

Perversities of Consumption in the Globalizing System

By Pete Sweeney

“I entertain so high an opinion of the industry, skill and *capacity of consumption* of the Chinese, that I consider one Chinaman equal in value . . . to four Malays at least.” John Crawford, British Resident of Singapore 1823-1826¹ [his italics]

“Hippies did not sell out. Hippie ideology and yuppie ideology are one and the same.” Joseph Heath and Andrew Potter, *Nation of Rebels: Why Counterculture Became Consumer Culture*

¹ [quoted in] Trocki, Carl A. “Drugs, Taxes, and Chinese Capitalism” *Opium regimes : China, Britain, and Japan, 1839-1952* Timothy Brook and Bob Tadashi Wakabayashi eds. Berkeley : University of California Press, c2000 p85

The term “consumption” has retained certain pejorative implication throughout history; even today condemnations of “consumerism” abound from both right and left wings. That said, to the casual observer it may appear that certain attitudes towards consumption, political, economic, and social, have recently been in flux. Is this perception accurate? Has there been an actual change in the nature of consumption², and its relationship to the sustenance of the world system as it exists today, since it first began acting as a significant economic force in the development of the modern economy? My thesis is that there has been a change in the political view of consumption, and likely some gradual alterations in its economic function, but far more of the former than the latter.

This paper will examine changes in the concept and practice of consumption in the current economic environment and apply theories of divergent development to them. I will attempt to sort the economic wheat from the political chaff, as it were, to ascertain whether a given phenomenon is an actual change in economic relationships between nations in the global system (whatever that is) or a political re-codification (or re-

² For the purposes of this paper, I will use consumption primarily to discuss the consumption of *surplus*, not the consumption of the basic products that allow people to survive. People whose consumption is limited to agricultural subsistence are the poorest (economically speaking) in the world, and are the least exposed to global systems of supply and demand. Even those on the furthest reaches of the environmentalist left would not advocate reducing all humanity to the level of barest survival subsistence, so I will not battle a straw man here. Obviously everyone considers a degree of surplus consumption beneficial for the purposes of mere security- padding against disaster, as it were. But that level is a constant on the individual level; for the most part, people don't *require* more shelter or food than they used to on any given day, except to the extent that other modern conveniences allow them to live longer and enjoy (or resent) recreation (or employment) that is more calorie-intensive than hunting and gathering.

identification) of an old phenomenon. I will address the following issues:

1. The reversal of investment flows and the alteration of the import/export relationship between developed and developing nations.
2. Attitudes towards consumers as evinced by the “new consumerism.”
3. The political valorization of consumption in developed and developing countries.

The spendthrift core

In terms of economic and military strength, the consensus today is unanimous; the world is now unipolar. There is one core economy, one global military force capable of protecting that economy's interests, and the rest is periphery, to be exploited at the whimsy of that core. If one is to accept Immanuel Wallerstien's world systems paired concepts of core and periphery³, the United States has ultimately made Europe itself into part of the global periphery through mechanisms like the Marshall Plan and the Bretton Woods agreement.

However, even if one accepts Wallerstien's division of core and periphery verbatim- and I do not- there are some recent developments that might cause even his most zealous adherents to reconsider. First and foremost, if we accept the premise that the United States is now the Core of Cores, we must explain the fact that it no longer has much in common with the European model of the core that Wallerstien advanced. For one thing, since 1975, the US trade deficit has consistently widened as the country purchases more imported goods from the rest of the world, and in exchange exports more

³ Wallerstien, Immanuel. [The Modern World System I: Capitalist Agriculture and the Origins of the European World-Economy In the Sixteenth Century](#). New York: Academic Press, Inc. 1974.

sophisticated products like services. Nevertheless, it imports more goods and services that it exports. Setting aside occasional bouts of political grandstanding on the issue, it shows no sign of being able or willing to reverse the trend.

Second, in marked contrast to the US, the developing world has developed a large propensity to save, which has resulted in a strange new phenomenon; where the US was once a net lender to the world and investor in its capital markets and businesses, the rest of the world is now a net lender to and investor in the US. Here the difference between the American “empire” and the British one is notable.

