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THE ETHICS OF CONSUMPTION

In the fall of 1994, the Institute for Philosophy and Public Policy hosted an interdisciplinary conference on "Consumption, Global Stewardship, and the Good Life." The conference, organized with the support of the Global Stewardship Initiative of the Pew Charitable Trusts, brought together philosophers and theologians, economists and environmentalists, sociologists, historians, political scientists, policy analysts, and social activists interested in understanding and assessing levels and patterns of consumption throughout the world. Participants addressed such questions as, Why do people consume the goods and services they do? How is consumption influenced by social contexts and public policy? What is the relation between lavish consumption by some people and the impoverishment of others? Are current consumption levels and patterns environmentally sustainable? Does our consumer society enable people to lead satisfying or virtuous lives?

The essays in this special *Report*, adapted from conference presentations as well as working papers by Institute research scholars, approach these questions from a variety of perspectives. For all their diversity, however, the various writers share at least one characteristic: they respond, in self-aware and often detailed ways, to a tradition of reflection and debate on political economy and social justice, the human relation to the natural world, and the role of commodities in promoting (or subverting) individual and communal well-being.

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Endorsement and Critique

The theme of consumption has a special resonance in American society, where a historical tension exists between religious appeals for austerity and celebrations of material abundance, and where observers have struggled to define the effects of consumption on the public realm and the life of the spirit. On the one hand, commentators such as Alexis de Tocqueville have seen the rise of a mass consumption society as a triumph of and necessary condition for democratic rule. In *Democracy in America* (1835), Tocqueville applied a lesson political theorists since Hobbes had taught: citizens with a modicum of wealth would find that their interests lay in restraining political, religious, nationalistic, and other passions. A great American middle class, by this reasoning, would guarantee social stability. On the other hand, Tocqueville described materialism of the sort he witnessed in America as "a dangerous disease of the human mind." He warned that the "love of well-being has now become the predominant taste of the nation... and sweeps everything along in its course." Over time, Tocqueville suspected that American acquisitiveness would threaten the promotion of the public good; the loss "of self-restraint at the sight of the new possessions they are about to obtain" would cause citizens to

"lose sight of the connection that exists between the private fortune of each and the prosperity of all."

The cultural critique of American commercialism and materialism, which reached its literary apogee in Thoreau's *Walden* (1854), constitutes a remarkably enduring tradition in American scholarship, arts, and letters. Its essential features were in place by the late seventeenth century, when preachers to the second and third generations of Puritans reproached their congregations for their loss of "heart toward religion" and their "undue affection for the things of this world." Gradually the critique of the culture of mass consumption made its way down from the pulpit and become a standard subject of academic research and political debate. For example, the economist Francis Wayland, in his astonishingly popular book *Elements of Political Economy* (1838), wrote that the productivity of American industry provided great temptations to "reckless expense," "thoughtless caprice," and "sensual self-indulgence."

Yet Wayland and others also believed that with the proper cultural and political leadership, the American economy might provide great opportunities to develop the "higher pleasures" and improve the lot of the poor. To its defenders, economic growth has often seemed the progressive path by which laboring people

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BY GARRY TRUDEAU



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could enter the middle class, thus improving both their moral and material condition. Daniel Webster was among those who believed, even as the Civil War loomed, that material abundance could create the "City on a Hill" that John Winthrop and the Puritans who came to America with him hoped to establish.

In his classic study *The Protestant Ethic and the Spirit of Capitalism* (first English translation, 1930), Max Weber argued that individuals in post-feudal societies, as they engaged in productive work, saw themselves as pursuing a "calling" that brought them dignity within their community, while the success they achieved manifested their prospect of salvation in the world to come. At the same time, the Protestant work ethic, with its emphasis on thrift, saving, and conservation, was incompatible with self-indulgence (and even with leisure). In Weber's theory of the Protestant basis of capitalism, people are not consumers so much as stewards of what they possess. Indeed, Weber observed that "the idea of man's duty to his possessions, to which he subordinates himself as an obedient steward... bears a chilling weight on his life."

The Promise of Abundance

In the eighteenth century, philosophers argued that if there were no scarcity — for example, if nature provided for all our wants — then human nature could be perfected: selfishness and possessiveness would disappear, along with the evils of contention. In "such a happy state," as David Hume famously argued, there would be no need for the virtue of justice, but "every other social virtue would flourish, and receive tenfold increase." During the same period, Enlightenment philosophy held out the promise that science and technology, by releasing the productive capacity of industry, might satisfy all our material wants even if nature by itself would not. By the end of the eighteenth century, philosophers and economists were beginning to expound a secular vision of salvation — one that promised a heaven on earth based on universal prosperity. As theologian Paul Tillich observed: "The idea of providence is secularized in the Enlightenment," and "the first clear expression can be seen in the area of economics."

For Adam Smith and his contemporaries, moreover, consumption became one of the pillars of prosperity — a way to create rather than destroy value. "Instead of disparaging the tendency to want more than we need," the late Christopher Lasch explained, "liberals like Adam Smith argued that needs varied from one society to another, that civilized men and women needed more than savages to make them comfortable, and that a continual redefinition of their standards of comfort and convenience led to improvements in production and a general increase of wealth."

Traditionally, as Weber pointed out, Protestants approved only the "rational and utilitarian uses of wealth which were willed by God for the needs of the individual and the community." As the nineteenth century progressed, however, people increasingly learned to attach symbolic meaning, and with it emotional significance, to consumer objects, the possession of which might give them status in the community.

Modern economists and other analysts concerned with consumption have taken as the central question not how goods come to be produced but how they take on meaning. Thorstein Veblen, in his *Theory of the Leisure Class* (1899), associated the meaning of consumer goods — and therefore the desires and other emotions they released — with social status. In modern society, Veblen observed, "members of each stratum accept as their ideal of decency the scheme of life in vogue in the next higher stratum." As a result, people perceive as decencies what they once thought were luxuries, and what were once decencies become regarded as necessities.

In the spirit of Veblen's critique, many social analysts have investigated the effects of mass consumption on human autonomy — that is, on our ability to act on our own values rather than those imposed by others. In particular, these critics have castigated advertising as the means by which industry manipulates our conceptions of the good life. John Kenneth Galbraith's *The Affluent Society* (1958) and Vance Packard's *The Hidden Persuaders* (1957) observed that capitalism must create demand in order to sell goods and services; the very desire to consume must be produced. The mass consumption society, these critics argued, robs us of our individuality and leads us to lives of standardization, emulation, and conformity.

More recently, however, writers such as Michael Schudson, Colin Campbell, and Stanley Lebergott have mounted a vigorous challenge to the standard critiques of consumption. Schudson has argued that advertising is a far less potent force than its critics believe, paling in comparison to the cultural influences of home, school, workplace, and church. Social scientists such as Paul Lazarsfeld and Herbert Gans have concluded more generally that the "culture industry" is not manipulative but reflects a multitude of popular tastes endogenous to the middle and working classes. In this view, people do not have to be manipulated into wanting cars, refrigerators, comfortable and spacious homes, and so on. Stanley Lebergott's data show that Americans spend their income on appliances that reduce household chores, on better health care, on education, and on items such as musical instruments and sports equipment. It is far from clear that they would be better off without these things. And despite concerns about standardization, defenders of consumer society insist that markets are more segmented

than ever before and do more to accommodate regional and ethnic tastes.

A Livable World

Moral, social, and cultural critiques of consumption continue to appear in the literature of economics, psychology, and other disciplines. At the same time, fears about the environmental "sustainability" of affluence have assumed a new importance in the centuries-long debate about consumption. The destruction of nature, the depletion of resources, and signs of global ecological stress suggest to many that American levels and patterns of consumption, if extended to the rest of the world's people, would overwhelm the earth's capacity to provide resources and assimilate wastes. Whether or not we must produce and consume *less*, we must surely produce and consume *differently* if we are to protect nature and leave to the future a livable world.

This *Report* begins with two contrasting essays on the environment and the question of limits. It then takes up the themes of individual well-being and social justice, emulation and autonomy, social reform and public policy that dominated the Maryland conference.

We wish to thank the Global Stewardship Initiative of the Pew Charitable Trusts, and its director, Susan

Sechler, for their support of the conference, this special *Report*, and the Institute's continuing work on the ethics of consumption. The National Endowment for the Humanities provided additional support under Grant #RO 22709-94. David A. Crocker was the conference director. The organizational staff included Barbara Cronin, Carroll Linkins, L. Anatheia Brooks, Teresa Chandler, Maria Davila, and Amanda Wolf. A book inspired by the conference and subsequent research is planned for 1997.

— Mark Sagoff

Sources: David Hume, *An Enquiry Concerning the Principles of Morals* (first edition, 1751; Hackett, 1983); Daniel Horowitz, *The Morality of Spending* (Johns Hopkins, 1985); David M. Potter, *People of Plenty: Economic Abundance and the American Character* (University of Chicago Press, 1954); Christopher Lasch, *The True and Only Heaven: Progress and its Critics* (W. W. Norton, 1991); Michael Schudson, *Advertising, the Uneasy Persuasion: Its Dubious Impact on American Society* (Basic Books, 1984); Colin Campbell, *The Romantic Ethic and the Spirit of Modern Consumerism* (Blackwell, 1987); Stanley Lebergott, *Pursuing Happiness: American Consumers in the Twentieth Century* (Princeton University Press, 1993); Gary Cross, *Time and Money: The Making of Consumer Culture* (Routledge, 1993); Herbert Gans, *Popular Culture and High Culture: An Analysis and Evaluation of Taste* (Basic Books, 1974); Elihu Katz and Paul Lazarsfeld, *Personal Influence: The Part Played by People in the Flow of Mass Communications* (Free Press, 1955).

Consumption and the Environment

There are limits to the total amount of resources that the human economy can consume from the ecosystem that contains it; for the ecosystem — both as supplier of resources and as absorber of waste products — is itself limited. The earth-ecosystem is finite, non-growing, and materially closed. Though it is open to the flow of solar energy, that flow is also non-growing and finite, even if quite large and currently underutilized. Historically, the limits of the ecosystem were not binding upon economic growth, because the economy was small relative to the total ecosystem. The world was "empty." But now it is "full," and the limits are more and more binding — not necessarily like brick walls, but more like tightly stretched rubber bands.

The total flow of resource consumption, or throughput, is the product of population times per capita consumption. John Stuart Mill, writing in 1857, foresaw that increasing the resource flow, and thus moving

from an empty to a full world, would eliminate more and more of life's pleasantness and eventually lead to impossible demands upon the earth:

Nor is there much satisfaction in contemplating the world with nothing left to the spontaneous activity of nature; with every rood of land brought into cultivation, which is capable of growing food for human beings; every flowery waste or natural pasture plowed up, all quadrupeds or birds which are not domesticated for man's use exterminated as his rivals for food, every hedgerow or superfluous tree rooted out, and scarcely a place left where a wild shrub or flower could grow without being eradicated as a weed in the name of improved agriculture. If the earth must lose that great portion of its pleasantness which it owes to things that the unlimited increase of wealth and population would extirpate from it, for the mere purpose of enabling it to support a larger, but not a better or a happier population, I sincerely hope, for the sake of posterity, that they will be content to be stationary, long before necessity compels them to it.

Today there is widespread recognition of the importance of slowing population growth, and incipient attention to the challenge of limiting the growth of per capita consumption. As the quotation from Mill demonstrates, concern about unlimited resource use is hardly new. Yet there is also a history of wishful thinking on these matters. Consider, in this light, the theory of the "demographic transition," which holds that population growth will stop if only per capita consumption reaches a certain level. Some believers in the demographic transition urge us to count on economic growth alone to reduce population pressures and forestall resource scarcities. But it is not very reassuring to hear that one term of a product will stop growing if only the other term grows faster, when it is the product of the two terms that must be limited. Will the average Indian's consumption have to rise to that of the average Swede before Indian fertility falls to the Swedish level? Can the eroded and crowded country of India support that many cars, power plants, buildings, and so on?

One way out of this dilemma is the technological fix frequently referred to as "dematerialization." The Wuppertal Institute in Germany, one of the places where interesting work is being done on the subject, uses this somewhat extravagant term to mean "improved resource use." The Institute explicitly calls for technology to improve resource productivity by a factor of ten — a reasonable goal and a way to buy valuable time to deal with more fundamental problems. But some technological optimists get carried away with dematerialization; they seem to imagine that soon we will have no use for material resources at all. To hear them talk, one would think that McDonald's was about to introduce the "info-burger," consisting of a thick patty of information between two slices of silicon, thin as communion wafers so as to emphasize the symbolic and spiritual nature of consumption. But in truth, though we can certainly eat lower on the food chain, we cannot eat recipes. The Information Reformation, like the demographic transition before it, expands a germ of truth into a whale of a fantasy.

While all countries must worry about both population and per capita consumption, it is evident that the South needs to focus more on population, and the North more on per capita consumption. This fact will continue to play a major role in North/South treaties and discussions. Why should the South control its population if the resources saved thereby are merely gobbled up by Northern overconsumption? Why should the North control its overconsumption if the saved resources will merely allow a larger number of poor people to subsist at the same level of misery? Without for a moment minimizing the necessity of population control, it is nevertheless incumbent on the

North to get serious about consumption control, and not simply wish that dematerialization and the demographic transition will come to the rescue. Toward this end, a reconsideration of the meaning of consumption is offered below.

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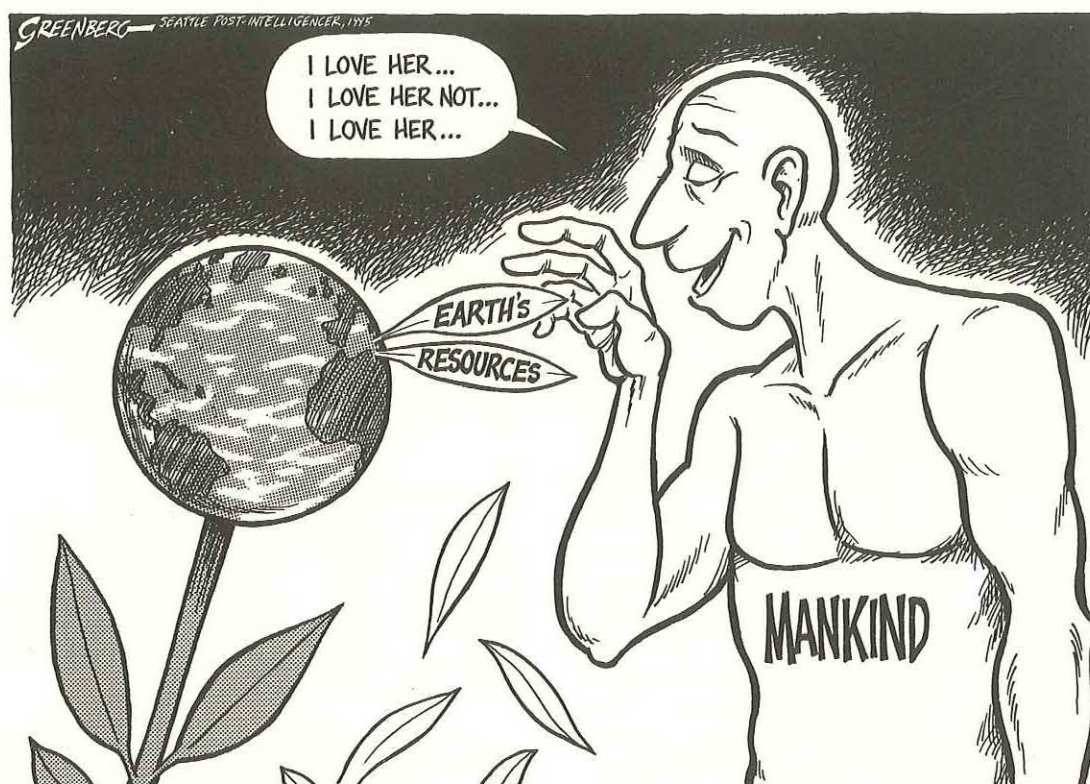
Consumption and Value Added

When we speak of consumption, what is it that we think of as being consumed? Alfred Marshall, the great synthesizer of neoclassical economics, reminded us of the laws of conservation of matter and energy, and the consequent impossibility of consuming the material building blocks of commodities.

Man cannot create material things. . . . [H]is efforts and sacrifices result in changing the form or arrangement of matter to adapt it better for the satisfaction of wants. . . . [A]s his production of material products is really nothing more than a rearrangement of matter which gives it new utilities; so his consumption of them is nothing more than a disarrangement of matter, which diminishes or destroys its utilities.

What we destroy or consume in consumption is the improbable arrangement of those building blocks, arrangements that give utility for humans, arrangements that were, according to Marshall, made by humans for human purposes. Human beings add utility to matter/energy — this is what we mean by production; we do not create matter/energy itself. Useful structure is added to matter/energy by the agency of labor and capital stocks. The value of this useful structure imparted by labor and capital is what economists call "value added." This value added is what is "consumed," or used up, in consumption. That to which value is being added is the flow of natural resources, conceived ultimately as the indestructible building blocks of nature.

