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## High Consumption and Global Justice

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## **Abstract**

Justice requires that high consumption in affluent societies be slowed down for the sake of eradicating extreme poverty in the developing world and improving the condition of its very moderate consumers. High consumption places environmental and resource burdens and restrictions on the economic growth options of developing countries without bringing commensurate benefits. Moreover, high consumers enjoy products made in less developed countries by workers who have inadequate wages and often labor in unhealthy and unsafe conditions.

Contemporary high consumption is characterized by a continuous raising of the standards of satisfactory spending. This process is visible in many American consumption patterns: Middle-class Americans live in significantly larger homes with more bathrooms than only a few decades ago, drive cars with more gadgets, buy ever more fancy audio-visual systems and personal computers, and so on. It is this upscaling that must be ended. Gains in productivity and environmental efficiency should be used not to support escalating consumption in the affluent societies, but rather to assist economic growth in the developing countries and provide these countries with more "ecological space" for their growth.

A slowdown of high consumption for the sake of ending worldwide poverty can be realized through a social regulation of the global economy. This social regulation should include labor standards, environmental measures, rules for global capital investments, and a distributive schema that shifts some of the wealth obtained from globalization from the rich countries to the developing world. A promising schema is Thomas Pogge's proposal for a dividend to be paid to the global poor for the extraction of limited resources. To avoid that the social regulation of the global economy would have a regressive impact on lower-income groups in the affluent societies, a progressive consumption tax should be adopted with a standard deduction large enough so that these groups would not have to pay any tax at all. This consumption tax would further slow down upscale spending.

Appeals to justice alone will not suffice to change high consumption patterns. Such appeals may work insofar as continuous upscaling is based on competitive acquisition, especially since high consumers also have an interest in avoiding international conflicts caused by global poverty. However, upscale consumption also has a hedonic element: It is pleasurable to discover and explore new goods, develop new desires, create new forms of self-expressions, and the like. It is, therefore, imperative that simplicity as a lifestyle and value be articulated and promoted.

Attempts to slow down high consumption through a social regulation of the global economy will meet two institutional limits, the sovereign state and capitalism. In the final instance, justice and joyful simplicity for all humans may require cosmopolitan democracy and socialism.

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## **High Consumption and Global Justice**

We live in a world of enormous inequality in consumption. On the one hand, there are at least one billion high consumers, mostly living in the affluent societies, who reside in climate-controlled homes, travel by car and plane, wear fashionable clothing, and possess so many consumer products that they routinely discard many still usable goods. On the other hand, there are around one billion people in the developing countries who have few possessions and live at the very margin of existence. They lack minimally adequate nutrition, health care, housing, and educational opportunities, and their mortality rates at birth and under-five mortality rates, even after recent gains towards universal childhood immunizations, are in the range of fifteen to twenty times the rates in affluent countries.<sup>1</sup> There are also many minimal consumers in the developing world with some inadequately satisfied basic needs. About 1.3 billion people have no access to clean water; 2 billion people are anemic; and close to half of the world's people lack basic sanitation.<sup>2</sup> The enormous global inequality in consumption is reflected in the fact that the 20% of the world's people who live in the richest countries account for 86% of all private consumption spending, while the poorest 20% of the earth's population account for only 1.3%. This gap has doubled over the past few decades because of steady overall consumption growth in the affluent nations and slow growth, stagnation, or even decreases in consumption in many developing countries.<sup>3</sup>

High consumers and their governments have a weak record overall in working directly toward abolishing global poverty. This is especially true of the United States. Yearly development assistance by the U.S. government has recently decreased, as is the case for most donor countries, and ranks now at the bottom of all donor countries in terms of the percentage of the GNP disbursed. Official American aid is around 0.1 % of its GNP, or the equivalent of about \$30 per capita.<sup>4</sup> Private contributions to nonprofit organizations are about \$700 per capita, but less than \$15 of this amount goes to development aid.<sup>5</sup> Increased private capital investment in the global economy has not adequately made up for the decrease in direct assistance. Foreign investment in developing economies has mostly gone to a rather limited number of countries,<sup>6</sup> while global capital investment in general has increased environmental destruction and deepened economic inequality within and among nations.

High consumption in a world with widespread poverty and deprivation may be morally questioned along several lines. Some ethicists, following Peter Singer, argue that it is a serious moral failing not to more extensively relieve the suffering of the global poor (including minimal consumers with some unfulfilled basic needs) if we can do so by reducing our spending on luxuries. In my view, this claim has considerable force, but its proponents have not paid enough attention to the fact that what is most debatable about American private donations is not the amount of the contributions but rather that its intended recipients are almost exclusively fellow citizens and their causes. This narrow focus and prioritizing is morally indefensible in light of the urgency of need of the global poor. It also conflicts with the commitment of the global community to abolish poverty everywhere. This commitment was taken on with the signing of the Universal Declaration of Human

Rights in 1948 and reaffirmed in Principle 5 of the Rio Declaration of 1992 in the context of the need for environmentally responsible economic growth: “All States and all people shall cooperate in the essential task of eradicating poverty as an indispensable requirement for sustainable development, in order to decrease the disparities in standards of living and better meet the needs of the majority of the people of the world.” Another moral challenge to high consumption is that it is unjust in that it is a cause of global poverty and a significant obstacle to its eradication.