Explanations for this phenomenon vary. Ben Bernanke, new Fed chairman in waiting, has claimed that the rest of the world has a “savings glut” and the US economy is the only place that can absorb it⁴. This glut not only supports US consumer spending but also floats loans to the US government in the form of bonds that support far riskier investments, such as reforming Iraq at gunpoint.

The Economist magazine, on the other hand, blames the US trade deficit on the individual American consumer’s “*excessive* spending and *inadequate* saving [italics mine].”⁵ Secondly, it blames other economies- particularly Europe- for using export-driven growth to support for social welfare schemes, instead of stimulating internal consumption. Obviously a higher tax burden, particularly value-added consumption taxes popular in Europe, reduces the marginal propensity to consume. But all this makes other countries uniquely dependent on the US consumer predilection for spending excessively and saving inadequately. For

⁴ Bernanke, Ben S. “The Global Saving Glut and the U.S. Current Account Deficit” The Sandridge Lecture, Virginia Association of Economics, Richmond, Virginia. March 10, 2005.

⁵ “How China runs the world economy” *The Economist (US)*, July 30, 2005 v376 i8437 p11US

example, it appears that the European social welfare scheme is greatly subsidized by American spending on European goods and services: a bizarre and entertaining symbiosis.

Therefore, the term “core” here cannot be used to imply that the US government is “the unshaped shaper of everything else.”⁶ Whatever the sources of US supremacy, the relationship of classic capital behavior to supremacy has obviously changed. On the other hand, it may be that the US is less supreme than it looks, thanks to this change in consumption patterns. For all their dependence, China and Europe are not colonies of the US economy, nor is the dependence unidirectional. For example, China is one of the largest consumers of US government bonds. This grants China an enormous influence over the US economy and the relative strength of the dollar. The housing boom, for example, is largely attributed to the willingness of China and other countries to finance American debt by purchasing dollar-denominated bonds in order to maintain the weakness of their own currencies. This keeps the dollar strong and lowers interest rates. Were China, for example, to abruptly sell its US bonds, the American economy would enter a near-instant recession. Likely followed, in short order, by everyone else who is heavily invested in dollar-denominated assets i.e. everyone else, but nevertheless.

So, genuine economic change? Difficult to say. For one thing, simply because the current administration (and its recent predecessors) doesn’t appear to believe that trade deficits and reversals in investment flows will damage US political dominance, it is far to early to say whether this is actually the case. Max Weber, for example, argued that the Protestant Reformation created capitalism by creating a

⁶ Pomeranz, Kenneth. *The Great Divergence: China, Europe, and the Making of the Modern World Economy*. Princeton, NJ: Princeton University Press. 2000. p10.

class of frugal entrepreneurs who did not blow all their money on goods but instead reinvested it. He blamed the propensity of other cultures to spend all their money on conspicuous display as an inhibitor of capitalist development⁷. If Weber and “frugalist” fellow travelers are right, this new pattern indicates the beginning of a decline, not a new economic paradigm. However, for the time being the US economy continues to outperform other economies at such a rate that perhaps even after investing and exporting like a good core country should, it still has too much money to burn to maintain a positive trade balance, and must perforce buy imported knick-knackery.

And we must be careful of our metrics. Studying trade in and of itself does not paint a complete picture of economic relationships. Foreign direct investment, for example, is increasingly important to the world economy, but it technically doesn’t count as “trade”, since goods moved between foreign subsidiaries are not “traded”. However, the volume of this sort of exchange is massive and can cause incredible impact, for good or bad.⁸

Since FDI involves actual foreign ownership of a business in a foreign country, it speaks to a greater and more genuine level of economic integration than a simple import/export operation. Indeed, in a recent book called “Partners in Prosperity,” Dan Hamilton and Joseph Quinlan argue that trade- in terms of imports and exports - is less important to modern economic analysis than FDI. “Trade flows are a misleading benchmark of transatlantic economic interaction,” they write. “Foreign investment, not trade, drives transatlantic commerce, and contrary to common wisdom, most U.S. and European

⁷ Weber, Max. The Protestant Ethic and the Spirit of Capitalism. New York: Routledge Classics. 1992.

