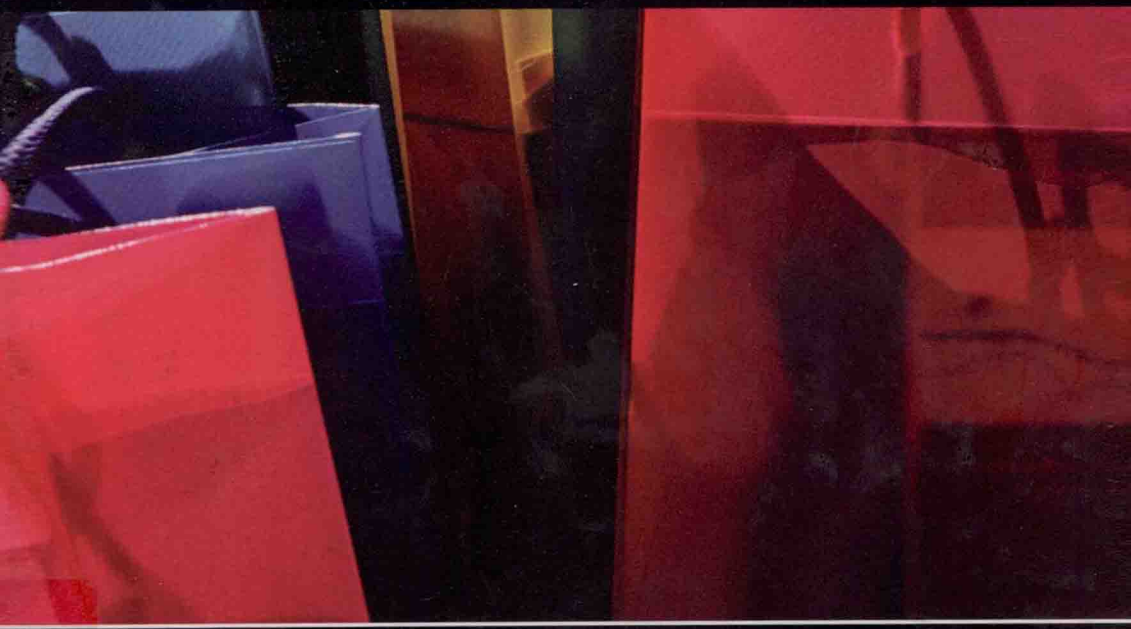
ROUTLEDGE INTERPRETIVE MARKETING RESEARCH

Beyond the Consumption Bubble



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Editor's Introduction

Introduction

Karin M. Ekström and Kay Glans

The origin of this book was a roundtable discussion in London in January 2008. It was organized by Glasshouse Forum (http://www.glasshouseforum.org), an international network devoted to a critical scrutiny of capitalism. This gathering was part of the project "A consumed society?", which among other things aims to investigate alternatives to a continuously increasing level of consumption. In the roundtable discussion, the ambiguity of the concept of consumption was highlighted; it has many different meanings and is often elusive. In media and in the general debate, categorical claims about consumption are made that often rest on weak empirical and theoretical foundations. There is a need for more analytical rigour and empirical evidence in the debate.

Research on consumption can shed light on many fundamental questions, such as the character of society, including social and cultural dimensions. These questions generally arouse strong emotions and stereotypical reactions. The intention with this anthology is to move beyond the stereotypes and enrich and sharpen the debate about consumption and changing consumer roles in society. We wish the book to be both informative and provocative. It is an attempt to popularize academic research without simplifying it. State-of-the-art research is presented to an audience which is interested in the subject, but doesn't necessarily have the time to orientate itself in the various academic fields. We hope to find readers in politics and media, corporations, authorities, consumer organizations, researchers and students. The authors are scholars who are experts in the field of consumption. They represent a variety of disciplines such as anthropology, economics, history, marketing, physics, political science and sociology.

THE CONSUMPTION BUBBLE

Before we go on to present the authors and their contributions, we would like to reflect briefly on the consumption bubble we have experienced during the last years. In the autumn of 2008, we witnessed a financial crisis that caused widespread economic turmoil. Stock markets fell dramatically;

large financial institutions collapsed or were bailed out by governments. This challenged the widespread assumed rationality of the market and its capacity to regulate itself. The financial crisis was closely related to the housing bubble, but we believe this was just one of many manifestations of a larger consumption bubble, which has been expanding for quite some time. Its primary dynamic has been overconsumption financed by debt.

