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Global warming and high consumption: Habits, needs and social values

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## Global warming and high consumption: Habits, needs and social values

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They must retrench; that did not admit of a doubt. But she was very anxious to have it done with the least possible pain ... [Yet] Lady Russell's [requisitions] had no success at all: could not be put up with, were not to be borne. "What! every comfort of life knocked off! Journeys, London, servants, horses, table -- contractions and restrictions every where! To live no longer with the decencies even of a private gentleman!"

-- Jane Austen, *Persuasion* (2003[1818])

### Introduction

A critical part of stemming global warming is reducing carbon emissions associated with typical high-consumption lifestyles in advanced-industrial countries. As many observers have noted, calls for individuals to change their behavior can be overemphasized relative to other necessary changes, notably in government policies and product standards (Røpke 1999, Sanne 2002). Nonetheless, it is certain that curbing growth in consumption levels in advanced-industrial countries will also be important for stopping climate change (Stagl and O'Hara 2001).

To the extent that the problem of over-consumption can be represented in the standard economic paradigm, it is portrayed as a tension between private and social optima.<sup>1</sup> Conditional on prices prevailing on the market, consumers select goods and services that maximize utility given their tastes. But if prices understate 'true' costs of products because they do not reflect damage done to the environment or depletion of nonrenewable resources, consumption will be sub-optimally high today and low in the future. The solution here is to tax goods associated with high carbon emissions, aiming to shift the composition of consumption towards lower-carbon goods and/or curb its growth.<sup>2</sup> This process is not likely to be painless: Because the corollary of 'more is better' is 'less is worse', the welfare of current generations may decline. But that of future generations will rise, so from a long-term social-welfare perspective, society is better off.

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<sup>1</sup> Stern (...), Nordhaus (...), Arrow (...).

<sup>2</sup> Thus, for example, Canada's new 'green levies', which levy taxes of CDN\$1,000-4,000 on sport-utility and luxury vehicles with low gas mileage (Government of Canada 2007, Chapter 3).

Understanding how this might be done is hindered by the traditional representation of the consumer, which prioritizes individual satisfactions from having things, while bracketing the social processes that shape perceptions of what constitutes a materially good life. This paper examines questions of high consumption, habits, needs and social values, aiming to develop a conceptualization of consumption dynamics that takes into consideration the social nature of consumption. I first review the literature that socializes views of consumption by incorporating issues of relative status (Veblen, Duesenberry, Frank) and the social constitution of needs (Veblen, Kyrk, Peixotto, Hoyt). I argue that, as much as these views capture elements of consumption dynamics that are missing from the standard representation of the consumer, they suffer from problems of essentializing properties of consumption that have only weak roots in fundamental characteristics of human psychology, and rather reflect socio-cultural mechanisms that have arisen in such societies to articulate aggregate demand and supply. The paper goes on to lay out an understanding of consumption wherein these social dimensions of consumption arise endogenously, with businesses' quests for moments of abnormal profits producing a constant updating of 'drives to buy' and regular percolations of new consumption norms through society. It is argued that the social and economic mechanisms that sustain these processes are 'adaptive', in the sense that they facilitate some clear social goods: sustained growth of employment and widespread material security. However, as with any adaptation to a given ecological niche, there is no assurance against its eventual decline in adaptive value. The paper ends by discussing implications for strategies to shift consumption growth onto more sustainable trajectories.

### Social views of consumption

A longstanding complaint about the standard neoclassical approach to the consumer concerns his fundamentally asocial nature. The approach accepts that the 'preferences' within a given society at a given time could indeed be shaped by social, cultural, class, and religious factors. Thus, even Gary Becker agrees that, "... in modern economies, [the] furniture people buy, the type of housing they want, much of the food they consume ..., the type of leisure activities they choose, all ... depend on childhood and other experiences, social interactions, and cultural influences" (1996: 3). But it is assumed that, at the level of the individual, these influences take place in the domain of upbringing, so that by the time a person takes on an active role as worker and consumer, his preferences are fixed. Moreover, at the macro/social level, it is assumed that the processes explaining how preferences arise and how they change over time lie outside of the economic domain and/or are outside the purview of economic analysis. Thus, as Stigler and Becker (1977) put it, "there is no arguing with tastes": they are what they are and should be taken as data in the analysis of consumption behavior.