⁸ For an example of a very, very, very bad FDI, see *IBM and the Holocaust* by Edwin Black.

investments flow to each other, rather than to lower-wage developing nations.” They also argue that the influence of Asia and other developing regions is highly overstated in relationship to the American relationship with Europe: using “foreign affiliate sales” as a measure, they note that British affiliates of US companies (or transnational companies that happen to headquarter in the US) alone sold more product, and generated more revenue, than US affiliates sold in all of Asia and the rest of the developing world. And in terms of investment, for every dollar the US invested in India, it invested three in Denmark.⁹

The new consumerism: moral consumers and brands

Another curious recent phenomenon has been the reevaluation of the consumer as a moral and political force. For example, in the absence of a viable global government that can command market behavior, certain well-meaning organizations have developed a marketing strategies that apply moral brands to certain products, ranging from organic foods to fair trade coffees to non-conflict diamonds. Cynics have called this “conspicuously correct consumption,” since these brands involve labels- and, as a rule, higher prices. However, these same cynics claim that this new consumerism is the same old capitalism. For example, in the recently published *Nation of Rebels: Why Counterculture Became Consumer Culture*, the authors deride moral consumption as elite snobbery, not a genuine market alternative. “[Criticisms of] Consumerism...always seems to be a critique of what *other people* buy,” the authors assert. “[The] so-called critique of consumerism is

⁹ Hamilton, Dan and Joseph Quinlan. Partners in Prosperity: The Changing Geography of the Transatlantic Economy. Center for Transatlantic Relations, Johns Hopkins University–SAIS 2004

just thinly veiled snobbery or, worse, Puritanism.”¹⁰

It is true that politicians, historians, and economists have had difficulty establishing a holistic view of consumption and production; the very existence of terms like “supply-side” and “demand-side” economics illustrates the durability of what is, in strictest terms, a false tautology. In particular, class-based analyses that posit a common set of non-competing interests shared by workers everywhere are not compelling. While one may make such arguments on a non-economic basis, one cannot do so with consumption as a guide, and this is even truer now that global transportation and communication systems have put Chinese sweatshop workers in direct competition with Mexican sweatshop workers.

As Eric Hobsbawm points out, the effects of consumption may adversely affect one portion of the working proletariat at the expense of another. For example, the benefits implicit in lower food prices realized by urban working classes at the expense of farmers during the Great Depression. “Paradoxically, the very price falls which automatically radicalized farmers lowered the cost of living of wage-earners quite markedly, and produced an undoubted improvement in the workers’ *material* standard of life.”¹¹ [italics mine] Supporting examples can be found in the practices of many commodity producers in Southeast Asia during the opium war period; many businesses, in particular mining and agricultural operations, would pay their workers in opium. This opium not only

¹⁰Before discounting this as right-wing reaction, I should note that these authors, Joseph Heath and Andrew Potter, are Canadian professors of philosophy and self-described leftists: “[When] it comes to the environment, the stability of the banking system and the importance of macro-economic stabilization, labor-market policies, welfare, unemployment, health insurance—the Left has been absolutely right on every single issue.”

¹¹ Hobsbawm, Eric. *The Age of Empire* New York: Vintage Books. 1989. p46

absorbed their employees’ surplus earnings, it also put frequently them into debt to their employer. However horrible this was for the addicted workers, it also had an interesting side effect: it lowered some commodity prices, which benefited poor non-addicts at the cost of the addicts.¹²

Such internecine conflicts of interest are an unpleasant reality largely ignored by “the transformative left”, particularly in its modern incarnation, which appears to have difficulties sympathizing with poor persons in the developing world as consumers and instead considers them only as producers- agricultural producers particularly. The fair trade coffee movement, for example, proposes to pay nearly twice the open market price to coffee producers in developing nations in exchange for a mandate to dictate their production methods (i.e. one must be part of a small, democratically run farming cooperative). Any price effect this would have on poor non-coffee growing consumers is not documented by these organizations. In their literature, there are only poor producers and wealthy consumers.

This may be a self-fulfilling prophecy. Thanks to the pricing structure and the branding of fair trade coffee, it looks likely that fair trade will travel the same path the organic label did¹³, and be co-opted by large corporations like Starbucks, at the expense of smaller coffee shops, as Whole Foods and Wild Oats have co-opted the organic food market. Coffee producers not included in the fair trade communes will be left to the mercy of the regular market, perhaps even more so than before. Persons working in *maquiladoras* may find their local coffee that much more expensive¹⁴. One is reminded of EP

¹² Opium Regimes p 86-87

¹³ Or for another example, consider lobster, once a trash fish consumed by the poor along the Atlantic seaboard, now the uppermost luxury of gourmets.

