

Consumption in a sane society

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1 Consumption in a sane society.

How might a decent economy work? If we agree that present arrangements are insane, then it goes without saying that the effects of restoring sanity will look rather different from the present. But if things are to look very different from the present, then we must be careful — because we are so familiar with present arrangements that we may unwittingly assume some aspects of them are essential or immutable when in truth they are not. So, let us approach the problem with some care, starting from the present day. This means we will start from arrangements that are assumed and go without saying; but we will ask searching questions, probing whether those assumptions are sustainable: perhaps not enough questions, but this is only intended to be a start — an approach. We cannot be afraid of coming to conclusions which lead to arrangements rather remote for the present, for we expect such an answer. But where we do, we will try to give some indication of strategies and processes by which such arrangements could be achieved politically. Of course, major shifts in the institutional structure of the economy involve changing power structures and will require significant and prolonged political struggle; we should not lose sight of this fact. There are no magical answers: no idea, no matter how insightful or persuasive, will suddenly convince those who control power and wealth in our society to switch to something better. Rather, the struggle for a better world — or at least, a sane world — requires a clear idea of what a sane society looks like, not only in order to formulate demands and strategies, but also to inspire and to engage citizens and activists. This essay is an effort to formulate and clarify such a vision, and place it in a concrete context, starting from the context of the contemporary situation: we seek out concrete problems; we seek out concrete solutions; we make concrete proposals; we formulate more general social visions; we evaluate prospects; we suggest strategies.

We will focus here on the consumption side of economic activity; of course, consumption is not more or less important than other aspects of economics; and I will deal with them in due course. Everyone is a consumer; so at least if you are reading in the developed world, much of this will be familiar from everyday life.

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1.1 Relationships to other works.

Readers who are unfamiliar with participatory economics should skip this section, at least on a first reading. The rest of this essay contains occasional explicit references to participatory economics, but no knowledge of the model is required to read it; it is not assumed knowledge.

Those readers who are familiar with the work of Albert and Hahnel on participatory economics will find some familiar themes here. Indeed, I regard their work as an thoughtful and profound first step in the realisation of a better world — including a goal, a vision, a set of values, and institutional structures to realise them. In their series of books, their project was visionary, in the

technical sense — they sought to provide vision. They are informed by present and historical reality, to be sure, but their approach is abstract, declarative and axiomatic. They first ask big questions, answer them, and then construct institutions accordingly. This is a perfectly acceptable, legitimate and laudable approach — provided that one appreciates the nuances in the abstract questions, and does not lose sight of some aspects of reality by isolating others when theorising; and I see no great sign of such failures in their work. In the present essay I proceed in the opposite direction: we begin from concrete, everyday madness and ask how to restore sanity; we ask what sanity looks like; it is enough of an achievement to visualise sanity in a preposterous world. We do this not because it is more important or more interesting, but simply because this approach has not yet been done in sufficient detail. Our approach is simply a complement to the Albert–Hahnel approach, and may raise additional issues of strategy and detail. If no "trained economist" will perform the task, then that is a blight on their profession, and it falls to others to do what needs to be done — for it is an urgent task. It is an urgent task to seek the seeds of the future in the present; to seek a trajectory to a better world which begins from the here and now. The contemporary situation being such a depressing affair, we can expect that trajectory to be long and those seeds to be embryonic at best. That is no impediment, however: for human society, inhabited by human beings, will never be entirely alienated from its nature, its feelings, its conscience and its empathy. Capitalist and cynical though our world might be, we are far from immune to the shocks to the conscience which every day break our heart.

This essay, in focusing on consumption within the context of a sane economy, is also closely related to the present-day 'ethical shopping' or 'ethical living' movement. And, no doubt, as we will see, a sane economy probably incorporates most of the principles of this philosophy — at least in some form. Depending on one's conception of 'ethical living', the present essay is either a clarification, a rethink, or an extension, of this philosophy. It is certainly more comprehensive in scope, and more thoroughgoing in seeking solutions beyond individual actions. Ethical shopping is certainly part of the discussion below; but there are many on the left who doubt we can simply buy our way into a better world. In the following, we link ethical shopping to deeper change; ethical shopping is the start of a movement to a more just economy — but only a start. We will see as we proceed that many of the supposed 'dilemmas' of ethical shopping provoke, even demand, a comprehensive approach to consumption in the economy. Furthermore, ethical shopping, in some forms at least, is tinged with consumerism and speaks only to the individual consumer. Though of course a society where every individual consumer is an 'ethical shopper' is certainly an improvement, within a contemporary setting of global capitalism and global injustice it does not provide institutional answers. An insane society with sane inhabitants is still, alas, an insane society. The sane inhabitants of an insane society will, nonetheless, seek a remedy, and the following may be of some use — if only as food for thought — in this regard.

There has been some debate on the left about the relative importance of vision — in the present case, economic vision. On the one hand, some argue that

vision is important to answer the question of what we want; that having some concrete ideas of what the goal looks like — though of course not a blueprint — inspires us and informs our strategies and choices in the present. On the other hand, some argue that too much of a focus on vision is counterproductive, distracts from more pressing and urgent tasks, can lead to utopian dreaming and inaction, and engenders sectarianism; rather, understanding and knowledge in establishing a better world should be obtained by experience and historical experiment, and no blueprint can ever be successfully imposed on a society. Perhaps the most prominent proponents of these two positions are Albert–Hahnel and Chomsky, respectively. I do not intend to discuss the issue fully here; suffice it to make a few comments.

Of course, to be writing this essay on economic vision and strategy implies some sympathy with the former view. I can say, personally, that the participatory economic vision has inspired my thinking and offered hope that, in the wake of the collapse of communism, we are not condemned eternally to capitalism. Moreover, to my thinking, it provides an outpost of sanity in a world of economic insanity — both the real world of insane economic activities and outcomes, and also the deeply ideological and intellectual world of economic academia and apologia. It offers approaches which are both radical — going to the root of the problem — and rational, indeed possibly obvious once seen in the light it provides. There is much more work to be done, much more to be seen in detail and experiment, before one can say that the economic problem has been solved; but it is a reasonable programme for a solution; it is a good first approach on a theoretical level.

