# The road to the twenty-first-century consumer

A historical perspective

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DOI 10.15501/978-3-86336-918-7\_2

#### 1 Introduction

'The nineteenth century has been the century of producers,' Charles Gide, the French political economist and champion of the cooperatives, told students in 1898. 'Let us hope that the twentieth century will be that of consumers. May their kingdom come!' (Gide 1900, 227) Did his hope come true? This chapter provides a historical perspective on the figure of the consumer, which is, once again, attracting public and policy interest in debates ranging from climate change to sustainability.

Humans, of course, consumed things and resources long before Gide made this announcement. The ancient Greeks and Romans warned of the evils of luxurious living, as did the Christian fathers. Waste is a good indicator of the items in circulation in societies in the past. The first landfills, in Knossos, date back to 3000 BCE, and we know from archaeologists that the Mayans in Belize in 900 CE threw away perfectly good items (Rathje and Murphy 1992). It was, however, between the fifteenth and eighteenth centuries that consumption saw an unprecedented surge, reaching an entirely new qualitative, as well as quantitative, level of importance.

A new culture emerged that prized private comfort and the pursuit of new things. Possessions, refinement and comfort were already on the rise in Renaissance Italy and late Ming China. In 1475, for example, the Florentine banker Filippo Strozzi ordered 400 glass beakers from Murano. Sixteenth-century China was awash with books, porcelain cups and embroideries. At the same time, consumption here continued to face obstacles to expansion. In Italy, big spending was fine as long as it demonstrated one's civic virtue, but it remained suspect if it was for private pleasure. In late Ming China, by contrast, the most cherished items were antiques, not novelties or new products. It was in the Netherlands and Britain that a new, more positive attitude spread that was more welcoming to things, and which prized dynamism, growth and innovation. The Dutch and British craved exotic things from distant places. Tobacco, tea, cotton and porcelain changed how the Dutch and Britons ate and drank, smelled and felt. By the late eighteenth century, cotton gowns and tea-kettles had even found their way into the homes of the urban poor. This wave of

new goods spread more easily through these two countries, unimpeded by the restrictions and customs that stood in the way elsewhere. In Germany, by contrast, goods faced a maze of customs barriers, guilds and suspicion by the male elite: women sporting fashionable neckerchiefs were fined, imprisoned and ostracised (Ogilvie 2003).

Above all, these commercial societies changed the way they looked at things in relation to people. In ancient times, things had been accused of corrupting the soul and estranging the individual from his or her true self, the life of the spirit. Between the seventeenth and nineteenth centuries a new outlook gained hold: things came to be appreciated as part of a 'material self', enriching individuals and nations. 'Greedy appetites', the great scientist Robert Boyle declared in 1655, were not bad (Boyle 1663). Rather, they made people inquisitive and enterprising. And the pursuit of goods, he wrote, even made them admire the work of God more. In the mid-eighteenth century, the enlightenment thinker David Hume rallied to the defence of 'modest luxuries' for creating new business, jobs and knowledge, for bringing people together in cities and clubs, and for sponsoring national growth and strength. Instead of something that needed to be suppressed or punished, consuming could be upheld as a force of civilisation and progress (Hume 1741). It was then, in 1776, that Adam Smith confidently announced in The Wealth of Nations that 'consumption is the sole end and purpose of all production' (Smith [1776] 1979, book IV, Chapter 8, 179).

## 2 The apotheosis of the consumer

By the late eighteenth century, there were in circulation many of the material and moral ingredients of a modern consumer culture. However, very few writers or people yet thought of themselves as 'consumers', let alone agitated under that name. The people who, in 1773, threw chests of tea into Boston harbour in protest against imperial taxes on imported goods—the original Boston tea party and forerunner of today's consumer boycotts—rallied together as 'patriots', and not as 'consumers'. Here and elsewhere, people went shopping, ate food,

drank beverages and accumulated a growing number of mirrors, wardrobes, clothes, clocks and many other items, but they did so as burghers, workers, husbands and mothers, Englishmen or Italians. They had no sense of a shared identity or interest as 'consumers'.

