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The New Politics of Consumption:

Why Americans want so much more than they need.

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In contemporary American culture, consuming is as authentic as it gets. Advertisements, getting a bargain, garage sales, and credit cards are firmly entrenched pillars of our way of life. We shop on our lunch hours, patronize outlet malls on vacation, and satisfy our latest desires with a late-night click of the mouse.¹

Yet for all its popularity, the shopping mania provokes considerable dis-ease: many Americans worry about our preoccupation with getting and spending. They fear we are losing touch with more worthwhile values and ways of living. But the discomfort rarely goes much further than that; it never coheres into a persuasive, well-articulated critique of consumerism. By contrast, in the 1960s and early '70s, a far-reaching critique of consumer culture was a part of our political discourse. Elements of the New Left, influenced by the Frankfurt School, as well as by John Kenneth Galbraith and others, put forward a scathing indictment. They argued that Americans had been manipulated into participating in a dumbed-down, artificial consumer culture, which yielded few true human satisfactions.

For reasons that are not hard to imagine, this particular approach was short-lived, even among critics of American society and culture. It seemed too patronizing to talk about manipulation or the "true needs" of average Americans. In its stead, critics adopted a more liberal point of view, and deferred to individuals on consumer issues. Social critics again emphasized the distribution of resources, with the more economicistic goal of maximizing the incomes of working people. The good life, they suggested, could be achieved by attaining a comfortable, middle-class standard of living. This outlook was particularly prevalent in economics, where even radical economists have long believed that income is the key to well-being. While radical political economy, as it came to be called, retained a powerful critique of alienation in production and the distribution of property, it abandoned the nascent intellectual project of analyzing the consumer sphere. Few economists now think about how we consume, and whether it reproduces class inequality, alienation, or power. "Stuff" is the part of the equation that the system is thought to have gotten nearly right.

Of course, many Americans retained a critical stance toward our consumer culture. They embody that stance in their daily lives-in the ways they live and raise their kids. But the rejection of consumerism, if you will, has taken place principally at an individual level. It is not associated with a widely accepted intellectual analysis, and an associated *critical politics of consumption*.

But such a politics has become an urgent need. The average American now finds it harder to achieve a satisfying standard of living than 25 years ago. Work requires longer

hours, jobs are less secure, and pressures to spend more intense. Consumption-induced environmental damage remains pervasive, and we are in the midst of widespread failures of public provision. While the current economic boom has allayed consumers' fears for the moment, many Americans have long-term worries about their ability to meet basic needs, ensure a decent standard of living for their children, and keep up with an ever-escalating consumption norm.

In response to these developments, social critics continue to focus on income. In his impressive analysis of the problems of contemporary American capitalism, *Fat and Mean*, economist David Gordon emphasized income *adequacy*. The "vast majority of US households," he argues, "can barely make ends meet.... Meager livelihoods are a *typical* condition, an *average* circumstance." Meanwhile, the Economic Policy Institute focuses on the distribution of income and wealth, arguing that the gains of the top 20 percent have jeopardized the well-being of the bottom 80 percent. Incomes have stagnated and the robust 3 percent growth rates of the 1950s and '60s are long gone. If we have a consumption problem, this view implicitly states, we can solve it by getting more income into more people's hands. The goals are redistribution and growth.

It is difficult to take exception to this view. It combines a deep respect for individual choice (the liberal part) with a commitment to justice and equality (the egalitarian part). I held it myself for many years. But I now believe that by failing to look deeper-to examine the very nature of consumption-it has become too limiting. In short, I do not think that the "income solution" addresses some of the most profound failures of the current consumption regime.

Why not? First, consuming is part of the problem. Income (the solution) leads to consumption practices that exacerbate and reproduce class and social inequalities, resulting in-and perhaps even worsening-an unequal distribution of income. Second, the system is structured such that an *adequate* income is an elusive goal. That is because adequacy is relative-defined by reference to the incomes of others. Without an analysis of consumer desire and need, and a different framework for understanding what is adequate, we are likely to find ourselves, twenty years from now, arguing that a median income of \$100,000-rather than half that-is adequate. These arguments underscore the social context of consumption: the ways in which our sense of social standing and belonging comes from what we consume. If true, they suggest that attempts to achieve equality or adequacy of individual incomes without changing consumption patterns will be self-defeating.