My first main purpose in this paper is to elaborate this latter perspective and argue that justice demands a slowdown of high consumption for the sake of improving the condition of the developing world's extremely poor people as well as its minimal consumers. This perspective has received less attention among moral philosophers than the argument that the mere existence of global poverty imposes a duty of aid on high consumers. One advantage of the justice perspective is that it provides a stronger moral ground for the duty of the affluent to reduce global poverty. More importantly, it shows that just high consumption demands not merely monetary donations to the global poor, but rather a restructuring of the global economy as well as fundamental changes in present spending patterns.

My second main purpose here is to assess whether a call for just consumption is at all feasible in light of the expectations and motivations of the high consumers in affluent societies. I will not, or only marginally, discuss here two important related topics: how a slowdown of high consumption in the rich countries would benefit their own 100 million economically deprived citizens<sup>7</sup> and how affluent consumption in the developing world worsens the condition of its very poor and minimal consumers. It should be clear, though,

that some of my critical comments on high consumption in the highly developed countries apply to affluent consumption in the developing world.

### **Contemporary High Consumption**

What characterizes modern high consumption is upscaling or the continuous raising of the standards of satisfactory spending. This goes hand in hand with a shifting in people's perception of what they "really need." The pace of upscaling seems to have increased in America during the past twenty-five years due to great gains in income and wealth of the very upper-middle class. Their luxurious and often excessive spending has rapidly raised the standards of satisfactory consumption for all middle-class consumers. People buy larger homes, cars with more gadgets, larger televisions, fancier foods, and designer clothes, while they also have acquired many new products, such as VCRs, microwave ovens, and computers. Individual incomes on the whole have not kept up with raised expectations, giving rise to what Juliet B. Schor has described as the "overspent" and "overworked" American: Middle-class Americans buy more, save less, more often go bankrupt, join the workforce in greater numbers, have less time for their family, and have ever more inflated conceptions of what is needed to live the good life.<sup>8</sup> It seems, however, hardly a uniquely American phenomenon. Rather, although there are significant local and national differences, upscale spending and higher consumption expectations in conjunction with more work is a global high-consumption phenomenon.

### **Environmental and Resource Justice**

Expanding high consumption in the affluent societies brings environmental harms to the developing countries and places significant ecological constraints on their economic growth options. Consider global warming caused by greenhouse gases. There is still some disagreement about the scope and reality of this environmental threat, but a conservative risk-taking approach is rational here in light of the seriousness and irreversibility of the harms.<sup>9</sup> The expected harms include large permanently flooded land areas, expanding deserts, reduced or even destroyed harvests, and more frequent droughts and intense storms. These harms will strike the developing world more often than the affluent nations in the North, while poor countries will also be least able to take measures, such as the building of sea walls, against the harmful effects.<sup>10</sup> Escalating consumption in the high-income societies, then, is unjust in that it will primarily benefit the affluent consumers themselves and disproportionately harm the less developed countries. Moreover, increased consumption in the less developed countries will hasten global warming and make it more severe. The injustice here is that the affluent countries are largely responsible for putting the South in this predicament. The environmental scientist John Lemons states rhetorically: “Who should pay for the pollution caused in the past and that still affects us now? While present people [in affluent nations] may not be guilty of causing past pollution, should they accept the advantages obtained from such past actions without making remuneration for them?”<sup>11</sup> So justice demands at least that the high-income countries significantly decrease their emissions of greenhouse gases and provide the developing countries on a wide scale with technologies that minimize such emissions.

This does not mean that we should neglect the environmental impact of population growth in the developing world. In 1950, the ratio of the population of the affluent industrial

countries and less developed countries was 1 to 2; it is presently 1 to more than 3; and, it is expected to be 1 to around 5 within fifty years.<sup>12</sup> High consumers in the North still account for around 50% of carbon dioxide emissions, but their share will become gradually smaller in light of the population growth alone in the South.<sup>13</sup> In short, the main focus should now be on reducing the pollution caused by high consumption and on minimizing emission increases due to improving the standard of living of the global poor. However, sooner or later the question must be faced whether justice demands that countries with greater than average population growth should have lower than average per-capita emission quotas.

Similar evaluative comments apply to other threats to the environment and to issues of resource scarcity and depletion. Generally speaking, the past environmentally unsustainable economic growth of the high-income countries has placed ecological and resource burdens and restrictions on the economic growth options of developing countries without bringing commensurate benefits. The economic growth of the North has increased significantly for developing countries the urgency to address such concerns as, for example, finding substitutions for scarce nonrenewable resources, reducing the use of materials and fossil energy in production, saving the tropical rainforests, preserving biodiversity, and avoiding overfishing of the oceans. At the same time, the North has contributed to pollution and toxic waste problems in the South. The injustice is especially great with regard to the world's poorest people. As Thomas W. Pogge writes: "While the global [extreme] poor are ... largely excluded from natural resources, condemned to watching helplessly as the affluent distribute the abundant natural wealth of this planet among themselves, they do get their proportional share of the burdens resulting from the degradation of our natural environment - a disproportionate share even, in that they lack the knowledge and the means to protect



themselves.”<sup>14</sup> Justice, then, requires that the affluent societies use fewer resources, reduce their negative impact on the environment, compensate the developing countries and especially their global poor for worsening their condition, and assist the developing world financially and technologically in reaching environmentally sustainable economic growth. This means that high consumers must slow down their consumption.