Consumers found their way onto the historical stage via two connected paths in the nineteenth century. First, consumers appeared as objects of inquiry and interest in social investigation, policy and economics. As workers started to benefit from greater discretionary spending, the attention of social reformers began to turn from the wage question to that of 'the standard of living'. This new concept launched thousands of investigations into household budgets, from Boston to Berlin and Bombay. The central idea behind these inquiries was that the welfare and happiness of a household were determined by its spending habits, and not just its earnings. A better understanding of how money was spent assisted social reformers in teaching the art of prudent budgeting. In France in the 1840s, Frédéric Le Play compiled 36 volumes on the budgets of European workers. In the next generation, his student Ernst Engel took the method to Saxony and Prussia, where he professionalised the study of social statistics. He fathered Engel's law, which held that the greater a family's income, the smaller the proportion was spent on food. For contemporaries who worried about revolutions and socialism there was hope; people could be trained to be wiser consumers, which would make them better citizens. Less spending on food translated into more money for personal improvement and social peace. Almost simultaneously, economists such as William Jevons and Carl Menger—the so-called marginalists—turned economic wisdom upside down, when they transformed the theory of value. Instead of reflecting the cost of land and labour, as conventional wisdom had it, the value of a good was created by the consumer.

Just as significant was a second, parallel process, which saw people discover their own voice as consumers and organise as active subjects under that new label. The *fin de siècle* is now remembered for its cathedrals of consumption epitomised by the Bon Marché in Paris and Selfridges in London. These commercial temples were certainly important in widening the public profile and spaces for shoppers, especially for women. Intriguingly, though, it was not here in the glitzy galleries but literally underground, through the new material networks of gas and water, that people first came together collectively as

consumers. A Water Consumers' Association was launched in Sheffield in 1871 in protest against water taxes. In addition, needs and wants themselves were changing, and this expanded notions of entitlements and rights. In England, middle-class residents at this time were becoming accustomed to having a bath and refused to pay the 'extra' charges for their extra water. A bath was a necessity, not a luxury, they argued, and they organised a consumer boycott.

The years before the First World War turned into the golden years of consumer politics. Flannel weavers had opened a cooperative store in Rochdale, England, in 1844. By 1910, most working-class families and every fourth household in the country was a member of a consumer cooperative. In Germany and France they counted over a million members. In Britain, the Woman's Cooperative Guild was the largest women's movement at the time. Organising as consumers gave women a new public voice and visibility. After all, it was the 'women with the baskets' who did the shopping. And it was women who marched in the vanguard of ethical consumerism. Consumer leagues sprang up in New York, Paris, Antwerp, Rome and Berlin. In the United States, the league grew into a national federation with 15,000 activists, headed by Florence Kelley, whose Quaker aunt had campaigned against slave-grown goods. These middle-class consumers used the power of their purse to target sweatshops and reward businesses that offered decent working conditions and a minimum wage. 'The consumer', the German reformer Elisabeth von Knebel-Doeberitz explained, 'is the clock which regulates the relationship between employer and employee.' If the clock were driven by 'selfishness, self-interest, thoughtlessness, greed and avarice, thousands of our fellow beings [would] have to live in misery and depression' (von Knebel-Doeberitz 1907, 39, my translation). If, on the other hand, consumers thought about the workers behind the product, they would advance social welfare and harmony. Consumers, in other words, were asked to be citizens. For women, this new role as civic-minded consumers became a powerful weapon in the battle for the vote. This call on the 'citizen-consumer' reached its apotheosis in Britain on the eve of the First World War in the popular campaigns for Free Trade when millions rallied in defence of the consumer interest as the public interest.

