2003

Explaining, Assessing, and Changing High Consumption

Harry van der Linden
Butler University, hvanderl@butler.edu

The original publication appeared at:
van der Linden, Harry. “Explaining, Assessing, and Changing High Consumption,” *Radical Philosophy Review*, vol. 6, no. 2 (2003): 179-89.

DOI: not available

Explaining, Assessing, and Changing High Consumption

HARRY VAN DER LINDEN

David A. Crocker and Toby Linden, eds. *Ethics of Consumption: The Good Life, Justice, and Global Stewardship*. Lanham, MD: Rowman & Littlefield, 1998. Pp. 585. Paper, $41.95. ISBN: 0847684954.

Thomas Princen, Michael Maniates, and Ken Conca, eds. *Confronting Consumption*. Cambridge: The MIT Press, 2002. Pp. 382. Paper, $32.00. ISBN: 0262661284.

Juliet B. Schor. *The Overspent American: Why We Want What We Don't Need*. New York: Perennial, 1999. Pp. 253. Paper, $13.00. ISBN: 0060977582.

Juliet B. Schor. *Do Americans Shop Too Much?* Boston: Bea-con Press, 2000. Foreword by Ralph Nader. Pp. 103. Paper, $12.00. ISBN: 080700443. [New Democracy Forum]

Jerome M. Segal. *Graceful Simplicity: Toward a Philosophy and Politics of Simple Living*. New York: Henry Holt, 1999. Pp. 263. Paper, $15.00. ISBN: 0805056793.

These writings reflect the renewed interest in the 1990s of scholars and the public in questioning the consumer society, an interest that the political crises engendered by 9/11 have overshadowed but not eliminated. In *The Overspent American*, Schor explains the emergence of strong doubts about high consumption by arguing that a "new consumerism" of escalating desires has evolved that is increasingly costly to the American high consumers themselves. In *Do Americans Shop Too Much?*, she synoptically restates her view and responds to nine included critical essays. Segal, in *Graceful Simplicity*, articulates the virtues of simple living and argues that the main obstacle to its realization in high-income societies is the growing expense of satisfying core needs. *Confronting Consumption* (*CC*), an anthology of fourteen papers, discusses the negative impact of consumption on the environment and contests the prevailing paradigm that environmental degradation is primarily a matter of production and population. *Ethics of Consumption* (*EC*) covers the prior topics and also raises the issue of how high consumption in the North affects the global poor. The collection contains twenty-seven essays and is the culmination of an interdisciplinary project on consumption undertaken by the Institute for Philosophy and Public Policy at the University of Maryland.

High Consumption as Status Consumption

In *The Overspent American*, Schor argues that the "old consumerism" prior to the 1970s involved neighbors setting the standard of satisfactory spending and, since neighbors usually have roughly similar incomes, there was no great pressure to continuously increase spending. What characterizes the "new consumerism" (coming to its own in the 1980s and beyond) is that many people have come to identify themselves with individuals who have much higher incomes, even in the order of five times as much, and seek to emulate their lifestyles. The harms of this new status or positional consumption are intense spending pressure, growing material dissatisfaction, less savings, greater debts, more personal bankruptcies, less preparedness to pay taxes for public goods, longer working hours, and more two-income families with a time squeeze.

Schor convincingly shows that positional consumption no longer has neighbors as a main reference point, but she offers little evidence for her claim that "by 1991 almost everybody was gazing at the top of the [income] pyramid" (13). In a survey she conducted about the spending and savings choices of middle-class employees at a large telecommunications company (Telecom), only about 2% of the respondents mentioned neighbors as a reference group, while around 40% mentioned friends or relatives and about 30% referred to coworkers or people with the same occupation (74). Such reference groups, however, tend to have members with comparatively modest income variations. Schor disagrees, claiming that "extremely high earners [have] emerged within occupation after occupation" and have become "a visible, and very elevated, point of comparison" for the others (10). Her Telecom survey does not really support her observation. About 60% of the respondents say that their financial status is the same as that of their reference group and only about 3% say it is much better or much worse (201).

This does not invalidate Schor's view that middle-class Americans are engaged in status spending. Her Telecom study shows that consumers who view their financial status as below that of their chosen real-life reference group save significantly less than those who perceive their status to be the same (76). She also did a survey of cosmetics purchases, showing that the more a cosmetic is visible to other women in the process of application, the more is paid for the product irrespective of quality considerations (48-54).

