Supplements to the economics of household behavior

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CHAPTER 2

The consumer and the good life: Hazel Kyrk’s ethical approach to consumer theory

2.1 Introduction

She approached consumer theory as a theory of human behavior. She argued that goods and services are not the end of production but merely instrumental in the production of welfare. She stressed the importance of what goes on in the household as a field worthy of economists’ attention. And she emphasized the importance of conceptualizing the consumer not in a timeless and spaceless world, but as a human being with a past and a social context. Because of this, some say that - writing in the first half of the twentieth century as she did - she 'was a pioneer in the field of consumer economics', 'broadened the economics curriculum to include consumer topics', 'established Chicago as the premier university for the study of family and consumer economics', did constructive work on 'the borderland between economics and home economics' and that her contribution to economics was 'great' and 'significant'.

Most economists, however, say nothing about her. When asked who best fits the above description of a Chicago pioneer approaching consumer theory as a study of human behavior, Gary Becker would come to their minds, were it not for the fact that he is not a she, nor writing in the first half of the twentieth century. Becker developed the concept of a 'household production function' and that of 'human capital', laid the foundations for a comprehensive (neo-classical) approach to the study of both market and non-market activities, and is generally conceived to be the founding father of 'new home economics', a field studying issues of the family and consumer which up till Becker's pioneering work were hardly ever considered as important by those that mattered in the realm of the discipline. For this great contribution to economics, 'having extended the domain of microeconomic analysis to a wide range of human behavior and interaction, including nonmarket behavior', he received the Nobel prize in 1992.

Of course, most of those who credit Becker with his pioneering role, do recognize - in ways similar to Michael & Becker (1973) - that his approach to consumer theory did not

materialize out of the blue. They often acknowledge that some of Becker’s contemporaries were engaged in the study of similar issues (i.e. Mincer 1962, Lancaster 1966; Muth 1966), and that parts of his work - specifically the part that recognizes that goods in and by themselves do not provide a lot of utility but are used by consumers as inputs into a ‘household production function’— can be traced back as far as Jeremy Bentham’s discussion on ‘pleasures’ and ‘pains’ in his 1789 An Introduction to the Principles of Morals and Legislation. In addition, they refer to her own contemporaries, Wesley Mitchell (1912) and Margaret Reid (1934), as forerunners. In particular Reid, also a Chicago economist, is now recognized as ‘one of the pioneers in several areas of consumer and household behavior’ and ‘the mother of home economics’.

But they do not mention her. To be sure, there are some references to her work, but only a fan of close reading, darker corners of libraries, and dusty archives will find these. You would certainly not stumble upon these references when reading some handbook, reference book or overview of the field of consumer theory and new home economics. Of course, there may be good reasons as to why this is the case. A publisher may once have found the material offered interesting, but the target audience may, for good reasons, not have agreed, despite the claims of an ignorant few who label the work ‘pioneering’, ‘great’ and ‘significant’. Not all that is written deserves mention, and not all that is said to be ‘pioneering’, ‘great’ and ‘significant’ can, in retrospect, be judged to be so. However, in her case, the explanation may not be that simple. For if one were to stumble accidentally upon her work, a quick scan would show that there are important overlaps between her work and that of Mitchell and Reid. What is more, in ways similar to Mitchell and Reid, there are clear links to be drawn between her

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2 This, for example, Nerlove (1974: 528), in a classic volume edited by Theodore Schultz on Economics of the Family, writes: ‘This theory of household production was developed in its modern form by Gary Becker (1965) and others, but most of its essentials originated in the much earlier work of Margaret Reid (1934), and it owes a good deal to Wesley Mitchell’s seminal observations in his essay (1912) on “The Backward Art of Spending Money”’. Richard Berk (1980: 144), discussing the relevance of the ‘new home economics’ for sociologists writes, in a footnote, “Actually, the “new” [home economics] perspective owes a great deal to the early work of Margaret Reid (1934), who basically staked out the household as an important territory for microeconomics. Unfortunately, her insights went largely unnoticed until quite recently’. And Blau & Ferber (1992: 34), in their textbook treatment on The Economics of Women, Men, and Work, also refer to Reid in a footnote, and write: ‘An early pioneer was Margaret G. Reid […], but her interesting ideas had little impact on economists before they were revived in the 1960s, a time when large numbers of women were entering the labor market’. A final example is Bruyn-Hundt (1996: 24-25), who in The Economics of Unpaid Work writes: ‘One of the first authors, before Becker, who proposes to extend the production boundary to unpaid labour was Margaret Reid (1934)’. In a footnote to this remark, she mentions that ‘A first start in this discussion was given by Wesley Mitchell’.

3 See on the belated recognition of Reid’s contribution, e.g., a special issue in her honor of Feminist Economics, Volume 2, No.3, 1996 and Van Staveren (1998), who refers to Reid as the ‘mother of home economics’.

4 See the references mentioned in note 1. More casual references to Kyrk (sometimes together with Margaret Reid) are found in for example Burk (1968: 8), Folbre (1994: 25), R. Dimand (1995: 9).
work and that of economists working in the field of ‘new approaches to consumer theory’. If Mitchell and Reid’s contributions are acknowledged, why not hers?

This chapter is about Hazel Kyrk and her approach to consumer theory. The original motivation behind the study presented was one of curiosity and a desire to understand why Kyrk’s contribution has not been recognized, whereas those of others working in the same field have. Gradually, however, a second motivation developed. In the course of my research, I quickly discovered that among the few strands of literature that do refer to Kyrk’s work and life, none provides a more thorough, overall discussion. There are at least two biographical articles which make interesting reading (cf. E. Nelson 1980; Beller & Kiss 1999), and at least one more theoretical paper on Kyrk’s contribution to economics (cf. Hirschfeld 1996), but none of these contributions aim to provide a more comprehensive discussion. Even without having to qualify Kyrk’s contributions as great or significant, this almost total lack of any serious consideration of her work, seems uncalled for and stands in the way of any serious discussion of its quality and contribution to the history of economics.

The ultimate aim of this chapter thus became to contribute to a discussion of Hazel Kyrk’s work and life, present a synopsis of her theoretical argument, and suggest some ways to interpret her work compared to that of others, both contemporaries and later writers. To accomplish this, this chapter continues in section 2.2 with a brief biographical sketch of Kyrk’s journey to the University of Chicago, where she wrote her main theoretical contribution, *A Theory of Consumption* (1923). Section 2.3 discusses the historical context in which *A Theory of Consumption* was written, and presents a synopsis of Kyrk’s approach to consumption theory as presented in *A Theory*. Section 2.4 continues with a description of Kyrk’s life, and discusses both her scientific work as well as her work as a government advisor in the 1930s and the 1940s. In section 2.5, Kyrk’s approach is compared to other approaches to consumer behavior, ranging from the approach of the early home economists to that of the new consumer theorists such as Becker. Section 2.6 concludes this chapter, and offers some ideas for further research. Among those is the suggestion that the study of Kyrk’s work be continued and linked to that of a prominent contemporary of hers, pragmatist philosopher John Dewey. To me, the lesson to be learned from what follows is that Kyrk’s contribution to consumer theory is especially worthwhile when interpreted as an attempt to combine pragmatist philosophical ideas to the economics of consumer behavior. Seen in this light, the approach focuses around the concept of the good life, a higher level of living, and on the role of consumers, economists and philosophers in trying to attain it. It combines ethics and economics in the study of consumer behavior, and is Hazel Kyrk’s ethical approach to consumer theory.
2.2 From Ashley, Ohio to Chicago, Illinois: 1886-1920

Hazel Kyrk was born in Ashley, Delaware County, Ohio (US) on November 19th, 1886. She was the only child of Elmer Kyrk, a laborer, and Jane (Benedict) Kyrk, a housewife, who died when Kyrk was three years old. After graduating from high school at the age of 17, Kyrk enrolled at Ohio Wesleyan College in 1904. She was self-supporting and earned her living working as a mother’s helper in the home of one of the economics professors at the college. In retrospect, this non-academic work activity appears to have been of great – albeit indirect – importance to her academic work career. For this economics professor was Leon Carroll Marshall, who was soon to move to the University of Chicago to become dean of the College of Commerce and Administration. In 1908, two years after Marshall’s move, Kyrk also moved to Chicago, again worked for the Marshall family and enrolled at the University of Chicago, where she gained her Bachelor’s Degree. She thus ended up at a place now known to have been ‘a seedbed for new ideas in the social sciences’ (E. Nelson 1980), ‘remarkable as a source of women economists’ PhD’s’ (M.A. Dimand 1995: 47) but also ‘initially liberal but increasingly conservative’ (Rossiter 1982: 109) with respect to full coeducational policies at the undergraduate and graduate level.

Kyrk obtained her BA in Economics in 1910, and was admitted to the Beta section of the Illinois Chapter of the Phi Beta Kappa Society, a US undergraduate honors organization. She enrolled as a graduate student in the Department of Political Economics during the autumn term of 1910, but in 1911 left the university to take up employment for a time as an instructor in economics at Iowa State College (1911) and at Wellesley College (1911-12), one of the more independent women’s colleges at the time. In 1912, she returns to the University of Chicago to resume her graduate work. She combined this work with teaching jobs at the

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5 The biographical information mentioned in this section on Hazel Kyrk is taken from Nelson (1980), Beller & Kiss (1999) as well as from Kyrk’s own resumes as found in her Biographical File, Department of Special Collections, the Joseph Regenstein Library, University of Chicago.

6 Leon Carroll Marshall (1879-?) joined the University of Chicago faculty in 1906 and later on became the dean of the College of Commerce and Administration. In addition, Marshall was dean of the School of Social Service Administration (1918-1924), chairman of the Department of Political Economy (1918-1928) and Director of Work in Economics (1924-1928). Marshall left the University of Chicago in 1928 to go to the Johns Hopkins University (Beller & Kiss 1999: 13).

7 This College is now known as the Graduate School of Business of the University of Chicago, and at one time or another included among its faculty scholars such as George Stigler, Ronald Coase, Gary Becker, Milton Friedman, Robert Lucas and Edward Lazear. Marshall was dean from 1909 to 1924 and is said to be ‘the man who truly shaped the business school’s philosophy (…) providing the school with a lasting vision’ (A Centennial Report, University of Chicago Magazine, December 1997).

8 When founded in 1892, the University of Chicago was said to be most liberal with respect to admitting women on an equal basis with men. Soon after its establishment the university became one of the largest ‘producers’ of women PhDs in the US. As for undergraduate women, Margaret Rossiter remarks that they ‘became so numerous that by 1902 they constituted one-half of the student body, an alarming jump since 1892, when they were one-quarter of the total. Administrators, afraid of feminizing learning entirely, put sharp limits on the women by organizing a separate college for them within the university’ (Rossiter 1982: 109).
University of Chicago (1912-1914) and, from 1914 on, having completed her course work for the PhD, at Oberlin College, Ohio, a college which pioneered in co-education and enrolled women students alongside men from its opening in 1833.

In the academic year 1918-1919, she was granted leave to finish her thesis. However, she instead decided ‘to join the war effort’ (E. Nelson 1982: 405). President Woodrow Wilson, who in 1917 had finally declared it time for the United States to enter what was to become World War I, argued that the world had to be ‘made safe for democracy’. Cheered on by Wilson’s considerable propaganda effort (which replaced the word ‘hamburger’ by ‘liberty sandwich’), ‘with these emotional overtones ringing in their ears, the American people went to war in a mood of the highest idealism. They fought - or at least great numbers of them so believed – for the survival of democracy and for peace on earth’ (Hicks et al 1970: 577; also Johnson, 1997: 646ff.). Kyrk, it seems, was one of the many people Wilson’s principles strongly appealed to. In 1918, she followed her PhD advisor James Alfred Field9 on a Mission of the War Shipping Board to London, where she worked as a statistician for the American Division of the Allied Maritime Transport Council. In 1919, she returned to her teaching position at Oberlin College and only then finished her thesis.

In 1920, the year in which American women obtained the right to vote and a peak year in terms of the percentage of PhD dissertations in economics by women10, Kyrk, at the age of 33, received a doctor’s degree magna cum laude for her thesis on ‘The consumer’s guidance of economic activity’, later published as *A Theory of Consumption* (1923). In this work, Kyrk places the consumer as an active force in the economy within full view of economists. She denounces the view of consumers as merely passive users of goods, and instead argues that they are among the ‘responsible agents’ in the economy who, by choosing, buying and using goods, guide and control the productive process (cf. the original title of the thesis). Because of this, she argues, the consumer should be studied. In *A Theory of Consumption* Kyrk sets out to do so, and studies ‘the world behind the demand curve’. The book relates consumer behavior to social psychology and philosophy and is, by those who read it, judged to be ‘a

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9 James Alfred Field (1880-1927) started work at the Department of Political Economy of the University of Chicago in 1908 and obtained a full professorship in 1918 (for information on Field, see Hohman 1931). He was one of the first to devote a course at an American college or university exclusively to population issues, and is said to have made a distinctive contribution in the field of population studies (especially in the study of birth control), standards of living and statistical methods (see his *Essays on population and other papers. Chicago, Illinois: University of Chicago Press (1931)). Hohman writes that ‘(t)hroughout his life he continued to ask, not “How shall the economic system be geared to produce the maximum wealth?” but “How may human beings reconcile the aspiration for rich and full living with an economic system which offers its rewards only in return for the most intense and self-exploiting specialization?”’ (Hohman 1931: xvi). In his civic life, Field was vice-president of the National Consumer League and president of the Illinois Birth-Control League. It seems likely that Kyrk was influenced by Field, but further research should confirm this.

10 Forget (1995: 26) says that ‘[i]n economics (...) PhD dissertations [in progress, according to the table provided by Forget, SvV] by women, as a percentage of the total number of dissertations in economics, seemed to reach their peak in 1920 [19 percent] and then show a general decline until 1940’, when the percentage amounted to 7.
The classic exposition of the social basis of consumer behavior (E. Nelson 1980: 405; also Reid 1972).

Her ideas on the matter got her career off to a good start. In 1921, Kyrc was awarded the Hart, Schaffner & Marx Prize, an honor she shares with for example Frank Knight and with later Nobel Prize winner Simon Kuznets. Winning this prize was a ‘notable event’ (R. Dimand 1995: 9), not only because it entailed a money prize of $1000 – a sizeable amount of money at the time - or because it enabled the winners to publish their book as a dissertation. It was especially notable because the winners had the honor of having their work recognized by a panel of highly distinguished economists. In Kyrc’s case, this panel included John Bates Clark, said to have been an admirer of historians and institutionalists, and the aforementioned Wesley Mitchell, who must have seen in Kyrc a promising scholar to continue his line of work on the ‘Backward art of spending money’.

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11 Frank Hyneman Knight (1885-1972) received the prize for his dissertation ‘A theory of business profit’ (1916), a revised version of which appeared under the title Risk, Uncertainty, and Profit as a Hart, Schaffner and Marx prize essay in 1921. He later worked on capital theory, and on methodological and philosophical questions in relation to economics. He received his PhD from Cornell University, and taught at Cornell, Chicago, Iowa, and, again, Chicago (from 1927 to 1955). Knight and Kyrc both spent a considerable part of their career at Chicago, where they both worked from 1927 on. However, they may have met earlier, if not in 1917 when Knight first came to work at Chicago, then maybe in 1924-1925, when both were associated with the University of Iowa.

12 Simon Smith Kuznets (1901-1985), Russian born, received the prize in 1930 for his ‘Secular movements in production and prices; their nature and their bearing upon cyclical fluctuations’. He studied at Columbia University, receiving his PhD, with Wesley Mitchell as his advisor, in 1926. He then joined the National Bureau of Economic Research, headed by Mitchell, to embark upon his study of national income, and, in 1930 took up a teaching position at the University of Pennsylvania, where with only a short interruption during World War 2, he stayed until 1954. He later (in 1971) received the Nobel Prize for “his empirically founded interpretation of economic growth, which has led to new and deepened insight into the economic and social structure and process of development”. He is also known as the father of the Gross National Product.

13 John Bates Clark (1847-1938), together with Richard Ely and Henry Carter Adams, issued the call that led to the formation of the American Economic Association to give a sympathetic hearing to the critics of laissez faire. Although said to be an admirer of the work of historians and institutionalists, Clark himself contributed most in his theoretical work on modern capital theory and ‘was last of the claimants to independent discovery of the principle of marginal analysis’ (Schumpeter 1997 [1954]: 868).

14 Wesley Clair Mitchell (1874-1948) was at that time at Columbia University and Director of the National Bureau of Economic Research, which he had helped to found in 1920. He was at the University of Chicago from 1892 to 1903, and, while there was influenced by Thorstein Veblen, although he worked on his PhD thesis under the guidance of James Laughlin. In 1903, he started teaching at the University of California; he went to Columbia in 1913. He is best known for his work on business cycles, but is especially important in respect to Kyrc’s work because of his article on ‘The backward art of spending money’ (1912). M.A. Dimand (1995: 44) mentions that Mitchell was one of the two male academics (the other one being the aforementioned Richard Ely, previous footnote) who seem to have supported women economists to some extent.

15 The other members of the committee were James Laurence Laughlin (1850-1933), teacher of both Thorstein Veblen and Mitchell, Edwin F. Gay and Theodore E. Burton (Kyrc 1923: preface).
2.3 A theory of consumption

A *Theory of Consumption* is written from a welfare perspective and is fundamentally concerned with the prevention of what Kyrk labels ‘waste’ of productive resources. This concept of ‘waste’ is a broad one, and includes the more common notions of uneconomical use of resources (tied to non-use of productive resources) as well as ineffective and inefficient use due to a faulty valuation of resources as good or best for reaching specified ends. In addition, however, it includes two ethical notions not usually considered in the economic literature on welfare. First, it includes the notion of a distributional flaw such that resources are used to fulfill the not-so-urgent whims and fancies of some, while the urgent needs of others are not met. Second, it includes the notion of a faulty direction of resources resulting in the fulfillment of what Kyrk labels ‘unwise’ ends that do not lead to desirable ends embodied in ‘the good life’. Kyrk argues that, if one is concerned with human welfare, an important, general question to ask is how to best prevent all these manifestations of waste, that is, how to prevent uneconomical, inefficient, ineffective and unwise use of resources and guarantee that everyone is able to fulfill their most urgent needs. It is the desire to answer this question which forms, in my opinion, the motivational force behind Kyrk’s theory.