#### 3 Historic victories and fresh challenges

Looking back from the early twenty-first century, it would be foolish not to recognise the enormous gains in consumer welfare and consumer protection that have taken place in the course of the last century, epitomised by John F. Kennedy's Consumer Bill of Rights in 1962. Cars no longer explode on impact. Food scandals and frauds continue but are a far cry from the endemic scandals of adulteration that scarred the Victorians. Economists continue to debate whether people adjust their consumption over time to get the most out of life (Franco Modigliani's lifecycle hypothesis), whether they spend depending on what they expect to earn in the future (Milton Friedman with his permanent-income hypothesis) or whether their spending is determined more by the position of their income relative to that of others (James Duesenberry's relative-income hypothesis). Still, consumption is an integral component of the curriculum, not just in economics and business schools but also in sociology, anthropology and history, although the latter tend to stress culture, social customs and habits rather than choice and a utility-maximising individual. Today, companies and marketers follow consumers as much as they direct them. Grand critiques of 'Konsumterror', or 'consumerism', as stupefying, dehumanising or alienating, still an essential part of the intellectual furniture of the 1960s, have had their wings clipped by a recognition of how products and fashions give us identities, hybridity and pleasure. Rather than being passive, the consumer is now celebrated for being a 'prosumer' who actively adds value and meaning to media and products.

And yet, in other respects, we are a long way from Gide's kingdom of consumers. Consumer associations and activism continue, but with the proliferation of lifestyles and causes they have become dispersed between so many issues and no longer carry the punch of the social reform campaigns of the early twentieth century; today there is, for example, ethical shopping for dog food, as well as for slow, organic, fair trade and many more. In hard times, like the First and Second World War, some countries introduced consumer councils and ministries—but that was because states had a temporary interest in organising their purchasing power for the war effort and recruiting them in the fight against profiteering and inflation. When peace, markets and vocal

business lobbies returned, such bodies were just as quickly wound up again. In the affluent West, welfare states and social services have taken over many of the causes for which consumer leagues fought a century ago. Today, the urban poor or cheap, exploited labour in seasonal agriculture rarely attract attention from ethical consumers, although a campaign started in 2015 against companies that avoid paying taxes. In general, however, since the 1970s most of the attention of caring consumers has been increasingly directed towards producers in distant lands, especially through the fair trade movement. In the developing world, India has a small Ministry of Consumer Affairs, but its primary role is to raise awareness and fight unfair practices. The richest societies are tellingly also the same societies where consumers have little or no organised political voice and representation. Markets, choice and competition are now largely seen as the consumer's best friend. Consumers are simultaneously more powerful and powerless today than Gide foresaw.

If he lived today, Gide might highlight three challenges that confront a new generation of consumers. The first is austerity amid growing inequality. This can be understood as the rolling back of some of the welfare gains of the post-45 era. Of course, public social spending on unemployment benefits, state pensions, public housing and child allowances and much else remains at a level today—the OECD average stands at 21 per cent of the GDP—that was inconceivable in Gide's days. Still, cutbacks in social spending, along with stagnant and falling wages amid a greater concentration of wealth by the few, raise the possibility of a major crisis that was already agitating Gide's contemporaries, such as the radical writer J. A. Hobson: the spectre of 'under-consumption' (Hobson 1902). With the reform or retreat of the welfare state. it may well redirect consumer activists' attention to the plight of workers at home. Since, as Hobson pointed out, under-consumption at home also leads the rich to search for investment opportunities and business adventures abroad, it also raises the potential for international tension. Hobson drew a straight line between under-consumption at home and imperialist adventures abroad. The European empires are now gone, but his point about the connections between

<sup>1</sup> See the 'Ethical Consumer' movement for a 'Fair Tax Mark' and the boycotts of Starbucks and other companies. http://www.ethicalconsumer.org/ethicalcampaigns/taxjusticecampaign/fairtaxmark.aspx, accessed 23 March 2017.

under-consumption, over-saving and the search for overseas opportunities and frictions remains one for serious consideration.