The present essay is inspired by the Albert–Hahnel vision, but informed by the Chomsky position. Much more needs to be done, proceeding from the concrete and the real, the present and the past. Suggestions for reform need to be made; experiments must be suggested, performed and evaluated. One does not legislate an economic model into reality if it is to be compatible with self-management and the fulfilment of human potentials; and while it is laudable and useful, it is not enough to present vision purely from the declarative and axiomatic point of view. The goals must also be viewed in the other direction, from the present forwards; their construction must be envisioned from the ruins of the present madness. The approach of this essay, then, is a synthesis between these two positions — both legitimate and reasonable, countervailing each other, but not contradictory.

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1.2 To business, then.

Almost everybody consumes things. Not everybody — particularly not those who are too poor, or those who are excluded from society. The problems of poverty and social dislocation are of course major ones, which must be addressed. But these cases aside, anybody who interacts within society and who obtains certain goods or services, for survival, pleasure, or whatever else, consumes. We do it to survive; we do it for fulfilment; we do it for desire; we do it

for greed; we do it for social status; we do it out of insecurity; we do it for fun; we love it; we hate it; we get what we need; we get what we want; we get what others tell us we need; we get what others tell us we want.

Our remarks here are addressed principally to people in the developed world, though much is relevant to all people everywhere and anywhere. Why this focus? In part this is because of my own experience. In part it is because the evils of consumerism are most apparent in more 'developed' economies. In part it is because it offers a critique of what the developing world 'aspires' to — at least, elite segments of those societies. This is a bias, and I am well aware I am focusing on a minority of global society: but it is the most economically powerful part, and arguably the most economically insane part. Nevertheless, the arguments here which apply to economically developed societies apply equally as warnings for economically developing societies — and the same general principles of sanity and justice surely apply.

Recall the various approaches to consumption already outlined. *The point of consumption is to get what we need and want* — it is simply the final link in the chain of things being produced and eventually being used. But there is also a reciprocal aspect to production and the working lives of others: the things which are produced and the things which are consumed are the same things, surpluses, stockpiles, investment and trade aside. What is consumed determines what is produced, and different types of work may be more or less desirable. *The point of consumption is to consume what people want to produce; the point of consumption is to determine work which is desirable.*

We will consider different categories of consumption in turn, from the relatively small scale to the relatively large.

* * *

1.3 Essential consumption.

Let's start with the more essential, small-scale side of consumption — putting 'shopping as pleasure', and large-scale purchases, to one side for the moment. We buy food to eat; we go to the supermarket, the bakery, the market, the greengrocer, the delicatessen, the caf, the restaurant, the bar, the bottle shop, the convenience store. Food is appetizing; the choice is broad; the locations are convenient. In this sense it works efficiently.

In one sense, to the extent it appears that locations are convenient, that logistics are well-managed and distribution is efficient in retail stores, it is worth noting at the outset that the system may not be as efficient as it seems. The distribution networks used by large chain stores are often patently ridiculous: in the interest of serving a centralized supply system, goods may be carted from the point of production, a hundred miles away to a warehouse, and then back again. And perhaps that is the most efficient and practicable method from the point of view of the company bottom line, or even from the point of view of any large, difficult-to-administer but administered-from-the-top institution: profit-seeking large corporations are not immune from the inefficiencies of central planning. Shopping locally, at smaller stores, is often less environ-

mentally damaging, more efficient, builds local community, and serves more socially responsible workplace relations. Large retail corporations often distinguish themselves in their lack of social considerations, shocking labour practices and cutthroat competition. Agribusiness often distinguishes itself by overuse of pesticides, monoculture farming, seed patenting, and extraordinary damage to small farmers and local communities. Of course, large networks and enterprises may have economies of scale, more effective demand management and large-scale logistics; this is not a debate I want to enter into here. The point is: we tend to shop at larger stores, because we are more familiar with them and they usually undercut competitors on price; and it is not at all clear whether this is socially beneficial — certainly no information is made available to us to help make this decision, unless we wish to buy a book on the topic or conduct an independent investigation ourselves.

Regardless of where we shop, it remains true that we are manipulated every step of the way.

Already in the choice of where to shop, advertising manipulates us: advertising of large and wealthy retailers places them in the front of our minds, to the exclusion of others; we are informed, if we pay the slightest attention to them, of all their offers, their bargains, their low prices. So in the choice of where to shop, we are predisposed to do what we are told. And if we do obey their advice, it happens all over again. We know that in the supermarket goods are arranged in Machiavellian — even Pavlovian — fashion: the everyday groceries at the back of the store so that you are forced to walk past everything else; goods are placed next to others so that along with what you need you will buy what you do not; items are carefully placed at the checkout so you might buy 'on impulse'. Songs are played and announcements are made on the loudspeaker, sometimes even smells are produced, decorating schemes are calculated, company images are painstakingly crafted, in order to influence you to buy. This is true as much of a Wal-Mart as of a Whole Foods Market. It is all carefully studied and carefully planned out, just like a behavioural experiment on animals. Indeed, those who study marketing will know just how close it is to behavioural psychology and training the animals — in this case, consumers — to do what they are supposed to do.

And whether we shop at the big box or the local store, or even a locally-friendly big box store, we will be manipulated again by the advertising of individual products — which occurs outside the store, when we see or hear advertisements in the media, on billboards or anywhere else, and also in the store, from the packaging and display of the goods themselves. They are, again, all carefully crafted to evoke the correct positive emotions, to provoke positive or nostalgic associations, and to convince us that we do want them. A tick on the box, a picture of an animal or a baby, a homely style, a sexual suggestion, a choice of font: any of these is enough to convince us that the goods are healthy or environmentally responsible or enhance our allure; no further proof is required, or can be given without our own independent investigation. It often occurs below the conscious level, unless we have trained ourselves or been alerted to the issue, so that rational or logical thought is not applied, and cannot be brought

to bear critically on our own manipulation.

Of course, one can go on with the details of the manipulation of advertising and marketing; it is a horror story that is important to understand. The depths to which advertising and marketing sink are well known, as we discover any time we turn on the television or radio. What is clear is that the decisions we make are very different from those we would make if it were it not there — that is why it is, after all, manipulation.

