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## **“Visions of an Alternative” by Neva R. Goodwin**

### **A REVOLUTION IN VALUES**

The articles summarized in this section assume that the values of the consumer society are far from ideal -- they are values whose impact should be much reduced if society is to change in ways that these authors (and, by and large, the editors of this volume) see as desirable.

A fundamental value shift is likely to have an effect on a society that is at least as great as the most transformative material changes. Truly fundamental value shifts occur rarely, and in modern times they have normally coincided, as both cause and effect, with a concatenation of changes in technical possibilities, basic resource availabilities and/or social relations. One such shift was the validation of self-interest in the late eighteenth century, supported by the productive possibilities of increased division of labor and new mechanical inventions, and confirmed by the development of economic theory. This was primarily a shift in the mind set of producers and in the attitudes taken toward producers. It still rested upon a comfortable assumption of religious and moral foundations, of the sort that permitted Adam Smith to write about "The Wealth of Nations" in a context of such "Moral Sentiments" as the self-respect that depends upon viewing oneself as a decent and honorable person.

In the ensuing two centuries of industrialization a shift to the values of consumerism was enabled and necessitated by the productive revolution. Again self-interest was validated and even exalted, this time on the demand side, by the convergent messages of commercial advertising and neoclassical consumer theory. These forces have combined (with, of course, the commercial sector having a far greater weight than the voice of theory) to preach a powerfully attractive lesson. Neoclassical economics methodologically supports its assumption of "consumer sovereignty" by defining social welfare in terms of preferences revealed by purchasing decisions. This is the theoretical sanction for the commercial message that the prime human motivator not only *is* but *should be* the gratification of any and all personal desires.

There may now be some reason to believe that the continued development of the consumer mentality contains the seeds of the next revolution, essentially for two reasons. Summarizing what we have seen in previous sections, the first reason why consumerist values may not be viable in the future is the set of environmental realities that require a reduction in the throughput of materials and energy in industrialized economies. The second reason relates to the competition between consumerist values and many of the other values that humans hold dear -- such as integrity, honor, responsibility, trust, caring or sharing.

When basic human values have been trampled too far by commercial values, the stage is set for a moral rebellion. The best-publicized forms in which such a rebellion seems to be growing -- religious fundamentalism and cultural intolerance -- do not necessarily focus on the consumer society as a cause. These reactions may be variously interpreted, as a kind of guerrilla resistance to the materialistic values of consumerism, or as representing a broader rejection of moral, cultural or spiritual characteristics of modernity. However, such reactions suggest that the consumer societies that have developed during the twentieth century do not necessarily show the way for the dominant patterns of the twenty-first century.

To state this possibility is to point to a great contemporary global drama. Depending on how the drama is resolved, and given the common observation that history is written by the winners, we could imagine the history of this millennial period being written from any of several points of view. Future historians might proclaim the world-wide triumph of the values and life-style associated with the United States of America. They may describe the emergence of a new, global, cultural diversity that accepts some of the premises of consumer sovereignty, but combines them (rather than swamping) with a variety of value systems -- so that the next century discovers, not one consumer society, but many consumer societies. Or future histories may, instead, celebrate the opening of the twenty-first century as the beginning of a profound change in direction, fueled by a combination of environmental constraints, dissatisfaction with growing inequalities in material possibilities, and a preference for a different set of standards by which to live and to judge oneself and others.

We do not, of course, know which of these histories is most likely to be written. Nor do we know which groups will take the lead in deciding this question. The authors summarized in this section are writing, for the most part, about the developed nations, in particular the U.S.. The rest of this essay will, therefore, focus especially on visions of an alternative that have been explored in this context. The reader should be aware, however, that this is only a part of what will determine future options and directions, for all regions of the world.

### **MACROECONOMIC ALTERNATIVES: USES OF THE GROWTH DIVIDEND**

As the Frontiers research group began work on this volume, our initial title for the final section was "If Not Consumerism, Then What?" If consumerism is not the driving force, sustaining the current forward motion of the U.S. and the global economies, what will take its place? What aspects of the system might falter or fail if this force were withdrawn?

