



Goodwin, Neva R. "Overview Essay: Scope and Definition," Part I, Frontier Issues in Economic Thought, Volume 2: The Consumer Society. Island Press: Washington, D.C. 1997. pp.1-10.

**Social Science Library: Frontier Thinking in Sustainable Development and Human Well-being**

### **"Scope and Definition" by Neva R. Goodwin**

The scope of this volume must depend, in part, on how we define the subject with which we are grappling. What is a Consumer Society? Let us start with a smaller part of that question: what is consumption?

#### **ECONOMIC AND OTHER VIEWS ON CONSUMPTION**

In the Introduction to this volume we said that we would restrict our exploration to the economic concept of "final" consumption, most often associated with households (as distinct from, for example, the consumption or use of materials by firms, or by governments). This accords with most economic theory and modeling, which is concerned with the consumption of goods and services that have been purchased from a "producer" and are then in some way used by the "consumer". In the conventional view, consumption in economics is a simple, individual, readily quantified process of satisfying well-defined needs. This part will consider some alternative views that have recently gained prominence, diverging from mainstream economic theory in two directions.

The "sociological view" (held by others as well as sociologists) emphasizes the social and symbolic meanings of consumption. The "environmentalist view" emphasizes the material implications of consumption, in light of potential ecological limits to growth.

One starting point for the sociological view has come from economics. Kelvin Lancaster pointed out that what we seek when we set out to make a purchase is not a good itself, but rather its *characteristics*. Along similar lines, Harry Johnson has noted that what we actually *consume* may or not be the good, but will, in any case, be the "service" that the good can provide.<sup>1</sup> For example, when we buy a hat we are seeking the characteristics of style, warmth, rain or sun protection, and so on. We won't actually consume the hat, but will consume the services contributed by its characteristics (the feelings we receive from wearing a stylish hat, the protection and warmth it provides, and so forth). The hat can continue to provide some of these services as long as it holds together; others may be used up more quickly. For example, if "newness" is an important characteristic, that will soon wear off.

Some recent writers have extended the Lancaster/Johnson approach, moving even farther away from the actual thing (or service) that is purchased and used by the consumer. Daniel Miller and Alan Warde are two writers who especially focus on the postpurchase activities in which the

consumer distances herself from the impersonality of the market transaction, actively incorporating the thing into a world of her own creation.

This contrasts with the approach of the environmentalists, who emphasize the material starting point of the whole economic process. Most consumption activities can be traced back to some extraction and use of natural resources -- the environmentalists' special concern. This is expressed by Herman Daly, a leading ecological economist, when he states that "consumption is the disarrangement of matter, the using up of value added that inevitably occurs when we use goods. Consumption is the transformation of natural capital into manmade capital and ultimately to waste." <sup>2</sup>

### **ESSENTIAL CHARACTERISTICS OF A CONSUMER SOCIETY**

Now we are ready to attempt a broader definition, of the consumer society. One of the motives for the recent focus on this topic comes from the environmentalists' concern with the physical entropy that arises in all stages of the economic process, from extraction through production, distribution, use and disposal, with entropy usually increased at each of these stages. Nevertheless, the environmentalists' concern for what happens to material resources is not the central feature of the prevailing definitions of the consumer society. Two quotations will give the general flavor:

A consumer society is one in which the possession and use of an increasing number and variety of goods and services is the principal cultural aspiration and the surest perceived route to personal happiness, social status and national success. <sup>3</sup>

A consumerist society makes the development of new consumer goods and the desire for them into a central dynamic of its socioeconomic life. An individual's self-respect and social esteem are strongly tied to his level of consumption relative to others in the society... <sup>4</sup>

An apparently necessary, though not sufficient, characteristic of a consumer society is that "people obtain goods and services for consumption through exchange rather than self-production".<sup>5</sup> The things whose consumption characterizes a consumer society are not those that are needed for subsistence, but are "valued for non utilitarian reasons, such as status seeking, envy provocation, and novelty seeking".<sup>6</sup>