### **Against Upscaling**

There are two rather different ways of envisioning a slowdown of high consumption. The first way is that high consumption must be literally reduced so that, where possible, there is a return to earlier levels of consumption. The second view is that only the continuous upscaling of current high consumption must be stopped. The second view seems most defensible.

Let me explain my reasons for this claim on basis of Richard Rorty’s “Moral Universalism and Economic Triage.” This was the opening paper of the UNESCO Philosophy Forum in 1996. Rorty argues that when the United Nations was created it was plausible to believe in “We, the people of the United Nations” as a possible future moral community of all humans, but nowadays it might be self-deceptive or hypocritical to express belief in this project. Rorty states: “The only way in which the rich [the high consumers] can think of themselves as part of the same moral community with the poor is by reference to some scenario which gives hope [for realizing the good life] to the children of the poor without depriving their own children of hope.”<sup>15</sup> Rorty maintains that we have to face the grim possibility that there is no such scenario. Our reality might be more or less an ecological zero-sum situation: Significant economic improvement of the condition of the

global poor will necessitate a proportional reduction in the lifestyles of the affluent consumers. Rorty assumes that the rich consumers will not be prepared to consume less and so the future might bring, in his word, the economic equivalent of medical triage, an "economic triage" in which the people living at the margin of existence will become "dead to us."<sup>16</sup>

Rorty seems correct in claiming that the self-identity of affluent consumers and how they view the good life for their children are too much interwoven with high consumption patterns to make a significant reduction of their consumption feasible (by their own choice, at least). Moreover, he rightly notes that what further counts against a reversal of high consumption is that the effective functioning of democratic institutions in rich societies presupposes a high level of consumption in the form of transportation, communication, and education. Rorty seems, however, overly pessimistic about our ecological predicament and its future ramifications. In order to create the "ecological space" for the economic development of the global poor and their children, it seems only necessary to end upscaling, not to absolutely reduce high consumption. The gains in energy efficiency, crop yields, pollution and waste control, productivity, de-materialization, etc., of the past few decades have been largely absorbed by rapidly upscaling high consumption. It is this trend that must be ended so that these gains can instead go toward raising the standard of living of all whose basic needs remain unsatisfied and toward creating the "ecological space" for doing so. More recycling, less planned obsolescence, and a shift toward more public and less private spending is also necessary. We must also end that most scientific research is done for and by the rich (or done by scientists from poor countries working in the laboratories of the affluent).<sup>17</sup> Science and technology should be focussed on enabling sustainable growth

everywhere and should be much more geared toward the task of ending global poverty. Once these steps are taken, it may be reasonably hoped that Rorty's economic triage can be avoided and that the lifestyle of consumers in affluent countries will become more universally shareable.

## **Exploitation**

The rich-poor divide in our world is partly the result of a history of colonialism and exploitation. Present high consumers cannot be blamed for the tragic past, but they still do profit from it and fail to call for changing its continued impact. Certainly, high consumers can be held responsible for sustaining extreme global economic inequality when better alternatives are available.<sup>18</sup> The British consumption anthropologist Daniel Miller writes: “The First World consumer ‘votes’ on a daily basis for cheap goods through the competitive mechanisms of capitalism forcing down prices.”<sup>19</sup> And “Today...most of the ‘value’ extracted from labor does not take the form of profits, but is manifested in benefits to First World Consumers.”<sup>20</sup> High consumers, then, share in the exploitation of the global absolute poor and minimal consumers. Granted, Miller overstates his case by claiming that the high consumer is “global dictator,”<sup>21</sup> and he understates the exploitative role played by global companies. He is right, however, when he says that “today it is the process of consumption itself that must be engaged...into taking responsibility for the power that it wields without consciousness, and therefore largely without responsibility.”<sup>22</sup>

The exploitation of the global poor is not limited to benefiting from their weak bargaining position with regard to wages.<sup>23</sup> Certainly, below sustenance wages are objectionable, but equally disconcerting is how global corporations oppose labor organizing,

force long working hours under inadequate health and safety conditions, and uproot families and communities by employing in many industries primarily young women. Typically, global corporations seek to abdicate responsibility for some of the worst abuses, such as child labor and threats against union organizers, by hiding behind front companies or contractors' factories. Other exploitative practices are the destruction of local farming by creating large mono-culture plantations and resource extraction that is under-compensated and environmentally damaging. In all cases, high consumers tend to be participants and beneficiaries, not only because they may be the recipients of some of the corporate profits, but also because they desire and search for the "best values."