Especially in the US, people have for quite some time borrowed money for consumption like never before. State financial institutions have kept the interest rates low to make it easy to borrow money. Consumption is a major factor in making the wheels turn and increasing GDP. As the historian Charles Maier has pointed out, from the 1970s, the US gradually changed from being an Empire of Production to an Empire of Consumption, driving the world economy with its demand (Maier 2006). And household demand has played an extraordinary role in the US economy.

The fact that symbolic consumption has increased in significance has also contributed to the high levels of consumption. Consumption has become an important social marker. Bauman (1998) argues that consumption has replaced the significance of work as a status indicator. We compare ourselves to others and get influenced by others. The paradoxical imperatives of both conforming to group standards and striving to be unique are driving consumption forward. Consumption can be a way to social inclusion, but on the other hand, not being able to consume can lead to exclusion (Ekström and Hjort 2009). Despite the postmodern emphasis on the individual's free choice, we must remember that consumption is restricted by lack of opportunities and different backgrounds. Preference behaviours are often determined by class stratification (Bourdieu 1984).

A strong focus on individual preferences has emerged during the last decades. This position has been reinforced by the dominance of neoclassical economics and its belief in the rationality of the *homo economicus*. Both the rationality of the market and of the individual actor have been questioned as a result of the crisis. We witness an increasing emphasis on the "animal spirits" of the economy, the large role played by emotions (Akerlof and Shiller 2009). This may lay the ground for a new soft paternalism, an ambition to guide the consumer through a world of overwhelming choices (Sunstein and Thaler 2008). Such a project is reinforced by the behavioural sciences, which have documented how difficult it is for the individual to deal with different choices. When discussing choice, it is not sufficient to consider merely individual agency, but to also look at market and societal structures.

It is of course tempting to speculate further how the global crisis will affect consumption and the attitude towards it. American households are busy deleveraging at the moment and there are several attempts to reintroduce thrift as a fundamental virtue, but historically there has not been a very strong connection between recessions and frugality. If the global crisis results in a process of deglobalization, characterized by trade wars, grab

for resources and a relative withdrawal from the global economy, it will probably influence patterns of consumption, perhaps making preferences more local, or in fact forcing them to become so. As regards food, self-sufficiency is already seen as an important part of food security after the global food crisis of 2008 (Bello 2009).

For several reasons it seems necessary to consume less in the future. Many people simply cannot afford it. The present level of consumption is detrimental to the environment and a higher level might spell imminent disaster. But are the hyperconsumers able and willing to consume less? Can consumption of services replace consumption of goods? How can sustainable consumption be encouraged? Can we reduce consumption without causing a recession or worse? Several chapters in this book address these central issues from the perspective of different disciplines.

TRENDS IN THE RESEARCH ON CONSUMPTION

Research on consumption developed simultaneously with the progress of consumer culture, in particular during the later half of the twentieth century. Research on consumption today is conducted in many different disciplines, representing different perspectives, theories and methods. Economic theory dominated much of the early work on consumption, in particular during the 1930s and 1940s (e.g., Arndt 1986; Belk 1995; Ekström 2003), but its influence is also noticeable today. Psychology had a great impact on consumer research during the 1950s, 1960s and 1970s and it still has. In the 1980s, anthropology gave vital impulses to consumer research and has continued to do ever since. Also, research on the consumption received increased attention in sociology from the 1980s and onwards. Research on consumer culture and material culture has also expanded during the last decades. Consumer research is today conduced in all disciplines, although sometimes disguised under some other name.

The different disciplines complement each other, but they also have different focus. While earlier studies on consumption often were more applied, today we see more research grounded in theory. The degrees to which consumption studies are expected to solve societal problems differ across cultures and disciplines. Business studies on consumption are more likely to have this tendency. Business studies also generally have a more managerial orientation than a consumer orientation. The realization that the consumer has a lot of power is gradually changing this, and greater stress is laid upon the voice of the consumer.

Even though interdisciplinary research has increased, it is still not very common. A reason for this is that university systems often encourage traditional specialization rather than crossing borders and cooperation across disciplines. In order to achieve a greater understanding of the pluralistic meanings of consumption, this must change. Trying to look ahead, we

expect more research on consumption in areas that traditionally have cared less about this, for example, in research on information technology, engineering, design and medicine. Many examples from everyday life show that a consumer orientation often is lacking, for example, when it comes to technologically complex products. Up till now most research on consumption has focused on the private sector, but we also foresee more research on consumption in the public sphere.