What is debatable, though, is whether Schor is right that during the past few decades the consumption aspirations of most middle-class Americans have rapidly grown in reach and intensity. The shift away from neighbors as a reference group does not warrant her claim. She also maintains that television—not just advertising but regular programming—creates upscale desires. How-ever, this can hardly be a major factor because the media have always projected lifestyles unobtainable for most Americans. In *Do Americans Shop Too Much?*, Schor adds that the growing economic inequality since the 1970s has contributed to the new consumerism (9). The huge gain in income and wealth of the upper-middle class led to a true spending boom visible to all and influencing almost everyone's conception of satisfactory spending. No doubt, Schor has a point here, but the growing economic inequality offers another explanation for the harms that she associates with the new consumerism. The globalization of the economy has led to greater job uncertainty and stagnant or even dropping wages for the majority of Americans since the early 1970s. At the same time, the costs of satisfying some basic needs, such as the need for decent housing, have risen in real terms, partly due to spending patterns of the upper-middle class. These increased costs have offset much of the increased two-parent household income from women joining the labor force. Thus we need to assume only a gradual growth of the consumption expectations of most Americans in order to explain their growing material dissatisfaction, overworked families, increased debts, and so on.

High Consumption as Need Satisfaction

This argument finds support in chapter three of Segal's *Graceful Simplicity* (which appeared earlier in *EC*). He identifies seven core needs—housing, clothing, food, transportation, health care, education, and protection against loss of income—and argues that the total income necessary to satisfy the core needs, i.e., the total "need-required income" (NRI), has risen in real terms in the United States over the past few decades. The NRI for housing has increased, in some parts of the country outstripping even the real growth of median two-parent family income. The NRI for transportation has significantly increased with the emergence of the two-income family in need of two or more cars. Food and clothing costs have remained more or less steady, which means that people spent a smaller percentage of their income on these items. Health care costs have not (yet) increased much as a percentage of total income because government and business have carried most of the huge per capita increase. However, the need is unmet for many Americans. The NRI for education has greatly increased in the areas of day care and pre-school and the need for these services is often not adequately met. The NRI for protection against loss of income has grown in recent years due to decreased job security, longer life span, and greater uncertainty about the viability of Social Security. Again, the need is often not met. Segal concludes: "For most Americans their subjective experience—that they always need more money than they have—is not to be explained by inflation in their appetites . . . but, rather, by socioeconomic conditions that have resulted in unmet need or in increased cost of meeting long-existing needs. This is true of housing, transportation, education, and income security" (65-66).

Segal's analysis offers an important corrective of Schor's view. However, where she may be faulted for overstating the escalation of consumption expectations, he may be faulted for understating them. Segal grants that there is some escalation of desires (43), but fails to see that part of what he describes as NRI increases in various areas is due to rising consumption expectations among most middle-class Americans and thus the real NRI increases are in fact smaller than he portrays them to be. Consider transportation. Most two-job families may have little choice in buying two cars, but, certainly, they can opt for a basic economy model or a gas-guzzler with numerous options. Segal notes that about 20% of the median income growth for two-parent households between 1960 and 1990 went to increased transportation costs (56), failing to note that the NRI increase for transportation would have been smaller if Americans had not opted for gadgets and powerful engines. The same is true of the NRI for housing, and the decline of the percentage of total income spent on clothing would have been even greater without raised expectations.

In *Do Americans Shop Too Much?*, the critics of Schor offer additional accounts of what motivates contemporary high spending. Douglas Holt argues, for example, that we live in a "postmodern market" where people are engaged in "an open-ended project of self-creation," a process that leads one "to play with different identities by consuming the goods and services associated with those identities" (65). In similar vein, Colin Campbell rejects in *EC* that contemporary consumption is positional or need-driven; rather, the modern consumer is a daydreamer, expecting that the purchase of goods will bring associated pleasures anticipated in the imagination. These alternative accounts raise interesting questions, such as whether spending motivations might not vary with age group. Schor discusses social explanations for increased spending other than status seeking, such as competency signaling. All these explanations may be needed to complete the picture, but, unlike increased NRI and the desire to sustain at least middle class status, none of them seems to go very far in explaining why people remain on the spending treadmill even when it starts to hurt.

The Functioning/Capabilities Standard of Good Consumption

Schor and most *EC* contributors evaluate high spending on basis of commonly accepted values or standards, such as individual happiness and self-respect. A few *EC* contributors develop standards rooted in their religious tradition. Eliezer Diamond offers a Jewish view of consumption, Charles Wilber a Roman Catholic consumption ethic, and James Nash argues that frugality—"an old and honored virtue, once near the heart of Christian ethics" (416)—is a subversive virtue for the affluent society. A final group of essays seeks to arrive at a more philosophically explicated standard of judging consumption on the basis of a functioning/capabilities interpretation of human well-being.

