1 The Economics and the Anti-Economics of Consumption

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Economists have some ideas about consumption that do not agree with the ideas of other students of society. Sometimes the other students are correct. But sometimes the economists are.

For one thing the economists say—correctly—that the amount of consumption, C, is determined by production, P, down to the last penny. Since the world does not get manna from heaven or an outside Santa Claus, it must get along on what it gets. And there's no way to not consume what we as a world produce, unless we throw it into the sea, or waste it on war. Call the idea "common sense" or "accounting" or the "circular flow", but anyway C equals P.

For another, economists have a vivid statistical knowledge of how very much more the average person in a rich country consumes than her ancestors did—how much more C per person she has. Two centuries ago the world's economy stood at the present level of Chad or Bangladesh or North Korea. In 1800 the average human consumed and expected her children and grandchildren and great-grandchildren to go on consuming a mere US$3 a day, give or take a dollar or two.[2] (The figure is expressed in modern-day, American prices, corrected for the cost of living.) By contrast, if you live nowadays in a thoroughly bourgeois country such as Japan or France you probably spend about US$100 a day. One hundred dollars against three. Such is the magnitude of the modern economic growth that economists can tell non-economists about. The only people much better off than US$3 or so up to 1800 were lords or bishops or a few of the merchants. It had been this way for all of history, and for that matter all of pre-history.

Two centuries later the world supports more than six and a half times more souls. Yet contrary to a pessimistic Malthusian belief that population growth would be the big problem, the average person nowadays consumes almost ten times more goods and services than in 1800. And the real consumption of poor people has recently been doubling every generation. Despite the disturbing pauses during the three dozen or so recessions that have roiled the world's economy since 1800, consumption per person on average worldwide and over the long run has taken to doubling faster and faster. In fifty years, if things go as they have since 1800, the terribly poor will have become adequately nourished, and the ordinarily poor will be bourgeois. It has happened since 1800 in many places, and now is beginning to happen in China and India.

Why? Remember: C equals P. So the larger world C had to be because we are vastly more productive than we once were. And that's the third idea economists possess which other people don't always grasp. In a single country the C can be bigger than the P if the country is stealing from others or getting charity. But in historical fact it didn't happen. Americans and other capitalists (Swedes, for example) have a great mass of goods and services mainly *because they produce a great deal.* Contrary to your grandmother's dictum—"Eat your spinach: think of the starving children in China"—consuming less in America or Sweden would add nothing to the goods available in China or Uganda. Not a grain of rice. Countries are rich or poor, have a great deal to consume or very little, mainly because they work well or badly, not because some outsider is adding to or stealing from a God-given endowment. So being productive and therefore consuming a lot is not immoral, not a result of stealing from the Third World. It is the good luck to be born in America or Sweden.

The next idea is less open-and-shut. It is that economists don't view modern consumption as different in kind from ancient or tribal consumption. The great French anthropologist Marcel Mauss expressed in 1925 the conventional but mistaken wisdom that "it is our Western societies who have recently made man an economic animal. . . . *Homo oeconomicus* is not behind us, but lies ahead. . . . For a very long time man was something different. . . . Happily we are still somewhat removed from this constant, icy, utilitarian calculation".[3] He was wrong to think that there is an advanced form of consumption that is icily utilitarian, since all consumption is of use because people think it is, not because of some useful essence (which is something economists learned in the 1870s, and we have had reinforced subsequently by anthropologists such as Mary Douglas). But he was most wrong to think that earlier people were less economic, less oriented towards prudence. He believed that the modern, allegedly utilitarian consumer is especially greedy. Coleridge and Carlyle and Emerson and Dickens, and behind them Schiller and the German Romantics, accepted the self-glorifying claim of the Utilitarians themselves that prudence was a new virtue, to be set against the splendid irrationalities of the Gothic era. Yet what was actually new in the nineteenth century was the *theory* of prudence, a new admiration for prudence, not its practice. So, especially greedy modern consumers: no.

Many non-economists imagine that anti-virtue, greed in particular, is necessary to keep the wheels of commerce turning, "creating jobs" or "keeping the money circulating". They imagine that people must buy, buy, buy or else capitalism will collapse and all of us will be impoverished. Lenin and Hobson developed a macro version of the idea in their argument around 1900 that imperialism had saved capitalism by providing markets.

