korkotsides acknowledged, “this book treads an unorthodox, controversial, often quarrelsome path in its content and writing style.” This, of course, is both its strength and its weakness. Perhaps readers may be advised to take him seriously in this regard.

References

- Baran, Paul A. and Paul M. Sweezy. *Monopoly Capital: An Essay on the American Economic and Social Order*. New York: Monthly Review Press, 1968.
- Chamberlin, Edward H. *The Theory of Monopolistic Competition: A Re-Orientation of the Theory of Value*. 8th Edition. Cambridge, MA: Harvard University Press, 1962 [1933].
- Giddens, Anthony. *The Constitution of Society*. Berkeley: University of California Press, 1984.
- Lawson, Tony. *Economics and Reality*. London: Routledge, 1997.
- Schor, Juliet B. *The Overworked American*. New York: Basic Books, 1992.
- Schor, Juliet B. *The Overspent American: Why We Want What We Don't Need*. New York: Perseus Books, 1999.