Finally, it is difficult to make an ethical argument that people in the world's richest country need more when the global income gap is so wide, the disparity in world resource use so enormous, and the possibility that we are already consuming beyond the earth's ecological carrying capacity so likely. This third critique will get less attention in this essay-because it is more familiar, not because it is less important-but I will return to it in the conclusion.

I agree that justice requires a vastly more equal society, in terms of income and wealth. The question is whether we should also aim for a society in which our relationship to

consuming changes, a society in which we consume *differently*. I argue here for such a perspective: for a critique of consumer culture and practices. Somebody needs to be for quality of life, not just quantity of stuff. And to do so requires an approach that does not trivialize consumption, but accords it the respect and centrality it deserves.

The New Consumerism

A new politics of consumption should begin with daily life, and recent developments in the sphere of consumption. I describe these developments as "the new consumerism," by which I mean an upscaling of lifestyle norms; the pervasiveness of conspicuous, status goods and of competition for acquiring them; and the growing disconnect between consumer desires and incomes.

Social comparison and its dynamic manifestation—the need to "keep up"—have long been part of American culture. My term is "competitive consumption," the idea that spending is in large part driven by a comparative or competitive process in which individuals try to keep up with the norms of the social group with which they identify—a "reference group." Although the term is new, the idea is not. Thorstein Veblen, James Duesenberry, Fred Hirsch, and Robert Frank have all written about the importance of relative position as a dominant spending motive. What's new is the redefinition of reference groups: today's comparisons are less likely to take place between or among households of similar means. Instead, the lifestyles of the upper middle class and the rich have become a more salient point of reference for people throughout the income distribution. Luxury, rather than mere comfort, is a widespread aspiration.

One reason for this shift to "upscale emulation" is the decline of the neighborhood as a focus of comparison. Economically speaking, neighborhoods are relatively homogeneous groupings. In the 1950s and '60s, when Americans were keeping up with the Joneses down the street, they typically compared themselves to other households of similar incomes. Because of this focus on neighbors, the gap between aspirations and means tended to be moderate.

But as married women entered the workforce in larger numbers—particularly in white collar jobs—they were exposed to a more economically diverse group of people, and became more likely to gaze upward. Neighborhood contacts correspondingly declined, and the workplace became a more prominent point of reference. Moreover, as people spent less time with neighbors and friends, and more time on the family-room couch, television became more important as a source of consumer cues and information. Because television shows are so heavily skewed to the "lifestyles of the rich and upper middle class," they inflate the viewer's perceptions of what others have, and by extension what is worth acquiring—what one must have in order to avoid being "out of it."

Trends in inequality also helped to create the new consumerism. Since the 1970s, the distribution of income and wealth have shifted decisively in the direction of the top 20

percent. The share of after-tax family income going to the top 20 percent rose from 41.4 percent in 1979 to 46.8 percent in 1996. The share of wealth controlled by the top 20 percent rose from 81.3 percent in 1983 to 84.3 percent in 1997. This windfall resulted in a surge in conspicuous spending at the top. Remember the 1980s-the decade of greed and excess? Beginning with the super-rich, whose gains have been disproportionately higher, and trickling down to the merely affluent, visible status spending was the order of the day. Slowed down temporarily by the recession during the early 1990s, conspicuous luxury consumption has intensified during the current boom. Trophy homes, diamonds of a carat or more, granite countertops, and sport utility vehicles are the primary consumer symbols of the late-1990s. Television, as well as films, magazines, and newspapers ensure that the remaining 80 percent of the nation is aware of the status purchasing that has swept the upper echelons.

In the meantime, upscale emulation had become well-established. Researchers Susan Fournier and Michael Guiry found that 35 percent of their sample aspired to reach the top 6 percent of the income distribution, and another 49 percent aspired to the next 12 percent. Only 15 percent reported that they would be satisfied with "living a comfortable life"-that is, being middle class. But 85 percent of the population cannot earn the six-figure incomes necessary to support upper-middle-class lifestyles. The result is a growing aspirational gap: with desires persistently outrunning incomes, many consumers find themselves frustrated. One survey of US households found that the level of income needed to fulfill one's dreams doubled between 1986 and 1994, and is currently more than twice the median household income.