One of the most common themes is that a consumer society relates individual identity to consumption, so that our judgments of ourselves and of other people relate to the "lifestyle" that is created by consumption activities. Thus Raymond Benton defines "consumerism" as "the acceptance of consumption as the way to self-development, self-realization and self-fulfillment", <sup>7</sup> and Anderson and Wadkins contrast consumption-oriented societies with production-oriented ones, noting that, in the former, "[a]n individual's identity is tied to what one consumes rather than in a production culture where an individual's identity is more tied to what one produces."<sup>8</sup>

Throughout these definitions we may see that the characteristics of a consumer society include issues to do with:

- a) *Commodity characteristics* and the *symbols* associated with them.
- b) The interlinked *behaviors* of producers (who, through advertising, etc., attempt to increase their sales) and of consumers (whose behavior is often seen as manipulated by producers).
- c) *Attitudes* toward commodities and toward commodity-oriented behavior.

All of these issues are engaged, for example, in the attention that has been paid to mass production. The characteristics of mass produced items (the fact that they arrive on the market in large numbers, all alike, and are produced at a relatively low marginal cost) make it possible - and necessary - for producers to induce most members of a society (not just the elite) to become habituated to consuming purchased items, and to purchasing more than they need for bare subsistence. The behavior of producers and consumers are to some degree shaped by this necessity. Cultural attitudes have been called into play - some may, indeed, have been called into being - to support the behavior that is a necessary basis for a socioeconomic system much of whose activity is oriented to the production and sale of mass-produced commodities.

### **IF CONSUMPTION IS THE MEANS, WHAT IS THE END?**

The last paragraph laid out one picture of the consumer society, presenting a complex relationship - with some hints as to the directions of causality - among commodity characteristics, cultural attitudes, and socioeconomic behaviors. Is this an accurate picture of our society? Is it more accurate than other, different pictures? Many of the writers represented in this book grapple with the questions of what is an accurate, description of our society, and of the roles played in our society by consuming behavior and by attitudes towards consumption. These authors offer a variety of different descriptions, even though by no means all views will be directly represented. We will find that the attempt to describe our world as it is will be complicated by the strong normative (value-related) views of the authors. These views are necessarily interrelated with debates over positive (objective, fact-based) analysis. For example, the issue of whether greater consumption brings greater happiness involves both the interpretation of survey results (positive analysis) and also perceptions about social and environmental norms and values.

Durning's article - the first one summarized in this section - makes a critically important point with respect to this issue when he says:

In the end, the ability of the earth to support billions of human beings depends on whether we continue to equate consumption with fulfillment. (Durning, 157)

The implication here - one that deserves to be spelled out explicitly - is that human beings have some choice in how we define success (or happiness, or well-being, or whatever word we use for our goals). That definition depends partly, to be sure, on our biological needs, but it also contains a large cultural component - a component which probably becomes relatively more dominant as the wealth of societies expands beyond what is needed for the simple maintenance of life.

It is increasingly recognized that even what we think of as basic, essential needs are human constructs; culture is even more so. No individual can, alone, create a culture, but each of us participates in its ongoing construction. The statement quoted from Durning suggests that, as we continue this process, if we are wise we will accept guidance from the realities presented to us by ecologists, replacing a short-sighted, throw-away culture that is severely damaging to our environment with "a culture of permanence."

Durning speaks of the "correlation between ability to consume and happiness." From the perspective just described, this is not a given. Our sense of well-being depends in an important way upon our *definition* of well-being. That definition is a variable which we might choose to try to affect if we are persuaded that it is necessary to do so in order to preserve something of value. Are the "facts" about the impact of consumption on the natural world, as described by environmentalists, more scientific, less subjective, than the way we ourselves are affected by our consumerist lifestyle? We are seeing the early stage of the development of a strong body of research, about, for example, the likelihood of global warming, the health effects of agricultural chemicals, even perhaps the human psychological dependence upon certain aspects of nature. All of these issues continue to be hotly debated, and human values, wishes and practical interests play a large role on each side of the debate.

The second summary in this section is of an article by David Crocker which takes the value issues head-on. He raises the questions:

To what extent, if any, is our current consumption good for us? Bad for us? Would some other level or kind of consumption be better? What evaluative criteria should we employ to assess the impact on our lives of our present consumption and to evaluate alternatives? (Crocker, 3.)