In the literature on consumption and global warming it is sometimes claimed that, because the standard view of the consumer suffers from such serious shortcomings, understanding interrelationships between consumption and global warming requires the development of new and fundamentally

different approaches to consumption.<sup>3</sup> But this claim is not well-founded. For one, it overlooks the long, interesting history of dissent from the standard view of the consumer within the economics discipline, including major strands of work that try to unbracket questions of how social and cultural factors affect consumption patterns (Veblen 1899, Kyrk 1923, Ryan 1927[1916], Duesenberry 1949, Galbraith 1958, Frank 1989, Schor 2007). For another, it also ignores the recent explosion of work in economics on culture, social norms, and institutions, and the extent to which they both shape and are shaped by people's behavior (e.g. Young 2004, Durlauf and Young 2004, Bowles 2006, Bowles and Naidu 2008, Buensdorf and Cordes 2008). Thus, while it is clear that much remains to be done to develop good understandings of interrelationships between consumption and global warming -- especially in the interest of providing conceptual foundations for strategies to bring consumption trajectories back in line with sustainability -- the ability of the economics discipline to contribute valuably to this discourse should not be over discounted.

The remainder of this section reviews two somewhat interwoven strands of the economic literature that try to unbracket the interrelationships between social processes and consumption: the idea of positional preferences first put forth by Veblen, and the idea of consumption norms associated with Veblen and the early consumption theorists, most notably Hazel Kyrk.

### *Positional preferences*

A key idea in Veblen's *Theory of the Leisure Class* (1899) was that people in industrial societies tend to stylize themselves materially to convey positive images of their social status and earning ability -- i.e. to consume conspicuously. The clothes they wear, the homes in which they live, the furnishings in those homes, their modes of transportation, the uses of their time outside of work, etc. -- all are chosen in part to help people look good relative to their peers. In Veblen's view, conspicuous consumption arises from innate aspects of human behavioral tendencies, wherein people try to emulate successful others in their social groups. Having such tendencies would make sense from an evolutionary-psychology perspective: if humans have lived in social groups for hundreds of thousands of years, and if patterning their behavior after that of successful others in their groups often improved their own chances of success, then natural selection may have favored tendencies to imitate group

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<sup>3</sup> For example, Princen, Maniates, and Conca (2002: 5) argue that "The dominance of economic reasoning and the pragmatism of growth politics conspire to insulate from policy scrutiny the individual black boxes in which consuming is understood to occur ... No one in public life dares ... to ask why people consume, let alone to question whether people or societies are better off with their accustomed consumption patterns. People consume to meet needs; only individuals can know their needs and thus only the individual can judge how to particulate in the economy. Consumption becomes sacrosanct ... Production reigns supreme because consumption is beyond scrutiny".

members who are doing relatively well.<sup>4</sup> Veblen viewed this tendency toward emulation as a “pervading trait of human nature” that is “easily called into vigorous activity in any new form” (Veblen, 1899: 52). Thus, even though people in industrial societies do not *need* to imitate successful others to survive biophysically, their natural drives to compete on status will tend to make them do it.

Recent literature maps Veblen’s argument into the standard optimization framework by taking preferences to be ‘positional’, such that a given level of consumption provides more utility when it is high relative to the consumption of others in one’s comparison group (e.g. Bagwell and Bernheim 1996, Frank 2005, 2007). The idea is popular as an explanation for the so-called ‘Easterlin paradox’ -- the fact that, in societies where incomes are sufficiently high to meet most people’s basic needs, further increases in income do not necessarily lead to increases in happiness.<sup>5</sup> Robert Frank (2005, 2007) in particular has argued that, if positional preferences cause people to try to raise their consumption relative to that of others, but everyone engages in the same struggle, then increases in average consumption will fail to produce any change in average well-being. This raises the intriguing possibility that, if the upper-end of the distribution of material lifestyles could be compressed, it may be possible to lower consumption growth or even consumption levels without adversely affecting average well-being. From the point of view of stemming global warming, this is a heartening thought.