In the passage above, Marshall refers to "new utilities" added by human beings, thus leaving open the possibility that matter might have some preexisting utility. But subsequent economists, in emphasizing new utilities or value added, have neglected to consider any value that nature has already provided. In the standard economic-textbook view, we consume *only* that value which we have added to natural resource flows in the first place. And then we add it again, and consume it again, without end. This vision is formalized in the famous diagram of the isolated circular



Steve Greenberg
Seattle Post-Intelligencer

flow of exchange value between firms (production) and households (consumption), found in the initial pages of every economics textbook.

Thus, for all the focus on value added, modern economists have remarkably little to say about *that to which value is being added*. It is just "matter," and its properties are not very interesting. In fact, they are becoming ever *less* interesting to economists as science uncovers their basic uniformity. As Barnett and Morse put it in their classic study, *Scarcity and Growth*:

Advances in fundamental science have made it possible to take advantage of the uniformity of [matter/energy] — a uniformity that makes it feasible, without preassignable limit, to escape the quantitative constraints imposed by the character of the earth's crust.

That to which value is being added are merely homogeneous, indestructible building blocks — atoms in the original sense — of which there is no conceivable scarcity. That to which value is added is therefore inert, undifferentiated, interchangeable, and superabundant — very dull stuff indeed, compared to the value-adding agents of labor with all its human capacities, and capital that embodies the marvels of human knowledge. It is not surprising that value added is the centerpiece of economic accounting, and that the pre-

sumably passive stuff to which value is added has received minimal attention.

Consumption and Physical Transformation

In fact, however, matter/energy is not at all uniform in the quality most relevant to economics — namely, the capacity to receive and hold the rearrangements dictated by human purpose, the capacity to receive the imprint of human knowledge, the capacity to embody value added. Physicists have recognized this quality of matter/energy in the famous Second Law of Thermodynamics, the Entropy Law. One implication of the Entropy Law is that the capacity of matter/energy to embody value wears out and must be replenished. Thus, if the economic system is to keep going, it cannot be an isolated circular flow, as the textbooks suppose. It must be an open system, receiving matter and energy *from* outside to make up for that which is dissipated *to* the outside. What is outside? The environment. What is the environment? It is, again, a complex ecosystem that is finite, non-growing, and materially closed, while open to a non-growing flow of solar energy. Its limited capacities for renewal must be respected by the economic subsystem.

Consumption, then, involves not only disarrangement within the economic subsystem, but also in the rest of the system, the environment, as well. Taking matter/energy from the larger system, adding value to it, using up the added value, and returning the waste, clearly alters the environment. The matter/energy we return is not the same as the matter/energy we take in. If it were, we could simply use it again and again in a closed circular flow. Common observation tells us, however, and the Entropy Law confirms, that waste matter/energy is qualitatively different from raw materials. We irrevocably use up not only the value we add to matter, but also the value that was added by nature before we imported it into the economic subsystem, and that was necessary for it to be considered a resource in the first place. This irrevocable using up of the quality of usefulness of resources does not mean that resources cannot be replenished — rather it means that they *must* be replenished if the system is to continue. Since isolated circular flows are impossible, the replenishment must come from outside, from the environment.

This perspective does not deny that human beings add value to resources by labor and capital. But the value is added to that matter/energy which is most capable of receiving and embodying it. That receptivity might be thought of as “value added by nature.” Carbon atoms scattered in the atmosphere can receive value added only with an enormous expenditure of energy and other materials. Carbon atoms structured in a tree can be rearranged much more easily. Concentrated copper can hold value added; atoms of copper at average crustal abundance cannot. Energy concentrated in a lump of coal can help us add value to matter; energy at equilibrium temperature in the ocean or atmosphere cannot. The more work done by nature, the more concentrated and receptive is the resource to having value added to it, the less capital and labor will have to be expended in rearranging it to better suit our purposes.

From a utility or demand perspective, value added by nature ought to be valued equally with value added by labor and capital. But from the supply or cost side, it is not, because value added by humans has a real cost in labor and an opportunity cost in both labor and capital use. We tend to treat natural value added as a subsidy, a free gift of nature. The greater the natural subsidy, the less the cost of labor and capital needed for further arrangement; the less the humanly added value, the lower the price, and the more rapid the use. Oil from east Texas embodied a much greater net energy subsidy from nature to the economy than does offshore Alaskan oil. But its price was much lower precisely because it required less value added by labor and capital. The larger the natural subsidy, the less we value it!

Thanks in part to natural subsidies, the economy has grown relative to the total ecosystem to such an extent that the basic pattern of scarcity has changed. It used to be that adding value was limited by the supply of agents of transformation, labor and capital. Now, value added is limited more by the availability of resources subsidized by nature to the point that they can receive value added. Mere knowledge means nothing to the economy unless it becomes incarnate in physical structures. No low-entropy matter/energy, no capital — regardless of knowledge. Of course, new knowledge may include discovery of new low-entropy resources, and new methods of transforming them to better serve human needs. But new knowledge may also discover new limits, as when the recognition of damage to the ozone layer required us to reduce emissions of chlorofluorocarbons. At a more fundamental level, science may discover new impossibility theorems. It is useful to remind technological optimists that most of the basic laws of science are statements of impossibility: it is impossible to go faster than light; it is impossible to create or destroy matter/energy; it is impossible to have perpetual motion; it is impossible to have spontaneous generation of life from nonliving things; it is impossible for an organism to live in a medium consisting only of its own waste products, and so on. The success of science and technology is largely based on its intelligent refusal to attempt the impossible. Yet this very success is frequently pointed to by technological optimists as evidence that nothing is impossible.

*The growth that results from
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often does not go to the poor.*

The physical growth of the subsystem is the transformation of natural capital into manmade capital. A tree is cut and turned into a table. We gain the service of the table; we lose the service of the tree. In a relatively empty world (small economic subsystem, ecosystem relatively empty of human beings and their artifacts), the service lost from fewer trees was nil, and the service gained from more tables was significant. In today's relatively fuller world, fewer trees means loss of significant services, and more tables are not so important — at least not where most households already have several tables, as in much of the world they do. However, continued population growth will keep the demand for tables up, and we will incur ever greater sacrifices of natural services by cutting more and more trees, as long as population and the number of tables per capita keep growing.

There is both a cost and a benefit to increasing total consumption, and thus the scale of the economic subsystem. The benefit is economic services gained (more tables); the cost is ecosystem services sacrificed (fewer trees to sequester carbon dioxide, provide wildlife habitat and local cooling, prevent erosion, and so on). As scale increases, marginal costs tend to rise, marginal benefits tend to fall. The law of falling marginal benefits is simply a way of saying that, as rational beings, we satisfy our most pressing wants first; after that, we use resources to satisfy wants that are less pressing. The law of increasing marginal costs in like manner means that we first use the cheapest and most easily available resources; after that, we make use of less accessible and less concentrated resources. The intersection of falling marginal benefits and rising marginal costs defines the optimal scale, beyond which further growth would cost more than it is worth — would become anti-economic.

As we come to an optimal or mature scale of economic activity, production is no longer for growth but for maintenance. As Kenneth Boulding argued almost fifty years ago,

Any discovery which renders consumption less necessary to the pursuit of living is as much an economic gain as a discovery which improves our skills of production. Production — by which we mean the exact opposite of consumption, namely, the creation of valuable things — is only necessary in order to replace the stock pile into which consumption continually gnaws.

Consumption and Welfare

The theoretical existence of an optimal scale of the economic subsystem is clear in principle. What remains vague is how to measure the costs and benefits of growth. If economic policy is anything, however, it is the art of reasoning with vague quantities in support of prudent action. We can have reasons for believing that an optimal scale exists, and that we are either above it or below it, without knowing exactly where it is. For policy purposes, a judgment about which side of the optimum we are on is critical.

What are our commonsense judgments about whether we are at, below, or above the optimal scale? To show that we have exceeded the optimum, it is not necessary to show that growth is physically impossible; nor that it has catastrophic costs; nor that it would have negative or zero marginal benefit, even if free. It is only necessary to show that marginal costs are greater than marginal benefits. It is quite logical and reasonable to argue that up to the present time, the total benefits of growth have, on the whole, been greater than the total costs, and yet to hold that growth should cease because at the margin costs have now begun to outweigh benefits.

It is worth emphasizing that benefits from qualitative *development* — technological, social, and moral improvement — are not in question, just those from quantitative *growth*. For example, no one objects to the invention of light bulbs that give more lumens per watt, or the formulation of macroeconomic policies that provide more employment per dollar of GNP whenever we are faced with unemployment. (On second thought, people *do* sometimes object to the latter, in the interests of maximizing growth; but that is exactly the kind of growth idolatry I am complaining about.)

For rich, full countries, the marginal utility of extra growth is surely low. Great sums of money have to be spent on advertising to cajole people into buying more. As we have become goods-rich, we have become time-poor. In rich countries, people die more from stress and overconsumption than from starvation. Relative, rather than absolute, income seems to be the main determinant of self-evaluated welfare, and growth is powerless to increase everyone's relative income. The effect of aggregate growth on welfare in rich countries is therefore largely self-cancelling.

What about the poor? An increase in wealth up from subsistence to middle-class comforts surely increases welfare, if all other things are equal. There is high marginal utility in resource use that improves the lot of the poor. Should this be paid for by cutting the luxury consumption of the rich (which is low in marginal utility), or by converting more natural capital into manmade capital? The rich favor the latter, and perhaps the poor do also, because they want to emulate the rich, and because they doubt the political likelihood of redistribution or imposed limits to the takeover of natural capital. Inequality is converted into pressure for growth.

However, the growth that results from the pressure of inequality often does not go to the poor. Consider for a moment what, exactly, is growing in a growth economy. In the first instance, it is the reinvested surplus that grows. Who controls the surplus? Not the poor. They only get the trickle-down from growth (if that), and even if their absolute well-being increases, their relative position is more likely to worsen than improve as a result of growth. This is especially so in light of the far more rapid rate of population growth of the poor than of the rich (due to greater natural increase and frequently to greater immigration as well). A large and growing supply of labor keeps wages from rising, and thereby also keeps profits up.

A large part of our national income is devoted to expenditures to protect ourselves from the unwanted side effects of increased production and consumption. Health care expenditures rise as a result of tobacco and alcohol consumption, as well as chemical and radioactive poisoning. We pay to clean up oil spills; we spend time and money on commuting. These expenditures

should be subtracted from our national income as intermediate costs of the goods whose production or consumption imposes them — but instead we add them to our gross national product, and politicians, along with their academic magicians and media jesters, rejoice in the “improvement” of the economy.

Add to these considerations the corrosive effects of economic growth on community and on moral standards. Capital and labor mobility rips communities apart in the name of growth. Further, an economy that must grow must also sell. It is easier to sell in a community with low standards — if anything goes, then nearly anything will sell, no matter how tawdry or shoddy. Common prudence is now referred to negatively as “sales resistance.”

We have plenty of landmarks to suggest that we have overshot the optimal scale of the human economy (not the least of which is the declining capacity of the earth to support life in the future). But many readers will consider that too impressionistic a judgment. They will ask for numbers. In the Middle Ages holy thought had to be expressed in Latin; today it must be expressed in numbers. Aware that numbers can indeed be useful, Clifford and John Cobb and I developed an Index of Sustainable Economic Welfare (ISEW) for the United States. What we found, briefly, is that there is very little evidence that welfare in the U.S. has been correlated positively with gross national product since 1947. There *is* evidence, however, that in the 1980s the correlation turned negative.

The consumer society must pay attention to what Al Gore said in his excellent but too-soon forgotten book, *Earth in the Balance* (1992): “our civilization is, in effect, addicted to the consumption of the earth itself.” We absolutely must break that addiction.

— Herman E. Daly

Herman E. Daly is senior research scholar in the School of Public Affairs, University of Maryland at College Park. Sources: John Stuart Mill, *Principles of Political Economy*, vol. II (John W. Parker, 1857); Alfred Marshall, *Principles of Economics*, 9th edition (Macmillan, 1961); Harold Barnett and Chandler Morse, *Scarcity and Growth* (Johns Hopkins University Press, 1963); Kenneth Boulding, “Income or Welfare?” *Review of Economic Studies*, vol. 17 (1949); Kenneth Boulding, “The Consumption Concept in Economic Theory,” *American Economic Review*, vol. 35, no. 2 (May 1945); N. Georgescu-Roegen, *The Entropy Law and the Economic Process* (Harvard University Press, 1971); Clifford W. Cobb and John B. Cobb, Jr., *The Green National Product: A Proposed Index of Sustainable Economic Welfare* (University Press of America, 1994); Herman Daly and John B. Cobb, Jr., *For the Common Good*, 2nd edition (Beacon Press, 1994); Al Gore, *Earth in the Balance* (Houghton Mifflin, 1992).

Limits to Consumption and Economic Growth: The Middle Ground

All too many discussions of consumption and related issues tend toward the extremes: the Malthusian position that we are about to exceed the Earth's carrying capacity, to run out of resources, or to exceed the Earth's capacity to absorb pollution; or the Cornucopian position that the Earth's bounty, coupled with human ingenuity and markets, will surmount all obstacles and provide an ever-rising stream of economic goods, food, technologies, and so on. These positions — stated in their most general and sweeping terms — are suspect on basic principles, as we shall shortly illustrate. The Malthusian argument suffers an

additional burden; historically, it has been demonstrably wrong, so far.

The fallacy of both extreme positions is perhaps most easily exposed by considering what is meant by the term “consumption.” When economists use the term, they have in mind all the economic value that is produced by human activity, less only that which is saved; all else is, in this usage, “consumed,” even intangibles such as legal services or television shows. By this definition, economic growth automatically implies growth in consumption. This is true but meaningless, at least with respect to the environment. If the

additional economic activity imposes no environmental burden, then neither does the consumption that results.

Physical scientists, on the other hand, use "consumption" to mean conversion of matter or energy to an altered state, as in the consumption of iron ore to produce steel or the consumption of coal to produce electric power. Whether economic growth implies rising consumption in this sense depends on the precise nature of the economic activity which is increasing, that is to say, on the pattern of consumption. Rising sales of software need not imply any increase in the consumption of iron or of coal; indeed, they may imply a decrease, if software contributes to more efficient use of electricity. Thus economic growth may or may not face resource limits or place additional burdens on the environment — the case remains open, pending closer investigation.

It is worth remembering that carrying capacity is dependent on technology and social organization and hence changes over time.

Biological scientists, to give a third usage of the term, often focus on the consumption of food or other biologically produced resources and on carrying capacity — the presumed limit of the Earth's ability to produce such resources. This third sense of consumption does have a certain resonance with today's circumstances: overharvesting of many marine fisheries has led to a peak in the world's fish catch, and overuse is visibly degrading some other biological resources. But it is worth remembering that carrying capacity is dependent on technology and social organization and hence changes over time. England supports far more people today than Malthus believed possible, and American farmers (less than 3 percent of the U.S. population, compared with 30 to 40 percent a century ago) feed a much larger population and regularly produce surpluses. It is increasingly possible, in principle, to decouple food production from the environment, wholly or partially (consider aquaculture, the source of the most rapidly growing portion of the world's fish catch). For all these reasons, the relation of economic growth to consumption, and of consumption to environmental harm, is more complex, and more context-specific, than might first appear.

I suggest that a careful examination of actual "consumption" patterns and their environmental effects supports a middle position. We are not, the evidence suggests, running out of subsoil or "nonrenewable" resources — minerals, fuels, and so on. Proved

reserves have increased over the past twenty years, and commodity prices are down. Substitution (of optical fibers made from abundant silicon for copper wires, for example) is occurring, recycling is rising, and markets appear to be performing their allocative function. No apparent "limits to growth" can be seen in this direction.

But — Cornucopians, please take note — we are encountering scarcities of many "renewable" resources and degradation of the biological systems which produce or support them. In effect, we are "mining" many biological resources in ways that render them nonrenewable. Thus fish and fisheries, wood and the forests which produce it (wood is the one basic commodity for which prices have risen over the past twenty years), water and watersheds or aquifers (in many but not all regions), and fertile soils are all showing signs of stress and decreasing per capita availability. Even fresh air, the most basic of renewable resources, is becoming an endangered resource in some urban areas, where the scale of human activity overwhelms natural renewal processes.

Close examination of the pattern of degradation shows that some of it is associated with consumption by the wealthy. It is high-tech fishing boats from industrialized countries that are stripping the marine fisheries, and it is industrial use of oil and coal that is priming the Earth's atmosphere with greenhouse gases. Such consumption may rise with economic growth, if human society does not take measures to prevent it; unaided, the market will not.

