

Foreword

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As a graduate student, Zdravka Todorova came to us wanting to do a theoretical dissertation on a seemingly wild mixture of monetary production economy, microeconomics, feminisms, households, Chartalism, and Veblen. This incredible attempt could have been disastrous, but she succeeded spectacularly. Her dissertation ‘Reconsidering Households in Economic Theory’ won the Veblen 150 Prize Competition sponsored by the European Association for Evolutionary Political Economy and the Association for Evolutionary Economics for the category of young scholar and received the following accolade:

This ambitious PhD thesis considers the role of households within a micro–macro framework developed from a Post Keynesian and Chartalist monetary theory of production. The work adds a further, Veblenian dimension by addressing the roles of gender and production in a pecuniary culture. It is a highly skilful and creative synthesis.

In *Money and Households in a Capitalist Economy*, which is based on her dissertation, Dr Todorova successfully integrates a number of different approaches to economics, including heterodox economics and feminist theory. Her research breaks new ground integrating microeconomic and macroeconomic approaches to household consumption and finance, while providing a gendered analysis. This is quite novel – in economics there are the traditional topics to which feminist analysis has been applied, including the family and unpaid work, wage differentials, credit market discrimination, and so on. However, feminist analysis of macroeconomic theory and policy is a new, mostly unexplored, frontier. Her wide-ranging, interdisciplinary and pluralistic preparation is particularly suited to such analysis. So far as we are aware, there is no other writer who brings such a deep understanding of heterodox macroeconomic theory to feminist economics.

It is also important to note that Dr Todorova successfully extends what is widely known as the 'UMKC approach' to monetary theory into entirely new areas, namely, feminist economics and the study of the household. She provides perhaps the clearest and most concise explication of the Chartal money view, and shows how it helps us to understand the role played by the household in the modern capitalist economy. She sheds new light on our current situation, with overburdened households struggling to maintain living standards even as monetary income fails to keep pace with inflation – let alone with new demands placed on parents as mothers increasingly participate in paid work. The result has been rising indebtedness, a major factor that has generated the current global financial crisis. Thus, this book makes a timely contribution as we deal with this crisis and think about how to reformulate the economy to reduce reliance on debt.

This raises a further point that Dr Todorova so aptly demonstrates. Post Keynesian economics and other heterodox approaches such as Institutionalism and feminist economics are compatible in various ways. And when they are integrated, they produce such a robust analysis of the social provisioning process it makes one wonder why this has not been done before, twenty or even ten or five years ago. *Money and Households in a Capitalist Economy* shows very convincingly why many Post Keynesians, Institutionalists, and feminist and other heterodox economists are proudly wearing multi-theoretical hats. Dr Todorova is part of this new vanguard of multi-hat heterodox economists and it is this vanguard that will determine the future developments in heterodox economics.

NOTE

1. UMKC = University of Missouri – Kansas City.