Now, not all marketing or advertising is necessarily illegitimate. Of course, when a new product comes about, we might well like to know about it, to know it exists, what it does, and its relative use or attractiveness to us. Providing useful information helps us to make informed choices. But it is plain that the useful content of most advertising or marketing is approximately zero. Knowing that the price of a good has dropped, we may usefully apply that information to go and buy it; but it is extremely rare to see any useful information about a good or service, about what it does, how it was made, or how it will benefit us — it is all drowned out by corporate slogans, logos, and imagery designed to engineer our emotions, our sexual desire, our personal insecurities, and our social standing. We may occasionally see a comparison to competing goods, but in an advertisement the information will obviously be facile and biased.

Advertising and marketing manipulate us to buy more than we need or want, and therefore sustain industries unnecessarily; we buy things we do not need, and therefore someone produces things we do not need. They do not inform us: they misinform us and appeal to all that is worst in us. The practice of advertising and marketing is a perfect disaster, a perfectly degenerated field of human endeavour, and a first port of call for anyone seeking a decent economy.

We will return to advertising and marketing shortly.

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1.4 Shopping for pleasure.

But let us continue our survey of consumption. Whatever criticisms apply to 'essential' shopping apply a hundred times over to 'pleasure' shopping. If we buy unnecessary items in the supermarket — where at least we went in order to get food and groceries — then what is there to say about consumption that is unnecessary by its own nature? Of course, this phenomenon is generally limited to the developed world: in the developing world, such activities are only available to the very wealthiest segments of the population. Nevertheless, since it seems to accentuate some of the worst aspects of the problem — as well as shopping's cultural role — it is worth considering at some length.

This sort of shopping is, for many, a form of relaxation and entertainment; so called 'retail therapy'. (Certainly not for all, though!) Indeed, if we examine contemporary cities, what are the focal points for social and leisure interaction? They are not in the workplaces of course; not in the cinemas or restaurants or cafes other more private recreational activities; not on the sports fields or other periodic, event-based activities; not even in the town squares and piazzas; not in the bars or nightclubs which are only for the night and exist for escape; rather,

there are very clear locations where people congregate and spend leisure time, which exist solely for that purpose. These locations are called shopping centres, or malls.

We therefore have the situation where a primary recreation of a significant proportion of the population is purchasing unnecessary goods and services. And we may be inclined to see this largely as a harmless pursuit: certainly those who go shopping are not directly harming anybody, and do not have any malign intentions! But nor are advertisers and marketers directly inflicting harm on everybody, yet we acknowledge their undesirability; something may be unadvisable even though there is no malice in it.

The indictment on advertisers and marketers is that it is their *job* to do so. There is no such *organised* insanity in the case of shoppers themselves. And it is true that pleasure-shopping is a relatively benign form of entertainment — compared, say, to fighting, or perhaps gambling. But not only are whole vast industries, entire sectors of society manipulating the shopper — from the entire marketing industry, to the shopping malls, to the shops within the malls, to the products within the shops. Not only is the shopper happily accepting the edifice of manipulation that has been erected before them — part of the 'therapy' aspect is surely the release into an activity which is not only indulgent, but also thoroughly socially acceptable and sanctioned, even encouraged. But the shopper is also not really engaging in any social activity. People may do it with friends, as a social activity — but it is an escape from doing meaningful things. Social activities need not be meaningful to be beneficial — but shopping is neither. Playing sport may not be meaningful but is at least beneficial to health and can be meaningful: in playing with others one can make friends and build social connections with other people. Drinking at a pub with friends may not always be particularly meaningful and may even sometimes be socially harmful but it probably involves more interaction with other people, and real conversations. Sympathetically discussing issues in our lives, our cares, desires, troubles, fears and doubts and sharing parts of our lives together — this is meaningful social interaction. Shopping avoids all this. Indeed, shopping subverts meaningful social interaction — the shopper affects the lives of retailers, distributors, and those who made the goods, and yet the shopper is trained not to think of them. One may shop and have meaningful relationships with others, to be sure, but the shopping does not help.

This sounds quite harsh, maybe even prudish; why should we moralise about a relatively benign form of activity? But there is no moralising; no judgment on good or evil. Shopping certainly seems like fun to a lot of people! (As the astute reader will have realised, however, not to the author!) Shopping is not evil and shoppers are not bad people — far from it. We merely point out: that it has some unfortunate anti-social consequences; that there are more meaningful forms of interaction; and it is unfortunate that shopping has displaced such other more meaningful forms of interaction. I don't think these conclusions are particularly controversial, and it is probably worth anyone's time to contemplate them. I do not want to take away anybody's fun; but people may come to realise that the consequences of their actions for others may not involve so much fun.

The point here is not to condemn, in any case: the point is to hope, to imagine, and to propose. If there is a problem, how might consumption operate in a decent economy?

But most crucial, I think, is the *culture* of shopping: for there is a mindset and justificatory ideology which goes with shopping, which the shopper needs to rationalise their actions, if they bother to think about it. It is an aspect of the more general 'acquisitive disposition' discussed long ago by Thorstein Veblen in his *Theory of the Leisure Class*, and regularly since then. It is a wasteful and throwaway culture: we can just go and buy new things whenever we feel like them. It is a material culture: material objects make our lives more pleasurable and interesting, if not more meaningful. It is a selfish culture: we can pleasure and satisfy ourselves without regard to anyone else and without feeling guilty about it — without regard to fellow shoppers, or the shop assistants, or the shopkeepers, and certainly not towards the people who made the goods. Viewed from outside society, without directing any moral obloquy at any individual in particular, it is an obscene culture: that some spend fortunes on fancy clothes, jewellery and sporting equipment while others starve or cannot receive proper health care, is a social outrage. Further, it undermines thinking about others; it undermines thinking about society; it undermines thinking at all. In thinking arise all our troubles and all the world's troubles; in shopping we have a way out. We do not think, we buy.