The recent "banana trade war" illustrates some of these dimensions of exploitation and how high consumers sustain them.<sup>24</sup> The European Union (EU) imports "Euro bananas" from the Caribbean Windward Islands and other former colonies, as well as "Dollar bananas" from Guatemala and other Central American countries. The Dollar bananas are produced by Chiquita, Dole, and Del Monte on huge plantations with cheap labor, poor working conditions, and frequent pesticide spraying, harming workers and poisoning local wells. The Euro bananas tend to be produced by small-scale growers under much better environmental and labor conditions. The production costs of Euro bananas are about three times as high as those of the Dollar bananas, but the Euro bananas have nonetheless retained a modest share of the European market thanks to preferred trade agreements. Chiquita and the U.S. government have successfully challenged these agreements via the World Trade Organization (WTO) as unfair trade. On account of the WTO and corporate America, fair trade means greater profits and cheaper bananas obtained at the cost of labor and the environment. Once the EU sets aside their trade protections for Euro bananas, it is to be

expected that Dollar bananas will increase their market share except when in this case consumers will opt for just consumption and true fair trade rather than for the least expensive product. All the media attention to the "banana trade war" has given the fair-trade bananas, especially the pesticide-free variety, a fighting chance.<sup>25</sup>

In general, high consumers have few opportunities to opt for true fair trade products, but they also have hardly begun to demand such products and show concern with the ramifications of their spending choices. High consumers tend to feel that consumption products made by children in the developing world are morally tainted. However, they have on the whole not yet adopted the same attitude with respect to consumer products made under other exploitative conditions such as substandard wages and unsafe working conditions. It is only when the illusion of innocence on the side of the high consumer with regard to these practices is destroyed that we may expect change toward a more equitable global order.

A crucial step in the right direction of reducing the exploitation of labor would be to tie the production of consumption goods for the global market to a reasonable minimum wage that would increase with growing productivity. Basic safety and health standards, as well as limited working hours, in the workplace should also be adopted. In a recent issue of *Dissent*, Alice H. Amsden and Takashi Hikino object to the idea of such labor standards. They claim that foreign workers have hardly supported the idea and for good reasons: "Cheap, labor-intensive exports to North Atlantic markets have created jobs for millions of unemployed, landless third world workers. In some countries, these exports have even provided a stepping stone to serious industrial transformation and economic development. If

labor standards raise wage costs prematurely ... the end result may protect American workers but at great hardship to the poor countries allegedly being helped."<sup>26</sup>

Amsden and Hikino understate the difficulty and scope of labor protest in developing countries, but, more importantly, they fail to see that the exploited opting for their own exploitation is typically an aspect of exploitation. Exploitative global capital investment is better than no investment at all, and income from exploitative labor is better than no income at all. The real question is whether a viable alternative is available that does not involve benefiting from the extreme vulnerability of the global poor. Better wages and work conditions are viable possibilities, for the claim by Amsden and Hikino that labor standards may raise wage costs prematurely is implausible. They note themselves that the present wage gap between workers of rich and poor countries is around twenty to one.<sup>27</sup> So how can it be premature to raise the extremely low wages -- as if global capital would no longer have an incentive to use cheap labor if the ratio would be lowered to, say, fifteen to one? Global capital may even gain in the long run in that better wages will stimulate local markets,<sup>28</sup> while better working conditions will improve productivity. Moreover, it seems implausible that somewhat increased prices of export goods for high consumers will so greatly affect their demand that workers in developing countries will lose on the whole.

### **A Social Regulation of the Global Market**

The raising of wages in export industries in developing countries or the betterment of the working conditions can only be effective if these happen in all markets; for, otherwise, global capital might simply move to markets with lower wage costs. This is also true of other measures that should be taken to lessen the injustices of high consumption and corporate

capitalism. Two additional types of measures seem most crucial: investment measures and environmental rules. These measures together with labor standards can considerably improve the condition of the extremely poor and minimal consumers in the less developed world. A rough historical parallel is how the social regulation of national capitalist markets earlier this century improved the condition of the working class in the industrial societies.

Regulatory rules on global capital investment in developing countries should include restrictions on subsidies (tax breaks, free land, infrastructural provisions), a worldwide minimum corporate tax rate, and the right of local communities to be informed about the impact of outside investment and to refuse this investment when it threatens to destroy their culture or livelihood or bring unacceptable environmental damage. Global guidelines should also be developed for compensation to local communities in the case of corporate relocation. These measures will help to make future investments more just, but it is further necessary to compensate the global poor for the fact that the affluent nations worsen their condition by their disproportionate use of limited resources. Here Pogge's proposal of a Global Resource Dividend (GRD) is attractive.

Pogge's notion of the GRD is based on the premise that the limited resources of the earth belong to all humans and that, therefore, their use is justified only if all humans gain at least in some measure in this process. The GRD is the rather minimal share belonging to world's poor of the value of extracted resources.<sup>29</sup> It is to be paid by countries that extract the resources and to be distributed on a per capita basis to the poorest countries. A GRD in the order of 5 to 10% on some basic resources would double the income of the poorest quintile of the world's population. Obviously, this income should be partly used to assist the very poor in their own economic development. The GRD may also be seen as a way to redress the

continued negative impact of colonialism and imperialism. Another strength of the GRD is that it would stimulate resource preservation, and additional environmental benefits could be obtained by applying the GRD to the use of renewable resources such as water and soil. A better-known alternative is James Tobin's proposal of taxing international currency transactions. A Tobin tax a 1/2 percent would raise an amount at least equal to the GRD. It lacks the environmental benefits of the GRD, but it would be easier to implement. In either case, what characterizes these measures is that improving the condition of the very poor (and gradually also the situation of minimal consumers) is built into the very mechanisms of the global economy. This makes these measures in the long run more suitable for reducing the injustices of high consumption than would increased private donations or even higher governmental development aid. The problem is that the latter -- even though presently indispensable -- are more subject to the fluctuations of political and charitable sentiments and preferences. Similarly, the endeavor to expand the market with fair-trade products is important for raising awareness of exploitation and promoting a social regulation of the global market, but it cannot be a substitute for the latter.