However, there are some troubling elements of this hypothesis as the centerpiece of an explanation of high consumption, or as an analytical basis for contemplating how to realign consumption levels and growth with environmental sustainability. Notable here are (a) its elevation of a hypothesized psychological predisposition into a dominant and driving social force, and (b) its adherence to an optimization framework albeit with a social twist.<sup>6</sup> As critics of the standard view of *homo economicus* have long argued, and much recent experimental research suggests, the idea that people consistently behave in ways that maximize their self-interest is not well supported by the evidence. Experimental studies show people to behave fairly commonly in ‘other-regarding’ ways; for example, they often split windfall gains relatively evenly, rather than to maximize their own gains; they may go out of their way to negatively sanction people who violate fairness norms; and they may expend their own resources to attenuate severe inequalities in allocations of resources.<sup>7</sup> Experimental results also show quite a lot of heterogeneity in how people behave: some people fairly consistently behave in other-regarding ways, others seem to be always maximizing self-interest, and others still vary their behavior according to

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<sup>4</sup> See also Samuelson (2004) and Starr (2008c).

<sup>5</sup> Clark, Frijters, and Shields (2008) review this literature. However, see Greene and Nelson (2007) for a critique.

<sup>6</sup> See also Samuelson (2004: xx), who questions the strategy of “building an ever-growing collection of arbitrary arguments into preferences, a new one for every behavioral anomaly.”

<sup>7</sup> Notable works here include Bowles and Gintis (2002); Fehr and Fischbacher (2002, 2004); and Henrich et al. (2002)

contextual variables such as how problems are framed, what other people are doing, whether their behavior is observed or not, etc. These findings suggest that, rather than working with a *single* representation of consumer behavior rooted only in self-interest, we should understand people as having repertoires of behavioral predispositions, ranging from strong self-interest to strong pro-sociality, where features like context, social values, and individual psychological make-up affect what behaviors get invoked and used.<sup>8</sup> Broadening the representation of the consumer in this way is particularly important for analyzing interrelationships between consumption and global warming: if all people are assumed to be invariably self-interested, then of course possible strategies for promoting sustainable consumption will be more limited than if at least some people may willingly shift their consumption patterns out of pro-social concerns. Thus, for example, Buenstorf and Cordes (2008, forthcoming) present an interesting theoretical model showing that social learning and emulation can diffuse sustainable-consumption practices in a population of people sensitive to norms, but that such practices will not replace or eliminate environmentally-harmful variants. However, this finding rests on the assumption that all behavior is guided entirely by self-interest; as discussed in Starr (2008), alternative results are at least possible if some people will act out of consideration for the common good. We return to this issue below.

#### *Conformist consumption as social norm*

A second approach to conceptualizing social dimensions of consumption emphasizes the role of *consumption norms* in explaining people's material lifestyles. This view, associated with the first consumption theorists (Kyrk 1923, Hoyt 1928) as well as with Veblen (1899), emphasized that, rather than choosing consumption bundles according to fixed and independent preferences, people tend to pattern their consumption after standards prevailing within their social groups. Hazel Kyrk's theory of consumption rested centrally on the idea of consumption norms, or what she called the 'standard of living'. She defined the standard of living as "that 'scale of preferences', that 'hierarchy of interests', that code or plan for material living which directs our expenditure into certain channels and satisfies our sense of propriety and decency as to a mode of living" (p. 175). Standards are specific to given social groups at given points in time; they reflect what people in the group see as that natural or normal complement of things one ought to buy, have, and use in order to be enacting a lifestyle which is appropriate, decent, correct, expected, and sensible.<sup>9</sup> Because the standard identifies that set of

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<sup>8</sup> Henrich et al (2004) elaborate on questions of culture in this regard.