The response of pleasure-shoppers to this sort of a critique may be that we are trying to take all their fun away from them. We doubt, however, that any thoroughly inured pleasure-shopper will have read this far; indeed, advertising and marketing, and the corporate media more generally, train us to listen only for the sound bite and immediate gratification! But the taking-away-fun charge is misplaced: at least so far, we're not proposing anything! There are plenty of ways to have fun and, one might hope, if one has the disposable income and the free time to shop for pleasure, plenty of better ways than shopping. And even if one does like shopping, there is no reason why it cannot be done in a socially responsible way, supporting socially beneficial industries, and unwastefully. One just has to think a little for oneself — though this may be sometimes difficult and occasionally embarrassing in the present culture and climate. Even in the best of all possible worlds there is a place for nice clothes, jewellery and interior decorating: there are just other more important things which should be taken care of first — who could deny that universal health care, and a universal food supply, are more important? And while we are all in favour of free self-expression, we should know that expressing oneself through appearances, through clothes and adornments and decorations, is a poor substitute for expression through actions, through connection with others, and meaningful social relationships.

* * *

1.5 A crucial point.

We have already mentioned it, but it is worth making explicit. Consumption, as it is done today — and from the smallest, most essential purchase of food to the most extravagant, unnecessary purchase of luxury items — misses one crucial point. It is rarely thought about. Consumption is an act of participation in the economic system — it is an economic act; it is something we do which is a crucial part of the way the economic part of our society works. And the economy is not just consumption: it is also production, as well as distribution, allocation, investment, finance, trade and whatever else. Speaking broadly, the things which are consumed are the things which are produced; here we ignore for the moment investment, international trade and stockpiling, for instance. The things which are consumed by some people are produced by other people. The things which are produced are produced by some people so that other people can consume them. The choice of things which are consumed — the demand — determines which things are produced. And demand is composed of individual decisions, however manipulated they might be by advertising and marketing, and however constrained they might be by the situations in which consumers find themselves. So, it is the individual decisions of consumers which determine what goods are produced, and therefore, what industries exist — which ones produce a lot, which ones produce not very much, which ones expand, which ones decline and collapse. Of course, those industries are also influenced by factors in the industries themselves, inputs and outputs, prevailing economic conditions, workplace conditions, logistics, and so on; all of this affects the industry, and the price of the good. But it remains true that decisions about what and how to consume act crucially to determine what work is done to produce goods, which workplaces survive and which don't, and what sort of work is done in the economy. *Our decisions as consumers affect the working lives of others; and if we care about the consequences of our actions on other people, then we must consider what sort of work is done, in what sort of conditions, to produce the things we buy.* Even if that information is kept from us, and we are systematically distracted by marketing techniques, the imperative remains.

Clearly, such considerations would undermine the whole culture of shopping as an entertainment activity. Such considerations, when raised, may undermine the entire culture and value system of the shopper — or rather, enhance the shopper's value system and undermine a socially irresponsible value system. They form the moral underpinning of the 'ethical shopping' movement. Such considerations certainly are of no interest to marketers and advertisers, for which they will probably be an embarrassment, a good reason not to buy goods, and encouragement to ask too many questions than obedient Pavlovian automatons ought.

* * *

1.6 The effect of marketing and advertising manipulations.

We have not yet exhausted the types of consumption: we have not considered large-scale or collective purchases. But we have raised two issues squarely, and we will deal with them now. First, we do not like being subjects in behavioural psychology experiments by advertisers and marketers — we do not appreciate our treatment by the marketing industry as Pavlovian dogs trained to buy. Second, we ought to consider the consequences of our consumption actions, particularly in determining what is produced and what work is done to produce it. We have raised some other issues too, but these are possibly the most concrete and immediate to address.

The juxtaposition of the two issues is suggestive: the legitimate role of marketers and advertisers, rather than manipulating our emotions and insecurities, would certainly include informing us about the social consequences of our purchases! This would certainly be preferable. But of course marketing agencies are not going to give away all their clients and pursue consumer information campaigns — it is not their job, and they would immediately go out of business. We must consider, and will consider shortly, what is the appropriate course of action to pursue in response.

But let us first note the importance of the issue. It might seem that, although we certainly are manipulated in most of our activities as a consumer, this manipulation is not malevolent. It does not compare, say, to violent crime. We can make decisions for ourselves if we think about it enough. It is manipulation, and it preys upon our sensitivities and insecurities, but it does not usually extend to outright fraud. There are, in most jurisdictions, laws against untruthful advertising and misleading and deceptive conduct. There are, if we go to the effort, consumer advocacy organisations and reports about the social implications of certain goods and services; the information is sometimes there, if we are prepared to spend time searching for it. Advertisers and marketers are just doing their job; not the noblest job in the world, but there are arguably worse. So one might argue.

This is all true; but the social implications of this 'not the noblest job in the world' are absolutely devastating. Like many deep-seated social problems, there is no great evil at work — moralising about it is not particularly useful or productive — but yet, the practices proceed, the social machine chugs along, and the outcome is catastrophic. We know that there are great problems in the world, especially economic ones. We know about the position of underdeveloped nations. We know that exploitative practices often persist in other nations, as well as our own. We know that many companies engage in terrible behaviour. We know how inequality increases, and poverty sometimes even increases, and real wages stagnate, and working hours lengthen, even as nations become unimaginably wealthy. We know this is all happening. And we can affect it: all of our consumption actions can consciously determine work and working conditions — except for one problem: the fearsome apparatus of marketing stands in the way, and the apparatus of truthful information and knowledge is feeble, crippled or non-existent.

Imagine if we knew the conditions in which all our clothes were produced. Would we really buy something produced in a sweatshop under military supervision? Would we really buy something grown on a vast monoculture agribusiness farm displacing local farmers? Other things being equal, would we buy from the company which allowed its employees in the third world to form a union to seek decent wages and conditions, or the one which crushed their attempts to organise with police or military force? Other things being equal, would we buy from a company that was training and educating illiterate people in the third world, or one that instead forced them to work for 12 hour shifts and enforced a military discipline? *The power of consumer boycotts is well known: but every purchase is a potential boycott; every purchase is a boycott of a thousand other products; every purchase is a potential vote for a better world.* The relative wealth of the developed world is unjust; much else is unjust besides; but this wealth can at the very least be used to purchase goods, develop markets and lift people out of poverty. Indeed, consumption activities are possibly the most direct means we have of influencing economic conditions in our world.

