



“Summary of article by Neil McKendrick: The Consumer Revolution of Eighteenth-Century England” in Frontier Issues in Economic Thought, Volume 2: The Consumer Society. Island Press: Washington DC, 1997. pp. 132-134

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## **“Summary of article by Neil McKendrick: The Consumer Revolution of Eighteenth-Century England”**

A consumer revolution occurred in England in the eighteenth century along with the industrial revolution. The consumer revolution was the demand side analog to the supply side industrial revolution. All classes took part in this revolution, characterized by new prosperity, and new production and marketing techniques. The consumer revolution marks a turning point in the history of human experience.

The change was heralded by commentaries which wondered at and complained about the new phenomenon. Change was seen all over, including in architecture, pottery, furniture, fabrics, cutlery, and gardening. The wealthy led the way and the masses followed in this consumer boom which was driven by vertical social mobility, social emulation, the influence of fashion, and unprecedented levels of prosperity. Advertising had reached a feverish pitch and new sales techniques were developed in pursuit of the consumer.

The consumer boom was in the making over a long period of time. The intellectual origins of the revolution can be traced back to new ideas that emerged in the 1690s. In the early 1600s the mercantilist notion that a nation's wealth grew through a favorable balance of payments was widely accepted; this discouraged consumption, especially of foreign goods. Domestic consumption (also called home demand) was seen as a necessary evil, with only the rich expected to consume luxuries. The idea that increased consumption would generate demand which would in turn increase a nation's wealth was not grasped at first. However, the introduction of cheap calicoes and muslins from India by the East India Company and the huge demand for them revealed the economic benefits of catering to the power "of envy, emulation, love of luxury, vanity, and vaulting ambition." (14)

By the end of the 1600s the benefits of progressive levels of spending were becoming well recognized, and were challenging the prevailing orthodoxy that disapproved of self-indulgence. Among writers who wrote in favor of the consumption of luxuries were Dudley North, John Houghton, and Nicholas Barbon.

However in the beginning of the eighteenth century these views were still controversial as they implied that class distinctions fostered hedonism and were based on little more than purchasing power. The negative reception given to Mandeville's provocative allegory, the *Fable of the Bees* (published in 1714) shows how great the threat of the new ideas about consumption were seen to be. Mandeville argued that national social and economic benefits resulted from luxury, avarice,

prodigality, pride, envy and vanity. He went on to say that lavish consumption resulted in employment for many, and he extolled the virtues of conspicuous consumption and emulative spending. For these unpopular ideas, he "was held to rival Machiavelli and Hobbes as the father of lies." (16)

It was only in the middle of the eighteenth century that consumption and the pursuit of luxury came to be universally accepted as socially beneficial. In 1776 Adam Smith wrote in his *Wealth of Nations* that "Consumption is the sole end and purpose of all production; and the interest of the producer ought to be attended to, only so far as it may be necessary for promoting that of the consumer. The maxim is ..... perfectly self-evident."<sup>1</sup> Socially too, England was ready for a consumer boom. English society was multi-layered with vertical mobility both possible and coveted. Such a mobile social structure was important for the spread of the consumer revolution as each group tried to climb up the social ladder by acquiring possessions, especially clothes which symbolized advancement.

Another factor in the creation of the consumer revolution in England in the eighteenth century was the size and character of its capital city, London. Sixteen percent of the English population lived in, or moved in and out of, London, and were exposed to the city's shops, lifestyles, and fashions. London was the center for forms of conspicuous consumption which were mimicked elsewhere. The numerous servants in the city emulated their masters and spread the consumer revolution to the lower classes. While none of these factors were unknown in other times and places, the sheer size of eighteenth-century London and the gradual rise in English incomes allowed new levels of commercial activity to take place.

Family incomes rose in part as a result of longer working hours and increased employment of women and children as well as men in industry. With more women employed, there was an increase in demand for goods previously made at home, such as clothes, beer, candles, and other household items. Economic theory gradually caught up with reality, recognizing the importance of the home market. Enjoyment of consumption was no longer seen as the prerogative of the rich. New industries supplying furniture and home furnishings grew rapidly toward the end of the century; and sales of countless commodities soared upward. In the last 15 years of the eighteenth century, while the population grew by 14 percent, tea consumption increased by 98 percent and that of printed fabrics by 142 percent.

With so much evidence in favor of a consumer revolution, why have historians been reluctant to recognize its importance? Economic history has traditionally seen market expansion as merely a reflection of and response to increased supply. Pre-industrial life is often romanticized as a comfortable, organic, uncorrupted existence (a view that is easily refuted by the evidence of overwhelming pre-industrial poverty). Pessimistic interpretations of the Industrial Revolution, based on the fact that many suffered during industrialization, have prevented some historians from recognizing that there were many who gained. Some economists have argued that home demand could not have risen fast enough to be the source of the period's rapid economic growth. The evidence seems clear, however, that a consumer revolution driven by commercialization and home demand had overtaken eighteenth-century England.

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1. Adam Smith, *An Inquiry into the Nature and Cause of the Wealth of Nations*, 1776; cited in McKendrick, 15.