In "The Good As Discipline, the Good As Freedom," Martha Nussbaum recapitulates her familiar view that there are ten "central human functional capabilities," such as the ability to imagine, use practical reason, affiliate with others, relate to nature, and have good health, adequate food, and shelter. What is new is that she emphasizes that since the good life requires only the possession of all capabilities, not their active employment, it would be a grave mistake of a government to force people toward using specific abilities: "Capability, not functioning, is our political goal" (321). The mistake is made by illiberal Aristotelians who view "the good as discipline." Nussbaum continues to articulate on the basis of many interesting examples how this wrong conception differs from her own view of "the good as freedom," but, surprisingly, very few of the examples directly concern consumption.

Without contesting Nussbaum's political point, David Crocker argues that human flourishing requires that all capabilities be realized in some balance. In "Living at a High Economic Standard: A Functionings Analysis," Segal accepts the drift of this modification and adds that Nussbaum's account of human capabilities is not specific enough to articulate the notion of good consumption. His main concern, however, is to clarify what the relationship is between income growth and increases in standard of living. On his ac-count, a high standard of living requires ten actual "core functionings," consisting of having meaningful work, enjoying ample time for amusement and company, living in a pleasant environment, and "core functionings" in the areas of the seven core needs (outlined above). He concludes that "with respect to functionings such as devotes ample time to enjoyment of friends or gets around relatively quickly among the central foci of everyday life or hosts with pride in a dwelling a reasonable distance from work or lives free from anxiety over the decline or loss of income or lives in an aesthetically rich human and natural environment, a case can be made that economic growth has lowered rather than raised these dimensions of standard of living" (361-62). This is an important claim and suggests that an explication of human flourishing can offer a powerful standard of assessing consumption. It should be emphasized, though, that the issue is not just economic growth, but economic growth in global corporate capitalism and that there are great differences across classes in how growth has adversely affected (or improved) good functionings. In *Graceful Simplicity*, Segal further explores a high standard of living as graceful living, stating that it combines material modesty with inner peace, generosity, and appreciation for others and the world. The exploration is insightful but does not add much to the critical importance of his ten core functionings approach.

High Consumption and the Poor

All the books pay remarkably little attention to how upscale spending by the upper classes specifically affects the desires of the poor in high consumption societies and increases their NRI in areas such as housing, transportation, and health care. In "Distancing of Waste: Overconsumption in a Global Economy," Jennifer Clapp discusses how the growing waste of producing and discarding consumer goods is distanced from those who mostly enjoy the goods and ends up in poor neighborhoods and minority communities (*CC*, 164). Her main focus, however, is global distancing and how international efforts to curtail this practice have had limited success. Her paper supports Thomas Pogge's argument in "A Global Resources Dividend" that high consumers in the North are "negatively responsible" for the "radical poverty" in the developing world. They consume and trade so that the global status quo—brought about by a "shared and bloody history" (*EC*, 509)—is maintained, while alternative global institutional arrangements are possible that would lessen the poverty. Moreover, the rich fail to compensate the global poor for their disproportionate consumption of the earth's limited resources. Pogge states that the global poor "cannot secure anything like a proportionate share of the world's natural resources [but] they do get their proportionate share of the burdens resulting from the degradation of our natural environment" (508).

Allen Hammond's essay in *EC* comparing resource consumption in the North and the South supports Pogge's analysis. The same is true of Richard Tucker's essay (in *CC*) about the U.S. market for tropical products, concluding that "the cost of . . . prosperity, however far removed from the ultimate consumer, has been damage and reduction of tropical Nature's bounty" (195). Pogge offers his "global resources dividend" (GRD) as a "realistic" and "practicable" proposal for how the affluent can discharge their responsibility for radical poverty (511). The GRD is a dividend to be paid for the extraction of limited resources, such as oil, gas, coal, and various minerals, but may also be imposed on resources that become "eroded" by industry and agriculture, such as air and water (511). A modest GRD would generate as much as the total income of the poorest quintile of the world's population and is to be distributed via some international collection agency to the poorest nations in pro-portion to their populations and for the sake of their economic development. When poor nations have corrupt governments the GRD is to be allocated directly to the local poor or to development agencies that represent their interests (515).