2.3.1 Consumers’ power of choice in times of ‘industrial turmoil’

The general question of how to prevent waste and maximize welfare, however, is broader than the one specifically addressed in *A Theory of Consumption*. Assuming that in almost all but the direst of circumstances, waste can best be prevented in the context of a market economy, Kyrk narrows the more general question down to address the prevention of the waste that results from giving consumers, at least nominally, the power to direct the use of productive resources in a market economy. That is, the question central to *A Theory of Consumption* is how to strengthen the effectiveness of consumers’ power of choice as a means to prevent waste of economic resources.

In my view, two developments served as a background to this specification of the research problem. The first is the shift from a market economy to a war economy during World War 1, which involved the state taking over the management and even the ownership of whole industries (see chapter 2 of *A Theory of Consumption*). In the course of the war, six wartime agencies had taken over chief responsibility for guiding productive resources. Among them were the Shipping Board – Field and Kyrk’s employer in the war - which could ‘build ships faster than the [German, SvV] submarines could sink them’, and the War Industries Board, the most powerful of all, which ‘took full command of American production’ (Hicks et al 1970: 583).

Their work was to reorganize the industrial order by exercising authoritative control over economic activity and resources. They were to see that there was no
waste, no diversion of labor and capital to non-essentials, and that all powers were concentrated upon the single purpose (Kyrk 1923: p.32).16

They seemed to work, as ‘(i)t was generally acknowledged that the system performed near miracles in the production of vital war goods. According to the German General Ludendorff, American industrial production, as much as any other single factor, accounted for the Allied victory’ (Hicks et al 1970: 584). Kyrk concluded from this success that authoritative control over economic activity and resources is not in all cases objectionable, and - if circumstances are as dire as those during the war - that it can be a good way to prevent waste. Drawing on John M. Clark’s work on ‘The basis of war-time collectivism’17, Kyrk argues that if there are only a few, clearly defined common purposes – as supposedly there are in wartime -, then one can develop a test of what is and what is not a dispensable use of resources.18 In that case, benevolent authoritative control over productive resources may be better able than a market mechanism to prevent waste. Because to make [the market mechanism, SvV] serve the war purpose with a maximum of efficiency (...) is not only a case of having the heart right, but the head also (p.31).

However, the war also made Kyrk realize that only in a very few instances are the conditions under which authoritative control is to be preferred fulfilled. In most cases, “if there is no

16 Unless otherwise noted, the highlighted quotes in this chapter are taken from Kyrk’s 1923 A Theory of Consumption.
17 John Maurice Clark (1884-1963), son of John Bates Clark, published on anti-trust legislation, the business cycle, the economic costs of war, the problem of post-war demobilization, the macroeconomics of demand management, inflation theory, the labor market, and the future prospects of capitalism. He is said to have seen ‘his life-work as that of developing the dynamic implications of economic theory’, and is best known for his Toward a Concept of Workable Competition (1940). He also wrote Studies in the Economics of Overhead Costs (1926), in which he investigated the role of internal economies of scale in accounting for the growth of monopolies. Clark is a contemporary of Kyrk, and it is not unlikely that they knew each other personally. He graduated from Columbia University, after which he went to the University of Chicago to become a lecturer. He stayed there from 1915 until 1926, when he left Chicago to become a professor of economics at Columbia University.
18 The same argument was used in World War 2. As a slightly ahistorical illustration of the practical problems to be dealt with when determining what is and what is not essential in wartime, consider an anecdote provided by John Kenneth Galbraith in his interesting and amusing Name-Dropping from FDR on (1999: 37-8). Galbraith was in charge of price control and rationing at the Office of Price Administration in 1941-1942, when it became evident that the Japanese were going to overrun the rubber plantations in Malaya and Indonesia. Because synthetic rubber manufacture was not an option yet, a shortage of rubber loomed. Galbraith recalls: ‘[A]t short notice, I] froze all retail and wholesale stocks of rubber tires and put into effect a stringent rationing system. If a tire was to be sold, it had to be essential for the national defense, for medical personnel, for public transportation or for other similarly compelling need. The test of such need was severe. On the implementation of the edict, a message came to me personally from Roosevelt asking what congenital idiot had supposed that ministers of the Gospel were not essential. Particularly, he asked, had I never heard of Southern Baptists and their political impact? In a day or two, ministers became essential’.
primary social need, clear cut and definite, to which all others are subordinated', freedom of choice is to be preferred.

When the group as a whole is conscious of no such supreme purpose to be accomplished, it would seem to be necessary to allow individual choice to determine the uses of social resources. If the judgments and standards of those in authority are imposed, we have the very antithesis of individual freedom. Control by the price system, upon the other hand, places the productive powers of society under control of the interests and attitudes represented by consumers, as those interests have been developed and organized in the course of the life process. Within the limits set by the conditions of the pecuniary organization itself, each group or class is free to work out its own concept of welfare. There is opportunity for experimentation and changing standards. Over against the risks and inevitable wastes of giving freedom of choice to the individual must be placed the possible gains which attend such an arrangement (pp.37-8).

Kyrk spends some time stressing this point (see Idem: 39ff). In particular, she argues against the Fabian Society, a society of socialist intellectuals founded in London in the middle of the 1880s, who maintained ‘that experts with a view to service rather than to profits could rationalize and standardize consumption’ and sketched a picture of ‘a great economy without “waste”’ (idem: 39). Kyrk admits it to be an ‘alluring picture’, but points out that it is a deceptive one. It assumes that an authority can work out what is and what is not a wise use of resources, whereas Kyrk takes a more pragmatic approach and argues that this is impossible because there is unlikely to be agreement on what makes for wise consumption. Science can speak with some authority about the requirements for physical growth, nutrition, or health. But it can never give similar expert advice where rules on how to attain anything above a certain minimum standard, let alone on how to attain ‘the good life’ are concerned. For one, not all experts agree and we do not agree with all experts about what constitutes the good life. Consequently, authoritative implementation of experts’ ideas on what makes for, e.g., ‘good’ clothes, ‘sufficient’ heating and ‘wholesome’ food would imply the use of productive resources to impose the judgments and standards of those with authority on others who might not share their judgments and who might hold different standards. Second, even if we were to agree on the fundamental values sought, authoritative control of resources remains problematic because

(1)he good life is imposed upon the individual from without (p.40).

This can never be optimal, because neither we nor our experts know all there is to know about how to attain and pursue the good life, as we can only discover this tentatively when groping for new experiences (see also section 2.3.3 below). If we did know all there is to know, then perhaps planning might have been an efficient model. Since we do not, we have to allow each individual or group the freedom to work out its own concept of the good life and how to attain
and pursue it. Except in the direst of circumstances, then, those interested in human welfare should not focus on the study of the success or failure of social engineering, but on whether, in ‘choosing the instruments of material life’, consumers are able to use their formal freedom of choice, to express themselves, and to exercise their individuality.

The second, related development that is likely to have served as a background to Kyrk’s specification of the research problem is the increasing complexity of the US market economy. At the beginning of the twentieth century, the expression of consumer choice had become an increasingly complex process. The separation of production and consumption in factories and homes respectively and the introduction of money as a means of exchange, had resulted in a consumption process of choosing, budgeting, and buying in a very complex market with an increasing amount and an increasing diversity of goods. It was a time of ‘industrial turmoil’, with Big Business enthusiastically awaiting the ‘Roaring Twenties’, which were just minutes away. Due to technological innovations and the improvement of the labor process, industrial production had changed character. Henry Ford, the industrialist, had picked up on the ideas of management consultant Frederick Taylor on the improvement of industrial efficiency, and had used his ideas to make standardized products for mass markets. His unrelentless pursuit of the policy of standardized machine production changed the character of industrial production. Whereas production had only influenced the consumers of the nineteenth century indirectly via the production of capital goods, railroads, bridges and the like, at the beginning of the twentieth century the new industries were geared to the mass production of consumer articles, to be sold directly and in ever increasing quantities (Hicks et al, 1970: 625; Hartmann 1974).

To all contemporary observers, it was clear that the character of production had undergone all those changes. Most of them, especially those that were forward-looking, also suggested there was ample room and opportunity to boost production volume even more. Some of them, including Kyrk, posed a question. They wondered, with all those changes and more to come, to what degree this mass of products satisfied or would satisfy the wants of the mass of consumers. And if it did not, what could be done to improve the situation. In what is now known as the Progressive Era, President Woodrow Wilson realized that the road not to take was to try to turn Big Business into little businesses and, as it were, turn back the clock. Instead, what was needed, according to Wilson, was a benevolent government as opposed to laissez-faire capitalism to defend ‘the ordinary man and woman against the excesses of corporate power’ (Johnson 1997: 636). Thus, he focused attention on the development of rules for ‘fair competition’ to control monopolistic practices, prevent mislabeling, adulteration, and price-fixing activities, and on the design of a ‘Magna Carta’ for labor, legalizing strikes, picketing, peaceable assembly, boycotts, and the collection of strike benefits. Against the background of the turbulent industrial times of the early twentieth century and with the tacit consent of the political leadership, the question of whether and to what degree the freedom of choice granted actually is ‘real freedom, the effective exercise of the power which has nominally been granted’ (Kyrk 1923: 42), seemed of sufficient and
pressing importance to try to formulate an answer. A Theory of Consumption, as I read it, is the result of an attempt to do so.

2.3.2 Other approaches to consumer choices

The analysis of the effectiveness of consumers’ power of choice and possible ways to strengthen it, is based on Kyrk’s ‘own’ theory of consumption. Kyrk admits that there are other economic theories dealing with related issues, but argues that none of them seem especially suited for the particular purpose. According to Kyrk, none of the available theories paid sufficient attention to the active role of consumers in the economy and its relation to consumer welfare.

Classical economists are preoccupied with the maximization of production per se\(^{19}\). They often seem to be interested merely in the goods produced without mentioning how goods relate to consumer welfare. Some of them appear to want to reduce the consumer’s place in economic theory to a minimum and explicitly state that they do not want to focus on the behavior of consumers. If they do acknowledge a link with consumer welfare, they only acknowledge one possible motive of consumers, i.e. that of maximizing wealth.

Formally the consumers’ existence was recognized; they were always there, a sort of bottomless pit into which a continuous and ever-increasing stream of commodities must be kept flowing (p.13).

For Kyrk’s purposes, this approach to the consumption process will not do: the consumer plays an active role and is one of the ‘responsible agents’ which, by choosing goods, guides and controls the productive process.

It is in the capacity of “chooser” rather than as “user” of goods that the economist, interested in the control of economic activities, becomes interested in the consumer. In that capacity, he appears as an active force, with needs and purposes which he attempts to realize through the organized economic processes (p.5).

Kyrk also dismisses the use of the marginal utility framework, even though the marginal utility school clearly acknowledges that consumers are in a position of control of economic activity and, with William Stanley Jevons\(^{20}\) as its master, firmly bases economic theory on a subjective value theory. Consumer choices, in the marginal utility view, are the result of rational attempts to secure a maximum psychic income in the form of pleasures, and it is the anticipated pleasures to be derived from goods which explains why they are wanted.

\(^{19}\) See on this also, for example, Hennipman (1945: 7-8).

\(^{20}\) William Stanley Jevons (1835-1882) is one of the founders of neoclassical economics. His Theory of Political Economy (1871), whose roots go back to Bentham’s ‘felicific calculus’ of pleasures and pain, is considered to be one of the main contributions to the take-off of the ‘marginal revolution’. After this revolution, economic theory becomes firmly based on a subjective value theory, changes its focus from production and distribution to consumption, and acquires a mathematical character.
Assuming perfect markets and ‘the law of indifference’ which says that two prices may not exist for one good at the same time, the marginal utility school establishes a theory of exchange with the equality of marginal utility of goods exchanged as its keystone. At the same time, Kyrk argues, it also unduly stresses the mathematical character of economics and focuses on the similarities with hard sciences while it ignores those with the social, philosophical, and political sciences. Thus, it applies Jeremy Bentham’s calculus of pleasure and pain, and explicitly does not address moral issues. Instead, it focuses on more material needs, also known as ‘the lower feelings’ or ‘the ordinary wants of man’.

Voicing the criticism also raised by some of her contemporaries and quoting Thorstein Veblen, Mitchell, John M. Clark and John Dewey, Kyrk points out that, as a result, marginal utility theory is based on demonstrably false ideas on human behavior, as if men were isolated, self-interested, pleasure-calculating machines, whereas a whole body of literature dealing with human behavior argues the exact opposite, i.e. that human behavior is inherently social. This might be a useful basis for analyzing relative prices and rates of exchange of commodities, and might also be useful in an analysis of firms. However, ‘it does not in itself involve an understanding, or even an interest, in the consumers’ attitudes which lie back of choice’ (1923: 17). Thus, she ends her review of marginal utility theory by saying that perhaps ‘a very thoroughgoing, critical analysis of the original theory’ would allow the use of marginal utility theory as a starting point for an analysis of the effectiveness of consumers’ power of choice. However, apparently in contrast to later writers informally

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21 Thus, in his *The Theory of Political Economy* (1871), Jevons writes that ‘[i]t is the lowest rank of feelings which we here treat. The calculus of utility aims at supplying the ordinary wants of man at his least cost of labour. Each labourer, in the absence of other motives, is supposed to devote his energy to the accumulation of wealth’ (as quoted in Hennipman 1945: 193).

22 Thorstein Bunde Veblen (1857-1929) was an odd man who, according to Heilbroner (1980: 216), ‘must have been neurotic’. He was also the father of institutional economics, in that he attracted Mitchell and Commons as his followers. His most well-known book is *A Theory of the Leisure Class* (1899), in which he embodied on the thesis that the leisure class advertised its superiority through conspicuous consumption and conspicuous leisure, and formulated his theory on the nature of economic man and the social character of consumption, making use of anthropological and psychological insights. Veblen was educated at Carleton College Academy, where John Bates Clark was his teacher, and at Yale, where he in 1884 graduated with a PhD in philosophy. After an unlucky search for an academic position which lasted seven years, he eventually ended up in Chicago with the help of James C. Laughlin (1850-1933), one of the commission members who awarded Kyrk the Hart, Schaffner & Marx Prize. Veblen stayed at Chicago for 14 years, and left the university in 1906, thus missing Kyrk by two years.

23 John Dewey (1859-1952) was a pragmatic philosopher and educator. He received his PhD from Johns Hopkins University where he studied philosophy and psychology. He taught philosophy at the Universities of Michigan and Minnesota before going to the University of Chicago (1894-1904). At Chicago, he became chairman of the Department of Philosophy, Psychology and Pedagogy and, in 1896, established a Laboratory School to put his educational ideas into practice, and, together with James Tufts (see below), formed a strong pragmatic center. After a falling-out with the Chicago administration, he went to Columbia University to become a professor of philosophy, and establish a strong pragmatic center there (1904-1930). By this time, he was gaining a reputation as one of the leading exponents of pragmatism.
known as the ‘New Consumer Theorists’ or ‘New Home Economists’ with Becker as their leading proponent (see sections 2.5.2 & 2.5.3). Kyrk is not optimistic that this possibility will lead to any interesting results. Following Mitchell’s arguments in ‘The backward art of spending money’ closely, she argues that

The ends toward which expenditure for consumption is directed cannot be exactly formulated nor can the means for attaining them. The household, the center for consumption, is run not for profit, but for the comfort and convenience and well-being of its members. But “comfort”, “convenience”, and “well-being” are vague and undefined, if not undefinable, terms. It is difficult to carry out these purposes upon the market and express them in concrete goods (p.188).

As a result, ‘spending money cannot conceivably be reduced to such system as making money until someone invents a common denominator for money costs, and for all the different kinds and degrees of subjective gratifications which money can procure for people of unlike temperaments’(Mitchell 1912: 277). Kyrk gladly forgoes the opportunity to invent this common denominator. She clearly favors a second road: to start ‘de novo’ and build a new theory which acknowledges the social nature of choices from scratch.

2.3.3 Synopsis of A Theory of Consumption

Kyrk’s A Theory of Consumption is a survey of the problems consumers face in translating their formal power of choice into the effective power of choice of ‘responsible agents’ who, by choosing, buying and using goods, guide and control the productive process.

To understand the present-day problems of consumption there must be a survey of the ways in which the present industrial system promotes the effectiveness of the consumer’s power of choice and of the practical limitations it imposes upon his freedom (p.45).

Kyrk divides this survey into two parts, each of which focuses on a different set of factors that influence the effectiveness of consumers’ power of choice. The first part focuses on ‘economic factors’. It discusses the adequacy of the market mechanism through which consumers’ marketing and spending activities are carried out, and it focuses in the spirit of Woodrow Wilson’s politics on ways to adapt this mechanism and expand consumers’ power of choice. The second part focuses on ‘social factors’, such as custom, tradition, and convention. In this part, Kyrk no longer takes for granted consumers’ preferences as manifested in their marketing and spending activities, and undertakes ‘an analysis of the forces which call the preferences into existence and which strengthen or change them’. In what follows, I shall discuss Kyrk’s argument in both parts of A Theory.
Economic factors influencing the effectiveness of consumers' power of choice

In what is basically the first part of the book (after an introduction in chapters 1 and 2), Kyrk discusses how 'economic factors' influence the effectiveness of consumers' power of choice. In chapter 3, she begins this analysis with a discussion of income inequality in a market economy and links the concept of waste in such an economy to an ethical judgment related to the distribution of resources. This ethical judgment is different from the nowadays well-known principle of Pareto-optimality because it rules out any distribution of resources as optimal which allows anyone less than a 'minimum of consumption requirements'. This time she quotes the Fabians approvingly, and argues that, if anything, production involves waste if it implies 'the preparation of senseless luxuries whilst there is need for more bread'. To prevent this type of waste, 'the uneconomical application of productive powers to wants which result from inequality of income', society has to establish 'a minimum of consumption requirements', a minimum without which no one is able to command for him/herself 'the material basis for a civilized healthy life'.

When society establishes such a minimum, it is saying that in certain basic essentials there must be equal opportunity for consumption regardless of the way a "free" market valuation has distributed purchasing power. This is the root of the matter whether it is sought through minimum wage orders, through price fixing and rationing, or through provision for socialized consumption, free or at cost. But to establish a minimum standard of living we must know what the basic human needs are. Here is the real difficulty in formulating public policy. Can society with its lifelong experience in consumption say positively what are the minimum requirements for a tolerable life? Yet this decision must be made (p.63).

Whereas it is neither necessary nor likely that all agree on the resources needed to attain 'the good life' (see the discussion in the above), from a welfare perspective one cannot and should not avoid reaching some sort of agreement as to what constitutes the very minimum of consumption requirements and as to how this minimum can best be attained. Here, Kyrk argues, there is a clear role for science, which can help formulate these basic needs, and for public policy, which can be formulated so as to guarantee their provision without needlessly diminishing 'individual initiative and responsibility'.

