

Well-being, Consumer Culture and the 'New Poor'

A Whose Economy Seminar Paper
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Executive Summary

The authors have been engaged in an exploration of the relationship between well-being and 'modern culture' for a number of years, drawing on knowledge from many different academic disciplines. This paper summarises some key insights and conclusions from that work.

Section 1 of this paper briefly rehearses some long-held assumptions about the connection between the modern economy and well-being. It then describes the flaws in such thinking that have been exposed by other economists and psychologists, who have found that the connection between economic growth and high levels of social well-being and individual happiness is questionable.

Section 2 suggests that individual and social well-being is shaped at least in part by the beliefs, meanings and values that lie at the heart of modern society – our culture, in other words. Evidence from many disciplines now suggests that the individualised, materialist, consumer-driven culture produced by the modern economy results in increased mental distress and static happiness levels for many people. There are profound implications here for how we create our identities in society, and for what we take to be 'the good life'.

Section 3 describes how modern society has also seen the emergence of a new category of poor people, described by one sociologist as 'flawed consumers' who suffer because of their perceived lack of value to the modern economy. This damages social cohesion and undermines our capacity for compassion.

Section 4 briefly presents some findings from the authors' qualitative research in this field, conducted with different socio-economic groups across Scotland.

Section 5 turns to the emergence of a 'perfect storm' of global problems, and argues that these have been driven by certain aspects of the modern economy and the kinds of society and cultural value systems that it has produced.

The paper concludes by arguing that a very sharp turn is needed in some of the basic assumptions that underpin modern life, if we are to protect and promote human well-being, lead lives worth living, and create a sustainable society over the longer term.

Introduction

We have been investigating the relationship between well-being, ‘modern culture’, and the modern economy for a number of years. Our work draws on knowledge and insights from experts in many disciplines¹. We focus on well-being because this is not just essential to how we function in society, but to how we feel about ourselves and our lives. Research suggests that many of us neither function well nor feel good in modern society. These are complex issues that cannot fully be explored here, so this paper highlights just some of our key findings and the conclusions these lead us to.

The connection between the modern economy and our well-being is important. Most economists would agree that the primary function and over-riding purpose of any country’s economy is to serve the well-being of all its citizens, and that economic growth increases well-being. Economic growth has, over many decades, brought health and social benefits to many people. Yet research evidence is accumulating that such growth is subject to diminishing returns in terms of human well-being and represents a potential threat to global human society.

This paper briefly sets out some of the multi-disciplinary evidence that modern society and its economic system, and the cultural values and beliefs that support it, has produced widening health and social inequalities, rising rates of mental health problems (such as anxiety and depression), and larger global problems (such as recurrent economic crises and climate change). We also make the connections between our economy, our well-being and the emergence of a ‘new’ kind of poor person: one judged by their inability to fully participate in consumer culture. This might encourage indifference to the plight of poorer people, by those who are affluent, and thus represents a real threat to social cohesion and compassion.

1. Well-being and Economics

To massively over-simplify, economists have traditionally assumed that we are all rational beings who maximise our well-being through making rational choices in life. The more choices we have, the happier we are, and choice is facilitated by income and wealth. As research has found that richer individuals in all societies are happier than their poorer peers, it looks like economists have got this right. Economists have also assumed that increases in average levels of happiness in a society can be related to increases in its purchasing power. If the economy does well, so does our well-being.

So the assumption has always been that more is better for all of us, as individuals and across society. These key assumptions of economic theory were developed in times of scarcity, when it was unimaginable that we might be faced with problems of excess. However, a number of flaws in traditional economic thinking about well-being have been exposed through research, described briefly below.

The paradox of rising income and declining well-being

No-one doubts that poverty, whether absolute or relative, is a cause of profound individual and social misery, damaging to human health and well-being. However, a number of surprising findings have emerged from decades of research into the connection between the economy, income and well-being. Richard Easterlin is an economist who has found that societies do not necessarily get happier as they get richer (Easterlin 1980). He and many others since have found that levels of happiness have stayed static since the 1950s, although our incomes have risen four-fold in real terms.