Some of the degradation, however, is associated with the unplanned "consumption" of the world's poorest populations, who must depend directly upon natural ecosystems for most of their food, fiber, fuel, and often shelter. Markets cannot work for the 20 percent or more of the world's population who have no money to buy and who live a subsistence existence. Economic growth here, if it raised populations out of absolute poverty and gave them economic choices, might actually reduce consumption from — and degradation of — the most overstressed portions of the biological resource base. If they could afford it, people might burn kerosene or use electricity, rather than burn trees. And it is trees (and the watersheds and forests they anchor) and other renewable resources that appear the most threatened.

The Future of Growth

What of the future? Suppose that we can reduce poverty, and the environmental damage associated with it, through jobs and economic growth. Such development would stabilize biological resources that are now at risk. But can a global industrial system expand indefinitely? Will economic growth and expanding human populations not rapidly "consume"

all available energy and material resources, and produce more pollution than living things can tolerate?

Perhaps. But notice that in the industrial countries, per capita use of materials and energy has not grown significantly in twenty years. Indeed, structural shifts under way in the economy — toward services and knowledge-based activities rather than manufacturing and materials-based activity as the primary source of economic value — coupled with rapidly advancing information (and other) technologies make it plausible, if not at all certain, that per capita “consumption” of materials and energy could decline radically over the next fifty years. Knowledge workers do not generate the same consumption patterns as steel workers: production and consumption of software worth \$100 has a far smaller environmental impact than production and consumption of an equivalent value of steel.

Set against these optimistic trends, however, is the reality that per capita consumption of energy and materials in developing countries — now far lower than in the developed world — will inevitably rise, even as population continues to grow. So global consumption, and many kinds of environmental problems, will rise, at least in the short term. Use of fossil fuels — and emissions of greenhouse gases — may double or even triple by the middle of the next century, so that we are likely to find out the real environmental consequences of global warming. Other forms of pollution, concentrated by swelling urban populations, will cause increasing local and regional degradation.

Such trends will continue until population growth stabilizes and the basic infrastructure for urban and industrialized societies is built in developing countries. Progress toward these goals is occurring at different rates in different regions and, on current prognosis, is unlikely to be complete before the middle of the next century. How rapidly the process goes forward, and the extent to which developing countries can make use of emerging technologies to build more energy-efficient, less resource-intensive infrastructures and economic patterns, will determine the overall environmental impact of global development. Here, explicit policies, and the leadership example (or lack of it) in the industrial countries, will certainly play a crucial role.

The consequences of global warming and the resulting changes in climate are not known with any certainty; they may well be quite significant. But human societies have adjusted to other significant changes in climate; we are very adaptable creatures, especially over a half-century or more. And even though local and regional pollution may get worse before it gets better, the evidence suggests that as people’s living standards rise, so do their demands for clean air, clean water, and other environmental amenities — things we do

know how to achieve, after all. Indeed, just such demands have resulted in reductions in pollution in most industrial countries over the past twenty-five years, even with economic growth. So the prospect that, over the next half-century, India and China may achieve living standards and consumption patterns of a typical European country today (Spain, for example) is hardly the end of the world. This is especially true if we continue to use energy and materials ever more efficiently, which is the trend in both the advanced countries and in many newly industrialized countries as well. Eventually, if we are to stabilize the climate, all human societies will have to depend largely on energy sources other than fossil fuels.

The Sources of Wealth

One way to consider what human societies might aspire to is to inquire into the sources of wealth in the broadest sense of that term. A recent and unusually bold study by the World Bank dares to provide estimates of the real wealth of nations — that is, not just their material possessions or “built” capital, but also the “natural” capital represented by biological and mineral resources and the “social” and human capital represented by people, their abilities, and their social organizations. The Bank finds that by far the greatest portion of national wealth in all but the poorest nations comes from human capital, and that developed nations differ from developing ones primarily in having a greater proportion of their wealth in the form of human capital.

*As people's living standards rise,
so do their demands for clean air,
clean water, and other
environmental amenities.*

Consider each form of wealth separately. We are gradually depleting some of the Earth’s natural capital, such as oil deposits, but there are potential substitutes (solar energy, for example). And the Earth replenishes other forms of natural capital, such as trees (provided we do not clear the forests faster than they can regrow). Built capital can continue to accumulate, but it appears that we have already seen a saturation point in the more industrialized countries — limits to the demand for more consumption of this type rather than limits to material growth. For human and social capital, however, there appear to be no limits — no limits to the knowledge we can accumulate, to aesthetic achievement, to the desirability of more effective social organizations. If we can organize our economies

so that their consumption patterns favor accumulation of human capital rather than material capital, then the human future would appear to be unbounded. It may even be worth trading some of our original inheritance, natural capital, for increased human capital, if that is the cost of redeeming human assets out of poverty and degradation.

So I assert that the relation between economic growth, consumption, and the environment is neither clearly an unalloyed good nor a proven evil. Basic principles and the available evidence both suggest a rather more complex — and mixed — assessment. Meanwhile, our consumption patterns *are* changing. More than 70 percent of U.S. economic activity is already based on services, rather than on manufacturing, and the percentage is climbing in virtually all countries. By means of vigorous policy, consumption

patterns can be induced to change even further, in ways that would secure a more environmentally promising future. Note, however, that I do not predict such a future — the issue is still in doubt, and depends on decisions and actions still to be taken, separately, in many regions of the world.

— Allen L. Hammond

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Consumption and Well-Being

Long before many of us began to think philosophically about consumption, we read our children stories that really were parables of consumption, though we did not fully realize this at the time. Some of these stories told of characters who behave foolishly, like the fox hungering for grapes that hang beyond his reach. Others presented characters we might envy for their discernment and good luck. For example, when Goldilocks visits the three bears she has such a sure sense of what is too much, what is not enough, and what is "just right." What is equally fortunate, the right stuff — although it belongs to the three bears and not to her — is readily available. The porridge is at the right temperature; a chair and bed are at the right degree of hardness. And Goldilocks, faced with an array of material goods, unerringly chooses the right thing.

We — consumers in American society — are not usually so lucky. With respect to many consumer goods, we don't know what is too much, what is not enough, and what is just right. Often the right goods are nowhere to be found. When they are available, we frequently fail to choose wisely. Many of us realize that we need a better criterion for selection than advertising's image of the good life — if we are to make wise consumption choices, if we are to know what should count as overconsumption, underconsumption, and appropriate consumption.

A given consumption practice may be justifiable or defective in one or more of four ways. First, it may be good or bad for the environment. Some consumer choices deplete scarce resources or damage nature, whereas others contribute to a sustainable way of life. Second, consumption may help or harm other people — our fellow citizens, our descendants, or people in other countries. The benefit or harm I have in mind here is sometimes indirect. For example, in buying moderately priced and fashionable sportswear, we may be a factor in the existence of sweatshops in our own country and abroad; in devoting much or all of our income to personal comforts, we may neglect to assist others less fortunate than ourselves. Third, our consumption practices may affirm or undermine values and institutions deemed essential to our community. Widespread choice of private schooling, for example, may weaken public education and social equality. Deciding to buy a house in the inner city rather than in a suburban neighborhood may strengthen urban institutions aspiring to cultural and class diversity. Finally, a consumption choice or pattern may be beneficial or detrimental to a person's own well-being — apart from its effect on institutions, other people, or the natural world.

My main purpose here is to investigate this fourth way of assessing consumption. What role should goods and services play if our lives are to go well? What

kinds of consumption are good for us? Bad for us? What evaluative criteria should we employ to assess the impact on our lives of our present consumption and to evaluate alternative consumption patterns and ways of living?

The consumption norm I offer here will supply general rather than detailed guidance. After all, as Stanley Lebergott has remarked, no principle can tell us that five compact disks, say, is the right number to buy each year, while six is too many and four is too few. Any norm that presumed to set such limits would be arbitrary, even dictatorial. What we require are general principles that will allow each of us to make choices appropriate to the distinctive character of our individual circumstances.

Materialism and Anti-materialism

One way to arrive at a reasonable consumption norm is to assess widely held normative outlooks about the acquisition and possession of commodities and, more generally, about human well-being. Materialism and anti-materialism are two such perspectives. Getting clear on where and how these rival norms go wrong will help us arrive at a better conception of well-being and a more adequate consumption norm.

Materialism assures us that having more is being more; it identifies well-being with buying, accumulating, and displaying consumer goods, especially those that bring comfort and convenience. In our own consumer society, materialism is often perceived as a national characteristic. Though we poke fun at our materialist obsessions — "I SHOP, THEREFORE I AM!"; "NOTHING SUCCEEDS LIKE EXCESS!"; "SO MANY MALLS, AND SO LITTLE TRUNK SPACE!" — we do not renounce them. According to Juliet Schor, "Americans spend three to four times as many hours a year shopping as their counterparts in Western European countries. Once a purely utilitarian chore, shopping has been elevated to the status of a national passion." In his poem "The Return," Frederick Turner captures the consumerist nostalgia of American soldiers in Vietnam:

What we miss
are the bourgeois trivia of capitalism:
the smell of a new house, fresh drywall, resin
adhesive, vinyl, new hammered studs; ground coffee
in a friend's apartment in San Francisco, the
first day of the trip; the crisp upholstery
of a new car

.....
It is the things
money *can* buy we remember, the innocence
of our unfallen materialism.

The poem looks gently upon the "bourgeois trivia of capitalism" and the wistful soldiers who recall them. But in other contexts, it is harder to see American materialism as innocent or "unfallen." Consider the consumerist manifesto that retailing analyst Victor Lebow issued in 1955 for an American economy enjoying a postwar boom:

Our enormously productive economy . . . demands that we make consumption our way of life, that we convert the buying and use of goods into rituals, that we seek our spiritual satisfaction, our ego satisfaction, in consumption. . . . We need things consumed, burned up, worn out, replaced, and discarded at an ever increasing rate.

Although the "buying and use" of commodities may be essential to one kind of economic growth, we know that commodities fail to give life reliable and ultimate meaning. As political economist Robert E. Lane suggests, it is not what we buy or own that brings us happiness but rather our work, our relations with our spouses and colleagues, and the well-being of our children. Indeed, the world of consumer goods, and a life devoted to their pursuit, may insulate us from deeper challenges and human connections.

Anti-materialism, whether religious or nonreligious, feeds on the very real weaknesses of consumerist materialism. The anti-materialist conceives the good life precisely so as to protect himself from disappointments in the changeable, frustrating world of bodily appetites and worldly possessions. He strives to free himself of all attachments to material goods, or at least to reduce significantly his level of material consumption. In its most extreme forms, anti-materialism forsakes the world in order to lay up "treasures in heaven," where "neither moth nor rust doth corrupt, and where thieves do not break through nor steal." More moderate forms affirm the ultimate importance of this-worldly, but still nonmaterial, realities. Some prize inner rationality, self-possession, and self-sufficiency (as in Stoicism). Others emphasize the fulfillment that comes through personal relationships.

Yet these various ideals of independence from the material world may be just as misguided as the materialist effort to elevate the acquisition and enjoyment of worldly goods to life's supreme aim. One obvious concern is that there is a physical aspect of human well-being, a requirement of certain goods and services that meet basic needs — adequate food, clothing, shelter, health care, and so on. The anti-materialist might concede this point and allow for the modest satisfaction of these needs. Still, the resulting ethic might be so austere that it condemns much that makes life worth living.

It is true that we must avoid being obsessed with or possessed by commodities. Yet we must also honestly recognize the positive role some goods and services play in our lives; otherwise, we risk adopting a critique

of consumerism that is blindly at odds with our own choices and experiences. Nutritious and tastefully prepared food consumed with others can be good for both body and soul. Aesthetically attractive dwellings and clothes enable us to shape and express who we are. Marriage rites include the exchange of rings. Although we do well to avoid using presents to manipulate people, we sometimes express parental love and nurture friendships by carefully selected material gifts. We often exercise our civic responsibilities through phone, fax, and email. Air travel — for example, to consumption conferences — brings new ideas and new friends into our lives.

*The good life requires achieving
a certain balance among
the components of well-being.*

Rather than seek the good life by withdrawing to a self-sufficient inner, intimate, or transcendent world, many of us, when we are honest with ourselves, believe that we may realize our well-being when we satisfy *certain* worldly desires and utilize *certain* material means. As we meet human needs, realize our best potentials, press against limits, and cope with bad fortune in humanly excellent ways, commodities can play an important instrumental role.

Well-Being

Although they contain some truth, both materialism and anti-materialism are guilty of exaggeration. Those who endorse one of these views are typically engaged in an overreaction against the other. Sometimes entire cultures vacillate between the two, like a car that uncontrollably jackknives from side to side. If we are to have a reasonable consumption norm, the pair must be rejected together and replaced by a balanced and stable conception of the sources and meaning of well-being.

The conception I will present here derives largely from Aristotle's ethic of human flourishing, and from the work of two contemporary philosophers, Amartya Sen and Martha Nussbaum, who have acknowledged their own debt to Aristotle in formulating what is known as the capabilities approach. It also owes much to Partha Dasgupta, Thomas Scanlon, and James Griffin, whose orientations are closer to the Kantian or utilitarian traditions.

According to this conception, well-being refers not to some one component of life, such as pleasure or the satisfaction of basic needs, but to a heterogeneous list of human conditions, activities, inner capacities, and external opportunities. To have well-being, to be and to

do well, is to *function* and to *be capable of functioning* in certain humanly good ways.

The bodily components of well-being include being adequately healthy, nourished, clothed, sheltered, and mobile, as well as being free from physical pain and bodily attack. (The criterion of "adequacy," as applied to clothing and shelter, includes being able to appear in public and not be shamed by one's physical neediness.) In some circumstances, it is true, individuals willingly sacrifice some aspect of bodily well-being, as when a hunger striker allows herself to become malnourished. Such a person forgoes a component of healthy functioning. Notice, however, that she is not thereby *incapable* of being well-nourished. She is better off than someone who cannot acquire food or who, on account of illness, is unable to derive nourishment from the food he consumes. Thus we can say that physical well-being includes certain capacities and opportunities as well as functionings.

Although physical wellness is necessary for well-being, it is not sufficient. We must also include in our definition the mental aspects of well-being. Among these are the cognitive capacities for and activities of perceiving, imagining, reasoning, judging, and deciding. The latter embraces our being able to choose a conception of the good life. Mental well-being also includes opportunities and capacities for enjoying or finding pleasure — whether in other aspects of well-being, such as physical health, or in such things as art and nature. Happiness, although contributory to well-being, is not sufficient, for it may occur with and even camouflage significant deprivation. The severely destitute may expect little of the world and be overjoyed by a "small mercy." Drug-induced euphoria is compatible with morbidity and malnutrition.

Human well-being has a social as well as a physical and mental dimension. We believe we are less than fully human if we lack the deep personal relations of family and friendship as well as participation in wider social and ecological communities. It is largely from these relations that we derive a sense of purpose and self-respect.

A fourth aspect of well-being is what Martha Nussbaum calls "separateness" but might be better termed "singularity": "Being able to live one's own life in one's very own surroundings and context." In addition to social relations, well-being depends on our being distinct from others, expressing our singular identity, and having that which is uniquely our own.

What is the proper relation between these aspects of well-being? I would argue that the good life requires achieving a certain *balance* among them. Although a particular consumption choice may contribute more to one aspect of well-being than to the other three, the wise consumer strives for an overall consumption pattern that promotes balance and harmony among and



"Like it or not, you're here on earth to buy and consume products."

© 1969 Dana Fradon

within the components. Too much or too little of a good thing in one dimension may decrease our overall well-being in one or more of the others. The person obsessed with physical fitness will have little opportunity or capability for intellectual and social activity. The intellectual's books and the hacker's computer may stunt their owners' physical and social development and prevent full flourishing. My private possessions may distract me from civic participation. Within each dimension, the wise consumer avoids the extremes of excess and deficit, and seeks moderation.

The ideal of balance has an additional application in our understanding of well-being. We do well to balance, as it were, the times of our lives. This means, on the one hand, not unduly sacrificing present well-being for our future good, and, on the other, not choosing to obtain certain aspects of well-being now when the likely long-term cost is significant harm or sorrow.

It might be objected that some "one-sided" lives can still go well or be well-chosen. What of the connoisseur whose single-minded devotion to acquisition results in poor health or failed friendships, but who assembles an art collection of unquestioned importance or beauty? What of the musical prodigy who willingly relinquishes some of the pleasures of childhood in order to cultivate her gifts?

There are, I think, several answers to this challenge. One may concede that well-being is not everything. A person's life may be well-chosen and worthwhile precisely because he has sacrificed his well-being, or indeed his life, for a noble cause — clan, country, or culture. But even as we honor those who embrace a higher good at the cost of their well-being, we usually regret that such a choice was required. It is also worth saying that absolute choices between different aspects of well-being are less often called for than we might think. Sometimes, for instance, we may be able to *emphasize* one good over another without *eliminating* the subordinated good from our lives. Similarly, as I suggested above, we may emphasize different aspects of well-being at different times. Wynton Marsalis explains that after many years of playing exemplary jazz together, his ensemble disbanded so that its members could spend more time with their families.