<sup>9</sup> As Kyrk (1923: 172) wrote, "The most striking fact that appears as one investigates the consuming habits of individuals or classes in different countries and periods is that they tend to take definite shape and form according to accepted standards of what is good and proper. The process of consumption, like other phases of human behavior, tends to organize itself according to the prevailing code of the fitting, the appropriate, and the necessary. . . . Nothing seemingly can be clearer than that the process of consumption . . . organize[s] itself according to concepts of what is essential and obligatory, which vary, not at haphazard among individuals, but by classes, by countries, and by periods of time".

goods and practices considered to be essential for living in a correct way, a notion of *need* or imperative is embedded in it. Thus, even if the level of living implied by the standard is far beyond what is ‘truly’ needed in a practical or biophysical sense for a person to live a “healthful, decent life”, its socially imperative quality means that people experience a “feeling of insufficiency and of privation” if they cannot keep their manner of living in line with it (pp. 175-176). This is a central reason why ‘retrenchment’ is so difficult: It is not just that ‘habits’ create an asymmetry wherein starting to consume an item is easy but giving it up is hard; it is also that the importance of having goods in the living standard has an urgent quality to it that seems to be in the same category as hunger or thirst, even when from an outsider’s perspective that view is absurd.

In this sense, the standard of living needs to be distinguished from two related yet different concepts. The first is the ‘minimum scale of living’, defined as that bundle of goods and services or that amount of income needed to meet the “minimum requirements for healthful, decent life” (p. 174). In industrial societies, ‘needs’ as spelled out in the minimum scale of living will differ from those in the standard: the minimum refers to goods and services required to avoid a materially hard life, while the standard also includes goods and services that are needed *socially*, as part of the normal complement of things that people are expected to have.<sup>10</sup> The other related concept is the ‘ideal standard of living’, which is “one’s concept of the best imaginable in the way of material living” (p. 174) and usually reflects “the mode of life of a recognized superior group” (pp. 174-75). The ideal contains things that people might *like* to have and do, but even if they have some chance of acquiring a few of these things, the ideal in its entirety is not something to which they can realistically aspire. Thus, the pull exerted by the ideal is quite different from that exerted by the standard: whereas the “ideal standard is the substance of things *hoped for*”, the requirements of the “actual standard are those which it is *incumbent* upon one to realize” (pp. 175-6).

Explanations for why consumption norms exert a strong effect on consumption behavior are relatively rich and go some distance towards unbracketing questions of where ‘preferences’ -- in the sense of reasons people have for valuing goods, services, activities, behaviors, etc. -- come from. The consumption-norm approach stresses that people acquire the value systems of the societies and communities in which they are raised and live, so that common tendencies in those social contexts take on a ‘natural’ character to them. Thus, a person born and raised in a community where all buildings have running water, electricity and indoor plumbing will view these features as ‘natural’ and ‘inevitable’ features of normal buildings; the fact that hundreds of thousands of generations of humans

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<sup>10</sup> Kyrk does not draw a distinction between the ‘minimum scale’ as interpreted *absolutely* (i.e. a level of living below which a person or family would have experience notable biophysical hardships like hunger, ill health, and regular bodily discomfort) versus *relatively* (i.e. a level of living below that which would be considered minimally acceptable for a decent life within a given society). See also Starr (2008b).

demonstrably survived and flourished without such conveniences does not materially affect the person's everyday understanding of the social world's 'normal' features.

Moreover, both Kyrk and Veblen emphasize that consumption norms are indeed *norms* as defined by present-day theorists like Elster (1989a, 1989b) and Young (2004): They are rules and prescriptions for behavior that people adhere to both because they perceive them to be right and because socially there are rewards to following them and costs to violating them.<sup>11</sup> Thus, even if people at times use consumption to distinguish themselves from the group, the pressure they feel on a day-to-day basis is to keep their consumption *in line* with that of like others, not to try to out-do them.<sup>12</sup> Again, this contributes to why people feel such discomfort if they need to 'do without' things that are part of their group's standard: being able to afford the things in the standard both symbolizes and permits full social belonging, so that falling short is felt to put that belonging at risk.