There are large economic implications to such questions. As we seek a conceptual framework for addressing them we must begin with an understanding of the technological and managerial innovations that gave rise to the dramatic growth in labor productivity since the beginning of the industrial revolution. These processes appear to have slowed somewhat in the nations that were earliest to industrialize (the U.S. and Western Europe), but by most measures they have not ceased. In most economies we may therefore continue to expect some kind of a growth dividend -- that is, an annual increase in the value of the output that can be produced by each hour of work. Accordingly, one way of considering alternatives to the consumer society is to ask: *To what future uses should we devote the growth dividend?*

Possible answers include a reduction in poverty, and/or in extreme disparities in wealth; a change in the ways that work is rewarded; a move toward more collective consumption (i.e., relatively more expenditure on public goods); a reduction in working hours (i.e., because we are more productive, we can afford to work less); a change in the composition of what is produced; or a change in the character of work. Any of these changes could be compatible with an absolute reduction in per capita or total consumption; however none of them logically requires such a reduction.

Of the authors summarized in this section, Segal addresses the growth dividend question most directly. He notes that technological advances and an emphasis on efficiency to enhance labor productivity will continue to be important -- regardless of whether our focus is on the positive aspects of work, or the need for a better balance of leisure and work, or the need for consumption to be differently oriented, or reduced.

Another way of erecting a theoretical framework for understanding "if not consumerism, then what?" is to look at the assumptions now in force, and to consider the consequences of some different assumptions. Some of the basic assumptions implicit in a consumer society line up neatly with the way consumption and work are understood in neoclassical economic models: consumption is the goal, while work is a "bad", something we do only in order to earn money to use for consumption. This is half right. Much work is indeed performed in order to obtain other things that can be purchased with the income from work. However, there is an error built into even this side of the story, since, as Schor points out, institutional rigidities prevent most people from making a free or optimal choice of how much to work.

Work is, for sure, a "bad" when there is too much of it. Schor notes that we are not actually making our preferred choices when we accept a trade-off that gives people less leisure than they want in return for long work hours associated with relatively high income and a high level of consumption. Under current circumstances it appears that people are frequently going beyond the economist's anticipated equilibrium point, where the marginal disutility of work just equals the marginal utility of the wage. As an exposition of the "less work" option for how to use the growth dividend, the chapter from Schor's book that is summarized in this section sets out an explicit agenda that would make it possible for workers to have, in reality, the option to fine-tune their working hours that has been assumed in neoclassical economics.

A companion critique, associated especially with Block and Wachtel, notes that there is something essentially flawed about models which, in the limit, assume that an ideal life is one which is all consumption and no work. Apparently missing from the parallel logics of the consumer society and neoclassical economics is any notion of intrinsic value in work. The intrinsically desirable possibilities in the work experience may be being swamped by a modern dynamic which, dashing the optimistic hopes of the early part of this century, has largely used the growth dividend to increase consumption rather than to reduce working hours.

These two critiques lead to two kinds of policy proposals: on the one hand, to use the growth dividend to shorten the work week (or work year) associated with the average job; on the other hand, to improve the quality of the work experience by emphasizing worker empowerment, cooperative rather than competitive aspects of work, work-related education, etc. Segal notes

that, of these two types of policy, the ones that focus on the potential intrinsic values of work are more radical and will require deeper societal change than efforts simply to reduce work requirements.

Block includes both of these types of proposals, along with a third approach, in his emphasis on deploying the growth dividend to improve the *quality of economic output* -- using that term sweepingly to include satisfying work, economic security, a safe and clean environment, leisure, and the expansion of democracy (in the workplace and in the rest of society).