The rapid escalation of desire and need, relative to income, also may help to explain the precipitous decline in the savings rate-from roughly 8 percent in 1980, to 4 percent in the early 1990s, to the current level of zero. (The stock market boom may also be inducing households not to save; but financial assets are still highly concentrated, with half of all households at net worths of \$10,000 or less, including the value of their homes.) About two-thirds of American households do not save in a typical year. Credit card debt has skyrocketed, with unpaid balances now averaging about \$7,000 and the typical household paying \$1,000 each year in interest and penalties. These are not just low-income households. Bankruptcy rates continue to set new records, rising from 200,000 a year in 1980 to 1.4 million in 1998.

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The new consumerism, with its growing aspirational gap, has begun to jeopardize the quality of American life. Within the middle class-and even the upper middle class-many families experience an almost threatening pressure to keep up, both for themselves and their children. They are deeply concerned about the rigors of the global economy, and the need to have their children attend "good" schools. This means living in a community with relatively high housing costs. For some households this also means providing their children with advantages purchased on the private market (computers, lessons, extracurriculars, private schooling). Keeping two adults in the labor market-as so many families do, to earn the incomes to stay middle class-is expensive, not only because of the second car, child-care costs, and career wardrobe. It also creates the need for time-

saving, but costly, commodities and services, such as take-out food and dry cleaning, as well as stress-relieving experiences. Finally, the financial tightrope that so many households walk-high expenses, low savings-is a constant source of stress and worry. While precise estimates are difficult to come by, one can argue that somewhere between a quarter and half of all households live paycheck-to-paycheck.

These problems are magnified for low-income households. Their sources of income have become increasingly erratic and inadequate, on account of employment instability, the proliferation of part-time jobs, and restrictions on welfare payments. Yet most low-income households remain firmly integrated within consumerism. They are targets for credit card companies, who find them an easy mark. They watch more television, and are more exposed to its desire-creating properties. Low-income children are more likely to be exposed to commercials at school, as well as home. The growing prominence of the values of the market, materialism, and economic success make financial failure more consequential and painful.

These are the effects at the household level. The new consumerism has also set in motion another dynamic: it siphons off resources that could be used for alternatives to private consumption. We use our income in four basic ways: private consumption, public consumption, private savings, and leisure. When consumption standards can be met easily out of current income, there is greater willingness to support public goods, save privately, and cut back on time spent at work (in other words, to "buy leisure"). Conversely, when lifestyle norms are upscaled more rapidly than income, private consumption "crowds out" alternative uses of income. That is arguably what happened in the 1980s and 1990s: resources shifting into private consumption, and away from free time, the public sector, and saving. Hours of work have risen dramatically, saving rates have plummeted, public funds for education, recreation, and the arts have fallen in the wake of a grass-roots tax revolt. The timing suggests a strong coincidence between these developments and the intensification of competitive consumption-though I would have to do more systematic research before arguing causality. Indeed, this scenario makes good sense of an otherwise surprising finding: that indicators of "social health" or "genuine progress" (i.e., basic quality-of-life measures) began to diverge from GDP in the mid-1970s, after moving in tandem for decades. Can it be that consuming and prospering are no longer compatible states?

To be sure, other social critics have noted some of these trends. But they often draw radically different conclusions. For example, there is now a conservative jeremiad that points to the recent tremendous increases in consumption and concludes that Americans just don't realize how good they have it, that they have become overly entitled and spoiled. Reduced expectations, they say, will cure our discontents. A second, related perspective suggests that the solution lies in an act of psychological independence-individuals can just ignore the upward shift in consumption norms, remaining perfectly content to descend in the social hierarchy.

These perspectives miss the essence of consumption dynamics. Americans did not suddenly become greedy. The aspirational gap has been created by structural changes-such as the decline of community and social connection, the intensification of

inequality, the growing role of mass media, and heightened penalties for failing in the labor market. Upscaling is mainly defensive, and has both psychological and practical dimensions.

Similarly, the profoundly social nature of consumption ensures that these issues cannot be resolved by pure acts of will. Our notions of what is adequate, necessary, or luxurious are shaped by the larger social context. Most of us are deeply tied into our particular class and other group identities, and our spending patterns help reproduce them.

Thus, a collective, not just an individual, response is necessary. Someone needs to address the larger question of the consumer culture itself. But doing so risks complaints about being intrusive, patronizing, or elitist. We need to understand better the ideas that fuel those complaints.