Research shows that average levels of well-being in society increase up to middle income levels (around £15,000 per person per year), but then rapidly level off. The main point is that, *after basic needs are met*, then extra income produces diminishing returns for average levels of well-being². Since well-being has been regularly measured - from the 1950s onward - the percentage of people who judge themselves as very happy has not increased at all, and levels of well-being seem to be declining, despite real increases in income (Lane 2006; Layard 2006).

Many authors point to the socially embedded nature of well-being. Well-being is protected and promoted through strong social relationships - friends, family, and community. Being engaged in meaningful work also matters, as does having a purpose in life, and living in a tolerant society that values freedom.

Nevertheless, psychologist Oliver James suggests that many people in modern society fail to understand what really promotes well-being. We suffer from what he calls 'affluenza' - a painful, contagious, socially transmitted condition of overload, debt and anxiety that results from efforts to keep up with the Joneses (James 2008). 'Affluenza' is an epidemic of stress, overwork, waste and indebtedness caused by the pursuit of what we imagine to be the good life. This insight points us to the influence of 'modern culture' over that vision of the good life, as our modern economic and cultural systems are closely connected (Lury 2003).

2. Well-being and Modern Culture

Research by an Australian public health researcher, Richard Eckersley, indicates that the culture of modern society is fundamentally damaging to our health and happiness (Eckersley 2006). Eckersley concludes that:

Modern Western culture seems to be based on the very things that are detrimental to health and happiness.

Eckersley 2006

Many people might see this as an odd claim. We know that modernity has brought us lasting health and social benefits and most of us, regardless of income, live in ways unthinkable to ancestors only a few generations removed

from us. Nevertheless, there is now a burgeoning body of research that indicates that we are now experiencing diminishing returns from modern society, in terms of our health and well-being.

We have, for example, seen a dramatic rise in rates of mental health problems (particularly depression and anxiety), increasing rates of various types of addictions (drugs, alcohol, gambling, the 'obesity epidemic' etc), all of which seem to have been accompanied by a general decline in social cohesion, a sense of community and so on (Alexander 2008; WHO 2001). Eckersley's point is that the culture of modern society is, at least in part, to blame (Eckersley 2006).

What is 'culture' and why does it matter?

There is no single definition of culture, but it can be roughly understood as the learned system of meanings and symbols which frame the way people see the world. Culture is the means by which we make sense of life. Cultural aspects of life are often taken for granted and misrecognised as part of the natural order of things, rather than a human construct.

Culture matters in relation to well-being because it influences the goals in life which we value and pursue (Bourdieu 1984; Offer 2006). Moreover, as culture can also influence the distribution and availability of resources necessary to attain such goals, it has relevance for our understanding of how social inequalities are created and perpetuated (Wilkinson and Pickett 2009; Carlisle, Hanlon and Hannah 2008). Cultural beliefs and assumptions matter because they reflect the values that lie at the heart of society.

Eckersley suggests (2006) that modern society is dominated by four particular cultural values:

- **Economism** – this is the tendency to view the world through the lens of economics, to regard a country as an economy rather than a society, and to believe that economic considerations and values are the most important ones for our well-being.
- **Materialism** - in modern society, non-material aspects of life (such as spirituality or aesthetics) may be squeezed out.
- **Individualism** has brought us many freedoms and benefits. The downside is that the onus of success in life rests with us as individuals. We are also seen as responsible for failure. We are subject to the tyranny of higher expectations in life and reduced social support and social control, all of which result in a sense of increased risk, uncertainty and insecurity.
- And then there is **consumerism**, which is the attempt to acquire meaning, happiness and fulfilment through the acquisition and the possession of material things.

Are we consumers or commodities?

Bauman observes that the hidden truth of the modern economy is *not* that we are all transformed from citizens into consumers - that much is blatantly obvious (Bauman 1998). It is our more subtle transformation, through consumerism, into sellable commodities with market value. In the so-called 'affluent economy' of modern society we ourselves are consumer goods, obliged to 'sell' ourselves in various markets order to have jobs and careers, social standing and even intimate relationships. Social analysts note, however, that however much the economy grows, it will always produce unhappiness, frustration and dissatisfaction because the unlimited production of goods is intimately tied to the unlimited production of wants.