However, a guarantee of minimum standards is not a sufficient condition for the effectiveness of consumers' power of choice in a market economy. Even where it concerns other than basic consumption requirements, this effectiveness may be hampered. Thus, in chapters 4 and 5, Kyrk moves on to discuss how the vast expansion of industry and the growing separation of consumers and producers has had both positive and negative results. On the positive side, the expansion led to a greater sum total of attainable goods. It led to a vastly expanded range of choice, in terms of both the quantity and the variety of goods available. The production of consumer products and cars in particular increased, the latter mainly thanks to Henry Ford's production of Model T. When this car was first launched in
1908, 5,986 were sold. By 1916, this had risen to 577,036, only to increase to over 15 million by 1927, by which time it had become, together with its rivals, standard equipment for the American family (Johnson 1997: 606). As a result, the concept of the standard of living, which ‘epitomized the prosperity and driving force, that, to many contemporaries, was American capitalism’, emerged as one of the major economic and popular concepts of the early 20th century (Hartmann 1974: 132-3). However, on the negative side, the quality of the great variety of goods did not increase to the same extent, and in some cases ‘cheapness’ was secured by virtue of mass production. In addition, with the increasing separation of consumption and production, the intermediate process of expenditure grew in importance. Consumption now involved a marketing process to bring new products to the attention of consumers, and its success depended heavily upon consumers’ success in handling mass marketing, a new industry into which enormous sums of money flowed. Thus, for example, whereas in 1902 the annual advertising revenue of the Saturday Evening Post amounted to about $300,000, twenty years later it was over $18 million (Hicks et al 1970: 628).

In this changed economy, the influence of producers on the effectiveness of consumers’ power of choice cannot be ignored. Kyrk argues that, although producers do not have the power some claim they have, they are surely also not altogether passive beings and do not simply produce what consumers ask for without attempting to modify or change consumer demand. For producers, like consumers, are also active forces in the productive process and, like consumers, try to achieve their own wants. Consequently, an analysis of the effectiveness of consumers’ power of choice must deal with the possibility that consumers encounter producers who are tempted to defraud them, ‘by short measure, or downright misrepresentation’. And the state must undertake some action to prevent the waste which may result from this. That is, again there is reason for state intervention in the market, and for public policy to be devised such as to prevent the misuse of monopoly power, to prevent fraudulent and deceptive practices, to provide consumers with information such as ‘quality stamps’, and to prohibit misstatements of facts, etc.

Nevertheless, these interventions alone are not enough to strengthen consumers’ power of choice in order to prevent waste. First, because a definite quality standard can be established only for a few goods. In most cases, nothing can be specifically prohibited and nothing is required except as a safeguard against fraud. Second, and most important, because there are obvious limitations upon the state’s scope to protect the consumer from errors of judgment.

If the consumer misconstrues the trade name, thinks, for example, that “flannel” means all wool, or deduces from the unquestioned fact that a soap floats that it is superior, he has no protection against his own bad logic (p.128).

The first part of the book ends by pointing out that there are several ways for public policy or legislation to strengthen the effectiveness of consumers’ power of choice and prevent waste of
productive resources. At the same time, it also concludes that there are clear limits to the degree to which these measures can do this. Summarizing, Kyrk argues that only for the most essential, basic needs is it efficient for the state to jump in and guarantee, one way or another, the satisfaction of these needs. For all other needs, waste is best prevented if their fulfillment is left up to consumers’ own choices, as much as possible aided by public policy or legislation to ensure that the consumer is provided with instruments to combat fraud and misrepresentation by producers. However, hardly anything can reduce the danger of errors of judgment. How to prevent the waste which results from these errors is the problem that Kyrk addresses in the second part of her thesis.

Social factors influencing the effectiveness of consumers’ power of choice

The second part of *A Theory of Consumption* focuses on the way social factors such as customs, tradition and convention influence the effectiveness of consumers’ power of choice. This second part is necessary, because, she argues,

> The significance of the consumers’ marketing and spending activities lies in the attitudes, preferences, and purposes which they manifest and to which they are but incidental and mediatory. A complete theory of consumption cannot take these for granted and ask merely how adequate is the mechanism through which they are carried out, but must undertake the analysis of the forces which called them into existence and which strengthen or change them. (...) We go then from a study of the consuming process as affected by the current industrial system to its study as a problem of human behavior (p. 131).

*The valuation process*

Kyrk starts from scratch, and, in chapters 7 and 8, embarks on an explanation of the valuation process in which she applies concepts deriving not only from economics but from cognitive theory and social psychology as well (cf. section 2.3.2). This explanation involves a number of steps. First, Kyrk follows Dewey’s general argument on the process of valuation as laid down in his *Human Nature and Human Conduct*24. She denies that values are independent properties of things, but instead uses

> the concept of values as “instrumental,” of valuable objects as those which are good for something, of the valuation process as the making of practical judgments (pp. 153-4. Italics in original).

The valuation process is the ‘constant attempt of human interests’ (meaning primary instincts such as the need for food, clothing and shelter right up to the desire for distinction, prestige,

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24 Kyrk refers here to *Human Nature and Conduct* (1921), which may indicate she had access to an earlier version than the one published in 1922. It may also simply be a mistake.
creativity and comfort) 'to realize themselves through the means at hand'. It involves a response to stimuli or situations, but it is not necessarily a rational process, or one only of feeling or desire. Its main characteristic is that it involves a choice in valuing goods as being good or not good from the perspective of human interests and purposes.

Second, she argues that when these choices are made in the context of scarcity, values acquire an economic aspect. Referring to Wicksteed in his *The Common Sense of Political Economy*\(^{25}\), she contends that

> Economic activity is not bound up with any one type of needs or purposes. It is not concerned with satisfying the "lower" wants, or the purely material needs. Rather, it should be said that economic activity arises whenever any human purpose or interest is thwarted in its fulfillment (and most of them are to some extent), by limitations upon resources. Economic activity arises to assist us in carrying out our purposes, *whatever they may be* (p.186. Italics in original)

Third, she holds that these economic values are ordered. For to value goods and services when there are only limited resources, choices between alternatives have to be made. Given incompatible ends and limited resources, consumers have to decide what it is they really want, as it is not enough to value goods and services as being 'good' for the fulfillment of needs. Given the choice between for example two alternatives, consumers thus have to indicate which of the two they value most. In order to do this, they form a 'scale of values'. They make moral choices as to which of two alternatives is better such that 'a hierarchy of interests, a range of preferences between different ends and purposes' results. In addition, they compare 'objects valuable for the same purpose' and arrange them into good and better means to reach the same purpose. The result of these two comparisons of values is a qualitative ordering of preferences for goods and services, identifying what are the most pressing wants, what are 'necessities' and what are 'luxuries' (Kyrk 1923: 161)\(^{26}\).

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\(^{25}\) Philip Henry Wicksteed (1844-1927) was an English writer on theology, literature and philosophy, who only turned to economics in middle life, influenced by socialism and his membership of the Fabian Society. His *The Common Sense of Political Economy* was published in 1910.

\(^{26}\) Note that this systematization does not imply a need to express everything in absolute, monetary values. 'Pecuniary value is the only common, exact measure of economic values that we have, and such a measure is necessary as a guide to production. (...) The limitations, inadequacies, and imperfections of this common denominator, this measure that has been chosen to express those values that involve an economic problem, need not be developed here. Market values or prices tell us no more about commodities or services than yards, tons, or gallons, or other modes of measurement, but they are tools which enable the present economic organization to exist. Market values or ratios of exchange are the exact, calculable form that economic values must take in order to influence the productive organization' (Kyrk 1923: 166-7). Kyrk thus explicitly argues for the now much more standard ordinal preference ordering as opposed to an absolute one based on a common denominator for all, and focuses on the choice-aspect at a time when this was definitely not the most accepted point of view. Pareto's work on ordinal utility was still developing, and Hicks & Allen's theory of choice which was to give full recognition of the methodological consequences of Pareto's work,
Fourth, referring to the sociological and social psychological literature on human behavior, she contends that values are not the result of merely individual processes, resulting in separate and distinct universes for each individual. Individuals have a past and a social context and do not make value judgments in a timeless and spaceless world.

The responses and attitudes of individuals are socially determined. The stimuli or situations to which the individual responds and the meaning or value which they shall have for him are earmarked and made known to him (p.169).

What is good is pointed out by others and accepted by us because we are ‘gregarious animals’. The group is a value in itself to individuals, and individuals thus accept models offered by the group for value judgment. Therefore, ‘judgments of value are thoroughly social in process’.

Fifth, and finally, values are also ‘formed into scales of higher and lower’. They are tentatively systematized such as to give us some direction in which to lead our lives because it is ‘the business of intelligence to give life as a whole some coordination and plan’ (idem: 170) . In ways similar to moral and aesthetic values, our economic values are organized, unified and harmonized into ideal standards including ‘all things hoped for’, systems in which the whole is greater than the sum of its parts, which help us to distinguish between wise and unwise ends and show us directions of change (cf. Kyrk 1933: 374).

Standards of living

Kyrk’s approach to the valuation process leads to a clear angle for her analysis of ‘world behind the demand curve’, that is, an analysis of concrete standards of consumption. Because:

Just as in the realm of ethics we find moral values organized in elaborate codes of rights and duties, so in the realm of economic values, we find standards of consumption, organized systems of the essential, the proper and the required (p.170).

These standards, based upon custom, tradition, convention, and fashion, differ from our ideal standards and are what consumers deem to be ‘minimum requirements for a “decent” living’, and the ends comprehended by the standards are those which it is incumbent upon one to realize. By the time consumers are grown adults, they govern their consumption patterns with ‘a considerable degree of force and binding power’. Thus, consumers are constrained in their freedom of choice not only in terms of income or price levels, but also in terms of their standard of living. In fact, Kyrk argues, the problem of the consumer,

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was only to appear as ‘A reconsideration of the theory of value’ in 1934 (see e.g. Hennipman 1945: chapter 9 and Schumpeter 1997 [1954]: 1062-1066).
is not one of absolute income alone, not even of income relative to the general price level, but it is these two taking into consideration his own code of what constitutes the minimum requirements for “decent” living. His problem as a consumer would be solved, or would become less acute, either if his money income should go up, or if prices should come down. Of course, if his standard changed in such a way as to exert less pressure upon his resources the result would be the same, but of the three contingencies this is most remote and out of his control (p.173).

So, in chapters 9 and 10 of *A Theory of Consumption*, she sets out to analyze concrete standards of living.

By analyzing these standards, how they come to be and how they change, we shall at one and the same time explain the concrete facts of consumption and expenditure as they appear in the market place and within the household, and also throw much light upon the nature of economic values and the direction in which they guide economic activity (p.171).

First, in chapter 9, she discusses how standards of living, which vary ‘from period to period, from country to country and from class to class’, come into existence. She distinguishes two sources of variation, i.e. differences in economic power and differences in cultural legacy. As to the first, she argues that individuals’ range of choice and concepts of what is and what is not essential are always bound by the existing state of the arts and sciences, and by the resources available in their time and place. One cannot have what does not exist, and ‘invention is the mother of necessity’. Similarly, as income and price levels differ between social groups, so does the standard of living. As to the second, she argues in line with Veblen’s argument in *A Theory of the Leisure Class* (1899) that differences in cultural legacy further ensure that, even with the same economic resources at hand, standards of living differ. Thus, an individual’s cultural legacy – via his ancestors, his teachers or public opinion – teaches him which are the really good recipes, which are the best clothes to keep him comfortable and which are the best ways to keep his house or apartment clean. In addition, his cultural legacy teaches him how to best ‘keep up appearances’ to belong to a specific social group. It furnishes him with symbols of status and achievement, such as the academic cap and gown, or, if he belongs to the upper classes, ‘conspicuous leisure and consumption’. Finally, it supplies him with values which denote the changing levels, the twists and turns of human thought, whether it marks the ideals of Catholicism, Protestantism, anarchism, asceticism or capitalism.

Whatever, in short, expresses the group’s concept of welfare will be for the individual an essential activity and will shape and modify his whole standard of consumption (p.233).

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27 Kyrk uses the concepts of ‘standards of living’ and ‘standards of consumption’ interchangeably.
Consumer behavior, however, is neither predetermined nor unchangeable. For, as Kyrk continues in chapter 10, the fact that standards can be interpreted as constraints on adult behavior does not imply that they do not evolve. For thanks to the human creative impulse, even though standards are persistent and cannot be changed overnight, they are variable and they do evolve. She quotes James Tufts\textsuperscript{28} to illustrate her point of view:

\begin{quote}
[Choice] represents not merely a process of evaluating ends which match actually defined desires, but also a process in which the growing self, dissatisfied with any ends already in view, gropes for some new definition of ends that shall better respond to its living, creative capacity (p.246, quoting Tufts).
\end{quote}

The ‘growing self’ gropes by means of experimentation, and the more favorable the circumstances, the more it does so. Kyrk lists a number of these favorable circumstances, and indicates that the factors favorable to experimentation are a personal inclination to innovation and experimentation, a relatively large amount of contact and communication with other standards and manners, the spread of the scientific spirit and scientific knowledge, a market environment, the existence of a surplus above what is sufficient to maintain one’s own standards, and a democratic social spirit which surpasses class barriers and class distinctions. If experimentation is deemed successful, a good or activity is added to the standard of living and goes from non-essential to essential, from luxury to basic item.

The good life

The final chapter of \textit{A Theory of Consumption}, chapter 11, discusses ‘What is a high standard of living?’. In this chapter, Kyrk returns to the main question of her thesis, what can be done to prevent waste of productive resources, and concentrates on the waste which results from bad logic and choices for ‘unwise’ ends that do not lead to desirable ends embodied in ‘the good life’. Or, as she formulates it by then:

\begin{quote}
We are interested in how and when we choose wisely, in what are intelligent and socially desirable modes of consumption. We are interested not only in what our standards are, but in whether they are high or low (p.279).
\end{quote}

The approach she takes in answering this ethical question can be described as a pragmatic one. For to be sure, she argues that it is neither necessary nor possible to provide an absolute definition of a high standard of living, as there is ‘no certain and unmistakable test that can be

\textsuperscript{28} James Hayden Tufts (1862-1942) was at the University of Michigan when he met Dewey. He went to the University of Chicago in 1894, a move followed by Dewey. Tufts’ quote is taken from his contribution on ‘The moral life and the construction of values and standards’, in a volume of Dewey et al, \textit{Creative Intelligence. Essays in the Pragmatic Attitude} (1917). Dewey and Tufts also wrote \textit{Ethics} (1908), a book Kyrk also frequently refers to in \textit{A Theory}.\hspace{1cm}
applied’. All we need and all we have is our tentative working concept of an ideal standard to give our life some direction. She reiterates:

A tentative working concept of what constitutes a high standard is necessary in order that we may take an active part in the world about us. This tentative concept is the product of our experience, and, while subject to change and revision, is always available to furnish the basis for judgment when two different standards are in question (p.286).

This tentative working concept allows us to order our lives according to some plan, and to pass judgment upon the mode of living of others. In short, it tells us ‘what are the proper ends to seek and proper scheme of life to carry into effect’, what are ‘wise’ and ‘unwise’ ends.

The question to be answered, then, is whether in the practice of everyday life consumer choices are wise choices, i.e. choices that are based on consumers’ tentative concepts of ‘what is worth while doing and having and being in life’? Kyrk’s main worry is that most choices are not based on these tentative concepts. Instead, she fears that consumers resolve choice situations by reference to the judgments or standards of value they bring with them in a specific situation, without re-evaluating these standards and critically examining them. That is, she fears that consumers use ‘old’ concepts firmly established in our standards of consumption, which are not suitable to the new choice situation. She fears that consumers are prone to errors of judgment, to false valuations and to inefficient, wasteful use of resources to fulfill ‘unwise’ ends.

If this is indeed true, the solution, she hastens to repeat, is not to give consumers a prescription on ‘how to attain the good life’ (cf. also section 2.3.1). ‘Wise ends of consumption are as diverse as qualities in people’, and neither science nor experts can provide rules by which consumers may govern their expenditure. And as she adds in a later book on Economic Problems of the Family:

To attempt it is to attempt no less than the reduction of the secret of human welfare to a spending pattern; to seek it is to ask for a formula in financial terms which men only need to follow to attain the good life (Kyrk 1933: 405-6).

Only consumers themselves can determine what are wise uses of productive resources and formal tests of the effectiveness of consumers’ power of choice cannot be developed.

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29 Thus, valuations may not be the result of critical valuation processes based on independent judgments on consumers’ part. Rather, consumers may take the easy way and simply purchase more of the same, or superlatives in quality. Furthermore, consumers may follow tradition or custom not only when circumstances call for specific traditions and customs, but also when they do not and following traditions and customs may be outdated, pointless, or even harmful. Or they may follow the elite, not only when this elite engages in what consumers themselves deem to be truly worthwhile activities to further the good life, but also when it engages in conspicuous consumption and leisure with no value to the good life at all.
With this, it seems that at the end of *A Theory of Consumption*, Kyrk's analysis of the social forces influencing consumer choice has led to the same conclusion as the one formulated at the end of the first part of her book. That is, with the exception of only the most basic needs, waste is best prevented if production is left to be geared by consumers' own choices, aided by public policy or legislation to ensure that consumers are provided with instruments to combat fraud and misrepresentation by producers. Of course, this does not prevent consumers from making errors of judgment, but hardly anything can be done about this.

However, Kyrk's pragmatic stance allows *A Theory of Consumption* to end on more positive note with the argument that there are some policies to be pursued by both individual consumers and the state that can help further 'the good life'. As it happens, Kyrk argues, the expression and attainment of a high standard of living is the product of a number of 'fairly definite circumstances', to wit, education and time, as well as room for experimentation such that, directly or indirectly, discrimination, self reliance, and independence of judgment on the part of consumers will increase.

The consumer must learn to consult his individual need, to form his own judgments, to desire for himself and to respect in others a creative, experimental attitude toward the various means that are offered him for the enhancement of his health and comfort, or the enrichment of his experiences (Kyrk 1933: 396).

A concrete activity along these lines would be for consumers, aided by impartial inquiry and practical science, to engage in critical analyses of their existing standards and compare them with others.

This is the business of human intelligence – to criticize and to remake human valuations. Our valuations come to us in large part ready-made; our attitudes and reactions follow established behavior patterns. But life upon the level of intelligence means that we examine and, if necessary, remake our valuations. This is the scientific spirit applied to life; this is scientific knowledge and human experience applied directly to the problems of living (p.287-8).