Unfortunately, when consumption choices do disrupt the balance of our lives and lead to a sacrifice of well-being, the sacrifice often arises not for the sake of exalted achievement or another demanding good, but instead from what Aristotle called "weakness of will." In such cases, we may reasonably conclude that the value of a life well-lived exceeds the benefits of a consumption choice that undermines well-being.

Employing the Norm

The conception of well-being I have described provides the basis for a general consumption norm: one consumption pattern or choice is better than another if it does better in promoting a person's well-being. A consumption pattern or choice can be criticized to the extent that it weakens or destroys those capabilities and functionings that are the components of well-being.

Such a consumption norm has sufficient content to rule out the one-sidedness of materialism and anti-materialism, and sufficient generality to permit quite diverse "balancing acts," depending on a person's specific abilities, opportunities, and choices. What promotes, maintains, balances, weakens, or destroys the same aspects of well-being can and often does vary from person to person as well as from society to society. Some people can possess more commodities than others before such possession undermines their bodily health, practical rationality, or citizenship by fostering the vices of imprudence, greed, and political indifference. To live well in an opulent, technologically advanced community requires different goods from those required to live well in a poor and traditional one. As Amartya Sen explains:

To lead a life without shame, to be able to visit and entertain one's friends, to keep track of what is going on and what others are talking about, and so on, requires a more expensive bundle of goods and services in a society that is generally richer, and in which most people have, say, means of transport, affluent clothing, radios or television sets, etc. Thus, some of the same capabilities (relevant for a "minimum" level of living) require more real income and opulence in the form of commodity possession in a richer society than in poorer ones. The same absolute levels of capabilities may thus have a greater relative need for incomes (and commodities).

Wise consumption requires knowledge of ourselves and our society as well as choice in the light of that knowledge.

Given its person- and context-sensitivity, what sort of guidance can a norm derived from the capabilities approach yield with respect to our consumption choices? Certainly we don't need a consumption norm to know that some consumption choices are generally bad for us — high-fat diets, for instance — and others — certain lifesaving medicines — typically good for us. To illustrate the salutary prescriptive force of the capabilities norm, let us suggest its application to the question of housing. Without presuming to give utterly novel housing guidelines, the capabilities norm of well-being will be successful if it clarifies and endorses one strand of our often contradictory everyday judgments about humanely good housing.

Although frequently neglected in the consumption debate, our choice of a dwelling is important, for housing requires a far greater proportion of consumer dol-

lars (31 percent) than any other major category of consumer expenditure. Many people, of course, have no choice but to settle for housing that is clearly at odds with even a modicum of well-being. Others could afford decent housing, but only if they changed their conception of the good life and their overall consumption pattern. Let's suppose, however, that an individual or family has or receives the resources to acquire a dwelling that protects and promotes the four aspects of well-being. What would be the *general* characteristics — compatible with individual and societal variation — of such housing?

First, the capabilities approach suggests that housing options should be assessed with respect to their occupants' physical well-being. The neighborhood should be reasonably free of crime as well as the hazards posed by polluted air and water. Safe, accessible parks and playgrounds should offer opportunities for recreation. The dwelling itself should enable its occupants to be secure from the elements. Physical health requires good ventilation, sanitation, and sunlight as well as adequate space for sleeping, meal preparation, and personal hygiene.

"Livable" housing also protects and promotes the mental component of well-being. In its design and furnishings, good housing occasions aesthetic enjoyment and expresses — through such things as workbenches or studies, gardens or basketball hoops — the inhabitants' specific ideas of the good life. Maintaining and improving one's housing affords opportunities for the exercise of practical rationality.

Further, good housing safeguards and nurtures various forms of sociability and mutuality. Decent housing provides its inhabitants and their guests with opportunities for conviviality. Permitting and encouraging wider social participation, good housing is reasonably close to neighbors, work, schools, and cultural opportunities.

Finally, good housing is sufficiently commodious to provide each occupant with the personal space (and time) that is needed to be able to live one's distinctive life in one's own ambience. Such "separateness" may be best expressed by each occupant's having his or her own room or part of a room.

Sometimes two or more components of well-being call for the same housing site or structure. A room with good sunlight, for example, can be both healthy and aesthetically pleasing. A shared bedroom can promote both mutuality and singularity. It will often prove difficult, however, to find housing that satisfies (equally) each component of this complex conception of well-being, for the elements of well-being can conflict with as well as support one another. There may be no neighborhood, for instance, that is both close to one's work and reasonably safe or that has good schools. Moreover, someone might find housing that would

directly secure her well-being but would cost so much that she could not afford necessary food and health care. We must therefore employ practical rationality in order to address the advantages and disadvantages of each specific option, deliberate, and finally judge which abode (and larger consumer pattern) is, on balance, best for us.

In order to focus on the nature of well-being and the effects of consumption on ourselves, I began this essay by setting aside other important questions about consumption choices: those involving our moral obligations toward the environment, societal institutions, and other people. In the course of the argument, I have suggested that the pursuit of higher goods does not necessarily require the sacrifice of well-being. Nonetheless, it is true that consumption choices which are ostensibly good for us may well harm nature, society, or others, and that the norm of our own well-being is not sufficient for assessing these choices. Some of the materials for such an assessment may be found in other essays in this issue.

— David A. Crocker

The author is indebted to architect Amanda Martocchio for her comments on an earlier draft. Other sources: Alan Thein Durning, *How Much is Enough: The Consumer Society and the Future of the Earth* (W. W. Norton, 1992); Stanley Lebergott, "Pursuing Consumption Limits," paper presented at the Maryland conference on "Consumption, Global Stewardship, and the Good Life" (September 1994); Juliet B. Schor, *The Overworked American: The Unexpected Decline of Leisure* (Basic Books, 1992); Frederick Turner, "The Return," quoted in Chandra Mukerji, *From Graven Images: Patterns of Modern Materialism* (Columbia University Press, 1983); Michael Schudson, "Delectable Materialism: Were the Critics of Consumer Culture Wrong All Along?" *The American Prospect* (Spring 1991); Victor Lebow, *Journal of Retailing* (Spring 1955); Robert E. Lane, "Does Money Buy Happiness?" *The Public Interest*, vol. 111 (Fall 1993); Aristotle, *Nicomachean Ethics*, trans. Terence Irwin (Hackett, 1985); Amartya Sen, *Resources, Value, and Development* (Harvard University Press, 1984); Martha Nussbaum, "Aristotelian Social Democracy," in *Liberalism and the Good*, edited by R. B. Douglass, G. Mara, and H. Richardson (Routledge, 1990); Martha C. Nussbaum and Amartya Sen, eds., *The Quality of Life* (Clarendon Press, 1993); Partha Dasgupta, *An Inquiry into Well-Being and Destitution* (Clarendon Press, 1993); James Griffin, *Well-being: Its Meaning, Measurement and Moral Importance* (Clarendon Press, 1986); T. M. Scanlon, "Value, Desire, and Quality of Life," in *The Quality of Life*, edited by Nussbaum and Sen; T. M. Scanlon, "The Moral Basis of Interpersonal Comparisons," in *Interpersonal Comparisons of Well-being*, edited by Jon Elster and John Roemer (Cambridge University Press, 1991).

A New Economic Critique of Consumer Society

In contrast to growing numbers of scholars in other fields, economists have contributed relatively little to recent critiques of consumer society. With a few notable exceptions — among them John Kenneth Galbraith, E. J. Mishan, James Duesenberry, Tibor Scitovsky, Robert Frank, and Amartya Sen — contemporary economists have been hesitant to entertain questions about the relationship of consumption to quality of life. Their reluctance is not difficult to explain. Most economists subscribe to a model which holds that as long as standard assumptions are satisfied, consumption *must be* yielding welfare; otherwise, it wouldn't be occurring. (Actually the implications of the model are even stronger, as we shall see.) Economists, moreover, are typically unwilling to engage in critical discussion of values and preferences.

In the absence of such discussion, it is easily assumed that the existing configuration of consumer choice is optimal.

To understand the peculiarity of this approach to consumption, we must recall that the field was once very different — that an earlier economics tradition in the United States had quite a lot to say about values as they relate to consumer behavior. Thorstein Veblen's *Theory of the Leisure Class* (1899), a work that exerted tremendous influence, is a classic in this tradition. Over the past hundred years, however, the discipline of economics has undergone a dramatic transformation, and a much more sanguine approach to consumer society has prevailed both within the profession and in society more generally.

Optimism and Resistance

Simon Patten, one of Veblen's contemporaries, was a central figure in initiating this process. Patten held a deep optimism about consumer society. In his 1889 essay "The Consumption of Wealth," he argued that it was time to emerge from the age of scarcity to the age of abundance. "We have built a new mansion on the hill," he wrote, "but we still prefer the cottage in the valley." Patten argued that consumers would have to change, to embrace the new consumer economy, and that this change was not only positive, but ethically desirable. Not incidentally, Patten was an advocate of mind cure, a sunny religious movement which believed in "salvation in this life." As he saw it, much of that salvation was to come through material goods.

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much less optimal.*

Optimists such as Patten met with considerable resistance. In addition to critiques such as Veblen's, which questioned the desirability of consumerism, there was a long-standing fear among businessmen, economists, and others that consumer society might not be viable: it would fail to generate sufficient consumer demand to grow and prosper. This "stagnationist" view was based on the distinction between two types of consumer goods: necessities and luxuries. It was thought that luxury goods held limited appeal as compared to necessities. For this reason, many economists believed that as wages rose, people would find their needs for consumer goods satisfied and reduce their labor supply. The reduction of labor supply at higher wages — the so-called "backward-bending" supply of labor — was the basis of fears of stagnation brought on by rapid productivity growth. If workers/consumers chose to take increasing amounts of leisure, then there might not be sufficient consumer demand to keep the nation's expanding productive apparatus operating at full capacity. Prosperity might lead to depression.

Paul Douglas's classic empirical study (1930) on the relationship between wages and labor supply supported the existence of a backward-bending supply curve. And the idea of inadequate demand leading to stagnation had a long if somewhat subterranean history within the profession, going back to the debates between Malthus and Ricardo, and to Marx. This idea would of course eventually gain many adherents with the onset of the Depression and the publication of Keynes's *General Theory*.

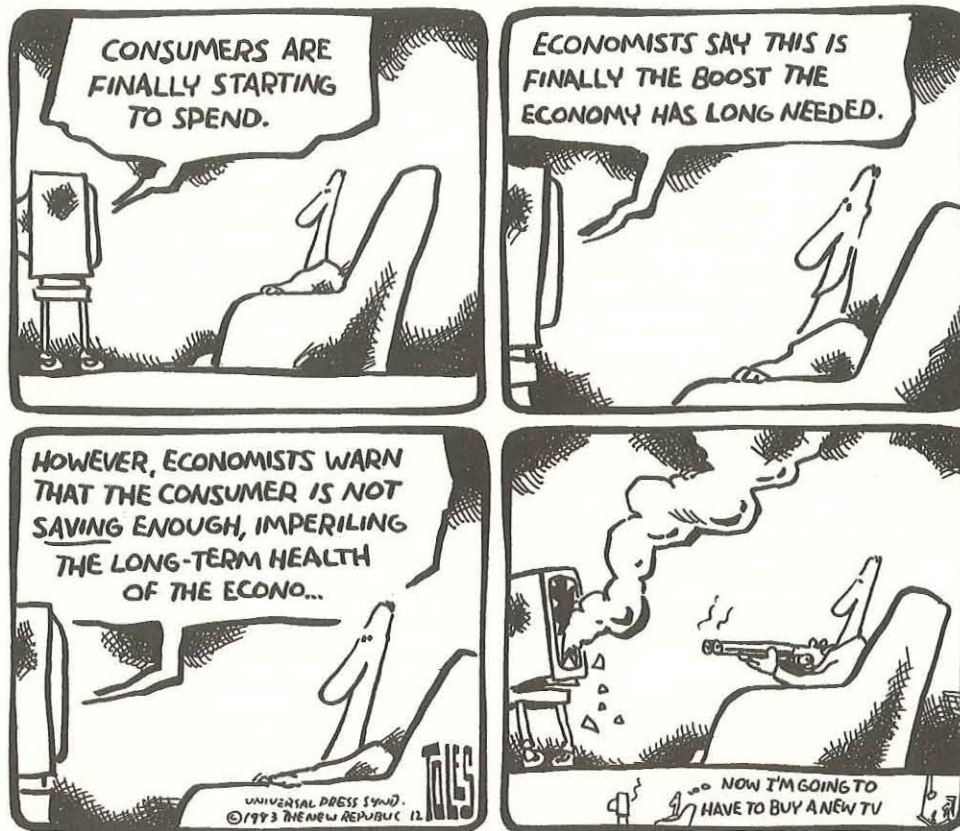
Nevertheless, Patten's views did triumph. In the 1920s, as the mass production economy boomed, economists such as Hazel Kyrk, Theresa McMahon, and Constance Southworth criticized the needs/wants dichotomy; they presented the logical possibility of unlimited wants, and argued that a new type of consumer was (and should be) emerging. In the actual world of commerce, advertisers and marketeers began doing their best to create such a consumer. Charles Kettering of General Motors invented the idea of the perpetually "dissatisfied" consumer, who would always desire the new automotive model. Advertisers began to tie personal identity to products. In a mass consumption society, this would eventually lead individuals to a continuous quest for new products and new identities in order to keep ahead of the crowd.

The Postwar Era and Beyond

Despite the eventual triumph of the "consumerist" vision, there were important and vibrant prewar debates about its legitimacy and viability. Economists took seriously the question of how consumption relates to the quality of life. Even inveterate optimists such as Patten worried about "higher" and "lower" pleasures in consumption. Political movements for shorter working hours contributed to the national discourse about consumerism, for the alternative to "work and spend" was leisure time and public culture. Empirical economists studied household budgets, looking at both "necessities" and "luxuries." Home economics was a serious scholarly field.

Over time, however, these issues virtually disappeared from the economics profession. As neoclassical theory came into its ascendancy, many previously important problems were ruled out of court, and economists came to accept the relationship between goods and satisfaction as straightforward and uninteresting. In neoclassical thinking, the consumer came to be characterized by a few simple principles, such as insatiability (more is always better) and independence (one's individual preferences are unaffected by those of others). The challenge became one of maximizing consumption subject to a budget constraint. If *homo economicus* could manage that problem right (and the Chicago school told us he always could), then his utility would be maximized. Economists stopped worrying about whether he would buy enough and left the field to marketeers. Indeed, by the last quarter of the century they were worrying about the reverse: why he was buying *so much* (and not saving enough).

In the contemporary period, the stress laid on competition in economic theory has had important implications for the relationship between consumption and quality of life, providing the foundation for the twin doctrines of worker and consumer sovereignty. In the



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standard competitive model, workers' choices about how much to work and how much income to earn are said to represent their preferred choices, with competition ensuring that what workers want is available in the labor market. Similarly, consumers choose the basket of goods and services which maximizes their satisfaction, and competition ensures that the products they want are for sale. Production technologies and the cost of capital affect the prices of goods, but enterprising capitalists will be sure to supply those goods for which demand exists.

If worker and consumer sovereignty hold, then there is no ground for worrying about how goods affect satisfaction, well-being, or quality of life. If consumers aren't getting their monies' worth in these terms, they can simply change their buying patterns. Similarly, trade-offs between time and money are unproblematic; if people are working long hours, it is only because they prefer more money to more free time. In this worldview, leisure is just another commodity. Thus, although economists have devoted extensive effort to testing theories about the *timing* of consumption, they have not often tested theories or critiques which abandoned the usual maxims about consumers or the

assumptions of worker and consumer sovereignty. Once the neoclassical assumptions are relaxed, however, we are free to consider other possibilities.

Market (and Other) Failures: Four Bases for a Critique of Consumerism

Stanley Lebergott, who has dealt harshly with critics such as Galbraith and Scitovsky, argues that their objections to American consumption patterns are largely grounded on their own aesthetic preferences, and hence elitist. There is some truth in this charge. Still, an economic critique of consumerism can offer important insights — not by making aesthetic judgments about specific consumer goods, but by raising questions about consumer society versus alternative ways of living. Consumer society has generated opposition throughout its existence and will continue to do so, because the consumerist path has real costs, and precludes other, desirable possibilities. We can begin to explore the costs by considering the market (and other) failures which characterize the consumer economy.

Market Failures in the Natural Environment. There is now widespread recognition that the market calculus

Melting into Air

The fact that people have chosen to spend money on an item is generally taken as a valid indication that the item is what they want, and that it yields the satisfactions they expect it to. Behind this assumption is a seemingly appealing and democratic way of thinking. Who, the economist asks, is in a better position to determine what people want and what brings them satisfaction than the person who is choosing to buy or not to buy?