If much of what people do in the consumption realm reflects consumption norms, it then becomes centrally important to explain how and why particular consumption norms arise and become dominant within a society, and how their prevalence and distribution change over time. Both Veblen and Kyrk point to the well-studied process whereby new products and new consumption activities originally found only among the rich filter down through the social ranks. The goods that filtered 'down' from the rich to the middle and working classes early in the Industrial Revolution included tea, coffee, sugar, tobacco, porcelain, and cotton textiles (Campbell 1992, McCants 2007). The early decades of the 20<sup>th</sup> century saw dramatic diffusions of telephones, motor vehicles, radios, motion-picture attendance, and indoor plumbing (Chase 1929, Starr 2008b). Products that have spread 'down' through the income distribution in the years since World War II include television, washer/dryers, refrigerators, dishwashers, air conditioners, microwave ovens, air travel, VCR/DVD players, personal computers, and cell phones.<sup>13</sup>

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<sup>11</sup> As Veblen (1899: 52) explained, "The accepted standard of expenditure in the community or in the class to which a person belongs largely determines what his standard of living will be. It does this directly by commending itself to his common sense as right and good, through his habitually contemplating it and assimilating the scheme of life in which it belongs; but it does so also indirectly through popular insistence on conformity to the accepted scale of expenditure as a matter of propriety, under pain of disesteem and ostracism. To accept and practice the standard of living which is in vogue is both agreeable and expedient, commonly to the point of being indispensable to personal comfort and to success in life." See also Kyrk (p. 198) on the issue of being perceived as 'Bohemian' or 'queer'.

<sup>12</sup> As Veblen writes, "For the great body of the people in any modern community, the proximate ground of expenditure in excess of what is required for physical comfort is not a conscious effort to excel in the expensiveness of their visible consumption, so much as it is a desire to live up to the conventional standard of decency in the amount and grade of goods consumed" [TLS, Chap 5, 1<sup>st</sup> sentence].




<sup>13</sup> See Røpke's (2003) interesting analysis of the case of cell phones.



While both Veblen and Kyrk view people as ‘naturally’ looking to those higher in the social scale for ideas about how to spend additional discretionary income, Kyrk (1923, Chap. 10) emphasizes that this pattern plays an important role in facilitating consumer capitalism due to *social efficiencies* associated with borrowing new consumption ideas from the better off. Because the relatively well-off have abundant resources available for discretionary spending, they can try out new products without being assured that they will yield benefits greater than or equal to what was paid for them. The willingness of better-off people to pay high prices creates an ‘extensive margin’ of consumption, in which new products or new product characteristics can be explored via trial and error. Then if and when it is found that they can be put into a well-priced, mass-market form, they may diffuse downward and outward into the consumption norms of the rest of the population. Thus, “a dynamic standard necessitates expenditure upon luxuries; only through such experiment can growth in values come” (p. 293). That income is well-correlated with early adoption of new products is well-established in the literature (see, e.g. Lerviks 1976, Redmond 1994, Van den Bulte and Stremersch 2004, and Young 2007). This idea is consistent with quite a large body of recent literature suggesting that emulating others is advantageous to the individual and socially when and if the behavior being emulated is shaped by knowledge of what earns good returns in the context in question (Boyd and Richerson 1985, Epstein 2001, Starr 2008c). Effectively, emulation frees many people up from the need to expend resources identifying what good courses of action are: they can take advantage of the knowledge and information embodied in the strategies of others, which will ‘work’ for them as long as those strategies reflect some people’s efforts to maximize returns. This suggests that looking to the better-off for new consumption ideas should be seen as ‘habitual thinking’ in Veblen’s terminology: it has become a standard way of seeing and doing things which gives people a ‘line of action’ that usually works well and satisfies expectations of good behavior in the community in question, freeing them from the need to contemplate the costs and benefits of their actions at every twist and turn.<sup>14</sup>

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<sup>14</sup> See Starr (2008c) on the roles of habitual thinking and lifestyle conformity in lifestyle saving. Note that Veblen viewed habitual thinking as acted upon by forces of *natural selection*: modes of habitual thinking that yield relatively high returns in the specific context of the production system will tend to be emulated and spread within the population, while those less effective will fall into disuse.