¹⁴ Perhaps this explains why in my time in Ecuador, despite my proximity to Andean coffee growing

Thomson's description of the unionization of the skilled trades during the industrialization of England, which offered protections to those on the inside of the tent at the frequent expense of those outside.¹⁵

And finally there is the unpleasant National Geographic ecotourism aspect of the whole thing. There are few people more inclined to argue for maintaining people in timeless poverty than anthropologists, and much fair trade marketing collateral reads like a business plan written by anthropologists. By mandating that coffee growers maintain an economic system of dubious modern efficiency and competitiveness, are they essentially arguing that developing nations should stick to more "primitive" modes of production that condemn these countries labor forces to a living museum? Because inarguably this model cannot, and has not, survived in the open market, and since the US market has no coffee cultivating sector to protect, it's difficult to argue that the low price of coffee is the product of anything more than industrialized agricultural efficiencies, and the fact that coffee cultivation requires little investment in terms of human capital.

To be fair, the conservative right also has its hypocrisies here; it merely protects a different class of producer at the expense of a different class of consumer. Steel workers, for example, at the expense of auto workers. This merely serves to support Hobsbawm's perverse view of the issue; were the conflicts between producers and consumers less perverse, they would be more amenable to political spin. As it is, while the issue of higher wages versus lower prices appears to divide the anti-globalization camp from the pro-, the economics of the issue are extremely dense and probably specific to the product being

regions, I rarely found restaurants that served coffee made in the Andes. Instead they all served instant coffee . . . a product manufactured in the US.

¹⁵ Thomson, EP. The Making of the English Working Class. New York: Vintage Books. 1966. p244

produced and the nature of its production factors.

In this environment, despite rhetorical hysteria, you nevertheless find strange bedfellows. Sam's Club, for example, plans to start selling organic food. Starbucks has a fair trade coffee line, and the WTO endorses the fair trade economic model. While this has caused some political splits among the fair trade certifying organizations, the momentum towards ever greater perversity appears unstoppable. One of the weirdest new "moral" brands is American Apparel, which advertises that none of its clothes are produced in sweatshops, but rather by workers earning a "fair wage." However, since all of its clothes are produced in a factor in Los Angeles, and since the company is largely run by American bourgeois students ("youth directed" is also part of its branding), at best its model removes jobs from the developing world without replacing them with anything else. The website proudly brags of its generous immigration support services. If only the entire developed world could leave their homes and move to Los Angeles to work in a kinder, gentler tee shirt factory.

The valorization of consumption

The old consumption

Before we discuss how consumption is viewed today, we should review how it has been viewed in the past. First, not everyone considers consumption a particularly important factor in explaining the origin of the industrial world system dominated by Europeans and their creole settlers. For Wallerstien, for example, conspicuous consumption was not necessarily a significant driver of the development of the world system; he derides the trade between Europe and Asia as "the exchange of preciosities" and appears to align with Weber in his evaluation of its counter-capitalist nature.

In the view of Kenneth Pomeranz, author of *The Great Divergence*, consumption did not cause European dominance in the colonial era. He posits that China enjoyed similarly high levels of consumption of goods produced both internally and externally. To his view, consumption is a phenomenon that does not entail any implicit need for dominance or colonialism. Technology, accident, and the challenges of population growth are the primary factors leading to European dominance and oppression in Pomeranz' view.

Jared Diamond, as a geographical determinist, takes an even dimmer view of consumption's causative influence. His argument is that the agricultural revolution led to the accumulation of surplus, which was consumed by specialists and appropriated by governments and churches. The more specialists, the more technology, the more technology, the more dominance. And all of this leads to more inequality between the ruler and the ruled. But in his view, consumption is something done by elites in exchange for monopolizing and controlling social violence.¹⁶ Alas, Diamond's views, even if accurate for the time period he describes, are largely useless to our current discussion.