Consumer Knows Best

The current consumer boom rests on growth in incomes, wealth, and credit. But it also rests on something more intangible: social attitudes toward consumer decision-making and choices. Ours is an ideology of non-interference—the view that one should be able to buy what one likes, where one likes, and as much as one likes, with nary a glance from the government, neighbors, ministers, or political parties. Consumption is perhaps the clearest example of an individual behavior which our society takes to be almost wholly personal, completely outside the purview of social concern and policy. The consumer is king. And queen.

This view has much to recommend it. After all, who would relish the idea of sumptuary legislation, rationing, or government controls on what can be produced or purchased? The liberal approach to consumption combines a deep respect for the consumer's ability to act in her own best interest and an emphasis on the efficiency gains of unregulated consumer markets: a commitment to liberty and the general welfare.

Cogent as it is, however, this view is vulnerable on a number of grounds. Structural biases and market failures in the operation of consumer markets undermine its general validity; consumer markets are neither so free nor so efficient as the conventional story suggests. The basis of a new consumer policy should be an understanding of the presence of structural distortions in consumers' choices, the importance of social inequalities and power in consumption practices, a more sophisticated understanding of consumer motivations, and serious analysis of the processes that form our preferences. To appreciate the force of these criticisms, we need a sharper statement of the position they reject.

The Conventional View

The liberal view on markets for consumer goods has adherents in many disciplines, but its core analytic argument comes from standard economic theory, which begins from some well-known assumptions about consumers and the markets in which they operate.

1. *Consumers are rational.* They act to maximize their own well-being. They know what they prefer, and make decisions accordingly. Their "preferences" are taken as given, as relatively unchanging, and as unproblematic in a normative sense. They do not act capriciously, impulsively, or self-destructively.
2. *Consumers are well-informed.* They have perfect information about the products offered in the market. They know about all relevant (to the consumer) characteristics pertaining to the production and use of the product.
3. *Consumer preferences are consistent (both at a point in time and over time).* Consistency at a point in time means transitivity: If A is preferred to B and B to C then A will be preferred to C. (In other words, if roast beef is preferred to hamburgers and hamburgers to hot-dogs, then roast beef is preferred to hot dogs.) Consistency over time can be thought of as a "no regrets" assumption. If the consumer is faced with a choice of a product that yields satisfaction in the present, but has adverse consequences in the future-eat chocolate today and feel great, but gain five unwanted pounds by next week-and the consumer chooses that product today, he or she will not regret the choice when the future arrives. (This does not mean the extra pounds are welcomed, only that the pleasure of the chocolate continues to outweigh the pain of the pounds.)
4. *Each consumer's preferences are independent of other consumers' preferences.* We are self-contained in a social sense. If I want a sport utility vehicle, it is because I like them, not because my neighbor does. The trendiness of a product does not affect my desire to have it, either positively or negatively.
5. *The production and consumption of goods have no "external" effects.* There are no consequences for the welfare of others that are unreflected in product prices. (A well-known example of external effects is pollution, which imposes costs on others that are not reflected in the price of the good that produces the pollution.)
6. *There are complete and competitive markets in alternatives to consumption.* Alternatives to consumption include savings, public goods, and the "purchase" of leisure. Unless these alternatives are available, the choice of consumption-over other uses of economic resources-may not be the optimal outcome.

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Taken together, and combined with conditions of free entry and exit of firms providing consumer goods, these assumptions imply that no consumer policy is the best consumer policy. Individual consumers know best and will act in their own interest. Firms will provide what the consumers want; those that don't will not survive a competitive marketplace. Competition and rationality together ensure that consumers will be

sovereign—that is, that their interests will "rule." And the results will be better than any we could achieve through government regulation or political action.

To be sure, conventional theory and policy have always admitted some deviations from these highly idealized conditions. In some areas interventionist policy has been long-standing. First, some consumers are not considered to be fully rational—for example, children or, in an earlier era, women. Because kids are not thought to be capable of acting in their own interest, the state justifies protective policies, such as the restricting advertising aimed at them. Second, the state has traditionally regulated highly addictive or harmful commodities, such as drugs, alcohol, and explosives. (As the debates surrounding the legalization of drugs make clear, the analytical basis for this policy is by no means universally accepted.) A third class of highly regulated commodities involve sex: pornography, contraceptives, sexual paraphernalia, and so forth. Here the rationale is more puritanical. American society has always been uncomfortable about sex and willing to override its bias against consumer regulation because of that. Finally, the government has for much of this century—though less forcefully since the Reagan administration—attempted to ensure minimum standards of product safety and quality.

