



“Summary of article by Allan Schnaiberg: The Expansion of Consumption” in Frontier Issues in Economic Thought, Volume 2: The Consumer Society. Island Press: Washington DC, 1997. 27-31.

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### **“Summary of article by Allan Schnaiberg: The Expansion of Consumption”**

In the final analysis, then, consumption cannot be the leading factor in the expansion of production. Increased consumption may permit expanded production, but it does not generally cause it. Wage income shifts typically follow production changes, marketing typically follows production shifts, and consumption follows all three of these factors. Consumer resistance, though, can and does occur, where it is permitted. Some products die because of it, but few are born solely because of consumer wants or needs, independent of the production structure. (192)

In recent decades, environmental degradation has followed increases in material consumption by consumers and producers. According to neoclassical economic theory, changes in consumer behavior will be sufficient to ameliorate or negate the harmful effects on the environment. This paper argues that in industrialized countries consumption levels are determined primarily by producers and that changes in production are essential to reversing or reducing environmental degradation.

In industrialized economies, high aggregate consumption levels are necessary to maintain profits. In order to maintain high production and profit levels, producers work to stimulate demand for products that can be mass produced. Once wages are high enough to permit innovations in consumption, producers shift their investment patterns to create products in new areas, thereby creating new avenues for consumer demand.

Advanced industrialization has brought about a broad panoply of environmental problems through increases in material consumption. Consumption levels have risen dramatically despite the fact that services now constitute a growing proportion of total consumption. This suggests that demand for services is closely tied to goods consumption:

Consumption of services, therefore, exists in a variety of relationships to the goods produced by the primary/secondary industrial sectors. First, service industries are consumers of many of the products of these sectors (energy and paper, especially). Second, they stimulate a variety of demands for production goods by other consumer: industrial, government, and private ones. Third, they provide the mechanisms by which consumption of these producer goods can continue -- through delivery and repair. (171)

As consumers, the service industries have had a devastating impact on the environment (e.g., waste production, use of land for waste disposal, and air/water pollution).

Of course, an expanding service sector is not the only perpetrator of environmental harm, the nonservice sectors extract ever increasing amounts of natural resources to support high volumes of production without adequately replenishing or compensating disrupted ecosystems.

The view that environmental degradation can be effectively stopped by changing consumption patterns is represented by the neoclassical model of the *sovereign consumer*. Consumers are said to be sovereign in the sense that individual preferences formed and acted upon with very little influence from producers, govern the decisions of producers. This model is compelling in that it provides for a simple solution to consumption based environmental problems. If the population is controlled and consumption per capita is decreased, then the impact on the environment will be reduced. One significant problem with the sovereign consumer model is that it provides an inadequate account of the dynamic connections between consumption and production processes.

### **Consumer Demand and Production Expansion**

The view that consumers are sovereign is untenable in light of the pressures that producers are under to ensure that consumer demand stays high. Generally, the sovereign consumer model fails in two important respects. It does not account for the influence of external, political forces on the formation of consumer preferences, and it suggests falsely that consumer behavior is essentially autonomous. In fact, consumers do not freely determine their preferences, and they are not always self-determining in their attempts to satisfy their preferences.

According to the consumer sovereignty model, individual consumers prioritize desires and producers then develop products to satisfy them. However, producers are much more proactive in developing consumer preferences than this model allows. For instance, advertising is often used to heighten consumer awareness of unmet needs and to argue that such needs can be satisfied through the purchase of its products. By persuading consumers of the importance of certain desires, advertising influences the way individual wants are prioritized.

The consumer sovereignty model also implies that each consumer choice is independent of the next. Consumption of certain goods necessitates the consumption of many other types of goods. For example, buying a house in a suburb often involves increased consumption of automobiles, electricity and land. Once a lifestyle is chosen, consumers are confined to the limited choices made available by producers; e.g., suburban consumption patterns are often energy inefficient with respect to the provision of many family services. "Rather than thinking about demand for a given type of product, then, we must think of clusters of related demands, contingent upon an initial consumer choice or consumer response to extensive supply structures." (181)

Consumer choices are heavily influenced by the range of available public goods and services since these can be effective substitutes for large volumes of private goods and services. The large political influence wielded by businesses has prevented any such substitution. Consumers may appear to freely choose suburbia over other locations, but the public policies that make it easy to do so are supported by businesses rather than consumers.

The political processes underlying the shift to more environmentally costly transportation have been far afield from any model of consumer sovereignty. Although consumers, in some organized groups, have made inputs that relate to contingent demands (e.g., arising from past suburbanization), the decision making for such policies has been heavily weighted in favor of producer groups. Little of this decision making has occurred in open public debate, with informed public representatives present. Organized interest groups have been predominantly (and at times, almost exclusively) auto-truck related industries, the so-called highway-automobile complex. No extension of the consumer demand model can be stretched to cover such decision making. Yet the inevitable consequence has been the shift to totally different patterns of transportation. (182)

For example, in the middle third of this century, United States political policies which supported the expansion of public transportation were replaced by business-influenced government programs that favored the development of a national roadway infrastructure, suburbanization, and the subsidization of truckers.

#### Constraints on Consumer Actions

Even if autonomy is not compromised in the formation of consumer preferences, it is constrained by a number of factors once these preferences are formed. The wealthiest groups exercise disproportionate control over what is produced; the more a consumer spends, the greater his voting power in the marketplace. Producers react to the needs and priorities of big spenders, not just any consumer; buying trends are set by those with money to spend on novelties. The effective demand of wage-earners is constrained by collective bargaining arrangements and government policies that are, for the most part, independent of the "autonomous" consumer.

The sovereign consumer model implies that consumer purchases reflect reasoned choices, but this cannot be true, considering how little consumers often know about their purchases. For example, the technology and manufacturing processes that underly many products are concealed from most consumers. It is the producers who have the power to influence the processes employed in goods production. When alternatives, such as automobiles of different sizes or running on different fuels, are not offered by producers, consumers have no ability to "choose" them.

Shifts in consumption patterns are the end result of changes in income, production and marketing. Consequently, any efforts to reduce environmental degradation must focus on the production system and the role of politics, rather than on consumer behavior.

From a social structural perspective, there is no theoretical basis for treating consumers as distinct from the multiplicity of roles they play in society, for consumption seems to be an outcome of these other roles. That is, consumers are not organized per se, except in the sense of a consumer movement, which has its roots in other political and economic role of participants quite often. But consumers are typically workers, or dependents of workers, and as such are immediately tied to the production system. They are also citizens, and thereby linked to the political structure. (191)