Other environmental measures are to be taken. Affluent governments should eliminate subsidies on environmentally irresponsible conduct and let consumers and producers pay for the real costs of their choices. Poor countries could gain by allowing them to lend for payment their fair share of globally allowable pollution and emissions to rich industrial countries. Due to their unsustainable past development, the rich nations have acquired an "ecological debt" and should pay most of the costs of the preservation of the rainforest and other areas crucial to preventing further reduction of biodiversity. It may further once more be stressed that the rich nations so as to optimize the "ecological space"



left for the developing countries should provide them with technologies that "leapfrog over steps in the traditional path followed by industrial countries."<sup>30</sup>

### **Is a Slowdown of High Consumption Feasible?**

The tenability of the proposal of reducing high consumption through a socially regulated global market depends on what motivates high consumers in raising their spending. There are numerous motivations that guide consumption, such as basic needs, self-reward, and expressing love and care for others. These motivations do not require, however, upscale spending. Love, say, can be expressed through a simple gift of flowers or giving the latest model digital camera.

Schor explains continuous consumption growth in terms of an updated version of the theory of competitive acquisition. She writes: "The penalties of dropping down [along class lines] are perhaps the most powerful psychological hooks that keep us keeping up."<sup>31</sup> There is a certain ambiguity in her motivational account of upscale consumption: Are the consumers motivated in spending more because they fear that not doing so would mean that they no longer belong to the right socio-economic group, or are they motivated by outdoing those who have a lower socio-economic status?<sup>32</sup> The latter motivation is morally more objectionable but must be assumed to guide at least some people's spending behavior in order to explain growing consumption. Which regard to either motivation, however, a slowdown of high consumption is tenable if it would not really change anyone's comparative position. The irrationality of competitive spending is that when all spend more, no one gains, as Schor does not fail to stress.<sup>33</sup> So a slowdown of high consumption for the sake of eradicating global poverty would be feasible if it would not work regressively for high consumers at the

lower end of the income spectrum. The social regulation of the global market will raise the costs of high consumption. One way of avoiding that this would work regressively would be to adopt a progressive expenditure or consumption tax with a standard deduction that would be large enough to let those in lower income brackets pay no tax at all.<sup>34</sup> The result would be that luxurious spending by the upper-middle class and the wealthy would be reduced significantly, while people in the lower income brackets would not be negatively affected by ending global poverty. Moreover, the middle of the middle-class would feel considerably less pressure to engage in more spending because the continuous raising of consumption standards by the very affluent would be halted.

Jerome M. Segal has recently argued that many middle-class Americans keep on working and spending so much not because they have raised their consumption standards, but because there have been increases in the costs of satisfying important needs. Segal shows that "need-required income" (NRI) has significantly risen in real terms over the past few decades for transportation, housing, education, and protection against loss of income, including saving for retirement, while it has remained more or less the same for food, clothing, and health care.<sup>35</sup> Disagreeing with Segal, what appear as real NRI increases are partly increased costs due to raised expectations.<sup>36</sup> Still, to the extent that there have been real increases in the NRI in some areas, it becomes even more essential that people with lower incomes are not negatively affected by a social regulation of the global economy. A progressive consumption tax would help less affluent people to meet more easily past NRI increases because it would raise their real spendable income. More importantly, the progressive consumption tax would reduce the occurrence of the phenomenon that the very affluent by embracing more expensive ways of satisfying their needs gradually force

everyone else to live more expensively (e.g., we all now need a powerful personal computer for educational and communicative purposes). It also seems important to increase public spending as a way of lowering the NRI in such areas as transportation, education, and economic security. More generally, then, a reduction in global economic inequality requires less economic inequality within the affluent nations.

A final motivational factor in continuous consumption growth is that it is pleasurable to discover and explore new goods, develop new desires, and create new forms of self-expression.<sup>37</sup> In my view, it would be a mistake to deny this hedonic element, but the question must be posed whether modern consumption does not often undermine the pleasures of "self-renewal" and whether there are not better avenues for realizing such pleasures. Surely, the continuous acquisition of new goods comes with many personal costs, ranging from working long hours to afford the goods to spending much time to upkeep them. In a word, the possessor of ever-more consumer goods becomes possessed by their demands. Moreover, what appears as authentic self-expression is all-too-often manufactured desire. Aggressive marketing and advertising is all-pervasive and sells not only specific products but the consumerist lifestyle. The good life, it would seem, is not a life centered on pleasures obtained from accumulation and upscale spending but rather one of just and moderate consumption with non-materialistic flourishing at its core.