A second related activity consumers can engage in – again aided by advice 'upon the whole art of living from sages of the past and present' - is the formulation of 'the good life' and the scheme of life to be put into effect. Once they do so and give ample thought to the ends to be promoted through the consumption of goods and services, they will be able to analyze their standards of living in terms of the fundamental values sought and secured. As a result, many values now entrenched in consumers' standards of living can disappear, as consumers will have discovered they entail waste, and hamper the effectiveness of their power of choice.

The lesson *A Theory of Consumption* ends with, then, is that consumers' power of choice can be strengthened, that waste can be prevented, and that economic activity can be geared
towards the good life. In short, what Mitchell labeled 'the backward art of consumption' can be improved, and there are two ways to do so. First, by limiting the harmful effects of economic factors, enabling consumers to fulfill their most basic needs regardless of the initial income distribution, giving them access to a wide variety of goods and services on the market, and protecting them against fraud and misrepresentation by producers. Second, by encouraging consumers to formulate their own wants in terms of the good life, and teach them the 'life-long, continuous process of learning how human personality seeks to express itself and what experiences, activities, and ends human beings seek' (1933: 406). Kyk concludes A Theory of Consumption hoping for 'a higher level of human life':

What must be guarded against in the spending of a surplus is its disbursement in an irrational imitation of the mode of living of a class of a high social grade, or in other ways requiring no time or thought. If instead, this expenditure is the expression of individual interests and tastes, native or acquired, if it is the tentative reaching out of new impulses for realization through economic goods, there is hope that the direction of the developing standard will be toward a higher level of human life (p.293).

2.4 From Chicago, Illinois to Washington D.C.: 1920-1957

After the completion of her thesis, Kyk engaged in a number of activities all of which may be succinctly described as aimed at reaching the good life, the 'higher level of human life' she concludes her thesis with. She did this in at least three different areas. First, she continued her academic work and focused on the 'practical science' and 'impartial inquiries' necessary to aid consumers with the analysis of their existing standards. Second, she acted as an advisor to the government and helped to formulate public policy to strengthen consumers’ power of choice. Third, she became active in the consumer movement, to ‘educate’ consumers so that they could further develop the skills necessary to improve the art of consumption. Her first activity after having finished her PhD, however, was to find a job.

2.4.1 A ‘suitable’ job

Kyk obtained her doctorate at a time when it was not that uncommon for women to secure such a degree. In fact, by 'the early twentieth century academic feminists could rejoice that their efforts had played some role in inducing most of the American and German graduate schools to open their highest degrees to women' (Rossiter 1982: 50). At the same time, however, Kyk was also looking for a career in academia. To secure that was uncommon for women. Especially after World War 1, it soon became clear that, 'when the more liberal universities were agreeing that it was “only fair” to award women the same degrees as men, they were also rapidly institutionalizing a separate and decidedly unequal employment policy for women, if they hired them at all' (Rossiter 1982: 50; also R. Dimand 1995: 9). The fact that the end of the war had brought a severe business recession did not help either.
summer of 1920, economic distress was everywhere apparent and ‘with nearly 3.5 million
men out of work, the country faced for the first time in many years a serious problem of
unemployment’ (Hicks et al 1970: 614).

So, Kyrk entered the academic labor market with, arguably, her informal network as her
greatest asset, rather than her magna cum laude and soon to be awarded prize. Her former
employer, Marshall, was the dean of the School of Commerce and Administration and
chairman of the Department of Political Economy and appears to have been especially
supportive and helpful in Kyrk’s quest for an academic position. On August 9 1921 she wrote
to ‘My dear Mr. Marshall’:

For your information I wish to report that I have resigned from my Oberlin position
[where she had been working since 1914, SvV]. I say “for your information”, but
my motive is not, of course, simply to add to the sum total of your knowledge. It is
rather that you may have in mind my present status as one of the great army of
unemployed if, by any chance, opportunities for employment suitable for my sex
and capacities come to your knowledge.30

The letter marks the start of a long quest for a ‘suitable’ job, which finally ended in 1925 with
a faculty appointment at the University of Chicago. Before this appointment became a reality,
however, Kyrk was confronted with the effects of unequal employment policies for women.
In his communications with Kyrk, Marshall – who was clearly trying to help Kyrk secure a
position – wrote: ‘There has really been a very heavy demand for men though at rather low
salaries and practically nothing for women’ (August 15th 1921). And: ‘Jobs for next year
don’t seem plentiful. I have mentioned your name in two or three cases where they said they
wanted a “man” but nothing definite has happened yet’ (March 14th 1922). And in June 1923:
‘Matters are really very unsettled there [in Texas, SvV] and part of the unsettlement is
apparently some question on the part of one member of the staff about the appointment of a
woman’ (June 14th 1923).

Consequently, before the faculty appointment at Chicago materialized, Kyrk was forced
to move around. In 1923, after having worked as a research assistant at Marshall’s School of
Commerce and Administration for some time, she started work at Stanford University as a
member of staff at the Food Research Institute (1923-1924). From her communications with
Marshall we now know that, even before she started work there, she was not especially
enthusiastic about the job.

He [Mr. Davis, one of the directors of the institute] has a way of interesting himself
in unimportant [sic] details that is most annoying, and I know that his judgment
about the problems that are really worth undertaking is not always to be trusted.

30 All references made to the correspondence between Marshall and Kyrk are taken from the Department of
Special Collections, the Joseph Regenstein Library, University of Chicago, Department of Economics
Marshall’s Papers, Box 16, Folders 9 and 10.
The consumer and the good life

The main study of the Institute up to date seems to have been of stale bread losses in the baking industry. I can just see myself counting the crumbs under the dining tables of America and showing the results in tabular and graphic form (June 9th 1923)\(^{31}\).

It is therefore hardly surprising that when she was offered a full professorship in Economic Science and Household Administration at Iowa State College, she decided to quit Stanford and set up camp in Iowa (1924-1925). She was clearly more enthusiastic about this opportunity, and Marshall congratulated her swiftly, saying: ‘Of course, I have never been able to get out of my head the notion that you would some day do a big piece of constructive work on the borderland between economics and home economics’ (March 24th, 1924). And indeed, it was at Iowa that Kyrk’s academic career began to take shape. Although the one year she stayed there was hardly enough to do a very ‘big’ piece of work, it was nevertheless a notable period. For as J.J. Thomas (1989: 14) mentions, it played an important role in the early development of consumption studies and laid the foundations for work which was later on extended by Elizabeth Hoyt\(^{32}\) and Margaret Reid (see below).

The biggest piece of constructive work, however, she ended up doing at the University of Chicago, where she was finally appointed as a faculty member in 1925. This appointment apparently was to have been a joint appointment as an associate professor in home economics and economics. The idea had already surfaced in Marshall’s reply to Kyrk’s first letter on August 9th 1921 in which he mentioned contacting Katherine Blunt, head of the Home Economics Department at Chicago, who ‘may possibly be interested in a combination with us’ (August 15th, 1921). Four years later, however, in 1925, the appointment intended to be a joint one in practice seems to have been an appointment at the Home Economics Department only. Most likely, this was not in line with both Kyrk and Marshall’s ambitions. Still, it was quite in line with general developments in universities at that time. With the unequal employment policies discriminating in favor of men starting a career in most sciences, it seems that the only field which offered good opportunities for ‘ambitious young women interested in science’ (Rossiter 1982: 70) was home economics. ‘It was the only field where a woman scientist could hope to be full professor, department chairman, or even a dean in the 1920s and 1930s’ (idem). Only in 1929, when Kyrk was finally ‘officially listed as a member of the University of Chicago economics department’ (Folbre 1998, as quoted in Beller & Kiss 1999), the ‘famous joint appointment’ as an associate professor of home economics and economics finally materialized. In 1941 Kyrk obtained a full professorship.

\(^{31}\) As irony has it, she did write one report that year. Its title shows that she proved unable to avoid the bread crumbs entirely. Hazel Kyrk & Joseph Stancliffe Davis (1925): ‘The American Baking Industry, 1849-1923, as shown in the census reports’. Stanford Univ, Ca: Stanford University Press (Food Research Institute, Stanford University, Ca. Misc. Publication no.2, September 1925).

\(^{32}\) Elizabeth Hoyt (1893-1980) had come to Iowa State in 1925 after securing her PhD on *Primitive Trade, Its Psychology and Economics* at Radcliffe, a dissertation combining anthropology and economics. Her next book, *Consumption of Wealth*, was written at Iowa and published in 1928 (see Thorne 1995).
2.4.2 The borderland between economics and home economics

Chicago offered Kyrk a ‘suitable’ job: a job at her own university, close to Marshall, and with the prospect of an appointment not only in home economics but also in economics, her own field of study. Thus, the time was ripe for Kyrk to start to develop the borderland between economics and home economics. In a 1927 memorandum to Marshall, Kyrk began to formulate her approach to the ‘development of the field of consumption’.

According to her, of first and foremost importance is development ‘through surveys of the field, statement and analysis of problems, organization of existing material’. There is a special need for an emphasis on this as opposed to an emphasis on research of more specific problems, because:

Although for one hundred and fifty years economists have off and on been saying, “We must emphasize the field of consumption,” and that it is an important part of economic science, they have seemingly been very uncertain as to what they should include in their discussion. (...) The other reason there needs to be a thorough mapping out of this field is to promote research in the specific problems. There is no point of departure, or background for research, in this field.

In a ‘tentative outline’ attached to the memorandum to Marshall, she provided the first sketches of the field as she saw it. In all likelihood, it is this outline which formed the start of her second major publication, an outgrowth of a course introduced at the University of Chicago in 1925, and one of the major textbooks used at that time for courses in consumer economics, Economic problems of the family (1933) (cf. Yi 1996: 20).

Economic Problems of the Family

Kyrk herself summarizes the contents of the 500-odd pages of Economic Problems of the Family as ‘an analysis of (the) economic position (of American families) in terms of incomes, prices and standards of living’ (Kyrk 1953: v). The work describes the economic situation of American families in the 1920s, the years characterized by both a consumer boom – in part thanks to the new electrical industry which fuelled the production of electric household appliances such as the vacuum cleaner - as well as a substantial increase in the numbers of gainfully employed women and what Paul Johnson (1997: 723-4) describes as ‘liberated housewives, the “Blondies,” to whom their appliances, their cars, and their husband’s high wages had brought leisure for the first time’.

After two introductory chapters on the history and contemporary setting of the American family, the book is structured around the ‘economic problems of families’, that is, around problems either incidental to direct production, to earning, or to spending of money (Kyrk 1933: 41). The first part of the book, chapter 3 to chapter 6, deals with the ‘utilization of the time, energy and skills’ of family members in direct production. In this part, Kyrk

33 This memorandum is part of the archival files that contain some correspondence between Marshall and Kyrk. See the reference given in the previous section.
discusses the character, efficiency, and future of household production as well as the economic status of the women engaged in it. She refers to Reid's work (see section 2.4.2 below), accepting her definition of household production as the most practical, and discusses some efficiency aspects of household production, this time not so much referring to Mitchell, but more to John M. Clark's *Studies in the Economics of Overhead Costs* (1923). And in a chapter on 'Have home-keeping women a full-time job?', she addresses the many factors which may influence the choice between household work and market work. Thus, for example, she refers to the waste which may result from traditional norms and customs if they prevent women with 'too little housework' to do in their 'deserted workshop' from finding part-time or full-time employment. She lists numerous factors which may explain why Veblen's 'ladies of leisure' or Johnson's 'Blondies' are such not by choice but because they cannot do much else, for example because of employers' hostile attitudes, the difficulty of combining paid work with household work, etc. Thinking particularly of those who try to combine paid work and family life, she points to possible solutions, such as contracting out part of the household work, 'an equal sharing of the household activities by husband and wife and other members of the family in proportion to their ability', and 'the abandonment of family life in independent households' (Kyrk 1933:106-7).

The second part of *Economic Problems*, chapter 7 to chapter 15, deals with problems related to earning money. It begins with a discussion, lively then and lively today when discussing what to include in the National Accounts and how to compare family incomes, on the importance of the concept of real income. Kyrk defines this as

> the flow of commodities and services used or available for use during a period of time. It is made up of loaves of bread, pounds of meat, quarts of milk, kilowatts of electricity, pairs of hosiery, the services of houses and furniture, doctors and chauffeurs (p.108)

and includes not only goods that may be purchased with money, but also goods that may be available without money income, the most important element of which is 'services of housewife and other members of the family' but which also comprises for example public goods. She points at the dangers of comparing money incomes alone as indicative of family welfare, and, as in *A Theory of Consumption* but in more detail, she again discusses the possibilities and impossibilities of reducing all commodities and services to a common denominator, and expressing everything in monetary terms. She presents several ways to calculate the monetary value of 'the services of housewives', and concludes that

> there is no practical method of reducing all the items to a common denominator. Total incomes can only be roughly compared from family to family, place to place and time to time (p.119).

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34 See, for example, Bruyn-Hundt (1996, chapters 5 and 6), and the references included there.
35 Also see Kyrk's article on 'Capitalism and equality of income' (1950).
Kyrk goes further, and focuses on money income, as ‘there are more and more goods and services which can not be obtained without it’ (Kyrk 1933: 123). Economic Problems provides many empirical data, discusses who contributes to a family’s income, and what factors determine the – increased – labor force participation of married women. She focuses on wage-earning women with family responsibilities, who, because there is a customary assumption ‘that all the unpaid work of the household should be done by women regardless of its extent or other activities they may be carrying on’, carry a ‘double burden’ (Kyrk 1933: 157). A critical analysis of the standards involved may provide a solution, she suggests, and provides a general principle for the formulation of this standard:

For able-bodied adults the general principle would seem to be that they should be at least self-supporting and, if living as members of a family group, should pay their "proportionate share" of the joint expenses. No society and no family is economically sound that violates this principle. Furthermore, parents should share the support of their children. How the burden of support is to be divided between them may be decided on the principle that the parent who can make the larger financial contribution and the parent who can make the larger contribution in forms other than money with the least sacrifice should make that contribution. In case the money income with the burden so distributed is inadequate it is for each family member to decide what policy will involve the least sacrifice of values, and for each society where this situation exists to ponder ways of mitigating undesirable consequences (p.163).

In passing, Kyrk repeats what she stated earlier, i.e. that among the solutions proposed are ‘the development of agencies’ such as child-care services, laundry services, and ‘cooked-food shops’ to relieve over-burdened women, the sharing of housework by all members of the family, and, also, a family wage system. Furthermore, she discusses who controls the family (money) income, and who should control it. 36

Kyrk also uses the money-angle to analyze whether families are able to attain the ‘minimum of consumption requirements’ discussed in A Theory of Consumption. Referring to Engel’s family expenditure studies 37 and Sydenstricker & King’s now well-known work on the expenditure of South Carolina mill families in 1916-1917, she considers the possibilities of constructing what we now refer to as equivalence scales and focuses on ways to define ‘the

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36 Here, her argument favors a legal system of joint control by husband and wives as opposed to some system based on benevolent despotism. Kyrk argues that neither the uses of money nor the uses of time should be determined by either one of the partners alone, because they directly influence the family’s standard of living. Their distribution is a matter in which the whole family is interested, and in which all have a right to be heard (Kyrk 1933: 184).

37 The statistician Ernst Engel (1821-1896), born in Germany, was, according to Stigler (1954: 98), the first to provide ‘an empirical generalization from budget data’, now known as Engel’s Law: ‘The poorer a family, the greater the proportion of its total expenditure that must be devoted to the provision of food’.
minimum tolerable level' of living\textsuperscript{38}. From this perspective, she finds of little use Sydenstricker & King's suggestion that the standard of living of a household should be determined on the basis of what households do spend on maintenance, but instead argues in favor of a standard on the basis of what households should spend in order to satisfy their needs according to expert opinion (cf. Folkertsma 1996: 23).

(F)or the purpose of this discussion something that approaches as nearly an absolute standard as possible is desired as a measuring stick, a standard that will not vary from class to class but that will represent common requirements (...) a minimum standard below which no family should fall (p.198-9).

It is a stand which fits in nicely with her approach as developed in \textit{A Theory of Consumption}, and allows her, in the spirit of Engel's work, to focus on whether or not families can satisfy basic needs, as opposed to whether families can obtain what they consider to be 'essentials' to keep up their own standard of living. In this analysis, she also includes a discussion of the problems associated with the risks of disability, unemployment and old age. She further points out that the greatly increased number of families largely dependent on wages or salaries do not have a secure financial position: their income does not allow for a cut-back without lowering their standard of living below the minimum level tolerable. And at a time when less than one percent of workers was adequately covered, she discusses the need for unemployment insurance, to be paid for not by employees only, but by some sort of risk-pooling of employees and employers combined (Kyrk 1933: 289).

Finally, in the third part of the book, chapter 16 to chapter 23, Kyrk discusses economic problems of the family associated with spending money. She discusses what factors determine the purchasing power of the dollar, 'the level of the prices at the time and the place where [a family] lives', and the causes of inflation, as well as 'special price problems of today'. The latter are related to monopoly control over supply and costs associated with the expenditure phase, 'marketing costs' such as consumers' and producers' search costs, transportation and storage costs, and advertising and certifying costs. Next, she presents detailed empirical information on 'how family incomes are spent', not 'to show the need for income advances or cost of living adjustments', but to fulfill 'the need for investigations which will have as their primary purpose the study of the expenditures themselves, the relationships between them, and the factors influencing them'. That is, again in line with her approach as developed in \textit{A Theory of Consumption}, she starts to collect data and engages in practical science herself, so as to provide consumers sufficient information to engage themselves in critical analyses of their existing standards (see section 2.3.3 in the above). To aid a possible 'revision of expenditures' and in order to analyze how standards of living differ from 'period to period, from country to country and from class to class', she provides numerous tables with

\textsuperscript{38} Kyrk mentions both Sydenstricker & King's 1921 'The measurement of the relative economic status of families' as well as their 1920 'The income cycle in the life of the wage-earner'.

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expenditure data for different types of families, and looks both at differences between families in different income classes, of different sizes, living at different times, and at different places. Kyrk ends *Economic Problems of the Family* with chapters on the importance of setting one's own standard of living to determine the 'good life', and on the importance of budgeting, to ensure 'the family's getting what it wants most'. Again, her treatment of these issues is similar to but also more practical and detailed than her treatment in *A Theory of Consumption*. Thus, for example, in *Economic Problems* she actually provides a list of 'wise uses of time and money'. Not as a prescription to govern expenditure, but as an example in the hope that 'each family may attempt such an analysis' (also see section 2.5.5 below).