Crocker identifies the important theme of means and ends that is carried through a number of other papers summarized here, especially those by Marshall Sahlins and William Leiss. Sahlins says that "Scarcity is not an intrinsic property of technical means. It is a relationship between means and ends." (Sahlins, 4-5) In other words, your goals can be so defined that what you have is enough; or they may be differently defined, "causing" scarcity.

The idea that scarcity is not given to us as a fixed fact, but depends upon the level of our wants, is not new to much of Eastern philosophy. It is, however, diametrically opposed to two basic premises of modern neoclassical economics, which assumes that (1) wants are exogenous to the economic system (they are not influenced within it), and (2) wants are insatiable.

Many commentators in this century have accepted the second assumption at the expense of the first, as the evolution of economic logic made it necessary to choose between the two. (For example, the appearance of insatiability is in effect derived from the fact that new wants arise in response to evolving economic possibilities; thus wants must be seen as endogenous to the system.) This theoretic choice was partly the result of an image of human nature that emphasizes the driving forces of emulation and envy, along the lines laid out by Thorsten Veblen in *The Theory of the Leisure Class* (published in 1899). A related tendency of human nature that is described, in various forms, by many different writers, is that whatever we get seems less

appealing than it was before we got it. Colin Campbell (in a book partially summarized in Section VII) emphasizes the creative role of the imagination, which can daydream a better world than any we are likely to encounter. Other authors find other reasons to anticipate, as Leiss does, that "no matter how wealthy and productive our society might become, we would always require higher levels of production and greater quantities of goods." (Leiss, 24) A result, as Crocker concludes, is that "American consumerism seems more productive of dissatisfaction than contentment." (Crocker, 24)

These observations about inherent tendencies in human nature and the resulting state of dissatisfaction have been offered as statements of fact. It would be nice if we could turn to the discipline of psychology for clear and undisputed evaluations of their truth. Unfortunately, none of these issues has been comfortably settled.

### **THE ROADS TO HAPPINESS**

Emulation and the tendency to want more than we possess have been observed at least since Aristotle's time. This century's communist regimes conducted some grand (largely unsuccessful) social experiments in controlling them or in redirecting emulation to nonmaterial goals. There is still little agreement on the extent to which these characteristics are inevitable, how large a role they play, or what cultural controls might be effective in reducing their impact.

There have been many studies on the issues of how happy people are and what makes them happy. As this is a topic which will have a prominent place in the next *Frontiers* volume (*Human Well-being and Economic Goals*), we have not gone into it in depth here, only summarizing the single article which seemed to best represent the state of knowledge as it applies, particularly, to the consumer society. Richard Easterlin's 1974 article, "Does Economic Growth Improve the Human Lot? Some Empirical Evidence" <sup>9</sup> has been widely cited, discussed and argued over for two decades. His recent article, "Will Raising the Incomes of All Increase the Happiness of All?", summarized in this section, brings the debate up to the present.

Recognition of the imponderable effects of cultural differences, along with attention to methodological and other criticisms, have caused Easterlin to reduce the importance he had earlier placed on international comparisons. At least on a within-country basis, however, his essential conclusion remains: Happiness is relative; a person's sense of well-being depends less on the objective reality of material affluence than on how his or her position compares to the reference group. At any point in time, wealthier people as a group are much happier than poorer members of the same society. However, careful research over a period of decades in many developed countries has shown that even substantial economic growth and increases in average incomes lead to no increase in average happiness for society as a whole.

The authors summarized in the rest of this volume, whether or not they address these questions openly, almost all seem to make some assumptions about their answers. Most of these writers accept some version of the Easterlin conclusion -- namely, that the part of happiness which depends upon material well-being is a function of how one interprets one's achievements; and that, in turn, is determined by the expectations raised by the material achievements of one's reference group. Only a few of the writers represented in this book accept the hypothesis that

there is some absolute dependence of well-being upon material success. That is, however, the dominant assumption in neoclassical economics writings.