Figure 1. Products now often viewed as ‘necessities’ back in their early days		
A 1950s ad for room air conditioners -- said to be “for the millions, not just the millionaires”	First commercial microwave, which was 5+ feet tall, weighed 750 lbs., and cost \$5,000.	Prototype cell phone, 1973.
		 <p data-bbox="1011 730 1360 783"><i>Man using Motorola DynaTAC portable cellular telephone prototype, 1973.</i></p>
Dickinson (2002).	1947	

It is important to stress, however, that even if emulative spending is beneficial to *individuals* by enabling them to save on learning, this says nothing about the ‘social optimality’ of consumption norms produced by experimentation with new products and product characteristics followed by diffusion of ‘good’ ones -- where the question of what would constitute social optimality is itself seen by most economists as thorny. Of course questions of social optimality anyway cannot be addressed in a discussion that relates only to the demand side of the industrial economy (as will be discussed in the next section), but here two important ideas from Veblen and Kyrk should be mentioned. First is Veblen’s argument that emulative tendencies introduce a very large margin of *waste* in consumption patterns: because the new goods and new consumption activities that people emulate come from the ‘leisure class’ -- wherein ability to buy things solely on the basis of whim, fad, and fashion is a key element of signaling earnings prowess -- there is very little pressure that might act to keep the stream of new products in line with ‘truly’ useful purposes to which human ingenuity could be put. The only offsetting force is the ‘instinct of workmanship’ (Veblen 1898) which Veblen sees as universal human drive to use resources productively and creatively to serve useful ends; because the “instinct of workmanship is present in all men, and asserts itself even under very adverse circumstances ... however wasteful a given expenditure may be in reality, it must at least have some colorable excuse in the way of an ostensible purpose” (Veblen 1899: 93). But this instinct provides only an upper bound on the wastefulness of consumption, as it is in no sense strong enough to offset drives to consume conspicuously.

Kyrk addresses the question of how consumption norms may relate to ‘truly’ valued uses of ingenuity and resources somewhat differently. She agrees that lots of things that people buy and do are driven by social conventions for which it is hard to find a rhyme or reason. Here we can ask: why was it once considered necessary for social respectability to wear a hat? why does office protocol require men to wear suits and ties? why should people spend great time and effort trying to keep their lawns green and no more than 3 inches long? But she argues that such oddities of convention should not obscure the fact that consumption norms often have *some* relation to ‘underlying’ human needs (p. 193). Here she makes a basic differentiation between survival-related needs on the one hand, which we could equate to the lower, biophysical levels of Maslow’s (1943) hierarchy of needs (i.e. food, shelter, clothing and physical safety); and psycho-social needs on the other, which cover such domains as health (living a reasonably long, productive, comfortable life), having satisfying social relationships, acquiring knowledge, appreciating beauty, and discovering, knowing, and upholding rightness (p. 186), which again have important parallels to the higher levels of Maslow’s hierarchy (see Figure 2).

Kyrk’s understanding is that consumption norms grow up *around* these sorts of underlying needs, so that even if consumption goods and activities in industrial societies have often moved beyond levels required to *satisfy* these needs, there are still kernels of needs at the heart of many of them. Thus, a family’s need for shelter -- from the cold, the heat, rain, snow, and wild animals -- may be at the root of their 2,200-square foot home with central air-conditioning and heating, but obviously the features of such a home greatly surpass what would be required in a concrete or practical sense to meet that need adequately. Similarly, as much as clothing has the obvious ‘organic utility’ of protecting the body from the elements, contemporary standards related to it -- that one should have a goodly number of different outfits; that they should always be washed after they are worn; that items showing signs of wear or being out of date should be thrown away or donated; etc. -- have many other kinds of considerations packed upon that utility. The problem this poses is that it further obscures the line between what is ‘truly’ needed or ‘truly’ of value in consumption patterns in industrial societies: Not only do people perceive present consumption standards as ‘necessary’ because they have a normal and natural character to them and feel socially required -- but also many of the goods, services, and activities embodied in these standards actually *do* have elements of underlying needs to them, even if considerable embellishments, extensions, and elaborations are packed upon them as well. Thus, even if Kyrk is unusual among economists for asking questions about consumption patterns and human welfare, especially insofar as they relate to needs (Jackson, Jager, and Stagl 2004), in the end she backs away from answering them by invoking the standard positive versus normative distinction:

The problem becomes largely an ethical one, the problem of what makes for welfare, what ends should be sought, what scheme of life is best. The analysis of standards involves merely the question of what *is*; their judgment involves the question of what ought to be. One cannot

formulate the principles which ought to govern consumption without getting over into very complex problems indeed (p. 285).