These exceptions aside, the standard model holds strongly to the idea that unfettered markets yield the optimal outcomes, a conclusion that follows logically and inexorably from the initial assumptions. Obviously, the assumptions of the standard model are extreme, and the real world deviates from them. On that everyone agrees. The question is by how much, how often, and under what conditions? Is the world sufficiently different from this model that its conclusions are misguided?

Serious empirical investigations suggest that these assumptions do not adequately describe a wide range of consumer behaviors. The simple rational-economic model is reasonable for predicting some fraction of choice behavior for some class of goods—apples versus oranges, milk versus orange juice—but it is inadequate when we are led to more consequential issues: consumption versus leisure, products with high symbolic content, fashion, consumer credit, and so on. In particular, it exaggerates how rational, informed, and consistent people are. It overstates their independence. And it fails to address the pressures that consumerism imposes on individuals with respect to available choices and the consequences of various consumption decisions. Understand those pressures, and you may well arrive at very different conclusions about politics and policy.

Rational, deliberative, and in control?

The economic model presents the typical consumer as deliberative and highly forward-looking, not subject to impulsive behavior. Shopping is seen as an information-gathering exercise in which the buyer looks for the best possible deal for product she has decided to purchase. Consumption choices represent optimizing within an environment of deliberation, control, and long-term planning.

Were such a picture accurate it would be news (and news of a very bad sort) to a whole industry of advertisers, marketers, and consultants whose research on consumer

behavior tells a very different story. Indeed, their findings are difficult to reconcile with the picture of the consumer as highly deliberative and purposive.

Consider some of the stylized facts of modern marketing. For example, the "law of the invariant right": shoppers overwhelmingly turn right, rather than left, upon entering a store. This is only consistent with the rational search model if products are disproportionately to be found on the right side of the aisle. Or consider the fact that products placed in the so-called "decompression zone" at the entrance to a store are 30 percent less likely to be purchased than those placed beyond it. Or that the number of feet into a store the customer walks is correlated with the number of items purchased. It's far harder to square these findings with "rational" behavior than with an unplanned and contingent action. Finally, the standard model has a very hard time explaining the fact that if, while shopping, a woman is accidentally brushed from behind, her propensity to purchase falls precipitously.

Credit cards present another set of anomalies for the reigning assumptions. Surveys suggest that most people who acquire credit cards say that they do not intend to borrow on them; yet roughly two-thirds do. The use of credit cards leads to higher expenditures. Psychological research suggests that even the visual cue of a credit card logo spurs spending. Survey data shows that many people are in denial about the level of credit card debt that they hold, on average underestimating by a factor of two. And the explosion of personal bankruptcies, now running at roughly 1.5 million a year, can be taken as evidence of a lack of foresight, planning, and control for at least some consumers.

More generally, credit card habits are one example of what economists call "hyperbolic discounting," that is, an extreme tendency to discount the future. Such a perspective calls into question the idea of time consistency—the ability of individuals to plan spending optimally throughout their lifetimes, to save enough for the future, or to delay gratification. If people are constitutionally inclined to be hyperbolic discounters, as some are now arguing, then forced-saving programs such as Social Security and government-sponsored retirement accounts, restriction on access to credit, waiting periods for major purchases, and a variety of other approaches might improve well-being. Compulsive buying, as well as the milder and far more pervasive control problems that many consumers manifest, can also be incorporated into this framework.

The model of deliberative and informed rationality is also ill-adapted to account for the phenomenon of brand-preference, perhaps the backbone of the modern consumer market. As any beginning student of advertising knows, much of what advertising does is take functionally identical or similar goods and differentiate them on the basis of a variety of non-operational traits. The consumer is urged to buy Pepsi because it represents the future, or Reebok shoes because the company stands for strong women. The consumer develops a brand preference, and believes that his brand is superior in quality. The difficulty for the standard model arises because, absent the labels, consumers are often unable to distinguish among brands, or fail to choose their favorites. From the famous beer taste test of the 1960s (brand loyalists misidentified

their beers), to cosmetics, garments, and other tests of more recent vintage, it seems that we love our brands, but we often can't tell which brands are which.