Yet advertising and marketing systematically destroy this possibility. Advertising is silent about the real state of the world, and distracts us instead with dream worlds. It infatuates us with dream visions of ourselves, playing on our weaknesses and insecurities. In reinforcing our insecurities, it convinces us that we are nothing — unless we buy the appropriate product, which will of course achieve nothing of the sort — and makes us feel powerless and apathetic. In affirming that material purchases can fulfil us, it encourages us to think only of ourselves and our fulfilment, in a narrow sense of popularity or virility, rather than of meaningful participation in society. After all, with everybody concerned with themselves, it doesn't seem like anybody else is thinking about others! Alone in our potential social considerations against a world of such flimsy imagery, wall-to-wall advertising and exhortations to spend, we feel alone and powerless — everything seems futile. It is well understood: socially atomised, without meaningful social interaction, depoliticised, without a place to discuss the issues, bombarded with corporate and marketing nonsense, the path of least resistance is to obey, conform, and buy. All potential for our purchases to make a positive contribution in the world are systematically thwarted: not because advertisers are evil; not because their clients are evil; but because advertisers are paid to promote their clients' interests, rather than social implications; because producers gain an advantage by employing the well-understood techniques of marketing; and with such awesome levels of investment and resources poured into such marketing that any other voices are drowned out, silenced, or demoralised.

This is the scale of the problem caused by advertising and marketing. It is not marginal; it cannot be ignored. It is the natural operation of corporations in contemporary society; and it is disastrous for the state of the world. Let us not pretend that these are unimportant matters.

* * *

1.7 Responses to manipulation.

What might be an appropriate response? The 'ethical shopping' movement eschews advertising and marketing, but rarely critiques it thoroughly; it may offer a counterpoint to its effects, but the scale of the problem, and the resources poured into the industry, suggest that a response is necessary beyond merely buying our way out of trouble.

Let us not beat about the bush; let us give the first response that jumps to mind, the most apparently radical: banning advertising. So we think: excise the problem at its source; ban it wholesale. But apart from being the most obvious and thoroughgoing response, it is probably the worst possible response. Banning advertising would be an extreme measure; and besides that, an infringement on civil liberties; and besides that, completely impractical and unenforceable.

For, if one were to ban advertising, what precisely would be banned? What if it were the mere provision of truthful and useful information about a product? What if it were the advertising of a socially responsible enterprise, promoting its virtues using standard marketing techniques? What if it is mere truthful and useful information, accompanied by sexual imagery? What if advertising includes hyperbole or exaggeration which is obviously humorous or fanciful? At what point is the line crossed — at what point does it become harmful, and who is to judge? The problem seems intractable, with the exception that falsehoods, lying, outright fraud and deception should be banned in any case, not just in advertising; and this is precisely the position of much extant legislation regulating advertising. In lesser and small-scale cases, banning advertising amounts to banning speech, which may well be the honest promotion of hard work. Without information or promotion, consumers will not know about a product, will not buy it, will not support the industry, and it will die in bankruptcy. And if advertising were banned in one forum — television, say — advertisers would simply direct their resources to other formats (as well as lobbying for a change in the law!). Marketers are familiar with an ever-increasing range of techniques, prying ever deeper into our lives: not just branding, not just radio, television, print, mail and face-to-face, but including for example viral, guerrilla and placement techniques. Banning advertising will kill emerging responsible enterprise, infringe on freedom of speech, pose intractable legal problems, and unenforceable in practice. It will fail in all its goals; is the worst possible response.

Indeed, understanding why it cannot be banned, in conjunction with the social catastrophe it causes, one appreciates the depth of the problem. It is a concrete application of a difficult philosophical question; it might be posed hypothetically by a philosopher, as an extreme case; but it has found its way into reality. Freedom of speech, we agree, is a fundamental human right; but what is one to do when large and powerful institutions in society have a direct, even critical, interest in speech which is manipulative and anti-social, though not always literally deceptive or false; when these institutions promote these interests unashamedly with vast expenditures, nourishing and sustaining major industries in the process; to the extent of saturating society and creating entire false images of reality in the minds of much of the population — and as a

result, hindering the achievement of just social and economic outcomes around the world?

One might be led to other responses of course: ensure that such concentration of wealth and power never arises; or ensure that the power is democratic. One might be led, say, to a ban on corporations as they exist today. If one wants to ban corporations, however, and one still wishes to see large-scale economic activity, one needs an alternative method of organising it. This leads us into questions of production, which are beyond our scope for the time being, but which we will consider in due course. Note that even in a non-market allocation system, similar issues may arise: if consumer demand is to determine what is produced, and if producers who provide no social benefit cannot exist as an economic enterprise, then the need for marketing-as-information still arises, and the need for speech to inform or promote — and then, all the incentives arise to advertise by contemporary manipulative means.

At the other extreme, there are mild responses, increasing the legal regulation of marketing practices. One might strengthen prohibitions on untruthful advertising, say, or limit advertising time on television. These are certainly possible, and would be positive achievements: but they would most likely have a minimal effect. The greatest benefit of such an achievement, it seems, would be in the realm of culture and consciousness-raising: it would raise the issue squarely to the public. Whatever prohibitions exist, as long as they are so tepid, they will not prove the slightest obstacle to advertising continuing to achieve the same effect — saturation, unreality, materialism, apathy — as it does today. The incentives still exist, and they will be pursued rigorously, systematically and unceasingly; society will be saturated to the maximum extent possible. And as we have already mentioned, any regulation of placement, formats, or time limits, will simply divert marketing elsewhere — to the extent it achieves anything. The only real gain might be that in the process of arguing, a cultural shift might be attained, and the marketing profession might have to defend itself — or be exposed as the second least reputable profession, or worse!