Up to a point, the economists are right: there are dangers in supposing that people make choices that are not consistent with their real interests. Paternalism or, even worse, dictatorial imposition of the leaders' views of what people should want, is at least a potential consequence of excessive zeal in this direction. But there are also dangers in failing to recognize the human capacity for self-deception.

A number of studies suggest that economic growth, and the increases in consumption it brings, do not yield an increase in feelings of satisfaction or well-being, at least for populations that are above a poverty or subsistence level. Although we may often experience considerable pleasure or satisfaction with regard to particular items we have purchased, we encounter paradoxical consequences when we look at the overall impact of these purchases on our satisfaction with our lives. Each individual item seems to yield an increment in satisfaction or well-being, but when totaled up the whole is much less than the sum of its parts. Like a wad of cotton candy, the seeming amplitude melts into thin air as we try to taste it.

Indeed, the sum of all our efforts to improve our lives through purchases may actually be negative. Taking into account all of the experiences and requirements associated with continually increasing consumption, we may well find ourselves worse off than before we began. For the ways we mobilize ourselves, both as individuals and as a society, in order to produce and to have "more," turn out to undermine some of the most important sources of enduring and sustaining satisfaction.

— Paul L. Wachtel

Paul L. Wachtel is the author of *The Poverty of Affluence: A Psychological Portrait of the American Way of Life* (New Society Publishers, 1989).

fails to price and incorporate environmental or natural capital — a failure which results in the underpricing of goods and services. As a result, there exists "excess" consumption of goods and services in general, as compared to what the optimal level of consumption would be if no external effects existed. (The extent of the excess consumption varies among goods and services, based on their respective environmental effects.) The intergenerational dimension of this market failure — future generations cannot express their preferences — increases the power of the environmental critique of consumer society.

Market Failures in the Constitution of Community. Robert Putnam's recent work on "social capital" shows that strong community ties yield substantial benefits in terms of efficient government, law-abidingness, and quality of life. Has consumerism led to a weakening of community, and thus to a loss of such benefits? Although there is little empirical evidence on this question, it has been argued that consumer society, by relying on marketized exchanges rather than reciprocity, reduces the bonds between individuals and makes community more difficult to sustain. Moreover, research indicating a decline of free time outside the workplace in modern consumer society suggests a further, indirect link between consumption and a decline in community ties, which depend on people's ability to spend time with one another.

Failure to Meet Conditions of Worker and Hence Consumer Sovereignty. New approaches to labor markets indicate that the standard model notwithstanding, conditions for worker sovereignty are not typically present. In the postwar United States, for example, employers did not offer workers the option of taking productivity increases in the form of increased leisure time. Instead, employers routinely shared productivity gains as higher income. Employees (as consumers) then spent that higher income and, in the process, adjusted their preferences through a process of habit formation. This "work and spend cycle," as I have called it elsewhere, led to an "inverse-neoclassical" world. In the neoclassical schema, workers get what they want. In the "work and spend world," they want what they get.

If employees do not have free choice in hours, one cannot infer that the current consumption path is even desirable, much less optimal. It may be that people would be better off with shorter hours and less money. At present, however, that is an unattainable equilibrium. If employers demand large penalties for shorter hours, they introduce a large pro-consumerist bias into the economy. Under these conditions, worker preferences may remain latent, and thus fail to exert much pressure in the labor market.

Collective Action Failures. Almost a half-century ago, Jim Duesenberry formulated a theory of consumption

based on relative position. He argued that what mattered in terms of utility was not people's absolute level of income, but their income relative to those around them. This phenomenon, colloquially known as "keeping up with the Joneses," has dramatic implications for assessing the welfare implications of consumer society. If it is relative income that really matters, then rising material standards of living do not necessarily yield rising welfare and quality of life. (Judith Lichtenberg explores this theme elsewhere in the *Report*.) Where status is relative, moreover, collective action problems arise that can only be resolved through the intervention of a central authority. Restraints on competition — rules requiring school uniforms, limitations on spending in holiday gift exchanges, and zoning restrictions, for example — have a strong rationale when cooperation fails.

Toward a New Critique of Consumerism

I believe the four problems listed above are sufficient to serve as the basis for a new critique of consumerism. I say "new" because, insightful as they have been, existing critiques suffer from some serious flaws. The economists' critique, with its basis in aesthetics, has often been elitist. The environmentalists' critique, as it is usually made, relies largely on a moral appeal, but the centrality of consumer goods in American society blunts the effectiveness of a primarily ethical approach. In a society in which consump-

tion is structurally positioned as the answer to so many needs, desires, and problems, and in which alternatives are structurally blocked, moral suasion is insufficient. Asking people to act ethically is important, but we must also analyze and transform the structures which make it difficult for them to do so.

In my view, a new critique should be positively oriented; that is, it should argue in favor of a better way of organizing the economy and society. For example, it should press for regulations and tax incentives which create genuine choice in working hours; it should promote "community solidarity" by suggesting alterations in the economic incentives for private and public consumption; it should encourage us to think about sensible restrictions on consumption in order to solve collective action dilemmas. It should also avoid an error common to virtually all previous critiques — a failure to recognize both the allure of consumer goods and the ways in which "things" do meet needs.

For various reasons, I believe an attitudinal sea change has occurred in recent years which makes the American people far more receptive to such a message than they have been previously. In part, this is a generational change, marked by the decline of material values and the rise of post-materialist ones. In part, it is a response to the macroeconomic climate, which has made "the American dream" seem increasingly costly and out of reach, so that people are rationally adjusting their behavior to attain other goals. And in part it is the result of mounting social and psychological problems, problems which have not been solved by a half-century of growth in consumption. As a result, those who favor new approaches to consumption are presented with a tremendous opportunity.

— Juliet B. Schor

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Juliet B. Schor, senior lecturer on economics at Harvard University and professor of economics of leisure at Tilburg University, Netherlands, is the author of *The Overworked American: The Unexpected Decline of Leisure* (Basic Books, 1992). Sources: John Kenneth Galbraith, *The Affluent Society*, 4th edition (Houghton Mifflin, 1984); James S. Duesenberry, *Income, Saving and the Theory of Consumer Behavior* (Harvard University Press, 1949); Tibor Scitovsky, *The Joyless Economy: The Psychology of Human Satisfaction* (Oxford University Press, 1992); Robert H. Frank, *Choosing the Right Pond: Human Behavior and the Quest for Status* (Oxford University Press, 1985); Simon N. Patten, *The Consumption of Wealth* (University of Pennsylvania Press, 1889); Paul H. Douglas, *Real Wages in the United States, 1890-1926* (Houghton Mifflin, 1930); Stanley Lebergott, *Pursuing Happiness: American Consumers in the Twentieth Century* (Princeton University Press, 1993); Robert D. Putnam, *Making Democracy Work: Civic Traditions in Modern Italy* (Princeton University Press, 1993).

What Principle?

On what grounds do critics of consumption decide that we consume too much of any particular good? What principle (of ethics, religion, jurisprudence, or government) can tell us how much we *should* spend?

Americans devoted 2 percent of their national income to medical care in 1900, and 4 percent thirty years later. That share jumped to 13 percent by 1990. There was nothing very elusive about the reasons for this increase. The medical profession in this century learned to perform miracles. Suddenly, diseases known since the ancient Egyptians could be prevented, illnesses cured, pains blocked. Americans began to rely more on doctors, pharmacists, hospitals, and less on toughing it out, ancient nostrums, faith healers — and morticians.

The rise in health expenditures can also be traced to policies that blunt incentives to restrain such consumption. Forty years ago, Congress adapted the tax code to protect that holy relic of World War II's wage and price controls -- tax exemption for health insurance. Millions who profit from this policy collect some of their income in untaxed form, and therefore spend with less forethought. The result has been to intensify the blaze of health spending.

Two years ago, in an address to a joint session of Congress, President Clinton suggested a great change. "We're spending over 14 percent of our income on health care," he declared. "Canada's at ten; nobody else is over nine. We're competing with these people for the future." By reorganizing the American practice of medicine, he hoped to reduce the projected figure for the year 2000 by 2 percent — from 19 to 17 percent.

The president and Congress could indeed force such a change. But what high principle demands that Americans and Canadians spend the same share of their income for health care? Or any other item? Does it require us to spend the same share for personal travel, or recreation (for which we also spend more at present)? And will it require a further cut in the American health share if Canadians, as some are murmuring, decide to spend even less?

Since shares of the national income always add up to 100 percent, the administration

evidently wanted Americans to spend that 2 percent in projected health care savings on other items. Why? And for what? Would spending more for American cellular phones and motion pictures (then being hawked in France and Japan by a traveling U.S. ambassador) help? What if Americans bought just any other items in the hodgepodge that the market offers? How on earth could that switch help us in "competing with these people [Canada and other nations] for the future"?

For changing the share that workers spend for any item does not thereby reduce their employers' wage bill. Nor would employers learn to compete more efficiently in international markets because less money was spent for workers' health.

If the present tax exemption for wages that employers pay into Medicare (instead of directly to their workers) were discontinued, the nation would probably spend less on health care. Creating medical IRAs, which would give non-taxable rebates to families whose health expenditures are lower than their insurance plan allows for, might reduce unnecessary trips to the doctor and hospital. Both are matters for Congressional decision.

Our Congress is also free to allocate public funds to whatever causes or programs it chooses. These choices are the result of complex trade-offs between what pleases some voters (cutting the deficit; more money for peanut and irrigation projects) and what pleases others (maintaining subsidies for training medical specialists). Meanwhile, individual consumers should be free to decide how to use their own money, except as government taxes and laws preclude certain choices. What principle tells us how to end up with a truer, more scientific share of our income devoted to health care?

— Stanley Lebergott

Stanley Lebergott is the author of *Pursuing Happiness: American Consumers in the Twentieth Century* (Princeton University Press, 1993) and *Consumer Expenditures: New Measures and Old Motives* (Princeton University Press, 1996).

Consuming Because Others Consume

To a large extent, people consume because those around them do. This is a familiar thesis, borne out by a variety of social phenomena. Why it should be so is another question. In modern societies, consumption is usually understood as a form of competition, in which the prizes are status and superiority. This view has been cited almost to tedium ever since Thorstein Veblen published *The Theory of the Leisure Class* in 1899. It is a sign of Veblen's enduring influence that the notion of "consuming because others consume" makes us think, first of all, of conspicuous consumption: of keeping up with the Joneses, displays of wealth, and an excessive reliance on material goods as a way of attaining status. Just the idea that there is a relational aspect to consumption evokes a world in which everyone is trying to outdo everyone else — a world where, in Veblen's words, people accumulate goods in order to "rank high in comparison with the rest of the community."

Veblen himself, in describing such practices, insisted that he was not passing judgment upon them. When, for example, he gave the name "invidious comparison" to the act of "rating and grading" persons on the basis of their relative worth, he hastened to add, "there is no intention to extol or depreciate, or to commend or deplore any of the phenomena which the word is used to characterize." But whether Veblen meant to "depreciate" or not, that is certainly the way his words have been taken. The recognition that people consume because others consume, and that they judge others by their material possessions, is usually tinged with disapproval or even contempt.

I shall argue that although we do often consume because others do, this fact cannot be understood solely in terms of a desire for superior status. In some cases, the pursuit of status is involved, but what is sought is equality rather than superiority. In other cases, status considerations are wholly irrelevant.

If this view is right — if consumption is largely relational, but in a more complex way than has often been supposed — two conclusions follow. The first relates to our moral assessment of consumption choices and

what they indicate about human nature. The idea that people consume because others do has led many observers to conclude that people are fundamentally sheeplike, greedy, or shallow, or that they are continually engaged in trying to outdo their neighbors. Although it may be inappropriate to discount these traits altogether, an appreciation of the complexities of consumption shows that it is often rational, reasonable, and respectable for a person to consume when others do. More generally, an appreciation of the extent to which consumption is relational helps us to understand certain puzzles about human desires and well-being.

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The second conclusion is practical. To the extent that a person consumes because others do, she could consume less if others did too without diminishing her well-being. It follows that our usual hand-wringing about how much we can reasonably ask people to limit their consumption — in order to prevent irreparable harm to the environment, to allow for a more just distribution of resources, or to promote a less materialistic way of life — is exaggerated and beside the point. Reductions in consumption, when effected in a concerted way, need not involve deprivation in the sense generally envisioned. It is not a matter of "sacrificing because others sacrifice," but rather of not having to sacrifice when material consumption falls collectively.

The Relativity of Absolute Well-Being

Of course, people's desires for and consumption of things are not always dependent on what others have. Certain basic needs or minimum requirements — the

need to consume a certain number of calories, or to have clothing and shelter against the elements — exist independently of other people's actions or possessions. Even biological needs, however, are not wholly independent of context or circumstance. In a society in which strenuous physical activity is important — because the acquisition of necessities requires strength or speed, or because such activity is for some other reason socially valued — a person might need a larger caloric intake to function effectively or well. To the extent that all people have a basic need for enough food to survive or thrive, we can say that the need is absolute. But how much food is enough to survive or thrive will vary depending on circumstances.

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in a society — become more needlike —
in a subtle and interesting process.*

Certain needs — for example, the need for air — are quite nonrelative. But think, by contrast, of the need to get around and do things — to travel to one's workplace, or to visit markets where food and the like are available. In some societies, the need to get around is minimal; all work and market activities may be performed a few yards, at most a few miles, from one's door. In many contemporary communities, however, workplaces and markets are widely dispersed, and it may be difficult or impossible to reach them without private transportation. A car becomes a virtual necessity; indeed, for a suburban or rural family, one car may not be enough.

Obviously, the need for a car is not absolute in the sense of existing independent of context. The economic system and the infrastructure could have evolved differently, producing a well-functioning system of public transportation that makes it possible or even preferable to ride buses and trains. This suggests one sense in which consumption is relational. Where others take buses, there will be buses, available to all, and I will have less need for a car. The obvious choice, in that case, will be to do what others do. Where no such system exists, I may still do what others do — but now the activity we have in common will be driving.

Notice, however, that under these circumstances, my desire for a car — although dependent on what other people have and do — need not be rooted in greed, envy, or the desire for status. Of course, cars have acquired a great deal of significance apart from their utility; I may want a particular kind of car to express something about myself or to prove my status. But these motives could be entirely absent and I might still have reason to want a car. Similarly, many items

once thought of as high-tech luxuries — television, cable television, computers, on-line databases — are becoming increasingly necessary for the citizen in a technologically sophisticated society.

The Entrenchment of the New

Sometimes, no doubt, it is an exaggeration to say (as advertisers typically do) that a particular item has moved from the status of luxury to necessity. Still, new goods often become entrenched in a society — become more needlike — in a subtle and interesting process. We can observe this transformation with respect to many recent innovations: answering machines, VCRs, electronic mail. When first introduced, such items may appear frivolous, at least to those not mesmerized by gadgets. Gradually — but really very quickly — even the skeptics start to notice their uses.

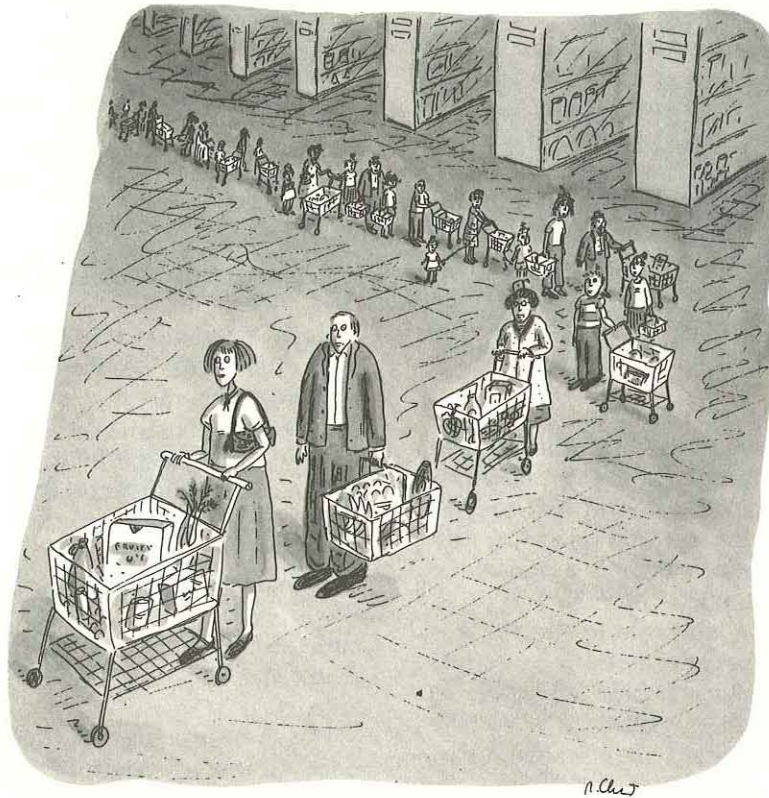
For example, while the benefits to owners of answering machines were immediately apparent, some callers at first found the devices awkward or even insulting. Soon, however, even the insulted callers began to recognize advantages to themselves: not having to call back repeatedly when no one answered, avoiding unwanted prolonged conversations. Complaints about “talking to a machine” are rarely heard anymore. Similarly, car phones, which when first introduced were widely viewed as mere status symbols, are now recognized as convenient and even safety-enhancing (in a dangerous world of carjackings and other crimes).