Consumption is a concern to many actors in society such as politicians, businesspeople, policymakers, civic associations, etc. Given the central role of consumption, it is quite astonishing that consumer issues often are considered to be the responsibility of a single ministry in governments. The minor importance these issues are ascribed is illustrated by the fact that they are often moved between ministries when governments change. For example, in Sweden, consumer issues at the present sort under the Ministry of Integration and Gender Equality. For instance, the Ministry of Finance, Ministry of Justice and Ministry of Agriculture have handled these issues earlier.

THE STRUCTURE OF THE BOOK

Part II

Part II of the book, "A Changing Society", addresses issues related to the role of consumption in society. It deals with macro perspectives focusing on the structure of society, but also how this impacts the individual.

Deidre Nansen McCloskey discusses in "The Economics and the Anti-Economics of Consumption" what economics and other students of society can learn from each other. She argues that criticism of consumption often is an expression of snobbism, based on a very paternalistic attitude toward the "common" people. Intellectuals, or the "clerisy" as McCloskey prefers to call them, are inclined to view people in general as being manipulated in their choices. It is a way for the clerisy to reaffirm their commitment and preferences. The fear that material wealth and lavish consumption undermines virtues and willingness to act as a citizen can be found already in classical Greece, and has become a major theme at different periods in history. On the other hand, the economist model of consumption lacks a consideration of how taste is acquired and developed as a way of distinguishing oneself from others. Hence, consumption cannot only be studied from an economic perspective.

It may very well be that we are facing a massive commercialization of all spheres of life today, including religion, but this doesn't necessarily mean we are living in a world without values. The French sociologist Gilles Lipovetsky argues in "The Hyperconsumption Society" that we now live in an era of hyperconsumption. Consumption is no longer organized around

the household, but around the individual. Class habits, norms and practices that earlier exerted pressure to conformity have lost their capacity. The new style of consumer is described as erratic, nomadic, volatile, unpredictable, fragmented and deregulated. Brand names rather than class habits guide us and have become central to our self-definition. Consumption is more emotional than statutory, having to do more with recreation than prestige. The hyperconsumer is searching for experiences that can vitalize his or her emotions. People are less concerned with pleasure and more concerned with health. However, the hyperconsumption society is not only about the supremacy of the market and pleasure for the individual, but is coupled with the reinforcement of a common core of democratic, humanistic values. Lipovetsky emphasizes that even though hyperconsumption has lots of faults, it has not destroyed morals, altruism or the value of love. Likewise, individualism does not proscribe having values, nor affectionate relationships with others.

Rickard Wilk argues in "Consumption in an Age of Globalization and Localization" that there is not a basic incompatibility between being global and local. The fear of a global monoculture is founded on the belief that globalization is something new and that the world earlier was dominated by local, indigenous cultures. But mass-consumption has been global for hundreds of years without making the world homogeneous. Many of the cultures that to Western observers seemed "timeless" traditional cultures were in fact the product of a long interaction with empires and colonial powers. Rather than focusing on two possibilities, preservation of traditional culture or global monoculture, we need to apply more complex concepts such as resistance, hybridity and appropriation to describe what happens when local culture encounters globalization. Overall, it is very hard to distinguish between good or bad consumption. Why are visits to museums perceived as better than going to amusement parks? Wilk emphasizes that consumer culture is not a single uniform thing, but messy, accidental and contingent, in a constant state of improvisation, collapse and renewal. Principles such as shading and distancing make it impossible to connect the things we consume to their origin and to measure their social and environmental costs. Hence no local cost/benefit equation can address the larger issues of sustainability, according to Wilk. It has to be recognized that benefits in one place have costs in another.

Another dualism that doesn't stand up under closer scrutiny is the classical distinction between individual and society, says Daniel Miller in "Consumption beyond Dualism". The social sciences have positioned the individual in opposition to different kinds of collectives, such as state, society and culture. Miller argues that the study of consumption material culture may be a means to confront and repudiate this dualism. Based on a study of households in South London, he suggests that people are not oriented towards individualism or society. People live within a field of relationships to other persons and also to material things. One is not

at the expense of the other. Also, there are few traces of any communal entity such as society or even neighbourhood. People are oriented towards a few core relationships, the people and things that really matter to them. Material objects are viewed as an integral and inseparable aspect of all relationships. This means that the accusation for being "materialistic" in the sense of only caring about things loses much of its relevance. Miller's criticism extends to liberalism, which also conceptualizes the individual as the "other" to society. Most people regard such isolation as a failure. Individualism is most fully equated with loneliness and a lack of relationships.