Dorothy Sayers, who was more than a writer of mysteries, complained in 1942 as a Christian about "the appalling squirrel-cage . . . in which we have been madly turning for the last three centuries . . . a society in which consumption has to be artificially stimulated in order to keep production going . . . a society founded on trash and waste".[4] In 1942 even some of the economists thought this true. The theory was called "stagnationism".[5] It's a balloon theory of capitalism, that people must keep puff-puffing or the balloon will collapse, one version of the old claim that expenditure on foolish luxuries at least employs workpeople. In line with the usual if erroneous belief that spending on the Second World War had saved the world's economy, the stagnationists predicted that 1946 would see a renewal of the Great Depression. But it didn't. Stagnationism proved false.[6] Instead, world income per head grew faster from 1950 to 1974 than at any time in history, and the liberal countries boomed.

Likewise, a non-economist is inclined to think that Milady consuming a diamond bauble "puts people to work". Non-economists think that economics is about "keeping the money circulating". The vocabulary of generating and making jobs sounds to non-economists tough and prudential and quantitative. It is not. It is silly. The diamond workers would not be idle if "thrown out" of work in the bauble factory. They would in the long run find alternative employment, such as in growing oats for oatmeal or making thatched roofs for peasant houses.

All right. Those are some things that other students of society can learn from economists. What can economists learn about consumption from other students of society?

Take a look, for example, at the writings on "happiness" by the great economist and demographic historian Richard Easterlin. He has argued—against the "freedom-from-want" claims of non-economists like the psychologist Abraham Maslow or the political scientist Ronald Inglehart (who both believed that the hierarchy of needs can in fact be satisfied)—that "economic growth is a carrier of a material culture of its own that ensures that humankind is forever ensnared in the pursuit of more and more economic goods".[7] But wait. Admittedly, we are "ensnared", even "enslaved". Social science in the twentieth century, however, has discovered a reply: *any* level of income is a "carrier of a material culture", US$3 a day as much as US$137 a day. As Easterlin said, "forever". The anthropologists and psychologists point out that any meal-taking or shelter-building or tale-telling "ensnares" its people, the Bushmen of the Kalahari no less than the floor traders of Wall Street.[8] We make ourselves with consumption, as anthropologists have observed. Mary Douglas and Baron Isherwood put it so: "Goods that minister to physical needs—food and drink—are no less carriers of meaning than ballet or poetry. Let us put an end to the widespread and misleading distinction between goods that sustain life and health and others that service the mind and heart—spiritual goods."[9] The classic demonstration is Douglas's own article on the symbolic structure of working-class meals in England, but in a sense all of anthropology is in this business.[10] Goods wander across the border of the sacred and the profane—the anthropologist Richard Chalfen, for example, shows how home snapshots and movies do.[11] Or as the anthropologist Marshall Sahlins puts it in the new preface to his 1972 classic, *Stone Age Economics*: "economic activity . . . [is] the expression, in a material register, of the values and relations of a particular form of life."[12]

Easterlin urges us to resist consumerism and become "masters of growth".[13] One wants to be wary of such urgings that "we" do something, since the "we" is so easily corrupted—for instance, by rabid nationalism, or by the mere snobbery of the "clerisy" (the word is how Samuel Taylor Coleridge and I refer to the intelligentsia and journalists and ministers and professors and the rest of the scribbling tribe). Easterlin would agree. But surely in an ethical sense he is right. "We" need to persuade each other to take advantage of modern freedom from want for something other than watching television and eating more Fritos and strutting about in a world of status-confirming consumption. We are ensnared, admittedly, as our ancestors were. In modern conditions of wide material scope, however, we would hope that the ensnaring would be worthy of the best versions of our humanness, ensnared by Mozart or by the celebration of the mass or by a test match for the Ashes at Lord's on a perfect London day in June. Yet that advice, to be nobly ensnared, has been a commonplace since the invention of religion and literature. It has nothing much to do with the Great (and Liberating) Fact of modern growth—except that thanks to the Fact a vastly larger percentage of humanity is open to the advice. The clerisy thinks that other peoples' spending is just awful—even superb economists like Easterlin or Fred Hirsch or Robert Frank partake in the clerisy's disdain. In 1985 the cultural historian Daniel Horowitz argued persuasively that "at the heart of most versions of modern moralism is a critique, sometimes radical and always adversarial, of the economy. . . . Denouncing other people for their profligacy and lack of Culture is a way of reaffirming one's own commitment."[14]