**Teaching Monroe and Reid**

A large part of Kyrk's development of the borderland also took place through her work with students, as a teacher, and as an inspirational force. And 'persons receiving the degree of Doctor of Philosophy at the University of Chicago under her direction spread throughout the United States' (Reid 1972: 184). The most notable studies this resulted in are those by Day Monroe, Kyrk's first student to receive the degree of Doctor of Philosophy, and those by Margaret Gilpin Reid, perhaps Kyrk's most well-known student who in 1980 became a Distinguished Fellow of the American Economic Association – the first time for a woman economist.

Day Monroe obtained her PhD in 1930 with her thesis on 'Chicago families: a study of unpublished census data' (published 1932), using information gathered for the 1920 census. She was 'the first to study the economic characteristics of families through the use of census data. Her thinking in this study did much to expand the flow of economic data on families' (Reid 1972: 184). Kyrk and Monroe continued to work together, the results of which can be found in *Food Buying and Our Markets* (1938), a revised and expanded version of Monroe's book with the same title published in 1927, as well as in their joint work for the Consumer Purchases Study (see section 2.4.3).

As for Margaret Reid, her well-known - or at least well-cited - PhD thesis published as *Economics of Household Production* (1934) was written under Kyrk's supervision and

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39 For information on other students belonging to 'Kyrk's fraternity' (Beller & Kiss 1999), see Reid (1972). Thorne (1995: 69, 62) also portrays Kyrk as a stimulating mentor, and writes: 'When I was a graduate student at the University of Chicago, Dean Ava M. Milam of Oregon State interviewed me for a teaching position in the school of home economics [and would hire me only if I took some course in foods and clothing. A PhD in economics would be insufficient]. Afterwards, Hazel Kyrk assured me I did not have to take foods and clothing to be an economist in a home economics faculty'.

40 In honoring Reid, the American Economic Association acknowledged her contributions on the concept and measurement of permanent income, the statistical analysis of the demand for housing, and the systematic study of the economics of the household's use of time (in *The American Economic Review*, 1980, cover page, as referred to in Yi 1996: 28-9).
undertaken at her suggestion\textsuperscript{41}. The book focuses on the concept of household production and its economic significance, and suggests a definition of household production in terms of what is now known as the ‘third person criterion’\textsuperscript{42}. Reid also analyzes, in line with Kyrk’s approach to standards of living, how household production differs as a function of, for example, income, geographical differences, education, and stages of the life cycle. Other chapters in the book are similar to those in Economic Problems of the Family. In fact, Reid and Kyrk frequently refer to one another, and both have chapters on subjects such as ‘how family standards and other factors affect household tasks’, ‘how household production affects the economic status of women’, ‘economic history of the family’, ‘household production today’, ‘the family income today’, ‘how gainful employment of women affects household production’, ‘economic aspects of household production’, ‘cost and value of goods produced’, ‘buying problems of the consumer’. Both frequently refer to the importance of standards of living, and the values embodied in people’s thinking\textsuperscript{43}.

After her graduation in 1931, Reid went on to teach at Iowa State College (1930-1943), Kyrk’s former employer, and, after a break during which she worked as a government consultant, the University of Illinois (1948-1951). The studies Reid engaged in the course of her career at these universities were, I suggest, strongly influenced by Kyrk’s work as developed in A Theory, both in terms of her focus on consumer behavior, the importance of ‘norms or standards’, as well her ethical quest to shape ‘the more efficient society’ without waste\textsuperscript{44}. It is only when Reid returned to the University of Chicago in 1951, just before

\textsuperscript{41} The original PhD thesis was accepted in 1931 under the title ‘Household production, a study of its economic characteristics’.

\textsuperscript{42} Reid (1934: 11) defines household production as ‘those unpaid activities which are carried on, by and for the members, which activities might be replaced by market goods, or paid services, if circumstances such as income, market conditions, and personal inclinations permit the service being delegated to someone outside the household group’.

\textsuperscript{43} As already mentioned in the Introduction to this chapter, the great similarity between Kyrk and Reid’s books raises the question of why Reid’s Economics of Household Production (1934) is as often referred to as an antecedent of the New Home Economics, whereas Kyrk’s work is hardly mentioned at all. The facts are as follows: the books are remarkably similar, although Kyrk’s work is somewhat broader in scope; Kyrk’s book was published before Reid’s; Reid can be given credit for the definition of household production (see also Kyrk 1933: 46); and Kyrk deserves credit for the approach taken by both, i.e. for analyzing differences in household production within a standard of living framework. I return to the question of references at the end of this chapter.

\textsuperscript{44} See, e.g., Forget (1996), who surveys Reid’s work and points out that she focused on solutions to the ‘inefficiency of consumers’ by means of ‘critical evaluations of alternatives’ and legislation (in Consumers and the Market (1938)), and on the presumed benevolence of the laissez-faire market economy and the importance of consumer protection and consumer education in order to enable more informed decision-making (in Food for People (1943)). Also see Van Staveren (1998, 1999) & Yi (1996). Again it is interesting to note that neither one of these studies refer to Kyrk, although their discussions of Reid’s work clearly suggest its relevance. A comparison of both Kyrk and Reid’s work might be interesting, as it can clarify how Reid makes use of Kyrk’s framework as developed in A Theory of Consumption. This is left for further research.
Kyrk’s retirement, that Kyrk’s influence appeared to diminish as Reid shifted her publications and teaching towards mainstream economics. Nevertheless, it does not seem too far-fetched to claim some influence by Kyrk’s work even in this later period, i.e. in Reid’s work on the Permanent Income Hypothesis where it concerns the limits of the regular income concept as an indication of welfare\(^45\).

2.4.3 Advising on public policy

From the information available, it seems as if from the middle of the 1930s on, Kyrk’s work gradually shifted from the academic towards the area of public policy. This shift coincided with a shift in the political landscape and the beginning of the Roosevelt era. The Roaring Twenties, when it was possible to buy goods on the installment plan and there was adequate food and shelter and even some luxuries and hours of leisure in which to enjoy them, abruptly ended under the rule of Republican Herbert Hoover (1874-1964) with the Great Panic in October 1929 and the ensuing Great Depression. Although there is still no agreement as to the precise causes of the depression, among the multifarious causes usually listed are a phenomenal growth in productivity made possible by unprecedented increases in capital investments, a failure to pass on the fruits of this productivity growth to consumers, an overexpansion of credit which made borrowing too easy, and the failure of banking and financial ethics, in some cases manifested by outright fraud and theft. As the boom continued and prices failed to fall, it became harder for consumers to keep the boom going. By the end of the 1920s, many working-class families found it hard to keep up with their installments, whereas at the same time, non-wage-earners were thriving, stimulating speculation (Hicks et al 1970: 657-659; Johnson 1997: 730ff.).

The economic result: by March 1st 1933, the value of all stocks listed on the New York Stock Exchange was set at only $19 billion, less than one fifth the inflated values of October 1st, 1929. By the end of 1930 6 to 7 million people were out of work, two years later the number had doubled (Hicks et al 1970: 656-7). The political result: Hoover, who in World War 1 had been a member of Wilson’s war team, nicknamed ‘The Great Engineer’ and perceived to be of high intellect, tried to fight the depression but failed (Johnson 1997: 739ff.). And, in part because he did not provide any direct relief to the unemployed, he became indelibly associated in the public mind with ‘Hard Times’ and ‘The Depression Made Flesh’\(^46\) and was massively defeated in the 1932 elections by Franklin D. Roosevelt (1882-

\(^45\) See Reid’s (1962) ‘Housing and income’, and Kyrk’s earlier mentioned ‘Capitalism and equality of income’ (1950).

\(^46\) Johnson (1997: 744) illustrates the mood of public opinion against Hoover: ‘New words based on his name have entered the vocabulary. What was a “Hoover blanket?” It was an old newspaper used to keep warm a man forced to sleep in the open. And a “Hoover flag?” An empty pocket, turned inside out as a sign of destitution. “Hoover Wagons” were motor wagons, with no gas, pulled by horses or mules, a common sight in the summer of 1932. And on the outskirts of cities, or in open spaces within them, “Hoovervilles” were growing up, shantytowns of homeless, unemployed people. In the autumn of 1932 hitchhikers displayed signs reading: “Give me a ride – or I’ll vote for Hoover”.'
1945), who now had for the first time since the beginning of the 1860s, a majority in both Houses of Congress to support him. Roosevelt was the Democratic candidate who promised a New Deal in government providing both relief, recovery and reform. He argued that "(t)he main task before the country was not to further "discovery or exploitation of natural resources or necessarily producing more goods", but rather the job of "adjusting production to consumption, of distributing wealth and products more equitably"" (quoted in Hicks et al 1970: 673). In this speech, he added that government should intervene and direct the economy ‘only as a last resort’, but it appears that as early as 1933 he felt that he could only provide the promised relief, recovery and reform by becoming a major partner in the shaping of the economy. Within some hundred days, the New Deal legislation was drafted and the programs launched, among which the Works Progress Administration to provide work for all employables, and the Public Works Administration to build post offices, harbors, and dams in the hope that such a large construction program would provide much new business for heavy industries and for the construction trade (Hicks et al 1970: 670-3).

Kyrk’s involvement with the New Deal started in the summer of 1937, a year after the publication of Keynes’ *The General Theory of Employment, Interest and Money*\(^47\), when she worked as principal economist at the US Bureau of Human Nutrition and Home Economics in the Department of Agriculture\(^48\). According to John Kenneth Galbraith (1999: 12), this department was a focal point of New Deal thought and action. Here, from 1937 to 1942 on, she contributed to the Bureau’s massive Consumer Purchaser Study with publications on family housing and facilities and family expenditure on housing and household operation\(^49\). This study, undertaken in cooperation with and funded by the Works Progress Administration, was the first large-scale study of the American standard of living, and, published in more than twenty volumes, the most comprehensive consumer survey ever attempted. It established base year prices for the cost-of-living index (the forerunner of the

\(^{47}\) (Lord) John Maynard Keynes (1883-1946), the British economist whose ideas are said to have ‘captivated Mr. Roosevelt’, is generally considered to be the most important economist of the first half of the 20th century. He attended Eton and studied at King’s College, Cambridge. He published a large body of work, among which *Economic Consequences of the Peace* (1919) in which he argued that the reparation clauses of the Treaty of Versailles were too severe, and *Tract on Monetary Reform* (1923), in which he attacked adherence to an international gold standard. His best known work is the *General Theory* (1936), inspired by the inability of the available (neo-classical) theories to explain the Great Depression. In it, Keynes introduced the concept of a demand-determined equilibrium and argued that if business was not able to expand, government must take up the slack either directly by stimulating investment, or indirectly by supporting consumers’ purchasing power.

\(^{48}\) Kyrk’s curriculum vitae mentions that she was also consultant to the New York State Department of Labor in the spring of 1937.

\(^{49}\) Hazel Kyrk, Day Monroe, Maryland Y. Pennell & Edith Dyer Rainboth (1940). ‘Family housing and facilities, five regions’. Washington DC: US Govt.print.off (Miscellaneous publication (United States Department of Agriculture), no.399); Hazel Kyrk, Day Monroe, Kathryn Elizabeth Cronister, Margaret Minor Perry, Dorothy (Stahl) Brady, Colette Rosenstiel & Edith (Dryer) Rainboth (1941). ‘Family expenditures for housing and household operation, five regions’ (two volumes). Washington D.C.: US Govt.print.off. (Miscellaneous publication (United States Department of Agriculture), no.432, etc.).
Consumer Price Index), an important economic barometer and, increasingly, a reference point in labor-management negotiations (see Reid 1972; E. Nelson 1980).

Her work on the Consumer Purchases Study led to her appointment in 1943 as chairman of the Consumer Advisory Committee to the Office of Price Administration (OPA), ‘a solid Roosevelt instrument, but, more important, it was one of the two wartime organizations [the other being the Treasury, SvV] with the greatest public reach’ because its actions, including price control, rent control and consumer rationing, would affect every citizen (Galbraith 1999: 34). In her position as chairperson of this committee in 1943-1946, she forcefully represented the consumer’s point of view, and argued in particular for standards in consumer goods, for more gradual price decontrol and for a revision of the CPI to reflect postwar inflation. She did so again later, in 1951, as a member of a similar committee, the Consumer Advisory Panel in the Office of Price Stabilization, (Nelson 1980; Reid 1972)50. In 1947, finally, she chaired another committee, the Technical Advisory Committee of the Bureau of Labor Statistics. This Committee, in response to a congressional request, undertook to formulate the City Worker’s Budget, an attempt to estimate the content of a ‘modest but adequate level of consumption’ and for more than thirty years the ‘yardstick for measuring the economic health of American families and for setting levels of income tax exemption’ (E. Nelson 1980: 406; Reid 1972: 185; Beller & Kiss 1999) 51.

2.4.4 Teaching consumers the art of consumption

The third and last area on which Kyrk focused is that of the consumer movement, ‘educating’ consumers to learn the art of consumption and develop themselves as critical consumers. Thus, in the early years of her career, she taught at the Bryn Mawr summer school for working women (1922-1925), and served on the board of the Chicago Women’s Trade Union League. Later on, she engaged in what she would label ‘enlightened social action’ (cf. Kyrk 1944), arguing for the establishment of a permanent consumer service bureau, as well as consumer advisory committees in each federal agency. She lobbied for the inclusion of consumer education, consumer choices and rights, and she was also an early organizer and active board member of a consumer cooperative in the Hyde Park section of Chicago (cf. E.

50 As it happens, gradual price decontrol turned out to be politically impossible. Although proponents of gradual price decontrol argued that ‘if the great backlog of purchasing power built up during the war were turned loose, the resulting competition for the limited amount of goods available would produce a violent inflation of prices. But their opponents, led by the National Association of Manufacturers, held that, if controls were taken off, prices might rise temporarily, but would decline eventually as the volume of goods increased. The people were clearly tired of government restraints, and over the protest of President Truman [president after Roosevelt’s sudden death in 1945, SvV] Congress emasculated the act under which the Office of Price Administration had operated. Finally, yielding to irresistible pressure, the President announced by radio on October 14, 1946 that all controls, except on rents, would have to go. The effect was startling. By the end of the year the consumers’ price index was 55.5 per cent higher than in August 1939, and 31.7 per cent higher than in December 1945’ (Hicks et al 1970: 749).

51 Kyrk’s curriculum vitae mentions that she acted as a consultant to the US Bureau of Labor Statistics both in 1947 and in 1952.
Nelson 1980). In addition, she focused on ways to further ‘enlightened individual action’, wrote for more popular consumption – mostly in publications of the American Home Economics Association – and gave public lectures, such as those on women’s rights and on ‘family responsibilities’52 (see e.g. Kyrk 1944; Kyrk 1952).

2.4.5 Retiring

In 1952, when the Department of Home Economics at the University of Chicago was reduced to the level of a ‘committee’ unable to make faculty appointments, members of the faculty were encouraged to leave or retire53. Against this background and four years before the program’s termination in 1956, Kyrk retired from the university at the age of 66, leaving behind a revised and extended version of Economic Problems, now entitled The Family in the American Economy54. One year later, in 1953, Ohio Wesleyan College - the university where Kyrk started as a student herself in 1904 - honored her with the degree of Doctor of Humane Letters, citing her ‘accomplishments as an inspirational teacher, as a scholar who made ‘unusual and outstanding contributions to the field of home economics’, and as a government advisor’ (Beller & Kiss, 1999: 12). By that time, Kyrk had moved to Washington D.C., ‘the center of much of her professional activities apart from the University of Chicago and the home of many of her friends’ (Reid 1972: 186), a move symbolizing the change in focus from the pure academic work at Chicago in the early period to the more policy-oriented work from the 1930s on. On August 6th, 1957, having been in ill health for two years, Kyrk died of a stroke while vacationing in Brattleboro, Vermont. She was buried in Ashley, Ohio, her birthplace.

2.5 Kyrk’s approach compared

Despite the honor bestowed on her A Theory of Consumption early on in her career and the wide use of the several editions of Economic Problems of the Family in courses throughout the United States, Kyrk’s approach to consumer and household studies did not attract a large number of followers. The lack of such a following does not make it easy to give Kyrk’s work a proper place in the history of economics. Hardly any systematic thought has been given to

52 For press releases on these two lectures, see Kyrk’s biographical file at the Department of Special Collections, the Joseph Regenstein Library, University of Chicago.
53 Rossiter (1997: 101) writes: ‘(B)y the late 1940s President Robert Maynard Hutchins (…) could find no funds or intellectual space at the University of Chicago for home economics (…) By 1952, the “department” was reduced to the level of a “committee” unable to make faculty appointments. This shakeup, as well as new tenure rules adopted about the same time, encouraged home economics faculty to leave or retire. By 1956, when Porter [the head of the program as of 1944, SvV] resigned to accept the deanship at Michigan State University, the chancellor at the University of Chicago announced the program’s termination’.
54 According to Reid (1972), The Family in the American Economy (1953) was so much in demand that in 1967 the University of Chicago Press published a revised version that incorporated new findings and descriptions of institutional changes. Ruth Bonde, Chairman of the Department of Home Economics at Northwestern University, prepared the revision (Reid 1972; cf. Beller & Kiss 1999: 8).
this issue, and most references to Kyrk’s work are confined to the remark that Kyrk contributed ‘greatly’ to consumer and household economics.

There are, of course, some worthwhile exceptions, most notably Heidi Hartmann’s and Mary Hirschfeld’s discussions of Kyrk’s work. Hartmann (1974) refers to Kyrk’s Economic Problems (and to Reid’s Economics of Household Production) as precursors of neoclassical approaches to the household. She characterizes Kyrk’s work as an institutional approach that is ‘more reasonable’ than the approach developed by ‘followers’ like Becker for two reasons. First, it actually analyzes consumption and household work activities and second, although it stresses individual choices, it also acknowledges the many restrictions placed upon them by cultural norms, traditions, etc. She also, in my opinion unconvincingly, argues that ‘in the tradition of the neo-classical economists, both [Kyrk and Reid, SvV] accepted the family as the fundamental production unit for such activities as meal preparation and childcare’ (Hartmann 1974:28).

In a more recent contribution, Hirschfeld (1996) focuses on Kyrk’s A Theory of Consumption and highlights her ‘methodological stance’, interpreting Kyrk’s work from a feminist methodology perspective based on Julie Nelson’s work on Feminism, Objectivity and Economics (1996). Hirschfeld argues that whereas ‘most economists write from the perspective of a potential policy maker who might be interested in shaping or controlling the economy or aspects of the economy’, Kyrk ‘writes as though her principal purpose is to offer information and insights up to the participants within the economy which they can use for their own ends’. This is, according to Hirschfeld, not a ‘control stance’ but a ‘democratic stance’, which is feminist in the sense that it values ‘feminine’ characteristics such as ‘intuitive’, ‘vague’, ‘non-scientific’, ‘verbal’ and ‘informal’ (idem: 2-10).