If we are to look for approaches somewhere between these two extremes, we can point to positive precedents. Stronger approaches are already taken in the case of obviously harmful products. For instance, take Australian legal controls on tobacco advertising. This consists largely of an outright ban, along with requirements to provide frightening health information on product packaging, and substantial state investment in its own anti-tobacco marketing, employing disturbing imagery along with scientific fact. But tobacco is in some sense an exception: it is obviously and uncontroversially harmful; its health effects burden the state financially; the antidote-information is also uncontroversial; and it is canonical — there is no question what alternate information should be presented. Employing a similar tactic against less obviously harmful products may often be difficult: recall, advertising may cause as much social harm, in the sense we have described, with products that are beneficial to personal health, as with harmful ones — it is the social conditions of production that concern us.

This direct approach — countering advertising with advertising — presents

difficulties. Waging an advertising war over the whole of society is wasteful of resources — not to mention that it involves far too much advertising! For the state to control half the advertising space — which means a great deal of highly visible space in our cities and built environment — may pave the road toward the state’s own advertising, or propaganda, saturating society. Of course, corporations *already* have substantial control and influence in everyday life, not least our working lives and our consuming lives; and they are not particularly democratic at all. Effective counter-advertising would have to offset advertising on its own terms, occupying something like half the advertising time and space in society to counter misinformation and provide useful information. If the state were to buy up advertising space at market rates, this would be an enormous drain on its resources — and hence the taxpayer — but of course, the state also being the legislator, need not pay. Such a strategy would also be a boon for marketing firms, which one may not find a particularly positive development.

Then one might ask what the content of state counter-advertising might be. It might involve pointing out the flaws in the marketing, and getting into arguments over health effects, energy efficiency, value for money — indeed almost anything. But the above considerations help to suggest what that content should be — and in fact point us in a less wasteful, more effective direction.

The above discussion suggests that what is relevant is not so much the direct benefits and value of the product — as to which, contemporary marketing occasionally (but superficially) makes argument and debate, when it moves beyond branding and imagery — but the circumstances of its production, and any iniquity suffered in the process. That content is far less controversial than debates over the relative merits of competing products: it is simply a matter of reporting fact, and there will be little dispute over the data; though one can imagine corporations trying very hard to hide or manipulate some of that data. Furthermore, in that data one will likely find far more important and shocking revelations: conditions of production around the world are, in fact, often very exploitative. Such data may well open many people’s eyes in the developed world to the truth of what goes on in less fortunate parts of global society and force them to contemplate the situation; not to mention undermining the culture of consumerism and pleasure shopping, and damaging the reputations of exploitative corporations in the process; reputations which often have carefully been built up through intricate confabulations and imagery to displace the facts of the real world.

And given these suggestions as to the content, we see it involves a significant amount of detail, across a large number of products. If it is to be product-specific then, and made known to consumers as they buy products, then the placing of the information suggests itself: on or near the products themselves, or on the supermarket shelves, where it cannot be ignored.

This is not such a radical development. The state, indeed, in its regulatory role already acts as a consumer advocate, to some extent. There is no reason why it cannot be a little more proactive, in theory. One can develop these ideas, mixing them or adapting them as one sees fit; there are many possibilities. One could employ contemporary marketing techniques on billboards and television

spots; and also put information on to supermarket shelves, and into regular reports and bulletins. One might also imagine that the threat of any such intervention would cause many corporations to clean up their act. Furthermore, there are potential technological innovations, such as James Patten's Corporate Fallout Detector, which could give information about products and production conditions from the barcode.

The state, or some state agency, could provide accurate and truthful information about all the relevant aspects of a product: not only health information, as in the case of cigarettes, but about the product itself, and the sort of work and working conditions involved in production. It could, for instance, inform us of: what the product is, its use, any risks and dangers involved; its environmental impact; comparisons to similar products; how the product is made, in general terms, the number of people involved; general employment conditions among them; general wage levels; the number of hours involved; the amount of skill involved; any risks or dangers or unpleasantness in the production; environmental damage and greenhouse gas emissions in the process; the employment practices of the employers; distribution practices; and so on. The state or agency could perform investigations for itself, or require truthful and accurate answers from producers, supplemented by the power to investigate and decide for itself. The most egregious cases could be advertised with standard marketing strategies — engaging in counter-advertising, in effect, to boycott goods or services with the most socially destructive implications.

There is no reason why such an agency could not exist. But the proposal raises many questions, obviously. Of course it would face opposition from corporate interests and the marketing industry; but so would much progressive reform. To the extent that such a service relied upon the self-reporting of corporations, those reports could easily become marketing exercises. Any potentially embarrassing information would be written out, or glossed over, or ignored, or lied about, by companies — indeed it would not be in their interests to do anything else — and so one would think many investigations would be necessary. One would hardly expect the report of a company on its self to sound anything like the report of a consumer or corporate activist; and the report of the activist would surely be bitterly opposed and challenged by the company. Or consider the following subtler example: a company with facilities in the third world could claim, perhaps honestly, that its employees are able to legally form a union if they want — despite such attempts being thwarted in practice, whether by onerous legal requirements, or threats by the company of divestment, or by military force. Companies can evade responsibility — as they do now — by contracting out services and shifting any potential blame on to the contractor. Wealthy companies can claim to be telling the truth and hold out in legal battles against less wealthy parties. Such reporting requirements will always run against corporations' direct economic interests. Certainly, reporting requirements are well known in the arenas of finance and shareholding; perhaps corporations will eventually come to live with it. One would certainly hope that it could be accepted into the culture as a requirement of decency and reasonableness; but one is entitled to remain sceptical, given the resources of

large corporations.

One might argue, alternatively, that such information should be collected, but that it need not be presented directly to the consumer. One might argue that state regulatory bodies are already in existence; that they are already charged to seek out instances of abuse or exploitation; and that the most egregious cases will be prosecuted in court, or will suffer fines, will be reported upon, and will indirectly filter down into the mind of the public. With public interest organisations, regulatory agencies, watchdog organisations and ombudsmen in place, a reasonable outcome will be achieved. There is truth in all this. But it is clear that present arrangements are not enough: we already have them in place, and yet the problems we are discussing arise. For one thing, the regulatory agencies have never done enough: it should not require a superhuman crusader like Ralph Nader to expose the worst cases; and an arrangement where pressure groups are required to cajole regulators into action is clearly not optimal. But in any case, contemporary regulatory agencies only deal with breaches of the law; they can only deal with the most egregious cases; and even despite this narrow focus, corporations continue to get away with murder. If consumers are to make purchases in the light of all relevant information, then more is required: not just the worst cases, not just the breaches of the law, but actual working conditions, production methods and environmental effects. In the sense that there is some agency or body collecting information, it is not presented directly to the consumer; it must be filtered through some institutional apparatus. But for consumption to be sane, it must be informed; all such information should be available.