On this account, we should reduce the overriding role of economic activity in our lives, seek less work with more meaning, and fill our increased leisure time with more wealth -- not material wealth and goods, but rather the richness of friendship, music, political activity; conserving, understanding, and enjoying nature; and creating and appreciating works of art.<sup>38</sup> Some of these goods are not as easily accessible as the good of consuming,

and this very fact may be another reason for the centrality of consumption in affluent societies. The joys of non-material goods, however, are longer lasting, more varied, and offer more opportunity for self-expression. The high turnover and discarding of material goods in our society suggests the limited depth of the pleasures of acquisition. The good life with just consumption does not require austerity but rather involves a focus on durable and aesthetically pleasing goods possessed in moderation.

In sum, the motives behind high consumption do not seem to be such that working toward a slowdown of consumption for the sake of ending global poverty is an enterprise that is at the outset doomed to failure. What further gives credibility to this conclusion is that empirical data convincingly establish that increases in average income over time (beyond some basic minimum) do not increase people's overall level of happiness.<sup>39</sup> What still needs to be shown (at least, more explicitly) is that high consumers might have reasons for supporting the project of consumption slowdown or be open to such reasons.

Justice is a first and strong motivational reason. High consumers are at least morally disturbed by child labor, and through public debate their view of how their consumption is rooted in injustice can be broadened. A second reason is basic self-interest. Rorty fails to note that his triage metaphor is misleading in a crucial way. In medical triage, those who are left to die are near death. They can do nothing to change their fate; they can only cry out in misery. Economic triage, to the contrary, requires that the affluent live in armed fortresses. What worsens the potential for conflict is that the high consumption mode of life is marketed around the world and creates both a desire of emulation and a response of rejection in that the lifestyle often conflicts with local lifestyles, cultures, and values.<sup>40</sup> A peaceful world order is in the self-interest of the high consumers; it requires less global poverty and economic

inequality and, ultimately, a vision of the good life that can be universally shared, not only economically and environmentally, but also culturally. Third, continuous upscaling has brought costs to the high spenders themselves in terms of human flourishing. The phenomenon of the "overspent American" has called forth the phenomenon of the "downshifting American." The scope of this phenomenon is unclear, but there is at least a substantive number of Americans who have voluntarily opted for a lifestyle with less consumption and more free time.<sup>41</sup> This downshifting is much more often motivated by a desire for less stress and more meaning than by a desire for a less materialistic lifestyle.<sup>42</sup> Still, downshifting involves a turn-away from the high consumption lifestyle and thus is a fertile ground for starting to build a world in which the moral scandal of consumption mania amidst widespread and extreme poverty will give way to moderate consumption for all.

### **The Need for Institutional Change**

Attempts to slow down high consumption through a social regulation of the global economy will meet two institutional limits, the sovereign state and corporate capitalism. The global implementation of labor standards, investment measures, and environmental rules requires a vertical dispersal of sovereignty from the state level to both more local and global levels.<sup>43</sup> Consider labor rights. An effective implementation of these rights necessitates more democratic workplaces and strong unions; for only then will rights violations not disappear under the corporate carpets. New international organizations or the strengthening of existing ones, such as the International Labor Organization, are also needed to set labor standards, to review violations by global companies, and to enforce compliance. Similar comments apply to the enforcement of environmental rules or the effective implementation of such economic

development schemas as the GRD. These measures are incompatible with a strong notion of state territorial sovereignty as still accepted by the United Nations. Consider Principle 2 of the Rio Declaration: "States have ... the sovereign right to exploit their own resources pursuant to their own environmental and developmental policies [as long as they] do not cause damage to the environments of other States." The Principle may seem attractive as a protection against global companies and economic imperialist policies, but it is a double-edged sword in that it is also antithetical to the GRD and global ecological measures. The problem is that the Principle grants, in effect, any state the right to waste scarce resources and diminish biodiversity at will, thereby lessening the economic opportunities and quality of life of both present and future generations. A socially regulated global economy, then, requires stronger international institutions. Broad acceptance of such institutions will only emerge with their democratization. In a word, a slowdown of high consumption suggests the need for cosmopolitan democracy.<sup>44</sup>

Need corporate capitalism be replaced, as well? There is no doubt that growing consumption is stimulated by capitalism. High consumption countries typically spend one to two percent of their GNP on advertising, an amount of money that would rapidly eradicate global poverty if it were used for this goal. Moreover, entrepreneurs and stockholders benefit greatly from high rates of economic growth. This does not mean, however, that capitalist economic growth cannot be slowed down through tax measures and be directed toward sustainable growth and ending global poverty. Looking further ahead, though, ecological and resource constraints may require a more stationary economic system. Socialism is here a solution in that worker-controlled companies with profit sharing have much less incentive for continuous expansion and new product development and offer more opportunity for a leisure-

work trade-off than privately owned firms.<sup>45</sup> It is also a task and challenge: Contemporary socialists have paid too little attention to how socialism can be envisioned within a global economy.

## NOTES

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<sup>1</sup> See United Nations Development Programme (UNDP), *Human Development Report 1999* (New York: Oxford University Press, 1999), pp. 168-71 (table 8). This report, and previous UNDP reports, can also be found at <http://www.undp.org>.

<sup>2</sup> *Human Development Report 1998*, p. 2, and *Human Development Report 1999*, p. 28. These figures include the absolute poor.