Diamond's approach is, however, sympathetic to the Marxist attitude. If one takes the stereotypical Marxist attitude towards consumption, consumption may simply be something the capitalist bourgeoisie does, driving the exploitation of workers to gain luxuries which the workers themselves cannot afford. In a Marxist world, consumption of surplus is morally questionable because that surplus is, in a capitalist society, stolen from the working classes. Consumption is greed, and greed drives politics, and therefore Europe reached across oceans to conquer new lands in the service of bourgeois consumers to the expense of everyone else. The view of

¹⁶ Diamon, Jared. *Guns, Germs, and Steel: The Fates of Human Societies*. New York: Norton. 1999. p265-292

consumption, however, varies even between communists.

Our first communist, E.P Thomson, takes a lot of time to point out the short-sightedness of early English capitalists' tendency to ignore the enlightened self-interest inherent in paying your workers enough to buy your own products. He quotes the Leicester framework knitters: "That in proportion as the Reduction of Wages makes the great Body of the People poor and wretched, in the same proportion must our consumption of manufactures be lessened."¹⁷ I find this critique useful for explaining the relentless search for foreign markets by "overproducing" firms. It also may partly explain the tendency of capitalist markets to crash. Frugal employers take the savings from underpayment and invest them in speculative schemes- for example, the rampant land speculation that preceded the Great Depression, or the Internet bubble, or the alleged current real estate bubble.

Thomson's critique suggests a strategy behind Wal-Mart's famously stingy wage rates (combined with their notorious policy of encouraging employees to supplement their incomes with public assistance, a tactic also employed by early English industrialists). Some have suggested that if Wal-Mart paid its employees more, they wouldn't have to shop at Wal-Mart, and that therefore Wal-Mart *must* underpay its employees to keep "recycling" the money it pays them. This strategy also has most signal relevance for developing nations deciding whether to cultivate internal or external markets. Unfortunately, Thomson's critique has a problem: ultimately the English (and American) experiments worked in the long run. Whether this was because of or in spite of overproduction/underpayment remains a valid question.

¹⁷ Thomson p 206

The new consumption

In my opinion there is a new valorization of consumption occurring in the conversation concerning the globalization of markets. While there have been thinkers who have considered the right to purchase goods of choice a political right, until recently it has received scant play in patriotic or national narratives of democracy, for the obvious reason that it seemed so crass and materialistic. However, where Americans were once mobilized to war by politicians asking for consumption austerity, during this most recent war Americans were mobilized to protect their economy by . . . going shopping.¹⁸ This is not the only example of an attempt to mobilize the nation to defend its economy using patriotic language. For a non-American example, take the Malaysian prime minister's jingoistic rant against "Jewish speculators" and other foreigners during the Asian currency crisis. This may not be as new as it sounds, but it certainly appears new in its overt-ness and in its blurring of a once clear distinction between national soil and national economy.

Some have posited that the US economy's primary product these days is actually abstract demand i.e. consumers. The US, through its relentless and sophisticated marketing and media industry, creates consumers who will buy . . . almost anything. In exchange for access to this consumer, nations must pay by lowering trade barriers against sectors in which the US economy specializes, like insurance. The US ability to produce and sustain consumption levels *even through warfare and terrorist attacks* is notable. Other economies are, in fact, taking note. China, for example, despite its export orientation, is taking steps

¹⁸ Interestingly enough, President Bush never actually said this despite being widely blamed for it, but he did encourage Americans to save the airline industry by traveling to Disney World. His brother Jeb, however, did assert a "patriotic duty to go shopping," as did Rudolph Giuliani.

to create an internal market, albeit a semi-protected one. Europe, on the other hand, seems paralyzed by the challenges of economic integration, although not necessarily indefinitely so.

Perhaps in recognition of this new "primacy" of consumer rights in democratic narratives, the policy of numerous Asian "tigers" such as Singapore, China, Vietnam, and South Korea, has been or is still to provide increased standards of living and economic growth (connected to the freedom to consume goods and services of choice) *without* concurrent advances in political rights. We also have in Singapore one of the first example of a nation state constructing itself as a business. Singapore pays its government employees rates that compete with the private sector and in almost all ways structures itself as a large corporation in which voters are shareholders with limited rights.

