

**Outline Lecture 8**  
**Monday October 2, 2006**  
**Consumerism**

**What is “consumerism”?**

Key idea = *systematic bias towards consumption over leisure*

**Sources of pressure towards consumerism in the United States:**

- 1. Easy Credit:** living above one's means → pressure to work more to pay off debts
- 2. Under-pricing of consumer goods because of “consumption negative externalities”**
- 3. Consumption bias in capitalist profit maximization strategies**
- 4. Market failures in availability of “leisure”**
  - Employers prefer long hours because it is cheaper than hiring more workers for fewer hours (because of fixed fringe benefits, training costs, etc.)
  - Weak unions and weak labor market regulations prevent more collective regulation of the work/leisure balance
  - European workers work 300-400 fewer hours/year than US workers
  - How much leisure would we have if productivity increases were used mainly to expand leisure rather than consumption?
- 5. Change in reference group for consumption from people more or less like oneself to the relatively rich.**
  - results = “consumption gap” between *what people can afford* and what they *feel they should consume* → People go much more into debt in order to live more like these ideals.
- 6. Increasing inequality ratchets up consumption demands**
- 7. Increasing “competitive consumption” (status consumption)**
- 8. Decline in public goods (and abandonment of public consumption by rich)**
- 9. Increasingly sophisticated marketeering**
- 10. BUT there are some counter-tendencies**