There is also a question of practicality, and logistics. To demand full information about production processes and conditions about all products being consumed is to demand a great deal of information indeed. If one imagines all the relevant information being displayed at the supermarket, one imagines vast reams of data on display! Nevertheless, one can imagine that any *adverse* information must be posted, and that for store shelf purposes, the relevant portions of the information can be made sufficiently concise. For example, a table of data listing companies involved, along with what they do (farming, processing, manufacturing, distribution), along with statistics on wages (how much, relative to local industry, relative to national income), unionisation (state-sponsored vs. independent, effective or not), and a brief evaluation of environmental consequences (greenhouse gas emissions, local pollution). Any egregious relevant facts could be mentioned separately; and reference given to where more complete data is available. One can imagine that full reports are publicly available, or distributed to citizens, or available on the internet. There are technological approaches, such as barcode readers and the like, such as the Corporate Fallout Detector already mentioned. Privately-funded consumer advocacy organisations already do a good job for a limited range of products, on a limited number of topics, and generally on a much smaller scale. Though one might at first consider this to be a proposal for information overload, it is manageable in practice, once established; one can look over a chart and note any unusual data. In any case, when we come to our discussion of retailing, we shall have more to

say on information provision. And even if it is a lot of information, and requires energy to keep track of, it is still information which we ought to consider, and which we ought to have access to — and at present, we do not.

There are two other problems with this proposal, which I think are more important, indeed crucial.

The first is not really a problem, just an expression of the extent of the difficulty of confronting concentrated economic power. Unlike financial reporting requirements, which form part of a battle between capital and capital, or between capital and coordinators — namely, between shareholders and shareholders, or between shareholders and managers — social reporting requirements are a real battle, between capital and labour, or labour-as-consumer. All of the rich, the elite, the corporate, the privileged and the wealthy can agree on the need for honesty in financial reporting — they have a mutual incentive to cooperate for their mutual wealth and benefit. But the incentives for honest reporting on exploitative practices are less clear. Exploitation, especially in the third world, can bring massive financial benefits. A cheap, plaint, unorganised labour force is a boon for business, minimises costs, and does as it is told. To report on the matter honestly may be costly — and it may be possible to point, semi-truthfully, to formal legal possibilities for labour rights despite their difficulties in practice. Profit-seeking corporations will always have a direct interest in exploitation: that is, after all, why they move to the third world; and more particularly, why they move around in the third world. The potential for a race to the bottom will always exist as long as there are impoverished populations to be exploited; even binding international labour standards will be no guarantee since it is in the interest of third world states to attract foreign investment with cheap wages and lax regulation. And the vast legal resources, marketing and informational apparatus, and political influence of large corporations will all be employed to obtain reports in its favour. Until foreign investment in the third world is habitually done with social considerations in mind — with a concern for justice beyond what is necessary for public relations purposes — and until corporations are willing to forego the bottom-line temptations of exploitation, this struggle will continue, and it will be fought, viciously. As we will see with much criticism of the present state of economic affairs, the legitimacy of the corporation per se will be called into question — but this is probably already a well-understood challenge.

The second problem is that the state may well have an interest counter to the interests of the state consumer information agency. The state acting as an anti-corporate advocate almost seems outlandish to the contemporary mind, jaded as we are by the cosy and often corrupt relationship between the corporate establishment and all governments and major parties in electoral politics in all the western democracies. But it is not beyond the realms of possibility; popular pressures can be brought to bear on the state; and this is after all a demand only for information, not particularly radical. Conflicts can obviously arise, however. What if a corporation threatens to divest from a state if it publishes unfavourable reports on its products? What if the state depends on the capital and investment and employment of a corporation with exploitative practices?

Even if the state is acting as a consumer advocate — even as an anti-corporate activist — its social duties to inform its citizens about exploitative practices will be compromised by its duties at the same time to maintain employment for them. The root problem here is that the state is, theoretically at least, democratic and amenable to popular pressure; the corporation is not, but the corporation may wield so much concentrated economic power that the state is forced to relent. The undemocratic nature of the corporation, along with its economic power, raises squarely once more the issue of its legitimacy.

And so, on two fronts, we are led on to the legitimacy of the corporation — first as being structurally committed to profit-seeking above other considerations; and second as being enormous undemocratic sources of economic and political power. This is a question we will deal with in due course, when we approach these issues from the producer's side.

Such an agency, if it comes to fruition, is precisely one plank in the platform of a participatory economy. To those familiar with participatory economics, in such an agency lies the germ of some of the functions of a consumption council or federation. The establishment of such an agency, achieved alone, it is vulnerable to pressures from corporations, from conflicts within the state, and more general conservative pressures. It will not mean the end of advertising and marketing — but it is a part of a social trajectory which may lead to more thorough and just results. If it comes to fruition, one would imagine public sentiment to have turned against the manipulations of advertising and marketing, countering their influence in society.

As an aside, for those familiar with the participatory economic model: this discussion raises the question, even in a participatory economy, whether advertising can really be banned without limiting free speech, or merely countered and heavily regulated. Even without the profit motive, but with the social-cost-and-benefit motive, is the interest of the production unit still not advanced with advertising beyond the mere provision of information? It seems one would have to rely more on prevailing attitudes and culture than on any legal ban; one would hope that in a sufficiently enlightened society, where information about production conditions was readily available and put to use, obfuscatory and distracting advertising would be seen for the charade it is. Nevertheless, as discussed earlier, lesser forms of marketing are just free speech and it is difficult to draw a line legally. But to consider this question would take us far afield.

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1.8 Social information and pricing.