Pogge compares his GRD to the better known "Tobin tax," which is a tax on international currency transactions. He grants that the Tobin tax might be easier to collect and be more acceptable to rich countries, but he rightly notes that "the Tobin tax has no environmental payoff and also lacks a moral rationale connecting payers and recipients" (517). The environmental payoff of the GRD is that it encourages efficient use of resources. This points, however, to a problem: The GRD inflicts a disproportional burden on countries with a high and inefficient energy use and a GNP that is a bit too high to warrant receiving GRD funds. More broadly, Pogge should explore how his GRD would affect rapidly industrializing nations.

Resource Scarcity

Herman Daly argues in *EC* that population growth in the South and consumption in the North will lead to resource scarcity. Mark Sagoff replies in "Carrying Capacity and Ecological Economics," claiming that Daly and other ecological economists "are unable to point to a single scarcity of natural capital that knowledge and ingenuity are unlikely to alleviate" (*EC*, 45). Sagoff concludes that environmentalists should move away from defending the preservation of the natural world on economic grounds and adopt instead the approach that nature has great intrinsic value. He writes: "Economic growth may not be morally desirable even if it is ecologically sustainable" (46).

Sagoff is a technological optimist, holding that technological progress will always lead to more known and recoverable reserves of nonrenewable resources as well as to substitutes for resources that have become quite expensive due to greater scarcity. Dematerialization of production is another reason for holding that resource scarcity will not impede increased consumption and economic growth (30ff). Sagoff further claims that tree plantations and aqua-culture will take care of nature's limit with regard to replacing fish and forests (35-36). The editors of *CC* convincingly challenge this optimism, noting that even huge increases in estimated supply quickly disappear once we assume a continuous 5% increase in consumption (9-11). On their account, high consumption is a greater problem than population growth as such (and, of course, it is their combination that may in the long run place much stress on the environment). They also note that consumption may actually increase as a result of greater technological efficiency. In sum, the narrow focus on production (and even population) and the failure to question consumption may actually worsen the problem of resource scarcity. A further difficulty with Sagoff's analysis is that the social and political dimensions of scarcity are neglected. Increased oil consumption, for example, will continue to create serious political problems in light of the geographical location of most proven oil reserves, while not all countries will be equally able to bear the huge costs of moving toward alternative energy sources.

Paul Waggoner and Robert Goodland offer conflicting views in *EC* of how agriculture can come to feed a population of 10 billion within the nearby future. Waggoner argues that since "nature's salvation lies . . . in humanity having land to spare," crop yields must double in the years ahead (71). He provides few details of how this might be accomplished, but his proposal seems one of genetic engineering, new pesticides, more use of fertilizer, and the like. Goodland contests the viability of this strategy of greater intensification, and proposes instead that high consumers, also for the sake of their own health, eat "lower down the food chain," ending the situation that almost 50% of global grains are fed to livestock (101).

Waggoner offers what Jack Manno in *CC* calls a solution with a "high commodity potential," while Goodland's proposal is much lower on the commodity potentiality scale. Activities high on the commodity scale require many marketable products or commodities, while activities with low commodity potential offer few opportunities for the selling and buying of goods. Walking, for example, has low commodity potential; public transportation offers medium commodity potential; and personal cars have high commodity potential (*CC*, 74). Manno defines commoditization as "the tendency to preferentially develop things most suited to function as commodities . . . as the answer to each and every type of human want and need" (70). Industrial capitalist societies are geared toward commoditization or turning all human activities into high commodity endeavors. The result is that at present "improved consumption efficiency—a rise in social and individual welfare with lower energy and material consumption—is increasingly difficult to achieve" (73). And the environmental price paid is that approaches are favored in agriculture, transportation, energy use, and, ironically, even in the area of environmental protection itself, that cause environmental degradation and scarcity (83ff). As an alternative to high commodity potential agriculture, Manno argues for a lower commodity, labor-intensive, diversified, organic agriculture, offering a critical alternative to Waggoner's mainstream view.

Changing High Consumption

All the consumption studies here make a strong case for reducing and redirecting high consumption. Current economic growth in high-consumption societies blocks graceful living, leaves citizens overspent and overworked, and burdens the natural world. Robert Lane adds that high-consumption societies have greater rates of depression due the penetration of the market within social relations (*EC*, 223ff). Pogge and some other contributors to *EC* show that high consumption is implicated in global poverty and exploitation, even though, surprisingly, none of the authors offers a detailed discussion of sweatshop labor in for-export-only industries across the developing world.

