

*Towards the economics of productive
consumption*
K ekonomii produktivní spotřeby

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VALENČÍK, Radim a Petr WAWROSZ. Economics of productive consumption as an offshoot of main currents of economic theory. *ACTA VŠFS*. Praha, 2019, 13(2), 113–134. ISSN 1802-792X.

I read a comprehensive article by R. Valenčík and P. Wawrosz with great pleasure. A group of people interested in current issues of human capital development led by R. Valenčík has been dealing with this issue for many years and last autumn held its 22nd conference. In addition to the annual almanac, which contains several hundred contributions, since 2014, 6 specialized monographs have been published in VŠFS editions.

The fact that the submitted article of both authors is based on a thorough foundation is evidenced, inter alia, by a list of published selected references published in that article, containing more than thirty titles.

The published article is the result of long-term research. This time, however – unlike many previously published partial views on human capital issues, for the first time in a comprehensive form it summarizes/presents the basic ideas of the emerging theory of productive consumption, which the authors describe as an “outreach” of modern economic theory, or more precisely as one of their new offshoot of modern economic theory.

The article is not merely a summary of the foregoing considerations, but in many ways goes beyond their existing scope. A number of partial views, about the effectiveness and context of human capital of which the readers doubted in the quick reading, have now been comprehensibly explained and justified. I find it very important to find out the rationale, from which current trends in the development of economic learning, the question of the productive consumption economy arises, which directions it follows, and why it is these directions, i.e., classical economics and neoclassical economics with their many branches. It also explains where the new “offshoot” actually goes.

Critical interpretation of older theories occupies a significant part of the article. It is based on the knowledge of Milan Sojka’s extraordinarily important and comprehensive work on the history of economic learning, with respect to which the late (prematurely deceased)

economist shifted the level of Czech history of economic learning closer to the world bar, represented for example by the work of Frenchman Emil James about the history of economic thinking in the 20th century or Schumpeter's famous history of economic analysis.

In this context, it is possible to state that many students of economics got enough of acquainting themselves with the development of economic theories, from which much of the timeless knowledge still valid today arises, as if the old Latin saying "historia magistra vitae" no longer applied today. It is too late to be outraged today over the disappointing results of the economic policy of some of the ills in the ranks of our political elite, note bene, when the consequences can hardly be remedied by punishing some minor offenders.

The authors of the published article deal with the criticism of certain opinions of the classics and neo-classics in many places to rid the economic theory of certain myths that have spread so far, and present the evolution of opinions, from which the economy of productive consumption arises.

From the discussions with some fellow economists, I have recently come to the impression that human capital conferences are seen as an attempt at "revolution" of negating existing theories, as an attempt to replace it with the (somewhat incomprehensible) economics of productive consumption.

In fact, in their article, the authors consistently follow the movement of economic theory in a spiral upward direction and strive to ensure that real economic development adequately translates into the field of economic theory so that it can be applied more effectively in economic policy practice and as a guide to economic purposeful behaviour of an individual.

In their paper, the authors remove some of the incomprehensibility and the gaps or ambiguities of the previous partial results of research on productive consumption, thus trying to weaken the reluctance of some traditionalists against new words and lessons. The emergence of a new "offshoot" of neoclassical theory stems from the needs of our times: it is not merely a verbal exercise, but is needed to explain new phenomena and processes; moreover, it has the potential of practical application.

However, as with any emerging new theory, there are unanswered questions and doubts about the right direction. For the new theory to really make sense, it must have a chance to be applied in practice. There are known cases where new theories had to wait many decades for practical application. How long can it take to incorporate the new "offshoots" into the overall stream of prior theories? Will it be possible at all if there are a number of barriers to its adoption?

I believe that on the home front a new offshoot must draw on the strength of teamwork, at which in a team of enthusiasts purposefully participate. There is no doubt that it can and must draw a certain position on the Czech home field where it has to create its base. Therefore, it will be important to demonstrate, as one of the first steps, that new ideas can indeed be gradually implemented in practice and, through a thorough analysis,

demonstrate that the existing Czech barriers can be overcome. An important step will inevitably comprise the effort of bringing the new theory to the attention of not only experts but also integrating it into the education system, which is likely to be quite lengthy. Also popularizing new ideas of productive consumption theory is one of the necessary ways to spread it. However, it will also be necessary to find a suitable active marketing approach as soon as possible, allowing for the widest possible spread and gradual adoption of the main new ideas not only among economists but also among technicians, lawyers, etc., including the general public.

Perhaps it would be suitable today to start marketing a new theory in the international arena, i.e., outside the unfavourable Czech environment, thereby reducing the risks and shortening the time needed to prove that the new theory has a "raison d'être" (the right to exist) in the form of high added value resulting from the implementation issues of our times (e.g. poverty, religious intolerance, terrorism, migration, etc.) otherwise difficult to solve (or absolutely insoluble).

Since the text of the article was originally written in Czech, the original Czech terms could be given in brackets after the most important English terms. This would prevent any unnecessary misunderstanding, as the terminology used in the productive consumption economy is not yet fully established. It is a pity that the translation of the Czech text was not very successful in certain places.

Knowing that everything cannot be squeezed into one article, I regret a little that it did not mention the creation of the "own language" of the new discipline or the different layers of ideas representing different approaches, accents or – if you like – building blocks, of which the overall construction consists. After all, the applicability of individual approaches affects some of the notation of one or another theory (including micro-, macro-, qualitative or quantitative labels, economics vs. sector etc., etc. in the interpretation of some critics). With a bit of imagination, I can imagine, for example, how diametrically different the results of the discussion on the amendment to the Building Act could be from the perspective of various economic theories. It is good that so far we have been able to avoid the politicization of this or that knowledge, uncomfortable for the so-called mainstream or direct opponents of anything new.

I recommend to explicitly point out in other articles that the considerations of the economics of productive consumption currently concern mainly the most economically developed countries. I also consider it important because the Czech Republic has so far been ranked among developed countries only by the Organization for Economic Cooperation in Europe (OECD). This is also in line with the position of the Czech Republic in the EU, where it is placed in various contexts among the 27 member states.

Perhaps in other articles on the economics of productive consumption, it would be advisable to go back to the characteristics of certain concepts and clearly define or redefine them so that there is no doubt about their meaning. These include, for example, the understanding of productive and unproductive work (including possible measurement methods) or the concepts of economic science and economy, which are often ambiguously interpreted. According to the popular saying about the role of the

devil in details or well-known saying “we are talking cross purposes” it would be perhaps possible to limit the use of the usual juggling pieces of activist manipulators as well as scholastic discussions (in contemporary academic robe of correctness) about how many devils can dance on the tip of one needle.

It is clear to anyone who wants to think deeper into new knowledge that they should familiarize themselves with how the elements of the theory have gradually emerged (articles from individual conferences published in anthologies and in ACTA VŠFS).

In the end, it remains to wish the two authors further successful insights into the various aspects of the emerging structure, which still remain – figuratively speaking – hidden under the “scaffolding”.

I have no doubts that further discussions of the proposed version of the economy of productive consumption can contribute to its further development in that a fresh breeze is better than the rattling of transient thunder and lightning.