The clerisy, then, dislikes the consumption of *hoi polloi*. You will get many versions of the distaste in this volume. Especially in the United States, for example, the clerisy has been saying since Veblen that The Many are in the grips of a tiny group of advertisers. So the spending on Coke and gas grills and automobiles is the result of hidden persuasion or, to use a favourite word of the clerisy to describe commercial free speech, "manipulation". The peculiarly American attribution of gigantic power to thirty-second television spots is puzzling to an economist. (I recur for a moment to telling you what other observers can learn about consumption from economists.) If advertising had the powers attributed to it by the clerisy, then unlimited fortunes could be had for the writing. Yet advertising is less than 2 per cent of national product, much of it uncontroversially

informative—such as shop signs and entries in the Yellow Pages or ads in trade magazines aimed at highly sophisticated buyers.

Easterlin makes another economist's point: that "how people feel they ought to live . . . rises commensurately with income. The result is that while income growth makes it possible for people better to attain their aspirations, they are not happier because their aspirations, too, have risen".[15] The argument of Fred Hirsch and Robert Frank is similar: standards of consumption are social, and so higher income is spent in an arms race to match other people's consumption, expensive leather furniture in one's *pied à terre* in New York City, say, because that is How We Live Now.[16]

Well, what of it? We are richer, as now China and India are steadily becoming, praise the Lord, or as Japan and Ireland and other once unspeakably poor places have become. We and they consume more, and then aspire for more, and have an expanded idea of how many square metres a livable apartment must have. Still we paint ourselves with our consumption, and have vastly more scope for painting in more comfortable, "richer" ways. Good. The "happiness" literature among economists, you see, is predisposed to find modern levels of consumption vulgar and corrupting, a pointless arms race. The field has become one of the scientific legs of the century-old campaign by the clerisy against the "consumerism" to which the non-clerisy are so wretchedly enslaved, as described in the writings of the economists Hirsch or Frank or Scitovsky, or the sociologist Juliet Schor, or indeed the sociological economist of a century ago, the great Thorstein Veblen.[17] (Such economists do not acknowledge that there have always been such races of aspiration in consumption, leading to the glory of Greece and the riches of England.[18])

In her survey of Catholic and radical thinking on consumption the theologian Christine Firer Hinze worries that in such self-makings in consumption we might lose our virtues, especially our temperance.[19] She recalls Monsignor John A. Ryan's books of economics in the early twentieth century calculating the costs of dignity as against superfluity. Hinze and I agree with the anti-consumption clerisy that it is possible to make oneself badly—she and I are Aristotelians and Aquinians, with an idea of the virtuous life. We are not Utilitarians refusing to judge consumption. The economists can be properly criticized for such a species of amoralism that has corrupted, for example, American schools of business. "Structures of sin" are possible in the sociology of consumption. She and I would urge "a virtue approach to consumer culture", and to much else.[20] But what evidence, really, is there that "the market can neither generate nor guarantee respect for . . . moral foundations"?[21] Doubtless not without ethical effort, yes. But "*can*not"?

Above all, the economist's model of consumption can be properly criticized for its *thinness*. The main character in the story of conventional economists is someone named "Max U", the unlovely maximizer of utility, *Homo prudens*, the prudent human—never *Homo ludens* (the playful human, whom the economists Schumpeter or Knight emphasized) or *Homo faber* (the making human, Marx's man) or *Homo hierarchus* (the ranking human, which Robert Frank emphasizes) or, as I and most non-economist social scientists would claim, *Homo loquens*, the speaking human. ("Max U", you see, is a man with the last name "U" who has peopled the arguments of economists since Paul Samuelson elevated him to a leading role in the late 1930s. The joke is that the only way that an economist knows how to think about life after Samuelson is to watch Mr. Max U *Max*-imizing a *U*tility function, U(*X,Y*). Ha, ha.) The best policy to improve our lives may be artistic and sociological, not economic. Remake our tastes—which are merely "given" in the economist's thin model. Andrew Kashdan and Daniel Klein, who doubt that the "arms race" argument against consumption made by Hirsch and Frank is persuasive, point out that Adam Smith "was critical of luxury and the vanity of the rich, but his approach was to enlighten people by showing them that their self-interest broadly conceived resided in liberal virtues and the market order".[22]