### **MORAL/CULTURAL/SOCIAL EVOLUTION**

Behind the policy proposals we will see in this section there are a host of what may be called value proposals -- overt or implicit statements about what values should be brought into the foreground to contend against the values of consumerism. Keynes, for example, anticipated a change in public morality, away from the materialistic value of purposeful behavior (which looks to future consequences rather than present realities of life), and replacing it with the conviction that "the love of money is detestable" and that life should be devoted to higher things. It is interesting -- and a little sad -- to look back at this article which was written in the 1920s. Beyond the snobbish elitism of his time and milieu, Keynes was expressing a more generalized image of what civilization could and should mean. His assumption that greater prosperity would release us from material concerns, opening the way for everyone to explore the highest moral, intellectual, artistic and social potential of the human race, may be found in many writers, including Karl Marx and J.S. Mill. More recently, however, this hope seems to have died. As the fulfillment of any set of desires only seems to create a new set, this route to satisfaction seems increasingly illusory. However we may envision a move to a more evolved society, it will not come about as the *automatic* result of the satisfaction of everyone's basic needs.

Some writers, seeing the futility of such a hope, turn in an opposite direction and propose that social evolution occur through the renunciation of material things. Wachtel is an especially forceful advocate for a position, related to this ancient prescription, that may be encountered in a number of modern writings. Diagnosing our society as suffering from "an epidemic of loneliness" (see also Lane in Section 3), Wachtel views a retreat from consumerism as an essential first step towards rediscovering the value of a satisfying emotional life, emphasizing connectedness with others and the richness of subjective experience.

Schor, calling upon cultural shifts that she senses to be already under way, refers to the post-materialist values of personal fulfillment, self-expression and meaning. The "culture of permanence" that Durning proposes anticipates a shift to rewarding pastimes that are less commodified and less materials intensive: family and community gatherings, artistic and athletic pursuits, education and appreciation of nature, and the development of spiritual and intellectual traits -- in sum, the pursuit of the now almost embarrassing ideals of goodness, truth and beauty.

How are such value shifts -- or, perhaps more accurately, shifts in value emphasis -- to come about? The authors summarized here offer an array of suggestions. Television is a major focus for many writers. Elgin and others suggest that, while we must put our longer-term efforts into curtailing advertising that hypes up the consumer society, in the short run the status quo needs to be challenged through counter-advertisements that show the appeal of different life goals.

Meanwhile, entertainment programming needs to be pressured to bring its content into line with environmental and social needs, while informational programs (documentaries, etc.) should be encouraged to educate the public about the negative aspects of consumerism.<sup>1</sup>

The other major place to look for institutional effects on values is in education. Scitovsky is the outstanding spokesperson for the position that, as opportunities for leisure grow, appropriate education is required in order to ensure that leisure time activities do not degenerate into shallow consumerism. Looking at the education system of the United States with the eye of a European, Scitovsky sees an exaggerated focus on the creation of a productive workforce, with inadequate attention to consumer skills. The system fails to develop and support the skills required for high-level leisure activities, most notably arts appreciation and participation, as well as crafts, athletics, etc. The result is a population that is ignorant of how to achieve many of life's deeper, more enduring and more progressive enjoyments (in the sense that the economist Alfred Marshall used the term progressive -- referring to what leads people in the direction of developing their higher or better potentials). Instead, American consumers gravitate towards leisure time activities that are passive and require virtually no training (such as watching television, window shopping, hanging out at the mall), or that may be characterized as quick fixes and cheap thrills (e.g., the use of mind altering substances, or movies, videos and other media presentations of sex and violence).

#### **CHANGE ON THE PRODUCTION SIDE: THE ISSUE OF JOBS**

A focus on media and education targets the demand side of the economy -- the values that are presumably being instilled or enhanced in consumers. On the production side a critical target for change is the nature of corporations, including their underlying goals.<sup>2</sup> Wachtel proposes a realignment of the ownership of corporations towards a situation in which the stakes of the workers, or of society, are increasingly recognized. Block envisions cooperative labor relations, making employees genuine stakeholders, though not necessarily owners, in firms.

There is, in fact, already a dramatic shift under way, in which pension funds and insurance funds -- organizations that have a large stake in the ongoing and future health of society -- are moving into positions of dominance in American corporate ownership. There are also forces moving towards increased worker ownership (ESOPs, employee buyout schemes, etc.) It is not yet clear how effective these initiatives will be in giving workers meaningful participation -- or, for that matter, whether effective worker ownership will necessarily create enterprises that are more geared to a broadly defined social good. The critical question will be whether such institutional investors and non-traditional owners will be motivated to seek, and able to find, ways to make it attractive to producers to offer affordable, low-throughput leisure activities, including products and services that promote health, education, scientific research, environmental maintenance, arts and entertainment -- instead of using promotional techniques to get people to buy things they don't really want, or that will only give a fleeting satisfaction, or that will quickly wear out.