Schor offers nine "principles" in *The Overspent American* for getting people off the "consumer escalator" (145ff). Most of these principles consist of practical advice as to how individual high consumers can change their life-styles: They should, for example, control their spending desires, buy durable goods, view "exclusivity" as "uncool," avoid shopping as self-reward ("retail therapy"), share consumer goods, and opt for reduced working hours. Schor sees the

Voluntary Simplicity Movement (VSM) as an indication that American adult high consumers are ready to take such steps. In his article, "In Search of Consumption Resistance: The Voluntary Simplicity Movement," Maniates offers a sympathetic, yet critical, analysis of VSM, concluding that the movement is not elitist but is faced with the danger of being co-opted as an alternative commercial opportunity ("simplicity for sale"). More worrisome, and not unrelated, is that VSM leaves consumptive resistance mostly a matter of individual choice and has failed to develop and pursue a political agenda, at least beyond the local level (*CC*, 228ff).

Schor recognizes the need for pursuing a political agenda on the national level, but it is less emphasized than one would expect on basis of the logic of her own argument: Reducing escalating consumption expectations requires that the upper-middle class (as reference group) comes to consume less and, in her own words, this necessitates "reversing thirty years of growing inequality in the distribution of income and wealth" (164). Her failure to stress the need for political change might have to do with the fact that *The Overspent American* is "directed to people . . . whose incomes afford a comfortable life-style" (xiv). *Do Americans Shop Too Much?* is more politically focused. Segal is more consistent: he rejects "individualistic strategies of simple living" on the ground that most consumers have in fact little play room for reducing spending as long as their NRI keeps on rising, and proposes a "politics of simplicity" aimed at reducing the NRI (87). It includes better public transportation,

free higher education, more federal holidays, and a "simply living credit" to facilitate the option for reduced working hours for people with modest incomes (84-96).

In "Individualization: Plant a Tree, Buy a Bike, Save the World?," Maniates is similarly critical of mainstream environmental groups, such the Environmental Defense Fund (EDF), that claim that individuals can save the earth through making responsible purchases, recycling, tree planting, and, of course, joining organizations like the EDF. He points out that the irony of this individualization of responsibility and "flight from politics" is that consumption as "green" consumption legitimizes consumption in general and with it a major cause of environmental degradation (*CC*, 65). Individualist scenarios ignore that consumer choices are limited by institutional practices. What further undermines the efficacy of such scenarios is that the environmental impact of individual consumption choices is often obscure to those who make them. Ecocertification and labeling alleviates this problem, but their effective implementation requires political struggle (see Fred Gale, "*Caveat Certificatum*: The Case of Forest Certification," in *CC*).

Most of the authors discussed here do not seem to appreciate fully how difficult it might be to actually change high consumption. Consider again Manno's essay on "commoditization." He distinguishes between three approaches to taking care of human needs—individual purchase of commodities, need prevention and reduction, and collective approaches to need satisfaction—and argues that "a healthy, balanced economy would be able to steadily improve and develop all three approaches" (*CC*, 69). Collective approaches include such practices as sharing resources, public transportation, and communal entertainment, while need reduction and prevention include such measures as shortening the distance between home and work, health promotions, and eliminating excessive ways of satisfying basic needs. Schor, Segal, and all the other high consumption critics here argue for expanding one or both of these two approaches, but, as Manno notes, in capitalist society, due its very nature, the road taken is primarily one of expanding personal consumption; it is the road with the highest commodity potential. So, minimally, the challenge of changing high consumption requires the emergence of the political will to reverse the privatization of public services and the market penetration of all aspects of society. This means that democracy and political involvement must be much strengthened on local and national levels and become independent of corporate influence. This point, to the extent that it is at all recognized, remains understated, even in Manno's essay. More radically, and beyond the horizon of the literature examined here, successful consumptive resistance might necessitate that alternatives to corporate capitalism, such as economic democracy, are articulated and realized.

What adds to the challenge of the political project of changing high consumption is that neoliberal economic globalization has weakened political democracy and is pushing its agenda of unrestricted market rationality across the world. Here it should be noted that Pogge's GRD, even if it would eradicate the worst and most devastating expressions of global poverty, basically leaves the question open of how sustainable, responsible, and satisfactory consumption can be realized for most of humanity not residing in the North. Global labor and environmental standards as well as global regulatory rules about investment, supporting local autonomy, might be steps in the right direction. More broadly, it is crucial that high commodity strategies cease to be the dominant paradigm of economic development in the South because they lead to growing economic inequality (within and between states) and might bring about serious or even devastating environmental harms. Again, low commodity approaches require public empowerment and the curtailment of global corporate dominance, if not the realization of a different economy altogether. These are formidable political tasks, but the recent anti-globalization movement offers some hope that the challenge of changing high consumption will be eventually met.