Admittedly, behaviour *is* sometimes best described scientifically as being about the material incentives given to Max U people who have given tastes. But sometimes it is best described as improvisational comedy. The joke then is on the economist. Thus, for example, the "distinction" that Pierre Bourdieu examined in his dissection of the bourgeois and working classes in France is not merely an external constraint.[23] It is a dance. You don't merely get to a higher level of utility if you can name (on a pop quiz set by the sociologist) the composer of "The Well-Tempered Clavier". By doing so you actively distinguish yourself from people with fewer academic qualifications in a qualification-obsessed France. You are playing a social game in which each move has meaning. "Johann Sebastian Bach". "Ah, one of Us. Welcome". Or as Yeats put it, "O bodies swayed to music, o brightening glance:/ How can we know the dancer from the dance?"

But that is what the rest of the volume is about.

NOTES

1. Parts of this chapter are adapted from McCloskey (2006, 2010).
2. Strictly speaking, "1990 international Geary-Khamis dollars". See Angus Maddison in his amazing palace of numbers, *The World Economy* (2006, 642). I used the average of Maddison's world figures for 1700 and 1820. Economic historians agree on a factor of ten or so worldwide since the eighteenth century; for example, Easterlin (1995; 2004, 84).
3. Mauss (1925/1990, 98).
4. Sayers (1942, 1).
5. Hansen (1938, 1941), out of Keynes (1937).
6. Fogel (2005). On the political Left, Baran and Sweezy (1966) kept up the stagnationist argument for some decades after its time.
7. Easterlin (2004, 52).
8. Douglas and Isherwood (1979); Csikszentmihalyi and Rochberg-Halton (1981).

9. Douglas and Isherwood (1979), quoted in van Staveren (1999, 92).
10. Douglas (1972).
11. Chalfen (1987).
12. Sahlins (1974/2004, ix).
13. Easterlin (2004, 53).
14. Horowitz (1985, 166, 168).
15. Easterlin (2003, 349).
16. Hirsch (1976); Frank (1985, 1999, 2004); Frank and Cook (1995).
17. Frank (1985), who is rather more subtle than this characterization suggests; Frank and Cook (1995); Schor (1993, 1998, 2004); Scitovsky (1976); Veblen (1899).
18. Kashdan and Klein make the point against the pointlessness of "positional goods" (2006, 422–424). Today's luxury (argued Friedrich Hayek) is an experiment in consumption. Air-conditioning, once only for the rich, becomes commonplace, on account of the rich's experiment in vulgar, showing-off comfort.
19. Hinze (2004, esp. 179).
20. Hinze (2004, 177).
21. Hinze (2004, 179).
22. Kashdan and Klein (2006, 420).
23. Bourdieu (1979/1984).

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2 The Hyperconsumption Society

Gilles Lipovetsky

It is widely accepted that we live in a mass-consumption society. However, it has to be pointed out that the type of consumer society created in the 1950s no longer exists. A new consumer society now reigns. I have suggested calling this new stage of consumer capitalism the hyperconsumption society.

If one must talk of hyperconsumption it is because consumption is now expanding at a hyperbolic rate. People consume everywhere: in the hypermarkets and the shopping arcades, in railway stations and airports, in the metro, in museums and on the Internet. There is increasing consumption on Sundays, in the evening, through the night, at all hours and in all places. Religious festivals are changing into spending sprees, a sort of consumption bacchanale, and all previous geographical and time constraints on consumerism are dissolving. We live in a time when the majority of our exchanges have a price tag, and our experiences are bound up in commercial relationships. The empire of brand names and market share extends everywhere, and there is now a quasi integration not only of merchandising goods but also of culture, art, time, communication, life and death. Hyperconsumer capitalism is distinguished by this explosive growth in the marketplace, and by its infiltration into nearly all of life's space-time.

To correctly evaluate the place, influence and idea of the contemporary consumer universe, one must try to place it in the history of modern consumerism—which is already a century old. To this end I will suggest an outline of the evolution of consumer capitalism based on the characteristics of three main phases.

THE THREE AGES OF CONSUMER CAPITALISM

Phase I starts around the 1880s and ends with the Second World War. This phase is primarily the one which sees the appearance of a proliferation of standardized goods sold at low prices, and the mass serial production of goods thanks to new methods and procedures in industrial manufacturing. The first cycle is also the one which saw the invention