<sup>3</sup> *Human Development Report 1998*, pp. 1-2. Some developing countries have seen higher rates of growth than the high-income countries, but catching up remains far away due to huge differences in starting points. See also *Human Development Report 1999*, pp. 2-3.

<sup>4</sup> See <http://www.undp.org/hdro/iaid.htm>. Denmark tops the list with \$325 per capita. All figures are for 1996.

<sup>5</sup> The American Association of Fund-Raising Counsel reports that total giving for 1999 was \$190.16 billion. Only \$2.65 billion of this amount went to "international affairs" organizations. Individuals were the main source of contributions in general (75.6%). See <http://www.aafrc.org>. Charitable, or nonprofit, organizations registered with the U.S. Agency for International Development (USAID) report for 1997 private in-kind contributions of \$1.69 billion, private contributions of \$2.75 billion, and private revenue of \$2.69 billion. The organizations spent 53% on overseas programs, 36% on domestic programs, and 11% on supporting services expenses. See pp. 91 and 113 of the 1999 USAID report at [http://www.info.usaid.gov/hum\\_response/pvc/volag99.pdf](http://www.info.usaid.gov/hum_response/pvc/volag99.pdf). The National Center for Charitable Statistics (NCCS) reports that total public support for "international, foreign affairs" charities that file IRS Form 990 was \$4.15 billion in 1997. This figure includes gifts, grants, and contributions from government and private sources. See <http://nccs.urban.org>. All in all, total aid from private sources to foreign countries is at most \$4 billion. Even if one assumes that this all goes toward alleviating global poverty, the amount is still less than \$15 per capita. Private giving, then, does not make up for the inadequate government support.

<sup>6</sup> Only 37% of all investment went to the developing world, of which a dozen countries received 80%. See *Human Development Report 1999*, pp. 27 and 31.

<sup>7</sup> See *Human Development Report 1998*, p. 2.

<sup>8</sup> *The Overspent American* (New York: Basic Books, 1998), pp. 15-21.

<sup>9</sup> Cf. R. Edward Freeman, Jessica Pierce, and Richard Dodd, "Shades of Green: Business, Ethics, and the Environment," pp. 341-42. In *The Business of Consumption*, edited by Laura Westra and Patricia H. Werhane (Lanham, Maryland: Rowman & Littlefield, 1998).

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<sup>10</sup> See *Human Development Report 1998*, pp. 57 and 79.

<sup>11</sup> "Who Should Bear the Burdens of Risk and Proof in Changing Consumption Patterns?," p. 144. In *The Business of Consumption*.

<sup>12</sup> See Nathan Keyfitz, "Consumption and Population," pp. 481-82. In *Ethics of Consumption*, edited by David A. Crocker and Toby Linden (Lanham, Maryland: Rowman & Littlefield, 1998).

<sup>13</sup> See *Human Development Report 1999*, p. 205-08 (table 18). The U.S. alone accounts for 22%.

<sup>14</sup> "A Global Resources Dividend," p. 508. In *Ethics of Consumption*.

<sup>15</sup> "Moral Universalism and Economic Triage," p. 10. This paper can be found at <http://www.unesco.org/phiweb/uk/2rpu/rort/rort.html>.

<sup>16</sup> "Moral Universalism and Economic Triage," p. 9. Rorty speaks of five billion poor and suggests that they all may become "surplus" to the one billion rich people (p. 8). He must be overstating his case. In a triage situation there are people who receive assistance and these must be part of the five billion poor people. So I take it that Rorty means to argue that only the very poorest of the five billion people will become "dead" to the affluent.

<sup>17</sup> In "Helping the world's poorest" (*The Economist*, August 14, 1999, pp. 17-20), Jeffrey Sachs notes on basis of patent filing and publication figures that "the inequalities of income across the globe are actually exceeded by the inequalities of scientific output and technological innovation" (p. 18). He further discusses how "global science" has neglected the specific health and food production issues of the global poor who mostly live in tropical zones.

<sup>18</sup> Cf. "A Global Resources Dividend," pp. 504-07 and 509.

<sup>19</sup> "Consumption as the Vanguard of History," p. 8. In *Acknowledging Consumption*, edited by Daniel Miller (London: Routledge, 1995).

<sup>20</sup> "Consumption as the Vanguard of History," p. 6.

<sup>21</sup> *Ibid.*, p. 1.

<sup>22</sup> *Ibid.*, p. 19.

<sup>23</sup> Unlike Miller, I do not use the term "exploitation" here in a technical Marxian sense, but rather in the broader sense of taking unfair advantage of people's vulnerable situation. Exploitation in general involves a failure to respect people as ends in themselves. Exploitation of workers includes a failure to recognize their labor rights and typically leads to unfair distributive outcomes. Cf. Kai Nielsen and Robert Ware, "What Exploitation Comes To," pp. xiii-xiv, in their edited anthology *Exploitation* (Atlantic Highlands, New Jersey: Humanities Press, 1997).

<sup>24</sup> An excellent discussion of the trade war and its broader significance in terms of fair trade can be found in the *New Internationalist*, October 1999, pp. 7-30. See also Lori Wallach and Michelle Sforza, *Whose Trade Organization?* (Washington, D.C.: Public Citizen, 1999), pp. 140-45. Numerous web-sites cover the most recent information.