Another type of policy proposal for lending support to the desired value shifts focuses on design. Durning, for example, considers how to reduce some kinds of "personal work", like commuting, and make more time for others, like child care. His proposed solutions are in urban design,

emphasizing ways in which automobile use can be diminished by encouraging public transport and the use of bicycles (including, for the latter, covered roads against rain).

Such proposals are often dismissed with the statement that "they would cost too much -- we can't afford it". It is worth noting that these arguments run directly counter to the argument that we cannot afford to stop building military equipment, or highways, or even prisons, because to do so would hurt the economy and eliminate jobs. Ironically, it is often the same groups that, while protesting against decreasing public support for a polluting industry because to do so would *decrease* economic activity, also resist efforts to support an industry designed to improve the quality of life, on the grounds that would *increase* economic activity.

The close association of jobs with the health of the macro economy, on the one hand, and with the wellbeing of individuals and families, on the other, is often seen as a justification for a high level of consumption, and makes people understandably nervous about the possible economic impact of anti-consumerist values. In the long run any reduction of consumerist values will probably require a movement to society-wide job-sharing, achieved by some reduction in the amount of work that each individual does, shortening the work week and/or increasing vacation time. (This is especially likely if labor productivity does continue to increase.) In the short run, however, a reasonable objective is to shift public and private expenditures, and jobs, out of the areas where they are not socially useful or produce net harm, and into the areas that combine environmental, social and personal benefits. Again, the barrier to such an obvious idea is the fact that the profitable business activities are not now most often the ones that have the desired social or environmental results.

We have a long way to go before we can realize Block's suggestion of expanding the role of the private firm as an instrument of public purpose. He agrees with Schor in seeing a guaranteed basic income support as essential to make the economy work for human goals. However there is little reason to expect that the U.S. polity will move in that direction any time soon, while European nations, on the whole, are in retreat from such an approach.

An issue such as basic income supports raises the question of where society will put its resources. It also raises the issue of whether it is in society's interest to force some people to take unappealing jobs, as poverty now necessitates. Block's position is that, in fact, a major task of a rich society is to get rid of bad jobs as far as possible (by automation or restructuring), and to spread out those that cannot be eliminated among a larger part of the workforce.

Clearly such ideals will not be realized without cost; there may be some win-win solutions to be found, but most of the time gains in one area will be achieved only by giving up something else. The most contentious area of possible gains or losses centers around the issue of freedom. There is more than one meaning of freedom; when emphasis is placed differently among the various kinds of freedom, rather different conclusions may be reached. There is implicit in virtually all of the articles summarized in this section a trade-off in which the *gain* is freer use of that resource which is allocated equally to all people -- one's own time -- while the *loss* is some of the current freedom of consumer choice. The latter freedom, of course, is only relevant for those who have the money to take advantage of the wide array of consumer goods and services now available.

## VALUE AND POLICY LINKS BETWEEN INDIVIDUAL AND SOCIAL CHANGE

Most of the authors represented in this section emphasize the requirement for changes on a society-wide level, to enable and support individual life-style changes, away from the behaviors associated with a consumer society. Implicit in such proposals is often a large, rarely spelled-out role for government. Beneath this assumption is often another one: in a democracy, such government action may -- or should -- require a shift in relative values within the population as a whole.