Consumption is not just about things but also about services, and those are not just private but also public. The public provides many of the services. In "Goods and Service Consumption in the Affluent Welfare State—Issues for the Future", Jan Owen Jansson compares Sweden and the US, often considered to be opposite in the variety of capitalism. It may be somewhat surprising that an alleged welfare state like Sweden spends considerably less on medical care and education than the US. The Swedish welfare state is no longer characterized by a comparatively large share of GDP going into health, education and care of children, elderly and disabled persons, but by the fact that these services are provided basically free of charge. The least expanding part of total consumption in Sweden is tax-financed consumption, but the solution to some fundamental problems ahead of us lies in the expansion of the public consumption, Jansson argues. Manufacturing of goods is increasing the productivity, but will not create more jobs since technology replaces humans. Future employment must to a large extent come from public, tax-financed consumption, and to achieve this goal, the consumption of goods should be frozen at the present level. The reduced consumption of goods would be compensated by better eldercare, education and medical care, and, of course, employment.

Part III

Part III of the book, "Changing Consumer Roles", has a stronger focus on the micro level, social interactions and agency.

How does the development towards hyperconsumption look from the perspective of the individual? The erosion of the traditional constraints surrounding consumption has given the individual greater freedom, but perhaps also a greater responsibility. Many of the functions that earlier belonged to society seem to have been transferred to the individual. In "Selves as Objects of Consumption" the sociologist Zygmunt Bauman contends that today even utopia is privatized. Social engineering has, with the help of bioengineering, been transformed into an individualistic project for improvement, an endless shopping spree for the seemingly perfect mix of personal characteristics. The suggestion is that all problems of existence can be solved or at least well managed by wise shopping. The goal is a kind of effortless enjoyment. Bauman, however, suspects that such a project is

inherently impossible, since the effort might be an integral part of the pleasure. Furthermore, this privatized utopias undermine our willingness and ability to act as citizens and work for collective goods and long-term goals. Individualistic self-interest calculating probable gains and losses is often given priority over real care for others.

Choice and consumer empowerment is discussed by Frank Trentmann in "Consumers as Citizens: Tensions and Synergies". He argues that there are two opposite views of choice. The one claims that excess of choice in consumer culture has made consumers sick and depressed, the other that choice is a source of empowerment and democratic renewal manifested in reforms of public services. Both positions are, according to Trentmann, simplified views of consumption and citizenship. Furthermore, it is unjustified to regard the roles of citizen and consumer as mutually exclusive. Citizens do not always act for the public good and people consume for a variety of reasons. The roles often overlap and reinforce each other. Consumption has historically been related to civic activism, for instance, in the organization of boycotts. Examples are given that show that consumption is flexible and modular, offering different social and ideological possibilities for civic engagement. Neither is consumer engagement limited to individual choice, but it can be part of a larger vision of social and international justice. The different forms of political consumption are not antithetical to more conventional political engagement. Rather, they tend to complement each other. One conclusion that follows from this is that one should not view political consumerism as a new political toolkit fit for every occasion. To advance engagement with citizens, any strategy for well-being should recognize the potential as well as the limits of choice.

Franck Cochoy continues the discussion in "Political Consumption Revisited: Should We Resist 'Consumers' Resistance'?" He argues that the methods used in political consumption are not new. They have been used before during periods when the political institutions have been slow to respond with relevant regulations to a new situation. As a strategy for resistance political consumption has several limitations. It has not been successful in mobilizing the masses, and its impact is therefore limited. If political consumerism in the form of, say, fair trade wants to reach larger groups and have some commercial success, it is bound to adapt to the market and use its methods. And the market seems able to absorb this kind of resistance quite well and transform it into—marketing. Therefore, we should think twice before we leave politics to market actors, Cochoy contends. The last surge in political consumerism has been a response to the difficulties in regulating a globalized economy, but in the long run the only viable strategy is to create relevant institutions.

John W. Schouten and Diane M. Martin reach a different conclusion regarding these new forms of activism in "Communities of Purpose". Whether it concerns neighbourhood gardens, cooperatives or cyberspace, consumers engage in so-called communities of purpose to achieve something specific.