How does this phenomenon bear on the relational aspects of consumption? Acquisition of a good by many people can render it more necessary, even if it doesn't always become a “necessity.” In the case of electronic mail and on-line databases, for example, we have what economists call networking effects: someone lacking the service is made worse off by being isolated from the flow of information. Even the humdrum answering machine can affect how people conduct business, so that those lacking one may suffer disadvantages themselves and also inconvenience others. When most people have answering machines, it might be reasonable to ask someone to make a dozen phone calls, on the assumption that messages can be left if no one answers. The person without an answering machine forces the messenger to work harder by calling repeatedly, and is more likely not to be reached at all. For a business owner whose frustrated callers turn to alternative providers, the result may be not just inconvenience, but a lost livelihood.

Salient Things

The process by which new goods get entrenched in a culture bears in another way on the relational aspects

BETWEEN BEING AND NOTHINGNESS



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of consumption: the acquisition of goods by others serves as a crucial form of publicity. Leaving aside for the moment questions about status and competition, the fact that one's friends and neighbors have something new acts as a stimulus if the good has intrinsic appeal of any kind. Advertisers have always been fully aware of this phenomenon, which can be understood in terms of what cognitive psychologists call "salience." The physical presence of an item, or the vividness and persistence of its image, makes it more available to consciousness.

In our zeal to find deep explanations for the desire to raise one's level of material well-being, we have neglected this simple yet powerful effect. It stands to reason that a person is more likely to want something if he sees other people possessing and making use of it. Familiarity breeds desire more often than contempt. Moreover, this desire-stimulating process seems perfectly respectable, as plausibly attributable to human curiosity, to being alive to one's surroundings, as to greed or envy or status-seeking — the explanations most commonly offered by critics of consumption.

Some might argue, on the contrary, that this fact about human beings is precisely what terms like "greed" and "envy" are meant to denote — wanting things when you see them, being moved by the consumption habits of others. How to resolve this dispute, where both sides agree on the evidence but disagree about its meaning? One solution is to have it both ways: to acknowledge an element that is morally neutral or even praiseworthy (curiosity, aliveness to one's surroundings), but also an element worthy of criticism (lack of self-sufficiency, overdependence on material things). Yet whether moral criticism is appropriate depends partly on other issues that await resolution.

Consumption and Self-Respect

We have now seen two reasons why consumption is relational. First, a society's way of life or infrastructure may make the satisfaction of needs most people would agree are basic dependent on imitating other people's consumption practices. And second, acquaintance breeds desire: it is not necessarily a sign of greed or envy to want things when you see them.

This is not to deny that other desires may play an important role in the urge to consume. We want to have things, and to have others know we have them, in part in order to say something about ourselves to others. Sometimes, the self-expression achieved through our consumption choices may not be directed to other people. Someone who drives a Jeep Cherokee — or, at the other extreme, someone who rides a battered bicycle — may simply be enacting a role for his own pleasure, without regard to his public image or his status in a hierarchical order. Let us assume, however, that for most people such forms of self-expression as fashion do include a crucial communicative component — and, more specifically, that people sometimes aim to communicate something about their worth.

Such status-seeking has a bad reputation. A long tradition of moralists advises that what other people think is not important, that we should not base our actions on the opinions of others. And it is easy to describe situations where one *shouldn't* care what others think — where, for instance, there is a right thing to do, and one must brave public opinion and do it. Yet it seems too sweeping a judgment to say that it is always wrong to care. The person wholly unconcerned with how others see her seems at best too saintly to serve as a model for the ordinary person; at worst, she may be pathological, or unjustly contemptuous of other people.

*Though it is true that a person may consume
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There is a second reason to temper our judgment of consumption that sends a message to others. For though it is true that a person may consume in order to show that he is *better than* others, he may also consume simply to show that he is *as good as* others. This distinction, which Veblen failed to draw, seems both morally significant and psychologically real. In its most basic form, the desire to be *as good as* others is a desire for self-respect. I believe that this kind of self-respect, and the respect from others it implies, is a fundamental human need; a person cannot have a decent life without it.

The satisfaction of the need for self-respect calls for a certain kind of equality, which means in part having certain things that others have. Adam Smith articulated this point — and its connection with consumption practices — two centuries ago, and his formulation has not been surpassed:

By necessities I understand, not only the commodities which are indispensably necessary for the support of life, but whatever the custom of the country renders it indecent for creditable people, even of the lowest order, to be without. A linen shirt, for example, is, strictly speaking, not a necessary of life. The Greeks and Romans lived, I suppose, very comfortably, though they had no linen. But in the present times, through the greater part of Europe, a creditable day-labourer would be ashamed to appear in public without a linen shirt, the want of which would be supposed to denote that disgraceful degree of poverty, which, it is presumed, no body can well fall into without extreme bad conduct. Custom, in the same manner, has rendered leather shoes a necessary of life in England. The poorest creditable person of either sex would be ashamed to appear in public without them.

As his reference to “custom” suggests, Smith understood that while the need for self-respect — or, put negatively, the need to avoid shame — is basic and universal, what it takes to satisfy that need varies widely from time to time and place to place. Wherever there is material or technological progress, new goods will gradually assume the role of “signifying decency” that Smith describes. This is not to say that in less dynamic societies no goods play this role, but only that the relevant goods in such societies are less often superseded. Technological progress, combined with the need for self-respect, tends to up the consumption ante.

This of course raises the question: *how much* equality does self-respect require? One might argue that all significant material inequalities are damaging to the self-respect of those who have less, and thus that the only effective guarantee of self-respect is radical egalitarianism. My own claim is more limited. Reasonable people will disagree over whether material inequalities *generally* undermine self-respect, and about how damaging inequalities are. My point has been only that the absence of certain — circumscribed — goods undermines self-respect, and that it is therefore reasonable for people to want those goods when others have them.

Ability-Signaling in a Competitive World

Sometimes, then, the expressive function of consumption is to affirm “decency” and self-respect. But having or owning certain things is a means of conveying other status-related messages as well. The economist Robert Frank observes that in all human societies, “Many of the most important decisions ever made about us depend on how strangers see our talents, abilities, and other characteristics.” Because the assessment of these characteristics is “a subtle and complicated task,” people look to consumption goods as signals of ability. For example, if a potential client knows that “good lawyers generally earn a lot of money,” and that “people with a lot of money generally drive

fashionable new cars," he will assume that a lawyer driving a battered car "is not much sought after." Such a client is likely to take his business elsewhere.

Notice, however, that when consumption serves to signal abilities, the distinction between consuming to demonstrate one is as good as others and consuming to show one is better — and between either of these and consuming simply to convey information — begins to blur. Insofar as a person is attempting to convey information about his abilities, he is saying, "I have these traits, these talents, I am *this* good . . . so hire me." His consumption serves the useful function of providing information about himself. But he is also trying, in a competitive world, to obtain a scarce commodity.

Similar complexities may arise in any competitive setting. It seems clear, for example, that many consumption choices — including consumption of non-material goods such as education — are motivated by situations where, if you don't move ahead, you fall behind. In such cases, the decision *not* to acquire more of a particular good is not simply a decision not to improve one's well-being; it is in effect a decision to lower it. When high school diplomas are a dime a dozen, employers will start to require college degrees; even if the additional education is not necessary to do the job, it serves as a sorting device. When college degrees are a dime a dozen, employers will require MBAs or law degrees. As Fred Hirsch puts it, when everyone stands on tiptoe, no one sees any better. But

Rising Consumption, Unchanging Needs

According to many commentators, one of the central dynamics of mass consumption societies is a constant escalation in our sense of what we need. Advertising and emulation of others, it is argued, play a key role in the never-ending inflation in our conception of what constitutes decent food, clothing, housing, and so forth.

However, in trying to understand how and why levels and patterns of consumption have changed over time, we would do well to consider a second hypothesis: that much of the rise in our consumption expenditures has simply gone towards meeting the same needs we have always had — needs for safe housing, transportation to work, care of children, and so on — but that the real cost of meeting these constant needs has grown.

To see how this might occur, consider a fundamental need that applies to every family: the need to live in a safe neighborhood. In the United States, the decay of urban centers and the growth of urban street crime has meant that, for many people, the need for safe housing can only be met if they move to the suburbs or to a few select neighborhoods. In response to increased demand, housing prices in these areas have gone up. In turn, transportation costs have risen for people who must now get

around in and to and from suburban neighborhoods. Over the past sixty years, the amount that Americans spend on transportation has increased about 600 percent in real terms. Much of this increased spending should not be viewed as luxury spending or even as an escalation of standards; it simply reflects the higher cost of meeting an unchanging set of legitimate needs.

Clearly, the need for safe housing presents not so much a construction problem as a social reclamation problem — one that goes to the issues of crime, unemployment, and the deterioration of public schools; of urban decay and institutionalized racism. Acquiring the resources to address such issues, however, may well require more, not less, economic growth. In countries such as our own, isolated individuals, through heroic personal efforts, may find their way to the simple life. However, to reopen the possibility of simple living for the population as a whole, major public investment and a complex social agenda may be required.

— Jerome M. Segal

if you don't stand on tiptoe, you won't see at all. Before long, people who want to see better will be getting stilts. But if *everyone* gets stilts. . . . It is difficult to say, in such cases, whether the buyer of stilts is merely trying to remain equal, or aiming for superiority.

Changing the World

In offering an account of the relational aspects of consumption, I have not addressed the question of whether we *ought* to consume less. Partly as a result, this discussion may seem to have an ambiguous, "half-empty or half-full?" quality. Looked at one way, it might appear to be an apology for consumption; looked at in another, it seems a call for a simpler life. It looks like the first because in explaining the relativity of consumption practices I have also been defending these practices to some extent. It looks like the second because the questions raised get their force from the assumption that consumption is somehow problematic.

Both impressions have some warrant. Certainly, I have offered at least a partial defense of those who "consume because others consume" — a defense against the charges of conformity, greed, envy, or one-upmanship. I have argued that the desire to consume rests partly on factors that have nothing at all to do with status, and that even the desire for status is not always reprehensible — that we consume partly to satisfy the desire for a certain kind of equality that is essential to self-respect. However, the fact that people are found to behave in a certain way or to possess certain traits (assuming they do) does not amount to a justification. Even if my account of our motives for consumption is accurate, it does not entitle us to commit the "naturalistic fallacy" — to move illicitly from "is" to "ought." Maybe we should conclude from the evidence not that consumption is defensible, but rather that human beings are contemptible or at least morally weak.

To some extent this issue will remain immune to rational solution. When all is said there will still be serious disagreements about how much we can or should expect of human beings. Such disagreements are rooted partly in disputes about or ignorance of psychological facts, and partly in evaluative issues. One person's greed is another's openness to new experiences, and it is not easy to see what further information could get them to see eye to eye. Their contrasting views do not depend on divergent factual beliefs, but rather on differing judgments about the moral value of certain character traits or behavior. Similar things can be said about equality and self-respect. To what extent should we purge ourselves of needing things and other people's approval? How important is self-sufficiency as a moral ideal? There can be no simple answer to these questions.

For myself, a middle way seems reasonable. On the one hand, what we count as a virtue must take heed of human psychology; if the great mass of people cannot thrive or be happy without a certain degree of respect from their fellows, then it is at best only the remotest kind of virtue, fit for the very few, to go without it. With regard both to things and to people, too much self-sufficiency is eerily inhuman and remote. On the other hand, too little self-sufficiency is slavish. It is for this reason, among others, that I take the foregoing arguments to constitute only a partial defense of human character. We are made to respond to the stimuli around us, and to care about the opinions of others; but that doesn't mean that we don't often care more than we should. We do.

Similarly, I have conceded that quite trivial things sometimes improve one's well-being, which to some will seem heresy enough; and I have of course argued that one is often better off having things when others do. But all this is perfectly compatible with the view that, overall, we would be better off with fewer things, better off if things and the thought of them dominated our lives less.

Of course, we worry about consumption for other reasons as well: because it seems wrong for some to have so much while others have so little, or because we think that those who have so much are partly to blame for others' having too little. Insofar as we worry about consumption for these reasons — reasons of justice — or for environmental reasons, consuming less could make a big difference. To know whether it would for certain would require us to analyze these reasons carefully. My purpose here has been to show why changes in our consumption habits, if effected collectively, might be less traumatic than those of us who have become accustomed to a certain level of material comfort might suppose.

— Judith Lichtenberg

Sources: Amartya Sen, "Poor, Relatively Speaking," *Oxford Economic Papers* (New Series), vol. 35 (1983); James Duesenberry, *Income, Saving, and the Theory of Consumer Behavior* (Harvard University Press, 1949); Thorstein Veblen, *The Theory of the Leisure Class* (Dover, 1994); Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations*, originally published 1776 (Modern Library, 1937); Robert Frank, *Choosing the Right Pond: Human Behavior and the Quest for Status* (Oxford University Press, 1985); Fred Hirsch, *Social Limits to Growth* (Harvard University Press, 1976).

Reducing or Redirecting Consumption: Political and Economic Challenges

Begin with a fundamental clash between theory and political reality. Suppose that there are compelling reasons — prudential, aesthetic, and moral — for rich countries to limit their consumption, and for developing countries not to emulate current consumption patterns in the developed world. Suppose, second, that reducing rich-society consumption implies slowing economic growth within these societies, and that stable levels of consumption imply a steady-state economy. Place these suppositions next to the view of every democratic politician in the world: that economies must grow robustly, that an economy growing at “merely” 2 or 3 percent annually is underperforming, that improving its underperformance counts as the chief problem facing government, and that failure to solve this problem invariably turns a political leader into an ex-leader.

The contrast could hardly be more stark. It raises the first question of this essay: do existing political systems, and in particular liberal-democratic political systems associated with largely capitalist (free enterprise) economies, have the capacity to reduce existing levels of consumption — to realize the *no-growth/slow-growth* model developed two decades ago by writers such as Kenneth Boulding and Paul Ehrlich? These writers assumed that global stewardship requires more-or-less static levels of consumption. But what are the prospects for creating a steady-state economy?

The second question of this essay concerns the prospects for *redirecting* consumption, thereby achieving what I shall call a *safe-growth* model of economic life. This model implies rapid technological advances in environmentally safe directions, coupled with the cultural changes implicit in transformed consumption habits. Would such an approach be politically viable in a society such as ours?

Obstacles to the Steady-State Society

I start with what is probably the most pessimistic answer to the first question: Robert Heilbroner’s much-discussed 1975 speculation on the future of

humanity in the face of the environmental crises that Heilbroner assumed would inevitably accompany rising population, expanding technology, and shrinking resources, as well as the strains that managing all of these would impose on political systems.

According to Heilbroner, liberal-democratic politics cannot move us to a steady-state society, and a steady-state society could be maintained only under an autocratic authoritarian regime. Here, in a nutshell, are Heilbroner’s conclusions:

The problem is that the challenge to survival still lies sufficiently far in the future, and the inertial momentum of the present industrial order is still so great, that no substantial voluntary diminution of growth, much less a planned reorganization of society, is today even remotely imaginable. What leader of an underdeveloped nation . . . would call a halt to industrial activity in his impoverished land? What capitalist or socialist nation would put a ceiling on material output, limiting its citizens to the well-being obtainable from its present volume of production?

From [a] period of harsh adjustment, I can see no realistic escape. . . . Nor is it easy to foresee a willing acquiescence of humankind, individually or through its existing social organizations, in the alterations of lifeways that foresight would dictate. If then, by the question “Is there hope for man?” we ask whether it is possible to meet the challenges of the future without the payment of a fearful price, the answer must be: No, there is no such hope.

What arguments support Heilbroner’s remarkably gloomy conclusions? I shall focus on three. The first concerns the difficulty of achieving a no-growth economy without severe economic crises. Reduced consumption implies reduced production; reduced production implies increased unemployment; and, historically, widespread unemployment has proven to be a persistent source of political instability. Regardless of any other benefits, real or perceived, that high levels of consumption impart to members of a society, the connection between consumption and jobs provides an overwhelming political motive against limiting consumption. Plummeting employment levels typically launch societies into an all-too-familiar cycle of political extremism, scapegoating, and official repression,

which often culminates in authoritarian regimes regardless of who wins.