What can we conclude from consumers' inability to tell one washing powder, lipstick, sweater, or toothpaste from another? Not necessarily that they are foolishly paying a brand premium for goods. (Although there are some consumers who do fall into this category-they wouldn't pay the brand premium, as distinct from a true quality premium, if they knew it existed.) What is more generally true, I believe, is that many consumers do not understand why they prefer one brand over another, or desire particular products. This is because there is a significant dimension of consumer desire which operates at the non-rational level. Consumers believe their brand loyalties are driven by functional dimensions, but a whole host of other motivators are at work-for example, social meanings as constructed by advertisers; personal fantasies projected onto goods; competitive pressures. While this behavior is not properly termed "irrational," neither is it conscious, deliberative, and narrowly purposive. Consumers are not deluded, duped, or completely manipulated. But neither do they act like profit-maximizing entrepreneurs or scientific management experts. The realm of consumption, as a rich historical literature has taught us, has long been a "dream world," where fantasy, play, inner desire, escape, and emotion loom large. This is a significant part of what draws us to it.

Consumption is Social

Within economics, the major alternative to the assumption that individuals' preferences are independent-that people do not want things because others want them-is the "relative" income, positional, or "competitive consumption" perspective noted above. In this model, a person's well-being depends on his or her relative consumption-how it compares to some selected group of others. Such positioning is one of the hallmarks of the new consumerism.

Of course, social comparison predates the 1980s. In 1984, French sociologist Pierre Bourdieu explored the social patterning of consumption and taste in *Distinction: A Social Critique of the Judgment of Taste*. Bourdieu found that family socialization processes and educational experiences are the primary determinants of taste for a wide range of cultural goods, including food, dress, and home decor. In contrast to the liberal approach, in which consumption choices are both personal and trivialized-that is, socially inconsequential-Bourdieu argues that class status is gained, lost, and reproduced in part through everyday acts of consumer behavior. Being dressed incorrectly or displaying "vulgar" manners can cost a person a management or professional job. Conversely, one can gain entry into social circles, or build lucrative business contacts, by revealing appropriate tastes, manners, and culture. Thus, consumption practices become important in maintaining the basic structures of power and inequality which characterize our world. Such a perspective helps to illuminate why we invest so much meaning in consumer goods-for the middle class its very existence is at stake. And it suggests that people who care about inequality should talk explicitly about the stratification of consumption practices.

If we accept that what we buy is deeply implicated in the structures of social inequality, then the idea that unregulated consumption promotes the general welfare collapses. When people care only about relative position, then general increases in income and consumption do not yield gains in well-being. If my ultimate consumer goal is to maintain parity with my sister, or my neighbor, or Frasier, and our consumption moves in tandem, my well-being is not improved. I am on a "positional treadmill." Indeed, because consuming has costs (in terms of time, effort, and natural resources), positional treadmills can have serious negative effects on well-being. The "working harder to stay in place" mantra of the early 1990s expresses some of this sentiment. In a pure reversal of the standard prescription, collective interventions which stabilize norms, through government policy or other mechanisms, raise rather than lower welfare. People should welcome initiatives that reduce the pressure to keep up with a rising standard.

Free and structurally unbiased?

The dynamic of positionally driven spending suggests that Americans are "overconsuming" at least those private goods that figure in our consumption comparisons. There is another reason we may be overconsuming, which has to do with the problems in markets for alternatives to status or positional goods. In particular, I am referring to non-positional private consumption, household savings, public goods, and leisure. Generally speaking, if the markets for these alternatives are incomplete, non-competitive, or do not fully account for social benefits and costs, then overconsumption with respect to private consumption may result. I do not believe this is the case with household savings: financial markets are highly competitive and offer households a wide range of ways to save. (The deceptive and aggressive tactics of consumer credit companies might be reckoned a distortion in this market, but I'll leave that aside.) Similarly, I do not argue that the markets for private consumer goods which we tend not to compete about are terribly flawed. Still, there are two markets in which the standard assumptions do not apply: the market for public goods and the market for time. Here I believe the deviations from the assumptions are large, and extremely significant.