This differs from other writers, such as social economist Monsignor John Ryan, who reject the idea that economists should not root their analysis of consumption in ethical positions; see, e.g. Starr (2008b) on Ryan's views here. See also Jackson, Jager and Stagl (2004) for full discussion of the needs literature.

#### Consumerism as cultural adaptation and questions of 'social optimality'

The analyses of Veblen and Kyrk usefully underline that social considerations are critical in understanding people's willingness and ability to modify their consumption patterns: For many people most of the time, the material goods they buy and their practices for using and disposing of them seem normal and necessary; after all the major advantage of consumption norms is that, because many or most people taken them to be naturally 'right', they do not need to engage in deliberative reflection on them, but rather can use their ingenuity to tackle problems not so readily relegated to the domain of habitual thinking. This contributes importantly to problems of changing behavior: some of the 'worst' things from the point of view of carbon emissions -- particularly commuting in private vehicles and home heating, cooling, and appliance use -- seem to people to be decidedly in the 'necessity' category of contemporary living standards.<sup>15</sup>

At the same time, the conceptualization of material living standards as matters of consumption norms, along with the idea of people as having diverse behavioral predispositions not limited to self-interest, suggest new and potentially important ways of thinking about modifying consumption patterns, as a component of programs to attenuate global warming.

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Important points to be elaborated upon in the remainder of this paper:

- Jon Elster argues that 'private' solutions to collective action problems are possible when behavioral predispositions are heterogeneous. In a framework quite relevant for understanding transitions to sustainable consumption, he supposes that populations have three main types of people: some self-interested, others who act out of regard for the common good ('everyday Kantians'), and a majority who are norm-sensitive, in the sense that they would not want to be seen as or understand themselves as free-riding on the pro-social behavior of others. The question in our case is whether the consumption of everyday Kantians will reach a scale sufficient to shift the behavior of norm-sensitive people. See Starr (2008a) for general discussion. Presentation to be elaborated here will interweave this argument with the above discussion of the socio-cultural

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<sup>15</sup> Relevant here is Shove's (2003) work on conventions related to comfort, cleanliness and convenience.