Neither of these contributions, however, discusses clearly what I consider to be the main characteristics of Kyrk’s work, although Hirschfeld’s contribution in particular goes a long way. To more fully understand the nature of Kyrk’s work and to add to the few strands that are available, this section contains an attempt to provide a more extensive review of the relationship between Kyrk’s work and that of others, both contemporaries and later writers.

2.5.1 Kyrk and the Early Home Economists

An important characteristic of Kyrk’s approach is her belief that consumption is important as an economic activity, and should thus be studied. Of course, Kyrk and her students were neither the first nor the only writers to address the specificities of consumption, household work, or, perhaps more generally, ‘woman’s work’. In particular, the work of the ‘early home economists’, such as Catherine Beecher, Ellen Richards and Christine Frederick, resembles that of Kyrk in that they share a focus on household work and household management.

Home economics can be traced back to Catherine Beecher, who provided a wealth of technical details regarding the efficient management and performance of household labor in
her *Treatise of Domestic Economy* (1841)*55*. Writing in the middle of the nineteenth century long before the term home economics was actually established, Beecher thus provided ‘the first comprehensive book on managing a home without servants, the first suitable text on the subject for public schools, and a source of energy-saving, scientific information for American women, eager to read it’ (Vincenti 1997: 321). With it, she also spread her Victorian view on domesticity which held as ideal the woman who, educated in ‘domestic economy’ and thus very well prepared for her profession as wife and mother, presided over a cultured, well-managed household (cf. Folbre, 1991; Apple 1997; Stage 1997).

Some decades later, it was Ellen Richards – now known as the ‘mother of home economics’ - who really established the field*56*. Writing during the Progressive Era, Richards politicized Beecher’s domesticity concept to expand women’s political power and to broaden their duties to include social reform. In a cunning way, she used Beecher’s view on women as having a moral authority on household matters and redefined the home to encompass ‘that larger household, the city’. She also emphasized women’s new role as consumers and focused on economic and social issues instead of housekeeping and decoration. Furthermore, having in mind a professional field for educated women, she emphasized the role of experts and introduced a move towards more rigorous research, similar to that in the natural and social sciences. In fact, she ‘looked forward to the day when the college woman would apply scientific principles “not only in her own home, but in all work for the amelioration of the condition of mankind”’ (Richards as cited in Stage 1997: 25).

In the 1920s, the emphasis in home economics changed again. It lost its focus on social and economic issues and returned to the household Beecher had had in mind, i.e. the household as the very specific and concrete realm of women’s moral authority. Experts remained important, however. As Glenda Matthews (1987: 151) notes: ‘one of the most clear-cut themes to emerge [was] the importance of overruling the palate – what the family likes – in favor of nutrition – what experts deem to be good for people’. And Sarah Stage (1997: 20) adds: ‘Rather than training women for careers in social service and municipal housekeeping, home economics now trained professional experts whose job it was to promote “standards of

*55* Catherine Esther Beecher (1800-1878) was an educator and a writer. She was educated at home and at private school. In 1823 she founded the Hartford Female Seminary, launching a life-long campaign as lecturer, author, and advocate of women’s education. Among her books was the above-mentioned *Treatise of Domestic Economy* (1841). In 1869, she and her sister Harriet Beecher Stowe collaborated on a new edition, retitled *The American Women’s Home*, which became quite an influential guide for generations of American housewives.

*56* Ellen Henrietta Richards, born Swallow (1842-1911), studied astronomy at Vassar College, and, after graduation, entered the Massachusetts Institute of Technology as a special student in chemistry, the first woman student to be enrolled. She became the first woman to hold an MIT degree (a baccalaureate of science) but was refused a doctorate. In 1884, when MIT established a chemical laboratory for the study of sanitation, Richards was appointed to the position of instructor in sanitary chemistry, a post she held till her death in 1911. She conceived and directed the Lake Placid Conference on Home Economics (1899-1908), which coined the term ‘home economics’ and developed standards for training professionals. She was elected as the first president of the American Home Economics Association, founded in 1909.
home living", presumably for a legion of housewives to uphold in the home'. Scientific management, already popular for shops and workplaces, gained particular popularity among home economists, in no small part thanks to Christine Frederick, who stereotyped female consumers as 'essentially emotional, intuitive, and hence malleable' (Goldstein 1997: 276), and saw it as her task to try and upgrade women's workplace by scientific management and invention, in much in the same way her male counterparts worked to streamline production (Stage 1997: 32; also Matthews 1987: 169) 57.

When Kyrk started to teach home economists in the 1920s, most of her colleagues were infatuated with the Frederick approach to home economics in particular, and were trying to construct a rationalized, scientific discipline58. Kyrk explicitly set her work apart from that of these more dominant home economists of her time59. For example, in the Preface to her Economic Problems, she warns her readers:

In no respect can the book be considered a manual of "whats" and "hows" for the home-maker. Nor should the title "Economic Problems of the Family" be construed as "Home Economics" in the broad sense, covering technical and practical questions of nutrition, child care, care of the house and selection of clothing, furniture and household equipment. The problems dealt with are "economic" in the academic sense of that term (Kyrk 1933: xix).

Kyrk's work shows more overlap with that of the more progressive home economist Richards, as both stress the importance of a broadening of home economics to include economic and social issues, and because both discuss social reform issues. However, other characteristics of Richards' work are more similar to Beecher and Frederick's work than to Kyrk's. For instance, whereas Richards in ways similar to Beecher and Frederick argues explicitly from the perspective of women's moral authority on household matters, Kyrk

57 Christine Frederick received her B.Sc. degree in 1906 from Northwestern University, where she studied advertising. Although she had no formal training in the field of home economics, she was an early spokeswoman for home economics as scientific management in the home. She became known as the national authority on 'Mrs. Consumer' in 1929, when she published her best-seller Selling Mrs. Consumer, a book that instructed male manufacturers and advertisers on the importance of female buying power and how to manipulate it (cf. Goldstein 1997: 274).

58 They not infrequently found themselves engaged in what Matthews (1997: 165-6) calls a 'reductio ad absurdum' approach. Matthews provides us with the following example, an excerpt taken from a workbook used in what was evidently a college-level course in home economics. The book gives drills for opening and closing a sewing bag and using a thimble. This is the sewing bag drill: 1. Open the bag. 2. Take out work. 3. Arrange work on the desk. 4. Hold up the work. The example is from 1932, about the same time as Kyrk was teaching at the Chicago home economics department.

59 Also see Beller & Kiss (1999: 10): 'In a 1929 article Kyrk argued for the inclusion of "social studies" in home economics and suggested that rather than organizing research and instruction on a commodity basis (i.e. food, clothing, housing), that it be organized around the economic and social problems of the home'. They refer to 'The place of the economic and social studies in the home economics curriculum', Journal of Home Economics, Vol. 21, pp.488-494.
instead focuses on these matters as economically important activities that might be organized along different lines (cf. Folbre 1991: 467). And whereas Richards and the other early home economists in the main focus on education for girls and women (Apple 1997: 90ff.), Kyrk explicitly stresses the relevance of the field for both women and men:

Although designed to constitute an integral part of the curriculum of all women majoring in home economics it has not been assumed that these women differ from other members of the university except in their interests. Men and other women interested in the modern family or in those economic problems that most directly touch the family might also, it was hoped, find here an approach that would be illuminating and thought-provoking (1933: xix).

And finally, although both Richards and Fredericks as well as Kyrk favor the application of ‘the scientific method’, Kyrk’s approach in this respect differs markedly from that of Richards and Fredericks. The latter mean to carve out a niche for scientifically trained expert women, who could serve housewives or larger communities with their knowledge, and prescribe what they ought to do. Kyrk, on the other hand, refers to the scientific method in a Deweyan, more democratic way, and urges all consumers, women and men alike, to ‘apply the scientific spirit to life’, and scrutinize and if necessary remake their own valuations (also see section 2.5.4 below).

It is because of all these differences that Kyrk’s work can be clearly distinguished from that of the early home economists, despite their shared interest in consumer and household issues. In fact, by situating her work and that of her students on the borderland between economics and home economics, Kyrk, along with Reid and Hoyt, helped to establish a new line of research for home economists, and shifted them away from the earlier focus on household management to consumption and household economics. Furthermore, her focus on consumption and household issues as economically important activities helped to change the manner in which these issues were perceived in the discipline of economics. As an economist working in the borderland between economics and home economics, Kyrk was among the first to put what was traditionally seen as women’s work on the agenda of economists (cf. Yi 1996: 28).

2.5.2 Kyrk and the New Consumer Theorists of the 1960s
A comparison of Kyrk’s work with that of consumer economists working in the tradition of what is now known as the ‘Chicago School’ highlights other characteristics of Kyrk’s work. As was pointed out in section 2.3.2, Kyrk’s approach to consumer behavior and consumer welfare can be typified by a lack of belief in the power of the marginal utility approach of her day to explain either. Kyrk argued that marginal utility theory might be a useful tool for those interested in how to explain exchange rates, but not for those interested in how to further the good life. Rather than explaining the motives of economic behavior in terms of simple desires and pleasure-calculations, we should see them in terms of both higher and lower ends,
including primary instincts such as self-defense and nutrition as well as nobler ends such as affection and friendliness. And rather than formulating a theory based on concepts judged in terms of their own internal consistence, we should try to capture the complexities of actual consumer behavior.

A valid theory of consumption will not be divorced from reality, - it will interpret the facts; and it will not assume a type of human behavior in this field radically different from that in other lines, without at least showing due cause for departure (Kyrk 1923: 22).

Of course, we now know that in the second half of the 1960s, near the end of the US postwar growth spurt in output and consumption, several articles were published all of which presented new approaches to consumer theory and tried to accommodate the complexities of human behavior. These articles were Gary Becker’s60 ‘A theory of the allocation of time’ (1965), Kelvin Lancaster’s61 ‘A new approach to consumer theory’ (1966), and Richard Muth’s62 ‘Household production and consumer demand functions’ (1966).

The approaches presented in these articles are similar to Kyrk’s approach, because, like Kyrk, they go beyond Jevons’ ‘lower feelings’ and assume that ‘fundamental values’ (Kyrk 1933: 378), ‘fundamental pleasures’ (Michael & Becker, 1976: 145), ‘fundamental characteristics’ (Lancaster 1966) or simply ‘goods’ (Muth 1966) or ‘commodities’ (Becker 1965; Michael & Becker 1976) such as health, prestige, safety, and entertainment are the end goals of consumption. As a corollary, all see market goods (and time and effort) only as instrumental, and the preferences for these goods as derived from the meta-preferences for the more fundamental values, the ends of life. In addition, the new theorists and Kyrk both agree

60 Gary Stanley Becker (1930), winner of the 1992 Nobel prize in Economics, is currently professor of economics and sociology at the University of Chicago. He is recognized for his contributions on human capital, the economics of the family, the economic analysis of crime and discrimination, population economics, and for his work on preference formation. It is said that with his PhD thesis on ‘The economics of racial discrimination’ (University of Chicago, 1955), the expansion of Chicago economics beyond the traditional boundaries of the discipline began. Except for twelve years at Columbia University (1957-1969), Becker has spent his entire career since his first teaching appointment in 1954 at Chicago.

61 Kelvin John Lancaster (1924-1999), Australian born, studied geology, mathematics and English literature at Sydney University. In 1958, he obtained a PhD in Economics from the University of London. He emigrated to the United States in 1961 to become a professor at the Johns Hopkins University, where he wrote his ‘New approach to consumer theory’. From 1966 onwards, he taught at Columbia University where he remained for the rest of his career. In Who’s Who in Economics, he describes himself as ‘a modeler, one trying to model reality as accurately as possible but yet retain a general form’. Among his work is ‘The general theory of second best’ (1957), with Richard Lipsey, and Consumer Demand: a New Approach (1971).

62 Richard F. Muth (1927) obtained a PhD from the University of Chicago in 1958 with his dissertation on ‘The demand for non-farm housing’. He is currently Fuller E. Callaway professor in the Department of Economics of Emory University, Atlanta Georgia. His research interests include housing economics, spatial economics and ancient and medieval economic history.
that habit, custom, tradition and other social aspects cannot be ignored in any valid theory of consumption. Thus, all suggest ways to incorporate these social aspects into their theories\textsuperscript{63}.

But whereas Kyrk explicitly states that she wants to start from scratch, and rejects the approach offered by the marginal utility school as being unsuitable for her purposes, all three postwar approaches explicitly aim to incorporate the complexities of human behavior in the framework of what was by then known as neo-classical demand theory. In fact, in their famous article ‘De Gustibus Non Est Disputandum’ George Stigler \& Becker (1977: 76) write: ‘we are proposing the hypothesis that widespread and/or persistent human behavior can be explained by a generalized calculus of utility-maximizing behavior, without introducing the qualification “tastes remaining the same”’ (also see Becker 1996). Similarly, Lancaster describes his theory as an ‘explicit attempt to integrate the characteristics approach into the central core of demand theory’ (1971: 9-10). They manage to attain this aim, because, using elaborate ‘production’ or ‘consumption technologies’, all find ways to construct the common denominator Kyrk did not and did not want to invent, and transform the characteristics or commodities space into the space of goods and services. That is, with quite a bit of ingenuity, they need not start from scratch, but can keep themselves working within the formal mathematical framework with stable meta-preferences and budget constraints. \textit{De Gustibus Non Est Disputandum}, and the complexities of human behavior can be analyzed within the usual economic framework focused on instrumental questions as to how best to attain posited ends.

\subsection{2.5.3 Kyrk and Becker’s approach to human behavior}

Once one looks past the obvious differences in terms of the language and format used, the approaches of Kyrk and the new consumer theorists are not as different as they may seem at first. Nevertheless, there remain some crucial differences, and to illustrate these, I will elaborate somewhat on the above, and compare Kyrk’s approach to that of Becker in his \textit{Accounting for Tastes} (1996), because of the three new consumer theorists mentioned, Becker is undoubtedly the one who is said to have gone furthest with the integration of ‘social context’ in a neo-classical framework\textsuperscript{64}.

Becker’s approach starts from the basic assumption that people behave ‘rationally’. That is:

\begin{enumerate}
  \item Individuals maximize welfare \textit{as they conceive it}, whether they be selfish, altruistic, loyal, spiteful, or masochistic. Their behavior is forward-looking, and it is also assumed to be consistent over time. In particular, they try as best they can to anticipate the uncertain consequences of their actions. Forward-looking behavior,
\end{enumerate}

\textsuperscript{63} There are, of course, also differences between the new consumer theorists. On these, see for example Pollak \& Wachter (1975) and Gronau (1986), who discuss their assumptions on ‘jointness’ in production.

\textsuperscript{64} See especially chapter 1 of \textit{Accounting for Tastes}. For a first comprehensive formulation, see Stigler \& Becker (1977).
however, may still be rooted in the past, for the past can exert a long shadow on
attitudes and values (as printed in Becker 1996: 140; emphasis as in original).

And it builds on two important concepts through which experiences and social forces are
incorporated into preferences, to wit, ‘personal capital’ and ‘social capital’. Personal capital is
the term used to denote ‘relevant past consumption and other personal experiences that affect
current and future utilities’. It includes among other things ‘habitual capital’ and ‘imagination
capital’. Social capital denotes ‘the influence of past actions by peers and others in an
individual’s social network and control system’, and includes ‘cultural capital’, which is made
up of shared values and preferences handed down from generation to generation.

The assumption of rational behavior combined with the two capital concepts allows
Becker to model the complexities of human behavior in a neo-classical framework. In this
framework, utility does not depend directly on goods and consumer capital stocks, but on
household-produced ‘commodities’, such as health, social standing and reputation, and
pleasures of the senses. These commodities have no market prices, but ‘shadow’ prices
determined by their costs of production, which depend on the prices of goods (including
time), the productivity of consumer capital, and other variables. Experiences and social forces
influence consumer behavior through capital stocks, which determine the productivity of
commodity production. Given stable ‘meta-preferences’ for commodities, this in turn
determines consumer choices for particular goods. For example, ‘childhood abuse and other
experiences may influence teenage and adult choices through affecting the accumulation of
capital from childhood. Divorce, unemployment, advertising, and other experiences may also
help determine choices through affecting the accumulation of personal capital’ (idem: 7). And
again given stable meta-preferences, knowledge of the ways these experiences and social
forces influence capital stocks can be used to steer consumer choices in a particular direction.
Or as Becker formulates it:

Through its assumptions of forward-looking behavior, the economic point of view
implies that parents try to anticipate the effect of what happens to children on their
attitudes and behavior when adults. These effects help determine the kind of care
parents provide. For example, parents worried about old-age support may try to
instill in their children feelings of guilt, obligation, duty, and filial love that
indirectly, but still very effectively, can “commit” children to helping them out.
[...] “Manipulating” the experiences of others to influence their preferences [for
goods, not commodities, SvV] may appear to be inefficient and fraught with
uncertainty, but it can be the most effective way available to obtain commitment
(idem: 153).

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65 Becker (1996) also discusses a ‘less fundamental approach’ which does not make use of the ‘commodities’
concept, but in which the utility function at any moment depends on both the different goods consumed as
well as on the stock of personal and social capital at the moment.

66 There are other examples to be found throughout the book. For example, on using the force of habit:
‘Obedience to institutions often can be utilized in social decision making. The armed forces try to instill the
To be sure, however, in his model individual behavior is not predetermined by past experiences and social context, and there is room for individual choice. Individuals are not spineless puppets with no choices left to make, because they are forward-looking and 'help guide their destinies by exercising control over future stocks of [...] capital that determine future utilities and preferences' (idem: 9). For example, if they are 'unhappy' with the habits, customs, or norms they have 'inherited' from the past, people experiment and search for ways to depreciate their inherited capital and invest in capital that increases their utility. Or in Becker's own words:

For example, a woman who fears and loathes men, perhaps because she was sexually abused as a child, may try to change her attitudes toward men by undergoing psychotherapy treatment and by taking other actions, or she may decide to accept these feelings and seek relations only with other women. In either case, she helps determine her future attitudes to men and women, conditional of course on the earlier sexual abuse and other childhood experiences (Becker 1996: 9).

They also invest in 'imagination capital', capital which helps to overcome the tendency to undervalue future utilities, so that, for example, they can choose a social network which benefits rather than hurts them (see especially Becker's chapter 1).