A second challenge comes from new technologies of consumption, especially digital products and the so-called 'Internet of things'. Their diffusion has, so far, circumvented many of the historic gains of consumer protection. Thus, the United Nations Guidelines of Consumer Protection do not deal with the issues around consumer products that are governed by intellectual property (IP) law. Under the 1995 World Trade Organisation Agreement on Intellectual Property (TRIPS), software is protected, just like books under the Berne Convention of 1971. Digital products thus pose a major challenge to the very idea of what is a consumer's property and how it will be protected. The growing centrality of software—and its legal defence under copyright law—effectively means that consumers no longer 'own' the digital products they may think they own. As the recent Manual on Consumer Protection by the United Nations Conference on Trade and Development (UNCTAD) emphasises, this means that 'IP rights-holders are protected in terms of the defence of their copyright, while the defences of consumers that also exist in IP law might not be invoked' (UNC-TAD 2016, 24). Digital communication calls for an entirely new form of consumer politics.

Finally, and most formidable, there is climate change. The future role of consumption is increasingly uncertain from an environmental perspective. The 1990s gave birth to the idea of 'sustainable consumption', a commitment championed by the United Nations in Rio de Janeiro in 1992. Price incentives and more efficient technologies, it was hoped, would enable consumers to lighten the material footprint of their lifestyles (Chappells and Trentmann 2015, 51–70). Since then, there have been many prophecies and headlines that predict 'peak stuff' and the end of consumerism. People in affluent societies, they say, have become bored with owning lots of stuff. They prefer experiences or are happy sharing. Dematerialisation will follow. Such sightings sound nice but they fail to stand up to scrutiny. After all, much consumption in the past was also driven by experiences, such as the delights of pleasure gardens, bazaars and amusement parks. In the world economy today, services

<sup>2</sup> With thanks for further discussion to Robin Simpson, who revised the *Manual*.

might be growing faster than goods, but that does not mean the number of containers is declining. Far from it. And let us not forget that services are not virtual but require material resources too. In France, in 2014, people drove 52 billion kilometres to do their shopping, which involves a lot of rubber, tarmac and gas (Fourcroy, Gallouj, and Decellas 2012). Digital computing and Wi-Fi absorbs a growing share of electricity. Sharing platforms like Airbnb have increased frequent travel and flights, not reduced them. People may say they feel overwhelmed or depressed by their possessions but in most cases this has not converted them to 'simple living'. Nor is this a peculiarly American or Anglo-Saxon problem. In 2011 the people of Stockholm bought three times as much clothing and appliances as they did 20 years earlier (Kalmykova, Yuliya, and Patrício 2015). How—indeed whether—consumers can adapt to a world of climate change remains the big question for the twenty-first century.

## 4 Looking back to see ahead

A historical perspective on the changing identity and outlook of the consumer helps us to understand how we got to where we are. But it also helps us to look ahead. History is a lived laboratory of rich and often unexpected experiments and outcomes. It reminds us of ideas, values and practices that have disappeared from what today counts as conventional wisdom. And it alerts us to the never-ceasing potential for change. Today, the consumer is mainly treated as a shopper and a creature of the market. As this chapter has shown, this was not always the case. The consumer's persona has a history and has evolved over time. For much of its life, the consumer had moral, social and political, as well as commercial, characteristics. Writing in 1929, Hazel Kyrk, one of the pioneers of home economics in the United States, argued that people were consumers as well as customers. As a customer, a person was engaged in the art of buying, evaluating the price and quality of goods and then making decisions about their purchase. By contrast, consuming, she wrote, involved more than getting a good deal: it raised 'questions of motives, of values, [and] of ends' (Kyrk 1929, 396). For Kyrk and many of her contemporaries, consuming was a way of teaching people to live better lives and become better citizens. The consumer stood at the centre of civic ethics. We would do well to remember that rich past.

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