As a cause or an effect, the term "democracy" itself is increasingly associated with US-style high consumption levels. For example, to many people in emerging economies (and in the developed ones, for that matter), the benefits "democracy" provides are not intangible political rights like free speech, but rather tangible benefits measured by goods. The modern "vernacularization" of consumption- be it of Big Macs, credit services, or the internet, is a great example of "trickle down" market development as described by Hobsbawm and Anderson¹⁹. As the American market becomes saturated thanks to easy credit and economic growth,

¹⁹ Hobsbawm notes that the development of consumption proceeded from the top of the market down. *First* industry produced luxury goods for the aristocracy. Then they proceeded downstream to produce lower-quality products for purchase by progressively less affluent people. Interestingly enough, this pattern is also described by Benedict Anderson when he talks about print capitalism in *Imagined Communities*. First the printers saturated the market in sacred languages like Latin, and then moved on to vernaculars.

producers move towards developing markets. This is antithetical, in both style and substance, to the value system of the conspicuously correct consumer, in that it is not driven by Westerners buying goods from the developing world, but rather the other way around. However, they may well be two sides of the same globalization coin.

Therefore many countries abandoning socialist price-control economies that created scarcity of many products are now confronted with an avalanche of consumer goods. Consider a recent article in the *New York Times*: “*This domestic hunger for goods has become an important engine for an economy that still lags in exports* [italics mine]. So intense is the advertising onslaught, so giddy the media coverage of the new affluence, that it is almost easy to forget that India remains home to the world's largest number of poor people, according to the World Bank.”²⁰

The development implications are correspondingly strange. According to the same article in the *New York Times*, “in a historical blink, capitalism, which postcolonial analysis once labeled poverty's cause, is now seen as its solution. Debt, once anathema for the middle class, is now an acceptable means to an end.”²¹ So, consumption, debt, development, in that order. But how can this be? Can we really create wealth by . . . charging it? Isn't capitalism based on *accumulating* surplus and *reinvesting* it, not spending it?

Conclusions

It would be far too easy to conclude with a rant, railing against hypocrisy, or materialism, or the McDeath of indigenous cultures²². But

²⁰ Waldman, Amy. “In Today's India, Status Comes With Four Wheels.” *New York Times*. December 5, 2005.

²¹ *ibid*

²² Or if one prefers to criticize the left, the McIndigenounization (!) of developing economies.

once one clears the political rhetoric from the air, the issues that remain are subtle.

We have examined the new balance between savings and spending in the developed countries and in the developing world. This appears to be a new development, but it is driven by the old fact of dominance. The distance between the developed world and the developing world has widened in absolute economic terms, even as the core has increasingly valued consumption, not savings, as an engine of economic growth.

We reviewed a new trend in Western conspicuous consumption that assigns a moral role to consumers vis a vis the developing world. I should note, at this point, that I personally am all for educated, moral consumers making appropriate decisions based on sensitivity to the impact of consumption decisions. I have, however, expressed some skepticism about the logic behind the branding.

Finally, I have posited a new valorization of consumption by governments and consumers, in which consumer rights appear increasingly ascendant over other rights, and increasingly tied to political nationalist rhetoric. The overt valorization is new, the development rhetoric is new, but the search by the core for new markets in the periphery is not entirely new. Nevertheless, what to make of these trends?

What is surplus for? Good savings and bad savings

Is there a need to reevaluate the role surplus plays in development? Which trend should be encouraged, the inclination of people in developing countries to save or to spend? There are two issues here, the role of savings and the role of debt.

In terms of savings, it is clear that there are good ways to save money and bad ways to do it. For example, high savings levels did not avert the Asian currency crisis in the 90's. Many traditional Asian savings practices involve literally hiding money under beds.

This removes the money from the market supply, where it cannot be used for reinvestment. During a currency crash, it becomes useless paper. On the other hand, a nation with a strong frugal habit of saving money in places where it can be recycled or used is caching its surplus in an effective way. Money is an instrument of value, not value itself.

However, the benefit of these savings generally accrues to those who use it to invest in more risky ventures. Which leads us to debt. The capitalization of property, and the ensuing loan structure it engendered, is quite old. Where Wallerstien posits a capitalization of agriculture occurring during a “long” sixteenth century, a recent article by Rodney Stark pushes the date back even further, to the 12th century:

As rapid innovation in agricultural technology began to yield large surpluses to the religious orders, the church not only began to reinvest profits to increase production, but diversified. Having substantial amounts of cash on hand, the religious orders began to lend money at interest. They soon evolved the mortgage (literally, "dead pledge") to lend money with land for security, collecting all income from the land during the term of the loan, none of which was deducted from the amount owed. That practice often added to the monastery's lands because the monks were not hesitant to foreclose. In addition, many monasteries began to rely on a hired labor force and to display an uncanny ability to adopt the latest technological advances. Capitalism had arrived²³.