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<sup>25</sup> Perhaps European consumers will heed the words of Renwick Rose, a farmers' leader of the Windward Islands: "When you buy a cheap banana you are unwittingly participating in exploitation. People need to understand what lies behind the banana. There are children, mothers, fathers and blood, sweat and toil. Fair trade is not asking you to pay more, just what it costs" (*New Internationalist*, March 2000, p. 5). Certainly, these words accord with my analysis here.

<sup>26</sup> "The Left and Globalization," *Dissent* (Spring 1999): 7-9, p. 8.

<sup>27</sup> "The Left and Globalization," p. 8.

<sup>28</sup> Cf. Richard Rothstein, "The Case for Labor Standards," *Boston Review* 20/6 (Dec. 1995-January 1996). See <http://bostonreview.mit.edu/archives.html>. He responds to Amsden's "Hype or Help?" in the same issue of the *Boston Review*. Amsden defends here the same view as in her *Dissent* article.

<sup>29</sup> "A Global Resources Dividend," pp. 510ff.

<sup>30</sup> *Human Development Report 1998*, p. 84 (box 4.16). I offer a more detailed discussion of the social regulation of the global economy in my "Beyond the Liberal Peace Project: Toward Peace with Justice," forthcoming in *The Journal of Social Philosophy*.

<sup>31</sup> *The Overspent American*, p. 97.

<sup>32</sup> Cf. Judith Lichtenberg, "Consuming Because Others Consume," pp. 164-65. In *Ethics of Consumption*.

<sup>33</sup> See *The Overspent American*, pp. 100 and 163. Robert H. Frank elaborates the same point in *Luxury Fever* (New York: The Free Press, 1999), Chapter 10.

<sup>34</sup> For a detailed progressive consumption tax proposal, see *Luxury Fever*, pp. 211 ff. Schor proposes luxury taxes. See *The Overspent American*, p. 164. One disadvantage of luxury taxes is that it might be hard to settle what counts as luxurious items. Cf. *Luxury Fever*, pp. 203-06.

<sup>35</sup> See "Consumer Expenditures and the Growth of Need-Required Income," pp. 183-93. In *Ethics of Consumption*. See also Chapter 3 of Segal's *Graceful Simplicity* (New York: Henry Holt and Company, 1999). It may seem surprising that the NRI for health care has not risen much, but this is so because employers or the government has carried most of the greatly increased costs per capita.

<sup>36</sup> Consider Segal's example of transportation. Most two-job families may have little choice in buying two cars, but, certainly, they can opt for a basic economy model or for a gas-guzzler with numerous gadgets. Segal simply takes it for granted that in 1991 the average family spent around \$2,400 per year for each car it owned. Using this figure, he concludes that 18% of the median family income growth between 1960 and 1991 went to necessary increased transportation costs. See "Consumer Expenditures and the Growth of Need-Required Income," p. 185. But, clearly, Americans have opted for the gadgets and powerful engines and so the NRI increase for transportation is in fact smaller than Segal claims it to be. The same is true of the NRI for housing, and the decline of the percentage of total income spent on food would have been even greater without raised expectations.

<sup>37</sup> This aspect of modern consumption is stressed by Robert Meister, "Beyond Satisfaction: Desire, Consumption, and the Future of Socialism," *Topoi* 15.2 (1996): 189-210. See also

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Colin Campbell, "Consuming Goods and the Good of Consuming," in *Ethics of Consumption*.

<sup>38</sup> My account of the good life resembles the call for simplicity, as articulated, for example, in Segal's *Graceful Simplicity*. I hesitate, however, to use the term because it is also used to refer to a lifestyle that goes far beyond my proposal and involves a rejection of most modern technology.

<sup>39</sup> See *Luxury Fever*, pp. 72-73. Frank provides the striking example of Japan where the average individual satisfaction level did not significantly change between 1958 and 1986 even though per-capita income increased more than five-fold. This correlation between economic growth and happiness is consistent with two other facts: People in affluent nations are happier than people in very poor countries, and richer people tend to be happier than their less wealthy fellow citizens. See also Neva R. Goodwin, Frank Ackerman, and David Kiron, editors, *The Consumer Society* (Washington, D.C.: Island Press, 1997), pp. 25-27.

<sup>40</sup> For a discussion of this issue, see George G. Brenkert, "Marketing, the Ethics of Consumption, and Less-Developed Countries," in *The Business of Consumption*.

<sup>41</sup> See *The Overspent American*, pp. 113 ff. Schor offers here many data on downshifting. A short critical discussion of these data can be found in my review essay "Explaining, Assessing, and Changing High Consumption," forthcoming in *Radical Philosophy Review*.

<sup>42</sup> See *The Overspent American*, p. 117.

<sup>43</sup> Cf. Thomas W. Pogge, "Cosmopolitanism and Sovereignty," *Ethics* 103/1 (October 1992): 48-75, pp. 58ff.

<sup>44</sup> For an exploration of the idea of cosmopolitan democracy, see Daniele Archibugi and David Held, editors, *Cosmopolitan Democracy* (Cambridge: Polity Press, 1995).

<sup>45</sup> For a more detailed discussion, see David Schweickart, *Against Capitalism* (Boulder: Westview Press, 1996), Chapter 4.