A second point, noted by Mancur Olson, is that no-growth policies would most likely freeze not only the *level* of output, but also the *composition* of output. Suppose, for example, that in one year conditions warrant an increase in the production of some good — flu vaccine, for example. To maintain a no-growth policy, augmented flu vaccine production must be compensated by diminished production of something else. But what else? And who decides what else? And what if consumers want the good whose production is deliberately rolled back? Within market economies, fluctuations in demand affect supply through market mechanisms, though of course with some delay. What, then, if market response to increased demand for one good must be conjoined with a government-mandated decrease in the production of some other goods? One way to address this problem is simply to ignore all but the most persistent and urgent fluctuations in demand, and fix the composition of total output by fiat. But this would mean the creation of something like a command economy.

The third point is that a steady-state economy is likely to experience bitter distributional struggles. After all, one person's upward mobility necessarily implies another's downward mobility. We might expect increasing resistance on the part of the upper and middle classes to redistribution downward, and increasing resentment and suspicion among different economic interest groups. Indeed, Lester Thurow argued compellingly in 1980 that even *with* economic growth, America had become a "zero-sum society":

For most of our problems there are several solutions. But all these solutions have the characteristic that someone must suffer large economic losses. No one wants to volunteer for this role, and we have a political process that is incapable of forcing anyone to shoulder this burden. Everyone wants someone else to suffer the necessary economic losses, and as a consequence none of the possible solutions can be adopted.

Clearly, no-growth policies are analytically equivalent to a compulsory zero-sum society.

For these reasons, among others, democratic processes are likely to reject any efforts to achieve a steady-state economy. Thus, efforts to limit growth may have to proceed extra-legally and with very little democratic mandate. As Heilbroner speculates, "the passage through the gauntlet ahead may be possible only under governments capable of rallying obedience far more effectively than would be possible in a democratic setting." Just as a steady-state society may be a repressive and conflict-ridden one, the transition to such a society may well be impossible for any but an authoritarian government to manage.

Redirecting Consumption

Thus far I have examined the disturbing political and economic features that considered reflection fore-shadows with respect to efforts to *limit* consumption and achieve a steady-state society. But what about efforts to *redirect* consumption rather than limit it — through technological efficiencies in production, soft energy paths, biotechnological advances, and the replacement of environmentally unsafe technologies with environmentally safer ones? As Herman Daly observes elsewhere in this issue, advocates of a steady-state economy would certainly endorse these efforts. My assumption here, however, is that new technologies, developed in an enlightened way, might make "safe growth" a viable approach for the long term.

What about efforts to redirect consumption rather than limit it?

Assume that safe growth is technologically feasible, and that redirecting consumption would be less disruptive to our political and cultural commitments than moving toward and maintaining a steady-state economy. Nonetheless, safe growth would confront enormous political obstacles — obstacles that, once again, are likely to strain the capacity of democracies. Transforming an economy invariably costs jobs in the short and even medium run. The trauma undergone by California since the end of the Cold War cut into its defense industry gives some idea of how difficult it may be to move from current patterns of production and consumption to safe-growth patterns. Safe growth may require us to beat swords into plowshares and plowshares into environmentally safer surrogates. Millions, perhaps billions of workers worldwide, will face threats to their accustomed livelihoods, and it is not at all clear that resources will be available to retrain and reemploy them. As we have already seen, the linkage of economic redirection with unemployment poses challenges that may be insurmountable by liberal democratic regimes. Special interests aiming to defend their members' share of the pie will mobilize to stifle reallocation and realignment of the economy. Those devoted to innovative, safe-growth technologies are likely to be less well-organized and more diffuse than existing special interests, and therefore less influential in the political process.

Conditional Cooperation

It may be possible, however, to counteract the logic of interest-group formation through shared belief,

moral and spiritual commitment, and participation in communities of principle. Under such conditions, as Michael Taylor has shown, diffuse groups can successfully organize to provide themselves with a public good, such as an effective political voice on behalf of safe growth. Diffuse groups can organize when their members decide to follow a strategy of *conditional cooperation* — agreeing to cooperate in a group endeavor provided enough other members participate (either conditionally or unconditionally). Admittedly, conditional cooperation does not resolve all collective action problems. It is difficult, in large groups, to monitor the behavior of other members; the temptation to “cheat” by free-riding on other members is ever-present. But where there is a commitment to a community of faith and principle, we have some basis, however imperfect, for trust. Shared and mutually transparent moral commitment can lead to the formation of organized groups able to counteract special interests aiming to protect their distributive shares.

The possibility of cooperation is not important only because it helps counteract the logic of selective interest-group formation. Conditional cooperation can play a direct role in reducing consumption. As Judith Lichtenberg notes elsewhere in this issue, we consume many goods primarily because others consume them. Often these goods become the functional equivalents of necessities: in a telephone culture, one cannot unilaterally forgo owning a telephone. If, however, many people are able to coordinate a reduction in consumption, no one incurs a real disadvantage, and the goods change their status from necessities to dispensable luxuries. In that case, lower levels of consumption become practically possible and politically feasible.

*Reductions in consumption will
inevitably impose genuine hardships
unless they are collectively borne.*

According to survey data, many workers in modern economies would prefer to trade some consumption for additional leisure time. In her essay for this issue, Juliet B. Schor examines this preference and offers an explanation why current economic institutions do not reflect it. Let me propose three further reasons here.

First, there is the tradition of regarding more money and higher consumption as automatically valuable. Second is the phenomenon that Judith Lichtenberg discusses: reductions in consumption will inevitably impose genuine hardships unless they are collectively borne. Third is an argument developed by Marc Galanter and Thomas Palay in their study of large law firms:

Why do big-firm lawyers insist on taking the gains of firm growth in the form of more money income rather than as sabbaticals, time for child-care, political involvement, greater work satisfaction, or whatever? . . . Money is not all that partners want. But as firms get bigger, securing and monitoring agreement about . . . the mix of “goods” they want as their return from practice becomes ever more complex. Since “money” is high (even if not first) on everybody’s scale, it is almost always possible to get agreement on more money over any other competing good.

The same is plainly true in other sectors of the economy: it is easier for workers to agree on the importance of money and consumption than on forms of non-monetary compensation, so institutional inertia preserves the long-week/high-pay/high-consumption value scheme.

If leisure/consumption trade-offs were institutionalized and legislated, it is quite possible that they would attract widespread political support, on largely self-interested grounds. If so, consumption and production could perhaps be reduced without massive unemployment. Instead of dividing the work force into fully employed and unemployed sectors, lower-hour partial employment would spread the costs of downsizing the economy while simultaneously satisfying workers’ preferences for leisure over consumption.

Of course, it is equally possible that limited-workweek proposals would be regarded by many workers as unacceptable intrusions, de facto transfer payments from them to their unemployed brethren. Moreover, such proposals assume that work can be parcelled out among larger numbers of employees working shorter shifts. They assume, in other words, that tasks are endlessly divisible and workers largely fungible. This presupposition may be true of routine jobs, but it plainly makes no sense for, say, composing a symphony. Limited-workweek proposals thus run the political risk of legislatively enshrining status differences between routine and non-routine work, thereby undermining the democratic acceptability of compulsory leisure/consumption trade-offs.

This should remind us that even on the rosiest scenarios the political tasks involved in achieving safe growth will be painful and daunting. To a dispassionate observer, the odds that democracies will be able to rise to the challenge must seem tragically slender. The connections between long-term needs and short-term consumer desires are far from transparent, and yet the connections must be made transparent if democratic consensus can be forged for meeting those needs. In the end, then, our attention must turn to the formation of public opinion.

At present, most Americans express a deep commitment to environmentalist principles and values; and yet these do not translate into altered consumption patterns — we talk green but live brown. Yet talking green is a precious first step, and the possibility of

drawing explicit bridges between our principles and our practice surely offers the greatest promise. Such an effort, however, will require herculean exertions on the part of public officials, religious and civic groups, educators, philanthropies, and the media. Otherwise, sane consumption policies must be rammed down the throats of unwilling populations by central authorities, and that means the end of democracy.

— David Luban

Sources: Mancur Olson and Hans H. Landsberg, eds., *The No-Growth Society* (W.W. Norton, 1973); Herman E. Daly, *Steady-State Economics: The Economics of Biophysical Equilibrium and Moral Growth* (W. H. Freeman, 1977); Robert L. Heilbroner, *An Inquiry into the Human Prospect* (W. W. Norton, 1975); Kenneth E. Boulding, "The Shadow of the Stationary State," in *The No-Growth Society*, edited by Olson and Landsberg; Paul Kennedy, *Preparing for the Twenty-First Century* (Random House, 1993); Lester C. Thurow, *The Zero-Sum Society: Distribution and the Possibilities for Economic Change* (Basic Books, 1980); Marc Galanter and Thomas Palay, *Tournament of Lawyers: The Transformation of the Big Law Firm* (University of Chicago Press, 1991)

Consumption as a Theme in the North-South Dialogue

In connection with consumption, three issues seem especially relevant for the North-South dialogue: (a) What is the relation between mass consumption in the North and mass destitution in the South? (b) Is there an ongoing discussion in the South on the influence of patterns of Northern consumption and, if there is one, what can we learn from it? (c) Is there something like a perspective on consumption typical of the South?

Two remarks may be useful before any answer to these questions is attempted:

(1) "North" and "South," like "West" and "East" before them, are to be taken as very imprecise designations. In addition to the truism that there is no correspondence between geography and economics (New Zealand is in the geographic South but in the economic North; Russia is in the geographic North but in the economic South), there is another, more important fact: intra-regional differences are almost as great as regional ones. Any characterization of "the South," then, must be understood as an approximation. The only justification for the use of such terms is usual practice and lack of a better terminology.

(2) Twenty years ago in Latin America, many theorists tried to explain the underdevelopment of the South by pointing to its extreme dependency on developed countries. One answer to this dependency, they argued, was the creation of a non-consumerist society.

Such a society would affirm local traditions against the encroachments of modernization, and insist that development in imitation of the North was not necessarily the best course for the non-industrial world.

Dependence theory argued that development in imitation of the North was not necessarily the best course for the non-industrial world.

This "dependence theory" was undoubtedly one-sided. In stressing Southern dependency, it failed to consider the ways in which relations between developed and underdeveloped regions are reciprocal; and in placing so strong an emphasis on external dependency, it tended to miss the internal contradictions that are characteristic of the developing world. Nonetheless, the theory performed a useful function by asking what an alternative model of development, and thus an alternative society, might look like. It is not difficult to locate examples of wasteful consumption, on the one hand, and severe deprivation, on the other. But is there not a third option, one that would be open to the majority?

Real Options and Unfulfilled Desires

Unfortunately, in the South today, a privileged minority engage in ostentatious consumption while large sectors of the population remain in dire poverty. Patterns of wasteful consumption by elites in the South have come to mimic and exaggerate usual consumption in the North.

The promotion of high consumption in the South is, of course, advantageous to Northern industrial and service companies. It has been argued that consumption patterns in the North are likewise beneficial to Southern countries, since exports sold in the North provide developing countries with badly needed hard currencies. Indeed, one rationale for signing North-South trade agreements like NAFTA is that an increase in international commerce is good business for all concerned.

However, the fact that international trade may lead to more consumption in the South does not necessarily mean that poverty will be reduced. For millions of destitute persons in the world, consumption is primarily something that a few inhabitants of their countries can engage in as a privilege; with respect to the majority, it is denied or severely restricted — either because of rampant unemployment or because of great disparities between wages and prices. From a Southern perspective, then, what is of primary interest is not so much the distinction between good and bad consumption, but the distinction between consumption as a real option for some and as an unfulfilled desire for most.

This approach to the issue gives us a start toward an answer to the third of the initial questions. As seen from the North, consumption is largely associated with the pleasures of shopping, and perhaps with the depression resulting from not finding happiness in what can be bought. As seen from the South, consumption is connected to the ostentation of the rich, daydreams of the poor, and food riots by hungry crowds.

*Malls are especially interesting
because they represent such a massive
disruption of local conditions.*

In the South, the external signs of the latest onslaught in the battle for a consumer society are very visible. Huge closed malls take the place of open shopping centers, which in turn had taken the place of small grocery stores; flashy cars substitute for inexpensive public transportation; designer clothes are worn by a small minority. Malls are especially interesting because they represent such a massive disruption of local conditions — both climatological and social. Only

a profound distortion of the economy and of social values (together with a modification of political conditions) can explain the existence of these huge air-conditioned buildings in countries where the temperature is comfortable all year round. Within the shopping malls, English is the written language, even in countries where people do not speak it; giant parking lots accommodate dozens of cars, while outside most of the roads are filled with potholes.

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where most people live in happiness
amid plenty of goods and services.*

The visual impact of these monstrous buildings is likewise remarkable: both their size and style — or lack thereof — amount to a violent imposition on the landscape. To attract customers, they are often built in populated neighborhoods, which instantly become noisy, exhaust-filled places and lose any human intimacy they may have had in the past. Everything inside the malls is geared toward selling and buying; all human transactions are reduced to a single function, and the scale of the whole enterprise seems to foster no behavior other than buying as much as possible. However, the prices tend to be astronomical for a substantial majority of the population, who are reduced thereby to gawking without buying.

The few remaining traditional grocery stores, and even the more modern supermarkets which began to sprout in the 1950s, were and continue to be visited by people with specific needs and wants, as well as the money to pay for what they buy. The malls, on the contrary, give rise to a new phenomenon: the reduction of most people to passive onlookers, who dream of the day when they will be able to buy many gadgets whose purpose they do not fully understand. If *Homo sapiens* becomes *homo economicus* inside the malls, there by necessity appears what Ivan Illich calls *homo miserabilis* — persons who are reduced to a marginal condition, not because they cannot perform as an economic agent in another type of society, but because the social conditions are such that they are forced to remain on the periphery of the new economy. It is hard to imagine hordes of visitors getting into supermarkets and grocery stores just to look and to long for the time when they will be able to buy. Yet this has become the everyday occurrence in Third World malls. Physically similar to those in the North, socially they are very different.

The combination of closed spaces, a great variety of imported goods, and English labels is probably intended to give visitors the impression that they are some-

where in the North and not in a country where shantytowns and beggars are all too common. For many years now, movies, magazines, and television shows have depicted a blissful part of the world where most people live in happiness amid plenty of goods and services; now the malls are just those places. The North has moved South.

The South in the North

But now let us take a look at the other side of the coin. If the presence of Northern consumption patterns in the South is so blatant and disruptive, is there something like a Southern presence in the North? Here I can only offer a highly speculative suggestion. It is likely that for many people in the North, the picture of the destitution in the South operates as a deterrent to change, as a powerful image of what they might

*An image of life as it is lived elsewhere
in the world provides the motive
for misguided sentiment or action.*

become if they do not keep doing what they do every day — working endless hours in jobs they find meaningless or oppressive, jobs whose only justification seems to be the income they provide. So, in the same way that consumption in the North has become a utopian dream for the South, perhaps Southern destitution has become a dreaded possibility for the North. This symmetry is worth exploring. In both cases, an image of life as it is lived elsewhere in the world provides the motive for misguided sentiment or action: a pursuit of the worst features of industrial society for some, a reluctance to change toward more meaningful lives for some others. There is a more tangible symmetry as well: just as showy shops full of consumer goods are the visible part of the North in the South, homeless people and inner-city slums may be taken as the South in the North.

Mechanisms of Survival

The questions I have addressed about the relation between North and South have largely been bypassed, unfortunately, in recent discussions and debates. What we often find in their stead is the complaint that the South has too many people and the North too much consumption. This slogan has become a powerful political weapon because of its simplicity and its facile use of imagery. It has been voiced in important international gatherings and in policy documents. As usu-

ally happens with oversimplified visions, it hides a complex web of related problems, while at the same time it becomes either an excuse for avoiding action or a device for the justification of hasty policies. The North is said to consume more than it needs and the South to need more than it consumes. But since there is a North in the South, external problems of unequal relations become internal contradictions.

Expensive consumption has been looked upon with suspicion by many Latin American thinkers as one of the causes of recurrent economic crisis. It is seen as a grave danger for the well-being of society, which is thought to be more secure in a simple life of frugality. One finds such a concern in the 1973 book *The Poverty of Nations*, by the late Costa Rican politician José ("Pepe") Figueres (1906-1990), twice President of his country. Figueres saw the consumption of expensive imported goods as an obstacle to the all-important task of creating decent jobs for the population, especially for landless peasants. The cover of his book — a reproduction of a 1936 drawing by a local artist — summarizes this idea. In the drawing, a barefooted peasant, bearing a heavy sack of coffee beans on his back, tries to cross a city street while a luxury car passes by. Coffee exports make it possible to buy the imported car, but this luxury item contributes nothing either to the productive capacity of the country or to the improvement of the conditions of the peasant.