Today we observe the developed world and elites in the developing world collaborating in various forms of debt, generally borrowed and squandered by rapacious national elites from external banks for large industrialization and militarization projects. This practice is widely

²³ Stark, Rodney. “How Christianity (and Capitalism) Led to Science”. The Chronicle of Higher Education (<http://chronicle.com>) Section: The Chronicle Review Volume 52, Issue 15, Page B11 <
<http://chronicle.com/temp/reprint.php?id=tqm4xd5mqkk5px43d968m19qmf4w3g5y>>

decried as oppressive and coercive, and with some justification. However it is clear that there is good debt and bad debt. For example, a farmer who has title to his land can borrow money against it and invest that money in improvements. In Africa, where many people have no title to the land that they have inhabited for generations, the land is nevertheless not an asset; the moment the family leaves, the land becomes open for the next set of squatters. This was the problem the “heartless” enclosure movement in England successfully resolved. Property rights enable mobility and flexibility.

Today, however, we must consider the habit of developing nations to loan their savings to investors in the core. This is something relatively new²⁴, and not entirely positive, to my view. It engenders an unsustainable consumption rate in the developed world, and it inhibits the development of local, small scale financial services in the developing world that could be used for the sort of gradual infrastructural improvements necessary to compete in the information age. It is, in fact, indicative of the fact that persons in developing countries do not trust their governments to maintain their own currencies. Instead of gambling on the development of their own economies, investors in developing countries are increasingly gambling that the US economy will continue to outperform their own. Hopefully this is not a self-fulfilling prophecy, but it holds some queasy similarities to Wallerstien’s concept of an

²⁴ Although some earlier analogues do exist, albeit on a smaller scale. The Chinese comprador, for example, was required to guarantee the transactions of foreign concessionaires with his personal assets, in effect a loan from the comprador to the foreign concessionaire that allowed the concessionaire to speculate more freely. “As the comprador, not the principal, played the role of risk-taker,” writes Kai Yiu Chan, “compradorship essentially became a business without defined property rights -- and thus a risky business for the comprador.” Ultimately this system collapsed under the weight of its own contradictions.

extractive core. To paraphrase EP Thomson, it signals a change in the quality, if not the intensity, of the exploitation.

But I do not wish to posit a world of exploiters and exploited with no common interests in between. I am not the first to express concern that a uni-polar world is inherently unstable. The concentration of growth, consumption, and investment in the US puts everyone's eggs in a single basket. And if, for some reason, the American electorate were to elect someone who treats that basket carelessly, the ability of the rest of the world community to react is severely restricted.

Why do people consume? The challenge for egalitarianism

Thanks to globalization, it is increasingly easy to purchase expensive luxury goods, both in the US and elsewhere. Consumption patterns are becoming so standardized, and credit so accessible, that the wealthy are hard-pressed to acquire status symbols in the forms of goods that are neither palaces nor Ferraris. Instead they have turned to consume luxury *services*. I mention this largely to point out that the difference between conspicuous and un-conspicuous consumption is hardly useful. The wealthier you are, the less conspicuous is your consumption, largely because one of the first things wealthy people purchase is privacy and isolation, in increasing amounts. Also, the modern phenomenon of the conspicuously correct consumer illustrates that it is just as possible to define oneself by what one does not consume than what one does consume.²⁵

There is a reason consumption is a dirty word to some, and that is because consumption has historically served as an indicator of social, political, and economic equality. Without

²⁵ Take, for example, the premise of *Supersize Me*, a movie which posits a profoundly condescending picture of fast-food swilling poor Americans who eat at McDonald's every day. Thus poor people are both dumb and unhealthy.

engaging in a Marxian value judgment, I agree with the statement that the whole point of conspicuous consumption is to demonstrate inequality of some kind. Take, for example, the deployment of TV antennas in London. Upper class families preferred not to display their consumption in a vulgar manner, and therefore generally refused to mount antennas on their roofs, therefore living with inferior reception. Working class families, on the other hand, frequently purchased and mounted antennas in advance of the actual television purchase, in order to display their progress.²⁶ Both decisions are irrational in any pragmatic context. They only make sense if one views the point of consumption as inherently bound to people's desire to demonstrate progress.