What this suggests is that, unless we change our values and the things we believe to be worthwhile then, no matter how much life may improve in material terms, we will never feel we have enough (in terms of material possessions) and we will never feel we are good enough (in terms of what we have achieved). In short, we will never get off the treadmill that keeps us pursuing potentially unrealisable goals that, even if achieved, may not bring lasting well-being.

3. The Modern Economy and the New Poor

Evidence from many disciplines now suggests that the individualised, materialist, consumer-driven culture produced by the modern economy results in increased mental distress and static happiness levels for many people. Social commentators have observed that many of us live with ambient fear, anxiety and insecurity. In the modern economy, jobs for life are now only for the privileged few, with compulsory flexible working practices for the rest of us. And we have also seen the emergence of what sociologist Zygmunt Bauman calls the 'new poor' (Bauman 1998).

Who are the 'new poor' in modern society?

Our social structure and economy has changed from one built on production to one dependent on consumption. In the past, unemployed people were viewed as 'the reserve army of labour' - able to be 'recalled' to work, whether for the factory or the battlefield. But the modern economy means that we are no longer a society of full employment based on the productive capability of labour, and may never be so again.

Bauman suggests that, in a society where consumers are seen as the driving force of economic prosperity, unemployed people or anyone living on a low income are in danger of being seen as having little 'worth' or 'value'. They carry no credit cards; they cannot rely on bank overdrafts; and the commodities they need

are in the basic rather than luxury category and thus carry little profit for their traders. From the perspective of purely economic rationality, keeping poorer people in decent, humane conditions (the principal objective of the welfare state) is devoid of common sense. This creates new sets of social relations with real and dangerous consequences for society and for social policy – not least, the danger of an emerging indifference to the plight of the excluded by the relatively affluent, and thus an increase in social fragmentation.

4. Voices from Scotland

We investigated, through qualitative research, whether the ‘isms’ of modern culture identified above are experienced in everyday life across Scotland. We give below just a very brief flavour of the different perspectives we found across different socio-economic groups, as a fuller account is provided elsewhere (Carlisle *et al* forthcoming; Hanlon and Carlisle 2009). We were left in no doubt that economism, individualism, materialism and consumerism are powerful forces in many lives, although how these are experienced clearly differs across different socio-economic groups.

In defence of the modern economy

An organisation representing the interests of consumers defended our present economic system, saying that:

The market economy is the prevailing culture and ideology of the modern world, including Scotland. Alternative social models tend to be coercive and corrosive of freedom so there really is no alternative to market capitalism. Markets remain the most efficient and least unjust way of organizing society, even though this involves great disparities of wealth. All we can do is find mechanisms to mitigate the excesses.

Consumer Council

Look out for yourself!

However, one of the public health groups we spoke to felt that, in an individualised society, people need to look out for themselves as there is little real protection to be found elsewhere. They told us that:

You've got families growing up with no expectations of ever working and any jobs there are, are crap work for crap money. In days gone by when you had mining or manufacturing you had your union, which was strong, and you were part of a community. But now the only jobs you can get are call centres where there are no unions. So you just look out for yourself.

Health Promotion Group

Trapped in the cycle of consumerism

Several groups spoke at length about the sense of isolation, pressure and resulting vulnerability that many people feel nowadays. As one said:

People live in their own bubble, getting in their own car to drive to work, staying in their own home. Community spirit has gone and this compounds the issue. We're all in debt. You're stressed, you go to work, you go home. You sit in front of the TV. There's no family dinner, no time to talk problems through, sort things out. You're just working to afford that TV. There's no time for your children when you come home at night. No time to talk.

Prisoner Group

The experience of exclusion and stigma associated with low social status and low income was voiced by a group of people who had all suffered mental health problems. As one said:

In a third world society I would be a millionairess with money, a home, warmth. I'm low down in my society because I don't work and live on benefits.