By contrast, Duane Elgin addresses the possibility for people to convert values directly into action (rather than proceeding via any public forum). The means of doing so that he describes is the voluntary simplicity movement, whereby individuals and families reexamine their sources of true satisfaction and eliminate consumption behaviors that do not contribute to those. Another place where such ideas have been promulgated with exceptional effectiveness is the New Road Map Foundation.<sup>3</sup>

There remains a large gap between any theoretical understanding of macroeconomic movements and either the calls for individual action of the "voluntary simplicity" type, or proposals such as those of Durning, Block or Schor for supportive social action. Critical questions to which we have no real answers include the following:

- How large could a voluntary simplicity movement grow within the context of a consumer society before it would create macroeconomic disturbances such as loss of jobs and recession? Is there any way that individual, voluntary reductions in income and expenditures could become large enough to affect GDP *without* creating hardship for many people who have not made such a choice?
- What forces presently exist in an economy such as U.S. that might move people towards either voluntary or involuntary behavior changes that will have a similar effect to the voluntary simplicity movement?
- How differently would we understand these forces and their implications if we looked at the economy through a different lens than the GDP? (This is an issue that will be addressed in Volume 3 of the Frontiers series.)
- Two of the dominant ways for a modern individual to confirm his or her identity are through work and through consumption activities. If the trend toward emphasizing the second source of identity were to be reversed, what would this mean for future work -- its individual meaning, its social roles, its distribution, etc.? What other sources of personal identity might arise to compete with work and consumption? (We will revisit these questions in Frontiers Volume 4.)
- Even without a retreat from consumerism on the demand side, environmental realities, when they are more accurately conveyed by prices, will inevitably force producers to decrease the throughput associated with each dollar value of output. If this trend accelerates to a point where the total physical throughput in the economy is in decline,

what adjustments will be required in order for monetary policy and macroeconomic accounting to remain relevant to the new realities?

- Suppose economic growth as we now know it ceased to be the norm; aside from the fact that investors would not like it, what would be the ripple effects throughout society from a likely dramatic reduction in average expectations for return on investments?
- Over the last 200 years we have come to take for granted a trend in which the labor inputs to production declined as compared with the material inputs of energy and raw materials. In recent decades, however, this trend has begun to reverse. The labor inputs are increasingly part of a more complex package that includes current skills and information as well as the intelligence of former generations, as that intelligence has been captured in technology. What are the micro and macro economic implications of this trend reversal? What are the implications of the accelerating rise in the ratio of information and knowledge, and their embodiments in technology and skilled "knowledge workers" (the denominator), to material inputs of physical throughput (the numerator)? What are the implications of these trends for the relative wealth of North and South countries?<sup>4</sup> For related issues such as famines, disease, armed conflict, and migration?
- Finally, the broadest and subtlest set of questions (summing up many aspects of the research agenda just outlined): in a market economy, what are the necessary relations, on the one hand between jobs and profits; and, on the other hand, between society's values and the money values that create rewards for work?

Some of the foregoing questions have been raised in different contexts; few have been seriously pursued in the context of understanding the consumer society -- where it is heading, where it should head, and what effects might radiate out from changes in the values that support it. The research agenda suggested here is of critical importance for the future ability of human societies to provide meaningful life options for their citizens without destroying the ecological basis for our prosperity, or restricting human goals to the wants that coincide with the producers' need to sell their output.

## Notes

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1. This point is especially well made in *Marketing Madness [A Survival Guide for a Consumer Society]* by Michael F. Jacobson and Laurie Ann Mazur; Westview Press, Boulder, 1995.
2. This prescription comes from inside of corporate America as well as from critical outside observers; see, for example, Michael Porter in *As If The Future Mattered*; ed. N.R.Goodwin (Michigan Press, 1996.)
3. Their popular book, *Your Money or Your Life* (by Robbin and Dominquez -- the book has been on the *New York Times* best-seller list seven times), is not represented here because it is in essence a "how-to" book. It spells out how people can get off the "work and spend" treadmill, simultaneously reducing expenditures and work hours. A good description of the state of these movements in the U.S. in the early 1990s may be found in Elisa Blanchard, *Beyond Consumer Culture*, available from the Global Development And Environment Institute at Tufts University.
4. For an analysis of these trend with respect to agriculture, see N.R.Goodwin, "Lessons for the World from U.S. Agriculture: Unbundling Technology" in *World Development*, Vol 19, No. 1, pp. 85-102, 1991. In the same issue of *World Development* (pp. 73-84) Schor opened the debate on the North-South question raised here; see J.B.Schor, "Global Equity and Environmental Crisis: An Argument for Reducing Working Hours in the North".