This is really not very different from Kyrk's approach in that she also stresses the importance of evaluating one's existing standards and if necessary remake one's valuations. And Kyrk also points out that people can reflect critically on expenditure and savings by a careful weighting of current needs and future ones (Kyrk 1923: 276; 1933: chapter 14). However, what is a crucial difference between Becker's approach and Kyrk's is that Becker assumes that people behave as argued, i.e. that they behave 'rationally' as defined in his approach. They are forward-looking, and recognize that their present choices and

habit of obedience to commands during fighting by emphasizing military traditions, rigid rules, and response to peer pressure. Young people asked to contribute heavily to social security may not have to worry that the next generation will refuse to support them when they become elderly, even though it might appear in the next generation's self-interest to do so. Indeed, this generation's support of the elderly may well strengthen the tradition-habit that will induce the next generation to support the elderly' (p.131, emphasis as in original). And on using norms: 'All classes can be made better off from the creation of norms that favor the upper class if the other class receive sufficient subsidies', such as 'sermons and other church activities' which 'help a person come to terms with eventual death, and they allow socializing with other families' (pp.227-228). And again on using habit: 'Suppose that whites initially suffer a big drop in utility from being forced to mix with blacks in schools, on teams, in buses, and in other ways. Over time, however, they get habituated to integration and eventually do not mind it very much, and may even prefer integration. (...) The legislation helps whites if their discounted utility increases, even though initially they hate integration' (p.20).

That is, Becker does of course acknowledge the fact that there are cognitive limits on individual 'rationality' and also that these 'are sometimes important'. However, he argues that these cognitive limits have received 'excessive attention' in recent years at the expense of 'more significant weaknesses' in standard models, such as the assumptions that preferences do not depend on past experiences or social
experiences affect their capital in the future, and they do search for ways to improve their capital stock if they are not happy with it. Kyrk, on the other hand, seriously worries about the possibility that people might not do this. If I may use Becker’s terminology in a somewhat anachronistic manner: she wonders whether people actually engage in forward-looking behavior and invest in ‘imagination capital’, whether they ‘step back from their revealed wants’ to ask themselves whether they are happy or unhappy with their stock of capital, and, conditional on that outcome, whether they search for ways to improve their personal and social capital stock. In short, Kyrk doubts that people act ‘rationally’. On the contrary, she fears people may not act as such, but instead base their choices on the standards - and thus on their past experiences and social context - they bring with them into a specific situation, without critically examining them with reference to their future utilities and preferences.

A second important difference between Becker and Kyrk’s approach is related to their concept of a welfare improvement. For Becker, a policy or experience which changes household productivity and thus preferences for goods such that welfare as consumers conceive it increases, is a good policy or experience, regardless of the content of these changed preferences (see especially Becker 1996: pp.20-22). For Kyrk, on the other hand, a policy or experience which changes preferences such that welfare as consumers conceive it increases, is only good if the changed preferences are preferences for goods which are valued because they are thought to contribute to the ‘good life’ and are seen as instrumental in attaining ‘wise ends’. Thus, there is a clear ethical thrust in her evaluation of preferences which is missing from Becker’s approach, in which every kind of preference - whether selfish, altruistic, loyal, spiteful, or masochistic - is given the same weight. Becker’s approach, in fact, can be described as what Cottingham (1998: 21-23) calls a ‘thin’ ethics, ‘which defines right action in wholly instrumental terms, namely as that which maximizes whatever happens to be selected as a goal’. It leaves ‘the grand issue of the recipe for the good life’ to one side, and focuses attention on articulating the structure by which whatever goal can best be reached. Kyrk’s approach, on the other hand, is more of a ‘thick’ ethics, which, through an extension of the concept of ‘waste’, broadens her analysis to include questions as to how to attain the good life, how to live well in a general way (compare Cottingham 1998: 43; Welchman 1995: 217)

A third important difference between Kyrk’s and Becker’s approach concerns their methodological stance (cf. also Hirschfeld 1996). As indicated in the above, Becker uses his model not only to explain how consumer choices are affected by past experiences and social interactions, but also to discuss how ‘outsiders’ can use the insights to be gained from this model to efficiently steer consumer behavior towards a particular goal. As a matter of fact, Accounting for Tastes can be read as providing information to altruistic or selfish parents, or to benevolent or tyrannical rulers, as to how to direct the choices of their children or citizens knowing how experiences and social context affect these choices. Kyrk’s approach also aims

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interactions. ‘To highlight these neglected constraints, the book does not emphasize cognitive imperfections, but rather the influence of personal and social capital on choices’ (Becker 1996: 22).
to explain how consumer choices are affected by past experiences and social context. But instead of then focusing on the question of how to prevent consumers from consuming one good and to stimulate them to consume another, she focuses on how consumers themselves can select those goods which are instrumental in attaining the good life.

Now of course, in conclusion, it may be argued that the difference between Kyrk’s and Becker’s approach is actually rather small as long as whoever sits at the controls is altruistic and has only the ‘ethically best’ in mind for whatever rational consumer it is trying to control. Actually, however, also in this event the difference between the two approaches remains rather large, essentially because in Kyrk’s perspective the project of determining ‘the good life’ is intrinsically related to the question of who should determine this. According to Kyrk, we cannot determine for others how they can best attain the good life, simply because we do not all agree on what the good life is and even if we did we cannot tell others how to attain it because we do not know how to, other than by tentatively groping around (see also section 2.3.1 in the above). The ends of life are not fixed, and consequently we cannot, as some sort of outsider, provide an instrumental recipe for attaining these ends. Kyrk’s pragmatic approach holds that life is a ‘process of continuous change’, and attaining the ‘good life’ means nothing more or less than individuals themselves engaging in ‘a life-long continuous process of learning how human personality seeks to express itself and what experiences, activities, and ends human beings seek’ (Kyrk 1933: 406).

Clearly then, despite many, somewhat hidden, similarities with Becker’s approach and with those of the New Consumer Theorists in general, it is precisely because the New Consumer Theorists managed to incorporate the influence of the social context into a neo-classical framework that Kyrk’s approach must be said to differ considerably. The difference is intentional, and the approaches of the postwar consumer economists can be seen as examples of the route explicitly avoided by Kyrk, who feared that these would in the end ‘still be cast in the old terminology, even if newly defined, and would have the limited applicability which, it is believed, inheres in the old doctrine’ (Kyrk 1923: 145). They would not allow her to capture the dynamic aspects that she argues are essential elements of human choice behavior, nor would they allow her to address questions as to how to attain ‘a higher level of human life’. Thus, Kyrk chooses a different route and starts de novo, building her own theory of consumption using concepts derived from both the institutional as well as the philosophical approaches.

2.5.4 Kyrk and the Institutionalists of the early 1900s

In the first decades of the previous century, the institutional approach Kyrk borrowed from was the dominant approach of economic thought in the United States. At Chicago, its main representatives were Thorstein Veblen, Wesley Mitchell, John M. Clark and James Laughlin, two of whom, it will be remembered, were in Kyrk’s prize committee (see section 2.2). Kyrk shares with them a preference for a reality-based approach, a focus on the endogeneity of preferences, skepticism regarding reliance on marginal utility approaches to explain economic
behavior, and an emphasis on the role of institutions as opposed to free markets in allocating resources efficiently (cf. Reder 1982). She builds especially on the works of Veblen and Mitchell.

With Veblen, Kyrk shares an almost anthropological interest in the world behind the demand curve, i.e. in the nature of economic man and his ‘rites’ and ‘rituals’. She frequently refers to his *A Theory of the Leisure Class*, a book which, when published in 1899, became ‘a sensation’, and ‘a vade mecum of the intelligentsia of the day’ (Heilbroner 1980: 225). It threw doubt on the view that consumer behavior could be interpreted as rational and reasonable behavior, and instead suggested that it was driven by social forces such as habit, tradition and norms which were far from rational and reasonable. Kyrk’s fear of uncritical, unintelligent copying of the consumption standard of the upper class was no doubt inspired by Veblen’s argument that pecuniary emulation, or ‘Keeping up with the Joneses’, had become a dominant motive in society.

However, Kyrk’s work is not a mere copy of Veblen’s work, and differs in at least two respects. First, more than Veblen, Kyrk is not only concerned with the question *why* consumers behave as they do, but also with how they *should* behave in order to attain the good life. She uses his analysis as a starting point from which it becomes possible to point the way to a reduction in the waste involved in thoughtless ‘ emulation of the rich’. Second, Kyrk more than Veblen accepts capitalism, and is not as antagonistic to business as Veblen is. Whereas Veblen conceptualizes businessmen with their profit motive as the saboteurs of the economic system and suggests they should be replaced by disinterested, benevolent engineers, Kyrk views businessmen and the profit motive as essential forces in the productive process, which in the proper institutional setting may be conductive to the generation of welfare:

> Competing producers’ activities may be shown to expand the consumer’s range of choice, and the producer’s task may be interpreted as seeking and finding the needs, preferences, and standards of consumers rather than creating them (Kyrk 1923: 105).

Her rejection of social engineering, however, does not imply that she is a proponent of laissez-faire, and Kyrk does acknowledge that the profit motive can lead to misrepresentation, deception, and outright fraud if left unrestricted (see section 2.3.3). In this sense, Kyrk seems to have more in common with another institutionalist, the non-Chicago-educated John Commons. Although Kyrk does not refer to Commons in her own work, she shares with

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68 John Rogers Commons (1862-1945) was founder of the ‘Wisconsin School’ of institutional economics. Seeking to “make Capitalism good”, Commons, individually or through his students, was instrumental in designing most of the social legislation passed in the United States during the New Deal era of the 1930s. He did his graduate work at Johns Hopkins University, but performed poorly and left the university without a PhD, which he never obtained. He did not obtain a steady teaching position until 1904, when the aforementioned Richard Ely, one of his teachers at Johns Hopkins, brought him to the University of Wisconsin. There, his career finally took off.
him the acceptance of capitalism, and the view that public policy can be a means to increase the effectiveness of individual action. Or in her own words, in a contribution to a discussion of whether the American Home Economics Association, the AHEA, should abandon legislative work or not:

(S)ocial action does not imply a “hand-out” from the public treasury or interference with individual rights or abridgment of free enterprise. Both individual rights and “free enterprise” are the result of social action. In fact, most of the economic measures advocated by the AHEA have been designed to remove or prevent the imposition of market restrictions - to maintain or restore competition (Kyrk 1944: 563, emphasis as in original).

With Mitchell, Kyrk shares an interest in the analysis of the specific characteristics of consumption activities as compared to market production activities. For example, like Mitchell in *The Backward Art of Spending Money* (1912), Kyrk points to the typical family organization of the household, to the slow development of scientific techniques which prohibit an efficient, Taylorlike organization of consumption, to the lack of a common denominator to equate money costs and the ends of consumption, and to the lack of a clear specification of these ends of consumption.

Again, however, Kyrk does not simply summarize Mitchell’s work or repeat it. Rather, together with her students, she extends it and provides a comprehensive, detailed survey of the many aspects of consumption and collects figures about consumption levels and family expenditure. In addition, she also offers a more optimistic vision, and goes on where Mitchell stops. Consider a quote - in my opinion often wrongly interpreted as ‘women-unfriendly’ - from Mitchell’s *The Backward Art*, the last sentences of his article:

> Doubtless most women, like most men, will ever continue to accept uncritically the scale of conventional values which their day and generation provides ready-made [...] But to women of conscience and insight the ends of living will always be part of the problem of spending money – the part which is most inspiring and most baffling. [...] There is a scheme of values embodied in every housewife’s work, whether she knows it or not, and this scheme affects for good or ill the health, the tastes, the character of those for whom she cares and those with whom she associates (Mitchell 1912: 281).

Kyrk is concerned with mapping out this scheme of values, with conveying to everyone that it exists, and that it can be changed. Her contribution is that she indicates the starting point for improving the backward art of consumption, not only by improving more technical aspects related to the consumption process, but by improving the quality of the ‘experiment of life’. Kyrk’s *A Theory* thus ends more positively, and points the way to making consumption a field where it can be ‘the expression of individual interests and tastes’, ‘the tentative reaching out
of new impulses for realization through economic goods’ which may ultimately lead to a ‘higher level of human life’ (Kyrk 1923: 293; see also section 2.3.3 in the above).

2.5.5 Kyrk and Dewey’s ethical thought

Kyrk’s approach then, it can be argued, is perhaps even more philosophical than institutional, and it is because of her incorporation of Dewey’s ethical thought that her theory stands out as it does. In particular, Kyrk’s conceptualization of the valuation process, her focus on experiments as means to enhance welfare, her overall perspective of the importance of effective freedom of choice, and her stress on consumer education are elements that make it possible to interpret her theory as a pragmatist Deweyan approach to the consumption process.

As for Kyrk’s conceptualization of the valuation process, it has already been pointed out above that Kyrk uses building blocks from the Deweyan school. Thus, Kyrk agrees with Dewey’s view on the instrumentality of values, on the impact of the social context on values, and on the temporality of values. And like Dewey, Kyrk argues that consumers do not simply satisfy given wants, but that they organize their lives around tentative working concepts of what constitutes a high standard of living. Consumption is life and life is growth, or rather ‘groping’, a tentative reaching out in a continuously changing environment for some new definition of ends to better respond to an individual’s living, creative capacities.

Kyrk’s concomitant focus on the importance of experiments or ‘the scientific spirit applied to life’ as ways to enhance the valuation process is also typically Deweyan (see 3.3.2). Compare, for example, the following quote taken from Dewey’s Middle Works:

> If we can discover ethical principles, these ought to give some guidance for the unsolved problems of life which continually present themselves for decision. Whatever may be true for other sciences, it would seem that ethics at least ought to have some practical value. “In this theater of man’s life it is reserved for God and Angels to be looked on.” Man must act. … If he has reflected, has considered his conduct in light of the general principles of human order and progress, he ought to be able to act more intelligently and freely, to achieve the satisfaction that always attends on scientific as compared with uncritical or rule-of-thumb practice (Dewey, Middle Works 5:10, as quoted in Welchman 1995: 176).

Kyrk translates this Deweyan focus to the area of consumer behavior, and suggests that a critical examination of one’s standards of consumption and an evaluation based on one’s concepts of what is worthwhile doing, having, and being in life, is bound to lead to a higher level of life than old standards applied in a specific situation without critical examination and evaluation. Neither Dewey nor Kyrk is very specific as to what this application of the scientific method would entail. Both give hints, however, that suggest it involves an inventory of possible responses to and objective consequences of a new choice situation – such as the question of how to use an extra amount of money or time – as well as a formulation of
hypotheses as to the sort of consumption standard one would attain and the sort of consumer one would become if one committed oneself to any of the responses which are *prima facie* good. Consumers also need to consider what consumption standard they have reason to think is desirable; and assuming the hypotheses are confirmed, they need to use this standard as some sort of reference point to determine which response it is best to pursue. In addition, they should try to confirm or reject the hypotheses, either by means of real-life experiment (trial-and-error) or by using background studies providing relevant empirical information that consumers themselves can apply in their evaluation – for example background studies with information on how standards differ from time to time, place to place, and class to class.

Similarly, Kyrk’s stress on the importance of effective freedom of choice and the market mechanism as a means to guarantee this freedom, is comparable to Dewey’s stress on the importance of democracy to further human welfare. For Kyrk - it has already been noted - effective freedom of choice can best be guaranteed in a market environment, because this allows consumers to experiment and work out their own concept of welfare (see in particular section 2.3.1 above). Compare this to how Welchman (1995: 197-8) describes Dewey’s perspective on freedom:

If we are as a group to achieve our goal of a richly fulfilling personal and social life, our principles of association, whatever they may be, must be principles freeing us to grow and develop, to educate ourselves in our own and our society’s possibilities. Democratic principles of association maximize our freedom and our opportunities to grow and develop. [...] Intellectual growth requires experimentation. So what we must want whatever else is freedom to experiment with our lives. And what we are due is whatever we must want everyone else to have whatever else they want. And that too is the freedom to experiment. If we stunt the freedom of one to innovate and experiment (beyond the limits necessary to protect the freedom and safety or others), we stunt the growth and the development of the whole community. [...] So what we are each due is effective freedom, that is, the absence or removal of any legal or social obstacles to free access to social participation and command of resources adequate to allow us to participate in meaningful ways.

Note their joint two-step approach to the conceptualization of effective freedom as opposed to formal freedom. Both Dewey and Kyrk argue that consumers or citizens need a command of resources such that basic needs are met and all are able to lead civilized, healthy lives and participate in meaningful ways. Second, they argue that legal or social obstacles should be

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69 Neither Kyrk nor Dewey paid a lot of attention to the ways individuals might go about this in practical terms. Welchman (1995: 177ff) takes up the challenge and tries to spell out what procedures individuals ought to use. On Kyrk’s more practical attempts, see especially *Economic Problems* (p. 393 ff) in which Kyrk suggests - tentatively - wise uses of time and money, such as those which ensure health, secure social intercourse, fun or amusement, are conducive to new experiences, beauty of one’s surroundings, etc.
removed to strengthen consumers' or citizens' effective freedom of choice, and suggest all should be educated such as to be able to freely grow and develop as human beings.

This leads to a last major parallel between Dewey and Kyrk's approaches, to wit, the emphasis on the importance of education not as a simple passing on of knowledge, nor as a lesson in 'what's and how's', but as a lesson in how to learn, to find one's own solutions, using one's own inventiveness and creativity. Both Kyrk and Dewey do not deny the importance of passing on knowledge, nor do they hold that any type of socialization is bad. On the contrary, human beings are social animals, and it would be foolish to assume there are such things are true, 'uncontaminated' individual preferences. Nevertheless, once consumers have received a basic stock of information to work with, a Deweyan type of education is an important means toward a higher level of human welfare, because, according to Kyrk, it enables consumers to learn through experience, in free movement, and in communication with others. Both Kyrk and Dewey clearly denounce the concept of wise consumption or education as something that can be taught in terms of do's and don'ts, as things that are to be presented to the consumer or to the student, and instead favor an approach which allows consumers or students expenditure as the 'expression of individual interests and tastes, the tentative reaching out of new impulses for realization through economic goods' (1923: 293). Education is life, and consumption is life. Or, as Richard Rorty describes a Deweyan vision of wise higher education in his recent *Philosophy and Social Hope* (1999: 124):

We Deweyans think that the social function of American colleges is to help the students see that the national narrative around which their socialization has centred is an open-ended one. [...] This is done by helping students realize that, despite the progress that the present has made over the past, the good has once again become the enemy of the better. With a bit of help, the students will start noticing everything that is paltry and mean and unfree in their surroundings. With luck, the best of them will succeed in altering the conventional wisdom, so that the next generation is socialized in a somewhat different way than they themselves were socialized.