This is not to claim, of course, that there is no other reason to consume. People enjoy shopping and surrounding themselves with objects and services that give them pleasure above and beyond survival and regardless of whether other people perceive it or not. It is now technologically possible for people to purchase everything they need from the comfort of their own homes, and have it delivered to same. Nevertheless, people go shopping, even when they have no intention of buying anything. Clearly there is a part of the human identity that associates itself with its consumption patterns. In my opinion, the freedom to distinguish oneself from other people through the acquisition of goods and services (and taste) is a component of human dignity, a *quality* the communists never really understood.²⁷

²⁶ Voegeli, William. "Rebels Without a Clue" The Claremont Institute Review of Books www.claremont.org Posted November 2, 2005 <<http://www.claremont.org/writings/crb/fall2005/voegeli.html>>

²⁷ For example, one *could* view the Cultural Revolution partly as an attempt by actors in Chinese societies to distinguish themselves from each other by political labels in the absence of ways to express these

Does this therefore justify the valorization of consumption? Has the right to consume has begun to supersede other political rights in the minds of consumers? Or are politicians just beginning to recognize the simple fact that for your average person, the right to consume is the most easily exercised right, and the one that provides the most immediately demonstrable benefits?

I would suggest a balanced appraisal. Like savings, there are good consumptions and bad consumptions that involve equations of public welfare. That people are pleased to buy and dispose of millions of cheap plastic lighters, salad shooters, pornographic magazines, and ammunition does not in and of itself entail a political right that should be defended. However, demonizing consumption does little to suggest a value system by which consumption patterns can be judged. For all its hypocrisy and inconsistencies, moral consumption is a concept worth exploring and formalizing. And given the new transnational character of business, voting with your wallet is, in many ways, more influential than voting on a ballot.

Likewise devaluing consumption as a right in favor of more abstract rights has its own problems. Far too many on the left (and now the right) have focused on providing “human rights” to developing nations that are difficult to measure in terms of tangible benefits. Education for women in countries without jobs for them, democratic elections in countries with massive street crime rates, and laws for countries without honest police forces; all of these initiatives may well provide more benefit to Western NGOs and governments than they do to the developing world. On the other hand, neither have the allegedly pragmatic dam-building prestige projects (to provide electrical power to

differences through consumption. Could the Red Guards have been placated with distinctive Mao jackets?

countries that haven’t gotten around to creating consumers for that power) achieved much more than saddling the developing world with debt.

The freedom of consumption is not so much a right as it is indicative of the presence of other rights, small rights that people use on a daily basis. The process of shopping requires the presence of police, infrastructure, reliable courts, and to a degree, a free media. In Iraq, the US government has proposed to start with the big rights and work its way down. Whereas alas the historical record seems to indicate that it is far more manageable to start from the other direction. However I do not propose a system in which one sacrifices the big rights in favor of the small ones. The big rights are important too, but they are important for restraining political power and therefore the benefits serve the long term good of society, not the short-term pleasure of the consumer. They cannot, and should not, be permanently separated.

Conclusion to the conclusion: the need for transparency

While much energy has been dedicated to the study of the impact of oppressive and exploitative production methods on emerging economies, it does not appear that the impact of consumption habits and prices has received equivalent attention. The movement towards moral consumption, the valorization of consumption, and the new rhetoric surrounding conversations about consumption offer new opportunities for understanding and new risks for increasing obfuscation and spin. An organic, holistic approach is needed which makes the consumption process and its consequences transparent and comprehensible to consumers and to policy makers. Alas I am not currently equipped to provide it.

Given the current dissemination of information technology, however, it is at least possible for the system of consumer

education to become more rationalized. Neither businesses nor governments nor NGOs can monopolize information flows about consumption and its impacts, and this is a good thing. I therefore hope that the recent trends, including the trend indicating a greater inclination to think about the means of consumption in tandem with the means of production, will shed new light on policy recommendations that will allow the developing economies to conquer poverty in a context of dignity, sustainability, and political rights.