Mental Health Advocacy Group

Another member of this group suggested that the cultural values we referred to are “symptomatic of a society that values possessions, rather than people”. They also suggested that, for some groups in society it might be “becoming okay to sneer at the poor”.

A particularly powerful critique of how modern society can damage us all was articulated by one of the groups we spoke to, who said:

Our focus needs to go down to the spiritual – to the value and worth of a human being. Virtually nothing in society promotes that. We are exploitable because we are fearful. We're all trapped in the cycle of consumerism.

Prisoner Group

5. An Unsustainable Economy

As a society we are also facing a set of larger trends and problems, driven by certain aspects of the modern economy and the society and cultural value system that it has produced. In already developed and affluent societies, the modern economy has enticed us all with visions of the good life that are unsustainable at the global level. The high levels of consumption involved in pursuing affluent lifestyles draw so extensively on planetary resources that we have seen the emergence of much larger problems which threaten us all (Rifkin 2009).

Those include global economic crises; climate change (IPCC 2007), the decline of key non-renewable resources such as oil (Roberts 2005); and massive global

increases in inequality and injustice (Simms *et al* 2004). Modern society and its economy has produced a system obsessed with limitless economic growth. That is now a global ideal exported everywhere and its consequences for the longer-term sustainability of human society are alarming.

Facing a 'perfect storm'

Research by the new economics foundation (Marks *et al* 2006), amongst others, demonstrates that all affluent societies are now living well beyond the capacity of the earth to sustain – a condition known as 'overshoot'. If the whole world were to live at UK levels of consumption, we would need over three earth-like planets to sustain us. If we follow USA patterns of consumption, we will need five or more. It is clear that it is not people on a low income who have contributed much to this problem: their resource use is comparatively low, and their ecological footprint is comparatively light. However, in the absence of radical change, they are very likely to bear the brunt of the coming storm (Simms *et al* 2004).

Change appears inevitable, given that patterns and levels of consumption in affluent societies are not sustainable on a global scale. And it is becoming clear that they contribute little to human well-being. So we really need to think about how we can all find ways of living differently that will promote and sustain well-being – for us as individuals, for our families, communities and the society we live in, and for the world as a whole.

Conclusion

A very sharp turn is needed, if we are to change. This will involve not just questioning the way we live but giving up some of its most sacrosanct assumptions, such as believing that economic growth is an unqualified good, despite damage done to the human condition and the natural world.

For example, Zygmunt Bauman (1998) recommends that we decouple individual income entitlement from income-earning capacity. The taxation system should provide all with a means to a decent life. This would preserve the ethical values and social arrangements that underpin Western civilisation, in a context where our institutions no longer guarantee their implementation.

There are also other ideas and models that can help us think differently and challenge conventional thinking. Perhaps one of the most significant is the concept of 'contraction and convergence' developed by Aubrey Meyer of the Global Commons Institute, in response to the threat of runaway climate change (Meyer 2000). Meyer notes that the whole world needs a contraction in the production of carbon dioxide – an output of increased industrialisation and economic growth. Rich and poor nations must eventually converge in their carbon production, to avoid catastrophe. Less developed nations must be allowed to develop – so their carbon use goes up – whilst industrialized and post industrial nations must make substantial reductions.

This model of redistribution can, of course, be applied to many resources and not just the carbon resources on which affluent societies depend. Increasingly, the evidence suggests no really viable and sustainable alternative to this proposition. Yet it seems likely that changing the social structure and the economy will not, by themselves, achieve this – even if we knew how to do it. If we are to survive and thrive, then cultural change is also necessary. What we take to be ‘the good life’ needs to be re-thought and re-worked if our society is to be sustainable over the longer term (Simms and Smith 2007). And for our society to be worth living in, we need to develop a far greater sense of care and compassion for others (Rifkin 2009) than presently seems to be the case.

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Notes

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² We need to bear in mind that what counts as 'basic needs' varies across societies, and changes with time. Also, even in an affluent society like the UK, we know that the basic needs of many people are *not* being met.

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