To reiterate: for Kyrk, hope lies in the fact that, if people have thus learned to consult their individual needs, form their own judgments, and engage in expenditure as the expression of their individual interests and tastes, many values now entrenched in their standards will disappear. Consumers will discover that these values imply waste, are based on errors of judgment, and contain outdated, pointless or even harmful values. They will tentatively reach out to discover better, wiser values, and guide the developing standard toward a higher level of human life (see the end of section 2.3).

Summarizing, it is in particular because of the weaving of Dewey's ethical thought into consumer economics that Kyrk's approach differs considerably from that of the New Consumer Theorists, and that it extends Veblen and Mitchell's institutional approaches.
Kyrk’s work, as far as I can judge, is important because Kyrk was one of the first, as an economist, to focus on consumer issues previously only focused on by home economists such as Beecher and Richards, but especially because Kyrk applies a Deweyan framework to the field of consumption. The result is an approach to consumption which shares some elements with Knight’s philosophical work in his 1922 Harvard Lectures. At the end of this section, let me devote some space to suggesting a connection between Kyrk and this more famous economist, both of whom more or less simultaneously appear to have been working on similar approaches to combining ethics and economics, without having been aware of each other’s efforts. That is, without referring to each other’s work, both use a similar concept of the valuation process as the basis for their analyses, and continue to ask similar questions, although Kyrk applies these questions to the consumption process, whereas Knight focuses his attention on the production process.

Knight’s approach is found in two related lectures, delivered at Harvard University in January 1922 and published as ‘Ethics and the economic interpretation’ in 1922 and ‘The ethics of competition’ in 1923. In his first lecture, Knight suggests that if wants can be treated as given, economics does not need ethics. That is:

In so far as the ends are viewed as given, as data, then all activity is economic. […] From this point of view the problem of life becomes simply the economic problem, how to employ the existing and available supplies of all sorts of resources, human and material, natural and artificial, in producing the maximum amount of want-satisfaction […]. The assumption that wants or ends are data reduces life to economics […]’ (1922: 472-473; emphasis as in orginal).

He continues, however, to state that wants in actual fact cannot be treated as data. Like Kyrk, following a Deweyan approach to the valuation process, Knight holds that life is not fundamentally a striving for ends, but rather for ‘bases for further striving’, and thus, from a welfare point of view, cannot suffice with a ‘thin’ ethics. He concludes:

Our values, our standards, are […] not describable because not stable, growing and changing by necessity of their inner nature. This is, of course, intellectually unsatisfactory. The scientific mind can rest only in one of two extreme positions, that there are absolute values, or that every individual desire is an absolute and one as “good” as another. But neither of these is true; we must learn to think in terms of “value-standards” which have validity of a more subtle kind. It is the higher goal of conduct to test and try these values, to define and improve them, rather than to accept and “satisfy” them. There are no rules for judging values, and it is the worst of errors to attempt to make rules — beyond the rule to “use good judgment”; but it is also most false to assert that one opinion is as good as another, that de gustibus non disputandum est. Professor Tufts has put the question in a neatly epigrammatic

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70 Knight’s lectures were given in January 1922, two years after Kyrk’s graduation, and a year before the publication of her A Theory of Consumption.
way which emphasizes its unsatisfactoriness from a rational, scientific standpoint:

“The only test for goodness is that good persons on reflection approve and choose it – just as the test for good persons is that they choose and do the good” (Knight 1922: 480; emphasis as in original).

In short, from a welfare point of view, economics needs ethics, and a ‘Criticism of Values’ to help evaluate actual motives, to test the values included in our standards and to improve them.

In his second lecture, on ‘The ethics of competition’, Knight takes on the philosopher’s role pointed out in his first lecture, and engages in a ‘Criticism of Values’. More specifically, whereas Kyrk contributes to an analysis of the values embedded in consumption standards, Knight engages in a criticism of the values embedded in ‘the standard of laissez-faire’. In ways which somewhat resemble Kyrk’s approach in the first part of *A Theory of Consumption*, Knight does so first by focusing on the question of whether or not the economic system satisfies given consumer wants. The format he chooses is that of a discussion of the extent to which the postulates of ‘theoretical individualism’ coincide with practical laissez-faire. He concludes that the divergence of reality from postulates such freely contracting individuals, perfect knowledge, perfect rationality, free competition, etc. largely discredits practical laissez-faire as a policy to satisfy consumer wants and instead provides enough arguments for policy interventions to, for example, control monopoly power, incorporate external effects, or prohibit gambling. ‘Thus the competitive system, viewed simply as a want-satisfying mechanism, falls far short of our highest ideals’ (Knight 1923: 600).

Next, he embarks on the ‘much harder task’ of discovering, in Kyrk’s words, ‘the world behind the demand curve’, or, in his words, of studying the ‘value problems related to the want-creating side of the system’. Again, this is akin to Kyrk’s approach, although Kyrk focuses on the consumer’s role and Knight on the producer’s role in the guidance of economic activity. For example, whereas Kyrk discusses consumption activities as ends in themselves, and suggests a critical evaluation of such activities as conspicuous consumption and conspicuous leisure in order to attain status, Knight analyzes the production process as an end in itself, and focuses on the economic power, opportunity and prestige that it generates, and its appeal as a competitive game which satisfies a need for competition, a desire to win, to have "success".

This short and sketchy treatment of Knight’s lectures no doubt does insufficient justice to his work, but does, I hope, signal a perhaps interesting link between his work and that of Kyrk. A quick comparison suggests they may even constitute part of a small ‘school of thought’ built around a combination of economics and pragmatist ethics. Further research should clarify to what extent the approaches of Kyrk and Knight do indeed share common ground, and to what degree their approaches can indeed be linked to Deweyan pragmatism.
2.6 Conclusions

At the end of this chapter, the question that remains is the one the chapter started with, i.e. why is Kyrk's work not acknowledged, whereas that of Mitchell and Reid is. Let me suggest, first of all, that it is not because Kyrk's contributions are not worthwhile mentioning, or no longer relevant.

Kyrk contributed considerably to the development of the borderland between economics and home economics, and helped to broaden the scope of both disciplines. She was one of the first to study explicitly the concrete activities of consumers, such as purchasing activities, household production activities, and choice-making activities, at a time when these were hardly considered legitimate objects of study for economists. And today, her work in this area is still interesting reading for those concerned with for example the concept of full-income, the difference between household production and market production, and consumer's position in a market economy.

In addition, Kyrk, together with contemporaries such as Veblen, Mitchell, J.M. Clark and John Dewey, was among the first to argue for a broadening of the social and psychological basis of consumer behavior, and extended her theoretical framework to give a more realistic account of human choice behavior. Today, Kyrk's observation that marginal utility theory is based on demonstrably false ideas on human behavior and needs to take serious notice of the advances in sister sciences such as psychology and other social sciences, still rings familiar, despite the considerable advances in mainstream economics since the 1920s. And in fact, her own approach to consumer theory may even regain importance. For in a recent issue of the Journal of Economic Perspectives containing reflections on the past and future of economics at the turn of the millennium, Richard Thaler (2000) forecasts that 'Homo Economicus will evolve into Homo Sapiens' in the third millennium. Economics, he predicts, will once again become more like a social science, reduce the focus on rational behavior and base its models on richer characterizations of economic agents via a better understanding of human cognition. 'Homo economicus will begin losing IQ, reversing a 50-year trend' which started with the mathematical revolution of the 1940s. This new trend may lead back to the institutionalist and Deweyan approaches to economics formulated at the beginning of the 20th century, which contain refreshing, 'new' statements of by now well-known phenomena such as habit formation, bounded rationality, cognitive dissonance, and reference drift which no doubt will have to be included in the evolving concept of Homo Sapiens.

Finally, Kyrk also was among the first, if not the first, to explicitly formulate a theory of consumption linking pragmatist ethical thought to economics, and, in ways somewhat similar to Knight, argued that - in order to be able to make any welfare statements - economics needs an ethical underpinning. It is an approach which might, for example, be compared to the
much more recent work of Chicago philosopher Martha Nussbaum, who builds on Amartya Sen’s capability concept, i.e. an individual’s capability to lead a level of life he or she has reason to value. In her recent book on *Women and Human Development* (2000), Nussbaum argues for an ethical underpinning to all thought about development planning and public policy. In ways comparable to Kyrk’s focus on ‘a minimum of consumption requirements’, Nussbaum focuses on ‘basic human capabilities’, a basic social minimum beneath which truly human functioning is not available to citizens. It is a universalistic approach, which, while recognizing how local particularities not only shape options but beliefs and preferences as well, stresses the need for universal norms at the basic level such as to allow each and every individual a civilized, healthy life.

Similarly, Kyrk’s pragmatist approach to consumer theory might be compared to recent work of economist Geoffrey Hodgson in *Economics and Utopia* (1999). In this book, Hodgson tries to formulate a middle way between a statist paternalism, which assumes that all needs can be known and evaluated by a central planning authority, and a classic liberalism, which assumes that because individuals remain the best judge of their welfare, a policy of laissez-faire is optimal. His third way pictures an utopia of ‘a learning economy’ which, when in the right institutional setting, progressively develops towards a higher level of human welfare via a Deweyan type of education in combination with the fulfillment of prior social physiological and psychological needs to safeguard and develop human capabilities:

The progressive development of the learning economy requires both a social culture and a set of social institutions that are infused with a democratic and open spirit, sustaining dialogue on the nature and extent of individual rights and duties, and fostering experimentation and careful evaluation of many new procedures and organisational forms. The guiding principles are the satisfaction of human need and the enlargement of human potential (Hodgson 1999: 261-262).

Given these contributions and the continued relevance of Kyrk’s work for questions we still ponder upon today, why is Kyrk’s work forgotten, or remembered by so few? In her explanation of the tardiness of recognition for Margaret Reid’s contribution to economics, Yun-Ae Yi points among other things to the American Economic Association’s shift away from its original sympathy for ‘critics of laissez-faire’ and institutionalist approaches towards scientific objectivity, detachment from practical issues, and a promotion of quantitative

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71 Martha C. Nussbaum (1947) is a philosopher and obtained her MA and PhD from Harvard University. At present, she is Ernst Freund Distinguished Professor of Law and Ethics at the University of Chicago, appointed to the Philosophy Department, the Law School, the Divinity School, and the College. Her work has focused on ancient Greek philosophy, contemporary moral and political philosophy and the connections between philosophy and literature.


73 Geoffrey M. Hodgson is Reader at the University of Cambridge, UK, and author of many books, among which are *Economics and Evolution* (1993) and *Economics and Institutions* (1988).
analyses. Yi (1996: 30) suggests that ‘[t]his shift in fundamental principles and the subsequent heavy emphasis on mathematical economics partly explain the underappreciation of Reid’s contributions that were holistic in nature and, going beyond econometric modeling or scientific theory building, accommodated historic, anthropological and social perspectives’. This may very well explain the lack of attention for Kyrk’s work, which, as Hirschfeld (1996) points out, can indeed be similarly characterized as vague as opposed to precise, non-scientific as opposed to scientific, verbal as opposed to mathematical, and particular as opposed to general. Due to Kyrk’s explicit incorporation of ethical issues and her refusal to try to incorporate relevant aspects of human behavior in a mathematical framework, her approach does not fit in easily with the still dominant neo-classical approaches to consumer theory.

However, such an explanation obviously does not clarify why Mitchell and Reid’s contributions are acknowledged, whereas Kyrk’s contribution is not, because of the simple fact that Mitchell and Reid in ways similar to Kyrk stress the vague, non-scientific, verbal, and particular character of their approach to consumption. What it does do, however, is suggest a slightly different formulation of the question which started this chapter, i.e. not why Kyrk’s contribution is not acknowledged, given that Mitchell and Reid’s contributions are, but rather why Mitchell and Reid’s contributions are acknowledged, given that Kyrk’s contribution is not. In the light of the previous discussion of Kyrk’s work and its relation to that of Mitchell and Reid, how obvious or reasonable are the frequent references to Mitchell and Reid’s work as antecedents of the new consumer theory? In answer to this question, let us consider what I believe is usually the source of the references to Mitchell and Reid, i.e. Michael & Becker’s discussion on the antecedents of the new consumer theory (1973, as reproduced in Becker 1976: 138):

Another antecedent is the effort to analyze and quantify the extent of production of goods and services within the home. Reid’s 1934 volume of Economics of Household Production exemplifies this effort. Reid discusses changes over time in the nature and methods of household production (defined as unpaid activities carried on by and for household members but which could be replaced by market goods and services). Both Reid and Mitchell emphasize the importance of good decision making in the managerial role in household production and both point out the difficulty in wide-spread application of “scientific management” in the household. The household production function approach to consumer behavior adopts the notion of production in the home but extends it to incorporate all nonmarket activities and places greater emphasis on technical aspects of multi-commodity production (emphasis added, SvV).

Now, at first sight, this quote suggests that Kyrk’s work could just as well have been mentioned as an antecedent of the new consumer theory as well, because in ways similar to Mitchell and Reid, Kyrk analyzes and discusses ways to quantify the extent of production of
goods and services within the home, and emphasizes the importance of good decision making in the managerial role in household production.

On second thoughts, however, the quote is confusing and raises the question of how appropriate the reference to Mitchell and Reid’s work as antecedental is. To me, what Michael & Becker label an *extension* of Mitchell and Reid’s work, cannot in retrospect be labeled as such and is more fundamental than just that. For the extension that results in the household production function approach implies an extension of the definition of household production beyond the third-person-criterion to cover *all* nonmarket activities. That is, to include also those activities that cannot be delegated in the sense implied by Reid’s original definition and which in Mitchell and Kyrk’s approach are clearly related to ethical issues as well as to economic issues. This extension conflicts with the intention behind the third-person criterion to clearly distinguish household production from consumption issues because it reduces ethical questions to the ‘thin ethics’ of instrumental questions. Mitchell, Kyrk and Reid did not believe it possible nor desirable to construct a common denominator such that the vague ends consumers strive for can be incorporated in a mathematical framework with stable preferences and budget constraints. In fact, they try to avoid this, and it is therefore somewhat confusing to refer to their work, or at least Mitchell and Reid’s work, as antecedents of the new consumer theorists (see section 2.5.3 in the above).

Ultimately, then, the question that remains to be answered is why Mitchell and Reid’s contributions are acknowledged as they are, given that Kyrk’s contribution is not. To me, the most likely explanation is related to their respective attitudes towards mainstream economics. Mitchell, who is described by Mark Blaug (1986: 168) as having ‘little inclination for methodological attacks on the preconceptions of orthodox economics and even less for interdisciplinary forays into psychology, sociology, and anthropology’, seems to have remained in closer contact with mainstream economics than Kyrk did. He also spent a considerable part of his career, almost without interruption from 1913 to 1944, at Columbia University, where Becker conceived his ‘A theory of the allocation of time’ at the beginning of the 1960s. Reid, in ways similar to Kyrk, engaged in policy related work and was active in the home economics reform movement in the 1930s and the 1940s. However, at about the same time Kyrk retired from the university, in the 1950s, Reid moved back to the University of Chicago and shifted her research towards mainstream economics, adopting its language

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74 For example, the extension allows Becker to treat time allocated to conspicuous leisure as an input in the ‘household production’ of status, whereas obviously this activity cannot possibly be delegated. In addition, Becker’s approach treats time allocated to investment activities as inputs in household production processes, such as investments in imagination capital, education, and other personal capital. All of these activities are explicitly excluded from Reid’s and Kyrk’s definition of household production because they cannot possibly be delegated.

75 In this respect, Gronau’s 1977 contribution on ‘Leisure, home production, and work: the theory of the allocation of time revisited’, in which he clearly distinguished household work from leisure and refers to the third-person criterion to do so, is somewhat more in line with Mitchell’s, Kyrk’s and Reid’s approach to consumer theory.
and its techniques (cf. Yi 1996: 19; section 2.4 in the above). As a result, by the time the new consumer theorists started work on their theories, both Mitchell and Reid’s names were known and respected by most, and their work was referred to in order to provide some empirical support for the theories developed in their papers.

Kyrk, on the other hand, never made this shift towards mainstream economics, or was never able to do so, being too heavily involved with policy-oriented work in the Depression years and the period around World War 2. And whether her policy work in the eyes of many disqualified her as an economist or whether it simply made her earlier, more academic work more easily and more quickly invisible, whatever the reason, her work was neglected. The answer to the question may thus be as simple as this: Mitchell’s and Reid’s contributions are referred to because their other work was known, and Kyrk’s contributions are not referred to because she did not have similar ‘other work’. Both Mitchell, in spirit, and Reid, literally, were ‘good neighbors’ of the new consumer theorists. The new consumer theorists were able to become acquainted with them and their more empirical work, and, via this more empirical work, also with their earlier, less orthodox work on consumer theory and the economics of household production. Kyrk never got around to more mainstream academic work, and instead focused all her energy and time in the later years of her career on policy-related work. Consequently, her name and her work were forgotten by most.

Those who knew Hazel Kyrk and her contributions to economics remember her as a ‘pioneer’ and ‘a wonderful person’ who contributed greatly to economics. At the end of this chapter, consider two personal recollections of Kyrk. The first one is from her most well-known student, Margaret Reid.

Hazel Kyrk was a notable scholar, teacher and humanist. Above all, she was a wonderful person. Her interest in people and the warmth of her personality made her the center of a large group of persons ranging widely in interest and from knowing Hazel gained greatly a breadth of sympathy and insights in social situations (Reid 1972: 186).

The second is from a less well-known student of Kyrk, Josephine Staab, one of Kyrk’s doctoral students from 1945-1947. When interviewed in 1994, she remembered Kyrk as

A pleasant person, a person that was easy to talk with and encouraging in terms of helping you plan your work. First of all she tried to educate you … So that you had a background of information to deal with. Then she tried to stimulate your thinking and serve as a catalyst to bring you into experimenting on something new. But she

76 In the original 1960s articles on the new consumer theory, Mitchell’s 1912 article is mentioned, as well as Reid’s empirical work in *Housing and Income* (1962) and ‘Consumer response to relative price of store versus delivered milk’ (1963). Reid’s *Economics of Household Production* is only referred to later, see Michael & Becker (1973).
also had very firm standards. She was assertive. She challenged. She accepted no foolishness (quoted in Beller and Kiss 1999: 11).

This description, it seems to me, is especially apt as a characterization of not only Kyrk’s approach to teaching, but of her work as well. For it uses only a few sentences to name the central ingredients of Kyrk’s recipe for both good teaching and the good life in general that make her approach to consumer theory especially worthwhile: education, critical thinking, experimentation and high standards. Let me end with the suggestion that it is these constituting elements of Kyrk’s *Theory of Consumption* that deserve further, serious consideration, both in relation to their place in the history of economics, as well as in relation to more contemporary work in ethics and economics on the quest for the good life.