There is, thus, a division between economics, on the one hand, with its implicit assumption that maximizing well-being and maximizing material wealth are the same thing, and, on the other hand, the findings of researchers in the Easterlin tradition, who find that this correlation is weak or even nonexistent *when it is measured over time*. Within a consumer society the economic view has a strong consonance with popular beliefs.

The rise of the twentieth century consumer society has been an integral aspect of the continuing evolution of Western culture. At any point in time the majority of such a population appears to look at those with higher consumption levels as models for a better, happier way of life. The small elite who are at the top of the heap, with no one to look up to as a model for how to spend more, still strive for more because they want to stay ahead of the pack. It is difficult for people to adjust their immediate wishes to the little-known fact that, as the tide raises all boats together, those who maintain the same relative position to others will not feel better off -- even though they have achieved higher consumption. Even those who guess that this might be so often stay in the rat-race in the hope that their relative, as well as their absolute, position will improve.

It is almost impossible, within such a culture, to imagine the lack of desire for durable goods and the distaste for differentiation of which we catch glimpses in some anthropological reports. Sahlins is especially valuable for his projection of an alternative way of living and thinking. (Another very accessible image of a nonconsumerist mind-set was the 1960s movie *The Gods Must be Crazy*, with its beautiful, funny, and perhaps accurate depiction of neolithic attitudes.)

Our embeddedness in the consumer society makes it important, but very difficult, to answer a set of critical questions concerning not what people want, but what actually supports well-being - namely: 1) is there some optimum level of consumption, after which more consumption is far less likely to contribute to more well-being? 2) If so, how is that level defined - apart from comparison with a reference group? 3) Would an "optimum level of consumption" be pretty much the same throughout humanity, or does it depend strongly upon cultural definitions of success, happiness, and so on? 4) If the latter, what are the options for affecting those cultural definitions? (Again, *Frontiers* Volume 3 will summarize writings that address some of these questions.)

In attempting to get at the aspects of well-being that are *not* dependent on norms and the related forces of emulation and envy, it may be that in our culture there is at present no way of defining an optimal consumption limit. While there are few places in the world today that are not strongly affected by this culture, it seems perfectly plausible that there have been and could be other societies in which people know how to define "enough". However, if we are to take seriously Durning's quest for a society that can ask and answer that question, it appears that the best way to achieve this will be to go forward and discover some never-before-seen, perhaps post-industrial, very distant relative of Sahlins' "original affluent society."

## **NEOCLASSICAL THEORY AND CONSUMER SOCIETY: A CONFLUENCE OF CRITIQUES**

The foregoing discussion makes it evident why the scope of this book is best expressed in the title, "the consumer *society*." While a study of this topic makes it necessary to look closely at the three narrower subjects suggested earlier - the *behaviors* and *attitudes* of consumers and producers, and the *characteristics* of the commodities over which they meet - ultimately our topic is the whole society whose options for how to live well are at present shaped by a consumption-oriented culture.

The thinkers who in one way or another address this broadly-defined topic are generally impelled to do so because they perceive a problem. By contrast, those - like the mainstream economists - who take our socioeconomic system as given, or who do not feel that it should be regarded as problematic, have less reason to write about it. (An exception is Stanley Lebergot's book, *Pursuing Happiness: American Consumers in the 20th Century*, which was written as a defense of the consumer society, responding to the mounting chorus of complaint against it.)

Among the most creative and thoughtful authors in our field are the three summarized in this section who directly take on the whole system as a problem: Alan Durning, Allan Schnaiberg and Juliet Schor. The first two of these focus especially upon environmental issues, where there is more hard evidence for the belief that the consumer society is riding for a fall. While Durning sees the resolution of this problem as a cultural issue ("The challenge before humanity is to bring environmental matters under cultural controls" - Durning, 167), Schnaiberg finds a different approach to social definition. Reflecting on whether the creation of the consumer society is driven by consumers themselves or by producers (an issue that will recur in Section IV), he comes down strongly on the latter side, concluding that the central fact of a modern industrialized society is that "Consumption in the aggregate must be kept high to maintain the economic structure." (Schnaiberg, 167) In his view American products are designed to accommodate, not the consumer, but the methods of production and distribution and the profit maximization and market positioning of the producers. The producers have the power to limit consumer sovereignty by creating and directing a culture of wants. The solution to the problem, therefore, must be found on the production side.