In the case of public goods there are at least two big problems. The first is the underproduction of a clean environment. Because environmental damage is typically not included in the price of the product which causes it (e.g., cars, toxic chemicals, pesticides), we overconsume environmentally damaging commodities. Indeed, because all production has an impact on the environment, we overconsume virtually all commodities. This means that we consume too much in toto, in comparison to non-environmentally damaging human activities.

The second problem arises from the fact that business interests—the interests of the producers of private goods—have privileged access to the government and disproportionately influence policy. Because they are typically opposed to public provision, the "market" for public goods is structurally biased against provision. In comparison to what a truly democratic state might provide, we find that a business-dominated government skews outcomes in the direction of private production. We don't get enough, or good enough, education, arts, recreation, mass transport, and other

conventional public goods. We get too many cars, too many clothes, too many collectibles.

For those public goods that are complementary with private spending (roads and cars versus bicycle lanes and bicycles) this bias constrains the choices available to individuals. Without the bicycle lanes or mass transport, private cars are unavoidable. Because so much of our consumption is linked to larger collective decisions, the individual consumer is always operating under particular constraints. Once we move to HDTV, our current televisions will become obsolete. As public telephone booths disappear, mobile phones become more necessary. Without adequate public libraries, I need to purchase more books.

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We also underproduce "leisure." That's because employers make it difficult to choose free time, rather than long hours and higher incomes. To use the economist's jargon, the labor market offerings are incomplete with respect to trade-offs of time and money. Employers can exact severe penalties when individuals want to work part-time or forego raises in favor of more vacations or days off. In some jobs the options are just not available; in others the sacrifices in terms of career mobility and benefits are disproportionate to any productivity costs to the employer.

This is not a minor point. The standard model assumes that employees are free to vary their hours, and that whatever combination of hours and income results represents the preferences of employees. But if employees lack the opportunity to vary their working hours, or to use improvements in productivity to reduce their worktime, then we can in no way assume that the trajectory of consumption reflects people's preferences. There may well be a path for the economy that involves less work and less stuff, and is preferred by people to the high-work/high-consumption track. But if that option is blocked, then the fact that we buy a lot can no longer be taken *ipso facto* as proof of our inherent consumer desires. We may merely be doing what is on offer. Because free time is now a strongly desired alternative to income for large numbers of employees, this argument is more than a theoretical possibility. It has become one of the most pressing failures of the current moment.

A Politics of Consumption

The idea that consumption is private should not, then, be a conversation- stopper. But what should a politics of consumption look like? To start the discussion-not to provide final answers-I suggest seven basic elements:

1. *A right to a decent standard of living.* This familiar idea is especially important now because it points us to a fundamental distinction between what people need and what they want. In the not very distant past, this dichotomy was not only well-understood, but the basis of data collection and social policy. Need was a social concept with real

force. All that's left now is an economy of desire. This is reflected in polling data. Just over 40 percent of adults earning \$50,000 to \$100,000 a year, and 27 percent of those earning more than \$100,000, agree that "I cannot afford to buy everything I really need." One third and 19 percent, respectively, agree that "I spend nearly all of my money on the basic necessities of life." I believe that our politics would profit from reviving a discourse of need, in which we talk about the material requirements for every person and household to participate fully in society. Of course, there are many ways in which such a right might be enforced: government income transfers or vouchers, direct provision of basic needs, employment guarantees, and the like. For reasons of space, I leave that discussion aside; the main point is to revive the distinction between needs and desires.

2. Quality of life rather than quantity of stuff. Twenty-five years ago quality-of-life indicators began moving in an opposite direction from our measures of income, or Gross Domestic Product, a striking divergence from historic trends. Moreover, the accumulating evidence on well-being, at least its subjective measures (and to some extent objective measures, such as health), suggests that above the poverty line, income is relatively unimportant in affecting well-being. This may be because what people care about is relative, not absolute income. Or it may be because increases in output undermine precisely those factors which *do* yield welfare. Here I have in mind the growing worktime requirements of the market economy, and the concomitant decline in family, leisure, and community time; the adverse impacts of growth on the natural environment; and the potential link between growth and social capital.