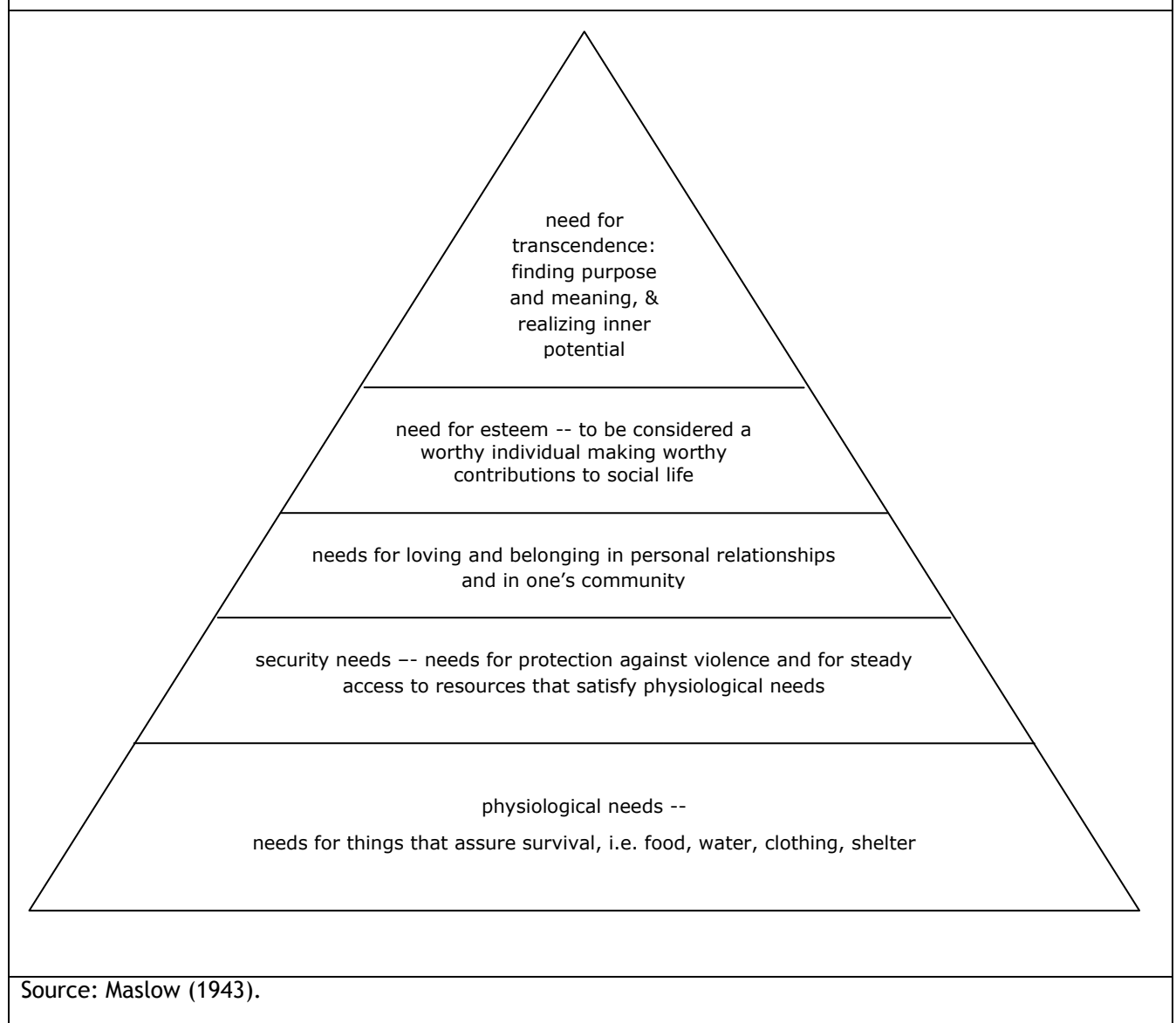
constitution of needs. The approach will be contrasted with that of Buensdorf and Cordes (2008), whose model allows people to be norm-sensitive but frames all people as being self-interested.

- Still, when analyzing trends and possible changes in consumption, it is too often treated as though it can be separated off from production, incomes and employment -- which obviously makes no sense given that plans to reduce demand for products (buying fewer things, replacing them less frequently) and/or shift their composition (buying local and organic, reducing packaging) imply non-negligible changes in production and employment. On one hand, this highlights the importance of contemplating supply-side issues (such as possibilities of reducing the standard workweek to 32 hours), along with questions of reducing consumption (see Starr 2008b). On the other, it also raises the point that has long figured into critique of consumer capitalism: that the long stretch of sustained growth in incomes in industrial economies reflects in part the system wherein companies, in their quest for moments of abnormal profits, scurry to develop new products and product characteristics that may diffuse 'out' and 'down' into consumption norms.
- The paper will go on to discuss the extent to which this system can or should be seen as 'adaptive', in the sense that the growth trajectory built around sustained elaboration of consumption norms facilitates some clear social goods: sustained growth of employment and widespread material security. Important here will be the relevance of models with multiple equilibria, wherein some equilibria involve consumerism, high growth of production and employment, and undue burden on the environment, while others involve more diverse human pursuits, slower growth, and environmental sustainability (e.g. Bartolini and Bonatti 2002).<sup>16</sup> How consumption norms figure into the stability of the different equilibria will be discussed.

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<sup>16</sup> Other relevant work includes Cooper (1999) and Dagsvik and Jovanovic (1994).

Figure 2. Maslow's hierarchy of needs



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