Schor's approach to a solution starts from the vision that was to be found a hundred years ago, before the consumer society had fully taken hold, when "the alternative to 'work and spend' was leisure time and public culture." (Schor, 7) She and Schnaiberg both remind us that the consumer is normally also a worker and a citizen. Schor emphasizes the hope that the full person (worker-consumer-citizen) can be brought to see the desirability of adopting a practical combination of less work/less income/less consumption.

Schor urges a positive (as opposed to a normative) critique of the standard economic assumptions, based on continued study of the question of how consumption is related to well-being. Colin Campbell, the last author summarized in this section, reviews the ability of academic writers from a variety of fields to respond to this call. His knowledgeable survey provides another, more succinct introduction to a range of writings in the field (including many that are summarized in this book and many that have not been included). The special value of his article is that it relates different aspects of the work currently being done on the consumer society, showing how ideas are being exchanged and built upon across disciplines.

According to Campbell, the simple perspective of neoclassical economic utility theory, developed in conjunction with assumptions of general equilibrium and perfect competition, is no longer a dominant part of the broader discussion of consumption. Indeed, he asserts, the discussion has even moved beyond a protest against this unrealistic approach. At the same time, the flurry of largely normative critiques of the consumer society (as distinct from critiques of neoclassical consumer theory) has laid the groundwork for a different turn for the debate. Yet economics, as Campbell notes, has remained apart from this broader discussion.

The Introduction and several other essays introducing sections of this book examine and critique the neoclassical claim that a social optimum can be achieved by the socioeconomic system which is expressed in the consumer society. The editors of this volume, along with virtually all of the authors summarized herein, accept that this system, as a whole, deserves further scrutiny. How is such an examination to be organized? In this book we have not tried to cover all possible issues. However our list of issues is quite broad; it includes what we believe to be most of the critical dimensions of the topic - for example, the meanings and effects of consumption in affluent societies; the impact of a consumer culture upon families, upon gender definitions, and upon the socialization of children; the history of the consumerist ethos; foundations and critiques of economic theories of consumption; the way the creation of wants (through media and advertising) perpetuates the consumer culture; the impacts of consumption on the environment; and the global spread of consumer culture.

The last section of this book will summarize and discuss some visions of an alternative to the consumer society, allowing a return to a number of the questions raised in this essay.

## Notes

---

1. See Part VI for the Muth/Becker use of this concept, and for the summary of Lancaster's article.
2. Herman Daly, "Consumption, Value-Added, Physical Transformation and Welfare", in Down to Earth: Practical Applications of Ecological Economics, Costanza, Segura and Alier ed. (Covelo, CA: Island Press, 1996).
3. Paul Ekins, "A Sustainable Consumer Society: A Contradiction in Terms?" International Environment Affairs, volume 4, n 4, Fall 1991, 244.
4. Jerome Segal, "Alternatives to Mass Consumption," in Philosophy and Public Affairs, special issue on "Ethics of Consumption," Fall 1995, vol 15, n 4, 27-29, 276.
5. Kathleen Rassuli and Stanley Hollander, "Desire -- Induced, Innate, or Insatiable?"; Journal of MacroMarketing, fall 1986, p. 5.
6. Russell Belk, "Third World Consumer Culture," in Marketing and Development; Greenwich: JAI Press, 1988, 105.
7. "Work and the Joyless Consumer," in Philosophical and Radical Thought in Marketing, A. Firat, N. Dholakia, R. Bagozzie (ed); Lexington: Heath, 1987; 245.
8. Laurel Anderson and Marsha Wadkins, "Japan -- A Culture of Consumption?" Advances in Consumer Research 1991; 18: 129.
9. Published in Nations and Households in Economic Growth, Paul David and Melvin Reder (eds.); New York: Academic Press, 1974; pps. 89-121.