This argument that consumption is not the same as well-being has great potential to resonate with millions of Americans. Large majorities hold ambivalent views about consumerism. They struggle with ongoing conflicts between materialism and an alternative set of values stressing family, religion, community, social commitment, equity, and personal meaning. We should be articulating an alternative vision of a quality of life, rather than a quantity of stuff. That is a basis on which to argue for a restructuring of the labor market to allow people to choose for time, or to penalize companies that require excessive hours for employees. It is also a basis for creating alternative indicators to the GNP, positive policies to encourage civic engagement, support for parents, and so forth.

3. Ecologically sustainable consumption. Current consumption patterns are wreaking havoc on the planetary ecology. Global warming is perhaps the best known, but many other consumption habits have major environmental impacts. Sport utility vehicles, air conditioning, and foreign travel are all energy-intensive, and contribute to global warming. Larger homes use more energy and building resources, destroy open space, and increase the use of toxic chemicals. All those granite counter-tops being installed in American kitchens were carved out of mountains around the world, leaving in their wake a blighted landscape. Our daily newspaper and coffee is contributing to deforestation and loss of species diversity. Something as simple as a T-shirt plays its part, since cotton cultivation accounts for a significant fraction of world pesticide use. Consumers know far less about the environmental impacts of their daily consumption habits than they should. And while the solution lies in greater part with corporate and

governmental practices, people who are concerned about equality should be joining forces with environmentalists who are trying to educate, mobilize, and change practices at the neighborhood and household level.

4. Democratize consumption practices. One of the central arguments I have made is that consumption practices reflect and perpetuate structures of inequality and power. This is particularly true in the "new consumerism," with its emphasis on luxury, expensiveness, exclusivity, rarity, uniqueness, and distinction. These are the values which consumer markets are plying, to the middle and lower middle class. (That is what Martha Stewart is doing at K-Mart.)

But who needs to accept these values? Why not stand for consumption that is democratic, egalitarian, and available to all? How about making "access," rather than exclusivity, cool, by exposing the industries such as fashion, home decor, or tourism, which are pushing the upscaling of desire? This point speaks to the need for both cultural change, as well as policies which might facilitate it. Why not tax high-end "status" versions of products while allowing the low-end models to be sold tax-free?

5. A politics of retailing and the "cultural environment." The new consumerism has been associated with the homogenization of retail environments and a pervasive shift toward the commercialization of culture. The same mega-stores can be found everywhere, creating a blandness in the cultural environment. Advertising and marketing is also pervading hitherto relatively protected spaces, such as schools, doctors' offices, media programming (rather than commercial time), and so on. In my local mall, the main restaurant offers a book-like menu comprising advertisements for unrelated products. The daily paper looks more like a consumer's guide to food, wine, computer electronics, and tourism and less like a purveyor of news. We should be talking about these issues, and the ways in which corporations are re-making our public institutions and space. Do we value diversity in retailing? Do we want to preserve small retail outlets? How about ad-free zones? Commercial-free public education? Here too public policy can play a role by outlawing certain advertising in certain places and institutions, by financing publicly-controlled media, and enacting zoning regulations which take diversity as a positive value.

6. Expose commodity "fetishism." Everything we consume has been produced. So a new politics of consumption must take into account the labor, environmental, and other conditions under which products are made, and argue for high standards. This argument has been of great political importance in recent years, with public exposure of the so-called "global sweatshop" in the apparel, footwear, and fashion industries. Companies fear their public images, and consumers appear willing to pay a little more for products when they know they have been produced responsibly. There are fruitful and essential linkages between production, consumption, and the environment that we should be making.

7. A consumer movement and governmental policy. Much of what I have been arguing for could occur as a result of a consumer's movement. Indeed, the revitalization of the labor movement calls out for an analogous revitalization of long dormant consumers.

We need independent organizations of consumers to pressure companies, influence the political agenda, provide objective product information, and articulate a vision of an appealing and humane consumer sphere. We also need a consumer movement to pressure the state to enact the kinds of policies that the foregoing analysis suggests are needed. These include taxes on luxury and status consumption, green taxes and subsidies, new policies toward advertising, more sophisticated regulations on consumer credit, international labor and environmental standards, revamping of zoning regulations to favor retail diversity, and the preservation of open space. There is a vast consumer policy agenda, which has been mainly off the table. It's time to put it back on. ■

¹ Sources for much of the data cited in this article can be found in the notes to *The Overspent American: Why We Want What We Don't Need* (HarperPerennial, 1999) or by contacting the author.



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