There is one final aspect of the Southern perspective which merits some attention. In spite of all the adverse conditions in which they live, millions of poor people survive with very low levels of consumption. How do they manage to survive? How is it possible to find laughter and joy in poverty? If their mechanisms of survival were well understood in the North, perhaps the fear associated with personal and social change, sometimes perceived as threatening, would abate. Consumption, then, provides a point of entry to a complex set of realities — especially in a world where survival may well be a shared problem.

— Luis N. Camacho

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Alternatives to the Mass Consumption Society

Critiques of American consumerism abound, and are often directed at the quantities of useless things we consume. But often the real objection seems to be not that we consume too much, but that we consume the wrong things for the wrong reasons. For instance, arguments that Americans are too materialistic, or too wrapped up in gadgetry, are not best characterized as calls for lower levels of consumption. Rather, the critics are expressing a desire for a radically different *pattern* of consumption — one that reflects a non-consumerist orientation or that embodies a richer form of life.

The distinction is critical because changes in consumption patterns do not necessarily entail reductions in consumption levels. Suppose, for example, that we were to trade in our TV sets for harpsichords, and that rather than spend our income on expensive cars, motorboats or clothes, we instead sought out tutors who would help us cultivate our talents in a wide range of artistic and intellectual pursuits. We might employ a vast army of instructors in cooking, in painting, in art appreciation, literature and music; we could devote hours to seeking out new knowledge, taking courses in archeology and astronomy. Now of course, harpsichords and personal libraries, field trips and telescopes all cost money, and the production of them represents new economic growth that might bring new problems of sustainability. Yet there are few social or cultural critics who would take issue with a major expansion in the mass consumption of goods and services to promote these life-enhancing studies.

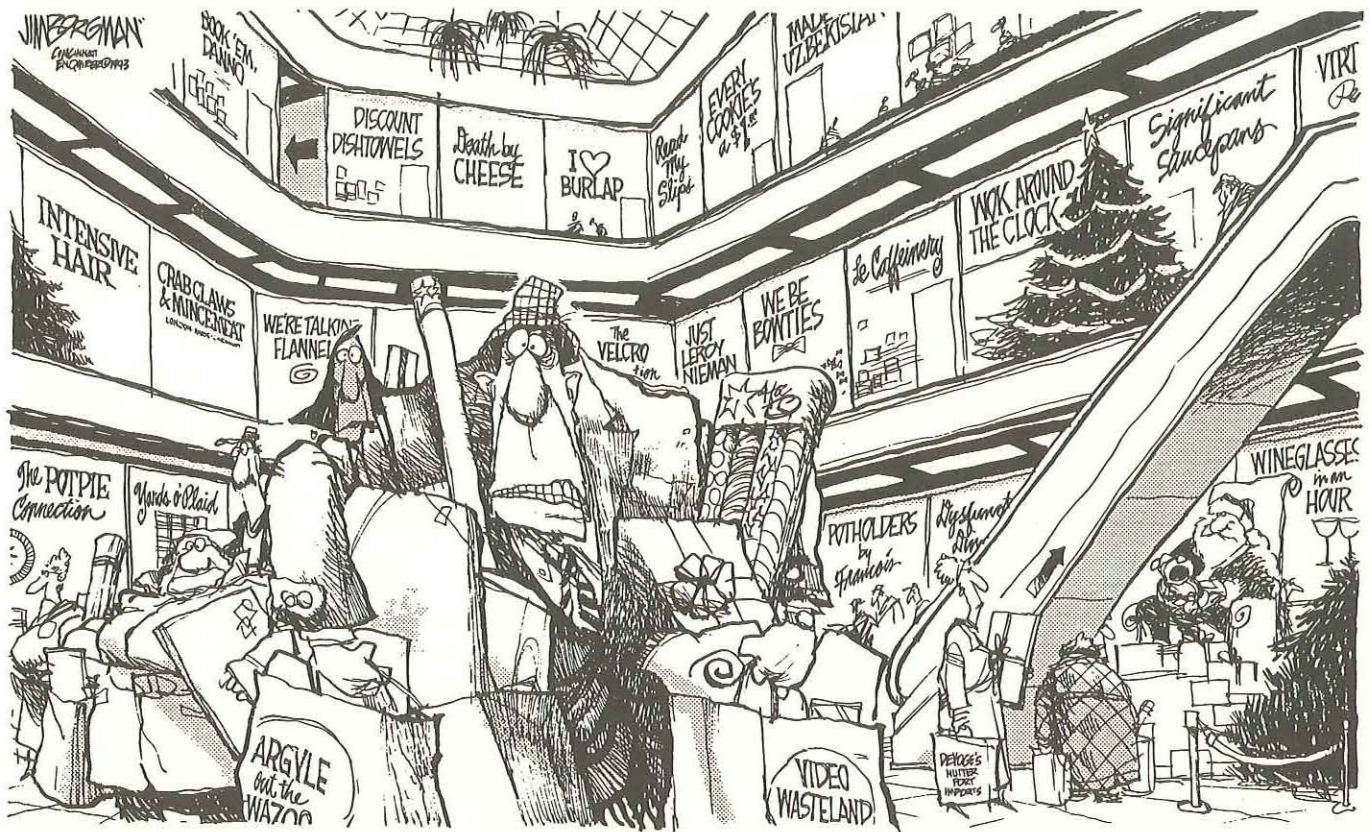
Another way of making this point is to say that limiting or reducing *consumption levels* must be distinguished from reducing *consumerism*. Though reduced consumption and increased sustainability may be compatible with a major shift towards more humanly satisfying patterns of consumption, they are not the inevitable result of such a transformation. We might ask, however, whether alternative conceptions of the economic realm might lead to more sustainable and more satisfying consumption patterns.

Other Conceptions

There are many possible conceptions of the economic realm, each of which incorporates an image of the good life, a view of how the economy is related to the good life, criteria for assessing economic performance, and an understanding of what it is to live at a high economic standard. For example, in the prevailing vision — which we may call the “mass consumption” orientation — the economy contributes to the good life primarily through the goods and services it provides for our consumption and from which we gain pleasure, utility, or want-satisfaction. Economic performance is assessed primarily by the level and growth of real output per person. Employment is perceived as a necessary means to attain the income necessary for consumption, both individually and in aggregate terms.

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Viewed from this perspective, the United States, as compared to other societies and other times, is a relatively successful mass consumption society. Yet throughout the history of thinking about the economic realm, and certainly at different points in American history, there have been advocates of a different orientation altogether. One alternative, which I term “graceful simplicity,” rejects open-ended acquisition and intense careerism in favor of an unharried, harmonious existence centered on the unchanging essentials of human life. This conception does not insist upon austerity and self-denial, but argues that the primary role of the economy is to satisfy those basic needs that must be met if we are to enjoy a healthy and secure existence. As in the mass consumption model, employment is a means to an end, providing us with the



A MALL AND the NIGHT VISITORS

Jim Borgman

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income required to meet our needs. But from the perspective of graceful simplicity, economic progress enhances the good life insofar as it eliminates work and expands our leisure time. Income above the level required for meeting material needs is relatively unimportant and a sign that we are working too much. The amount of true leisure time — time not at work or performing personal household tasks — is a major index of economic performance. The ideal use of this time is to engage in relatively simple activities that require little by way of income and leisure commodities, but that are rich in contact with friends and loved ones.

A second alternative to the mass consumption society, one that focuses not on leisure and its use but on work itself, may be called "the life of creative work." Though related to the work-centered ethos of early Protestantism, the life of creative work proceeds on the assumption that work is potentially rewarding in itself, rather than either a means to success or a sign in relation to life in the hereafter. On this view, the

economy is above all the realm in which work lives are created and shaped, and our enjoyment of the good life depends on the intrinsic satisfaction and social respect associated with the work we perform. Economic performance is measured primarily by the extent to which most people have jobs that are intrinsically rewarding and a source of social esteem. In this understanding of what it is to live at a high economic standard, income levels are secondary; the key factor is work, and work is to be assessed by whether it enhances or stifles human creativity, development, and mental health. From this perspective, consumption levels have relatively little to do with living at a high economic standard. The goods and services we purchase are seen largely as inputs; the real outputs of an economy are the forms of life activity it creates.

The two alternatives just delineated, graceful simplicity and creative work, offer models of society in which individuals would be less concerned with their or others' levels of consumption. Each alternative

holds that seeking ever higher levels of consumption should not be the motive for the individual's economic activity. Intellectually, they offer alternative criteria for assessing the performance of an economy. In principle, at least, the societies that these alternatives promote could be achieved without high levels of consumption on the household level, though this issue is more complex than may at first appear.

Productivity and Economic Growth

We might imagine that only the mass consumption orientation favors technological advancement and the growth of productivity, and that graceful simplicity and the life of creative work dismiss productivity gains as unimportant or even harmful. But this is incorrect. Growth in productivity is critical for all three orientations; the differences lie in how they deal with productivity and economic growth.

In order to promote a life of graceful simplicity, productivity growth can be used in a variety of ways: (1) to enable people to work fewer hours while maintaining a constant level of output; (2) to support public investments and policies which promote simple living; and (3) to expand the private consumption of time-saving and life-simplifying technologies while keeping hours of employment and other consumption unchanged.

The work-centered alternative, a life of creative work, uses productivity growth to increase the direct satisfaction that people receive from their work life (or to decrease the dissatisfaction associated with it), thus transforming work from a burden to a central positive activity that directly embodies the good life. Productivity-increasing advances are offset by justified productivity decreases; these decreases are changes that increase the direct satisfaction of work at the expense of output. Suppose a company achieves a productivity gain in one aspect of its operations by adopting new computer technologies. Such a gain might then be used to offset a "productivity loss" elsewhere. For instance, the company might forgo some of the advantages of uniform service delivery so that workers can give some individuality to their work effort, or it might sacrifice some degree of "efficiency" so that service employees can treat their customers as human beings.

In some respects, graceful simplicity is compatible with a work-centered life. One might view the two as mutually reinforcing. A person whose life centers on a meaningful productive task is not apt to be consumerist. Yet the two orientations are distinct and can easily diverge. For example, each gives a different answer to the question of how to respond to productivity gains. The first says, "Expand leisure"; the second says, "Transform work."

Both alternatives envision a world in which personal consumption is relatively stable at a moderate level. In neither case is the good life thought of as a matter of acquiring consumer goods. Rather, goods and services are required to meet certain core needs; once these needs are met, the good life is not pursued by channeling productivity growth into increased consumption.

Directions for Social Policy

As a social ideal, graceful simplicity can only be achieved through an interaction of changes on the personal level — changes in how we live — and changes in social policy. In broad terms, the social policy component chiefly involves the reduction of working hours, and a process of simplification which creates the possibility of an unharried, quieter space within which individuals and families can find the good life. The specific elements of a leisure-expansion policy agenda might include reduction of overtime work, expansion of part-time options, and establishment of a legal right of workers to decide how much of productivity gains they will take as reduced time.

We do not have to agree on a specific income level or amount of leisure necessary for the good life.

The changes required by a life of graceful simplicity — in the amount of time we work, in the quantity of household goods we consume, and in the extent to which we are burdened by an overload of demands we cannot meet — are all quantitative matters, matters of more and less. Essentially, graceful simplicity is a pole towards which we can move if we choose to do so, both individually and collectively. For this purpose, we do not have to agree collectively on a specific income level or amount of leisure necessary for the good life. What is required is a rough vision of our objective and a program for change which makes sense for the majority of the population — an approach that not only meets our private needs but also addresses our public needs.

Moving toward an economy of creative work, however, would be a much more complex, comprehensive, and problematic task, involving as it does a radically new conception of economic life. In the familiar paradigm, labor is an input, and goods and services are the output; consumer goods and services produce utility, or preference satisfaction, and thus the good life. In the new conception, the good life is the active life, and the central output of the economy is rewarding work lives. Goods and services are now understood as inputs which allow individuals to attain the degree of physi-

Rethinking Human Welfare

In modern industrial economies such as ours, it may seem perfectly rational to accept a philosophy of consumerism. People have little opportunity to choose meaningful work, because the nature of jobs is determined by competitive pressures. The demand for labor mobility disrupts a satisfying sense of community. And the enjoyment of nature is attenuated by urbanization and environmental degradation. Thus, the only thing left under the individual's control is consumption. And it is true that consumption can substitute, however inadequately, for the loss of meaningful work, community, and a decent environment. With enough income people can take long vacations, place their children in private schools, or buy bottled water and a mountain cabin.

Nonetheless, human welfare cannot be measured solely by the ability to acquire goods and services. In addition to consumer sovereignty, our conception of human welfare must be expanded to include *worker sovereignty* and *citizen sovereignty* as well. Worker sovereignty means that people have a choice of jobs — jobs they find meaningful and that enhance their human capacities. Citizen sovereignty means that people can act to create the kind of community and environment they want.

Unfortunately, our present economic system makes it difficult to achieve human welfare in the broad sense. Let me take the provision of meaningful work as an example.

Because of competition, one firm cannot improve working conditions, raise wages, or democratize the workplace if the result is an increase in production costs. Since competition is now worldwide, even a whole country faces difficulties in mandating workplace improvements. It turns out that what people want as consumers — lower prices — makes what they prefer as workers — better working conditions and wages, more meaningful work — less obtainable. This bifurcation is the result of relying on the market as the primary decision-making mechanism.

As a society, we can devise mechanisms for expanding worker and citizen sovereignty. Economists can suggest tools, such as market incentives and taxation schemes, to influence consumption practices. But the first challenge is to expand our view of human welfare, so that we no longer define the individual as a simple consumer of goods and consumer sovereignty as the goal of economic life.

— Charles K. Wilber

Charles K. Wilber is professor of economics at the University of Notre Dame and author, with Kenneth P. Jameson, of *An Inquiry into the Poverty of Economics* (Notre Dame, 1983).

cal and mental well-being necessary to live those lives, and economic performance is assessed not by the quantity of goods and services produced, but by the quality of the jobs it gives rise to. By this standard, there are at present no successful economies in the world; in virtually all countries, there is a shortage of "good" — that is, inherently rewarding — jobs.

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The ultimate goal of a transformation of work lives is to elevate work to the level of a "calling" — a change that goes to the heart of our culture. John Dewey said that the happiest day of his life was the day he discovered that it was possible to make a living doing what he most loved to do. A work-centered economy would seek to develop work activities that engage our creative energies and are directly life-enhancing rather than life-depleting. Such an economy would take as its *productive objective* the expansion of the supply of jobs involving such activities, and the progressive reduction and elimination of jobs that are not or cannot be inherently satisfying. It would take as its central *distributional objective* ensuring that all members of the society have some degree of calling within their work lives, and that the remaining mundane and arduous work tasks are equitably shared.

Several points should be made about such a transformation:

1) Equitable distribution of work that is not highly esteemed or inherently rewarding would have a very powerful impact. No one needs to be engaged in creative activity at all times, and there is nothing inherently destructive about work that is routine or purely physical, so long as it is a limited part of what people do and does not serve as the basis for their social identity. Just as the more mundane aspects of housework must be shared, so too should other tasks necessary to a functioning economy.

2) The redefinition of an economy's ultimate output as work itself carries with it the objective of the radical redirection of technology. The old utopians believed that once workers were no longer made to bear the brunt of the social cost of technological transformation, automation would be viewed as a blessing that eliminated the worst kinds of work. Today, however, there is a need for technologies that will re-create the work experience itself. That is to say, we need *tools* that allow the individual to impart his aesthetic values into

his work product, and not just *machines* that restrict the qualitative range of labor inputs.

3) If there is to be a radical transformation of the supply side (the qualitative nature of work activity), then this requires a transformation on the demand side. For instance, cooking and everything associated with restaurants has a different meaning in France than it does in the United States. The reason that quality cooking is a central part of the work life of those employed in French restaurants (and that French chefs are regarded as members of a profession) is that the French consumer of food is very different from his American counterpart — more discerning, more selective.

Generally, we can say that moving towards a work-focused conception of the good life requires the aesthetic, moral, and intellectual enrichment of everyday existence. In order to change the modes of production and service delivery so as to allow for individual value input into goods and services, we must enhance the consumer's aesthetic interest in the goods and services themselves. We cannot have an economy which employs people in making beautifully crafted goods if the consumer is incapable of appreciating them; small farmers who take pride in growing genuinely tasteful and healthful fruits and vegetables cannot maintain a viable market share if few consumers care about the difference. The extent to which the labor force contains teachers and artists, poets and potters depends on the magnitude of the demand for what they produce.

Placing the inherent value of work activity at the core of our economic life is one way of moving beyond a consumption-oriented society. And yet, this alternative actually requires a new interest in what we consume. We might even speak of it as a true materialism, in which we would actually taste what we eat, and perceive what we buy. Thus understood, consumption would involve a value revolution within ourselves — an awakening of aesthetic, moral, and intellectual interest, a change in the way we see and hear and taste and feel.

— Jerome M. Segal

Jerome M. Segal is the author of *Agency and Alienation: A Theory of Human Presence* (Rowman and Littlefield, 1991).

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