If one considers what shopping would look like with this proposal implemented, one notes an irony. Actually it is not an irony; it is the very reason that social information is needed in the first place. Other things being equal, goods and services produced with more exploitation — lower wages, longer working hours, greater obedience, and so on — will be cheaper than goods produced with less. One may wax lyrical about an employer's interest in keeping its employees happy and treat them well, both to avoid employee turnover and for better workplace

morale and cooperation. This may sometimes be true to some extent, but the point is that it is often not; otherwise exploitation would never happen in the first place. In any case, where it is true, well and good. But where it does not, we see cheaper products accompanied by more damaging social information. The obvious incentive for the consumer, previously, was to buy the cheaper product, ignorant of the exploitation he or she was unwittingly supporting. But now, the incentives are split: the social conscience says one thing, and the hip pocket says another.

This is a tension which seems unavoidable: for an employer, or producing corporation, to treat people worse, producing the same product with lower labour costs, allows them to price the product lower; the lower price made possible by lower wages enables the product to undercut its competition, sell in larger amounts, and increase profits. The incentive is to pay lower wages, and generally engage in exploitation — the protestations of apologists to the contrary. This tension is tragic: it condemns the entire economic system to fighting against its better self for its own survival; it goes to the heart of political economy. And it begs the crucial question, which must be asked searchingly: is it really unavoidable? Our proposals on information provision attempt to alter the incentive, since exploitative practices become far more damaging. If the problem is avoidable, however, then there is not even a split incentive, but a coherent one. If the problem is avoidable, then social information must be *incorporated into prices* — and the financial incentives for the consumer are compatible with conscience. (More radical proposals might change the price system itself, abolishing it, simplifying or complicating or otherwise adjusting it.)

If possible, it is a tremendously liberating thought. For now we merely raise it as a prospect: prices in any system (if in fact a price system is retained!) will be determined by a process of allocation involving production, consumption, and allocation institutions; it is premature to raise them here. But this thought offers the prospect that as actors the dismal science of economics, we are not condemned, as is often claimed, always to forego our better selves for direct self-interest; the one and the other become the same. It should be pointed out, however, that if information on production conditions is to be incorporated into prices, then it *must be known*, and in no way negates any of the preceding arguments in favour of providing information about the social conditions of production; and in any case, qualitative information about the lives of other people is always more important to human understanding, and more conducive to the growth of human solidarity, than its reduction to a number.

The question can be approached from different directions. From the viewpoint of democracy, one asks, why should the employer be able to set wages unilaterally anyway? But it is not enough to say that the tension between labour and capital is all there is to the problem, and for labour to control capital is enough: in a self-managed workplace in a market economy, lower wages still imply larger profits — there can still be exploitation, only it is now self-imposed exploitation, or voting oneself out of a job. From the institutional viewpoint, one asks, must all the links in the chain from low wages to lower prices to higher

profits, and the incentive to higher profits, always exist? Should we, for example, remunerate labour independently of its 'social cost', cut the 'labour market' adrift, and replace it with something else? From the distributional viewpoint, one asks, should there not be other considerations in deciding the appropriate level of income? This is at the heart of how workplaces and production units should operate, and we will discuss it at length as we proceed.

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1.9 Consumption as bargain-hunting and rip-off.

Let us return to the concrete details of everyday consumption — whether for essential items, or for pleasure, or whatever else. It may be in a supermarket, in a shopping mall, in a shopping district, in a factory outlet, in a wholesaler, in a retailer, in the mail, on the internet, or directly at home, wherever. We have discussed at length the effect of marketing on the approach we take to shopping and consumption; we have discussed the attitudes it leads us to take, and the behaviour it induces us to perform. But let us now come to the actual business of the transaction, when the consumer comes to consider the product and its price. Should our consumer buy it? Our consumer weighs up the price, in the light of all the relevant information about the product, other products, their prices, and all their relevant attributes — as we have discussed, however, probably not the conditions of their production or environmental effects. Is it a good price? If it is lower than expected or calculated, it is a bargain, and the shopper can celebrate their triumph. If it is higher than expectation or calculation, it is a rip-off; and our consumer has been defeated.

The language of triumph and defeat here is somewhat whimsical; but the notion that there is some sort of conflict between the consumer and the retailer is not. Whatever may be the culture of shopping and the psychology and sociology that sustains it, it certainly seems that part of the entertainment or pleasure values consists in finding bargains; shopping is bargain-hunting. In this way, built into this culture is a conception of hunting, of seeking out a product against some form of opposition — in this case, the opposition is not from the prey or product itself, but from the retailer or producer which has an opposed interest. The producer or retailer wants to sell at the highest possible price; the consumer, at the lowest possible price. Both want to sell or buy; but they have different interests in the price. There need be no enmity, and usually there is not — no reason to expect any malice, or evil — but there are opposing interests present.

To the consumer or shopper with enough direct knowledge of the type of product, spotting the bargain and the rip-off may be a matter of course. To the sufficiently wealthy shopper, it may not matter. But to the less experienced or reluctant shopper, the chance of falling prey to an oversold, overpriced item is much greater; and the retailer has an interest in precisely that. The conflict between the two sets of interests, and the potential for exploitation and manipulation, arises clearly once more.

Obviously, how this conflict manifests itself varies widely. In the supermarket

our consumer might be confronted with different products, different versions of the same product, and one is forced to choose between them, sorting out differences in price and quality, against the backdrop of information and manipulation from advertising, branding and packaging. In the retail store our consumer may interact with a shop assistant — who can offer relevant information and advice, to be sure, but also has an obvious interest in influencing the consumer to buy, and to spend more rather than less. In the local market the grower or producer may be present, and not only is there self-promotion and direct persuasion, but maybe also the potential of truck and barter.

Of course, the interaction is not itself usually hostile — the conflict is (usually!) subtler than the level of rudeness and insults. After all, the retailer or producer wants to make the consumer sufficiently comfortable so that they will buy something; nothing is achieved by outright aggression or malice. Rather, as the standard behaviour of salespeople makes clear, it is achieved by a smooth approach, a veneer of pleasantness and affability, occasionally subservience or flattery, sometimes the appearance of impartiality, and continuous reinforcement of the advantages of purchasing the product. It is a rare salesperson who will talk down a product when it is their job to sell it! So it is clear: there is a conflict of interests, a lack of impartial information, and various techniques to influence you to buy; it is another form of manipulation.

This is not a violent conflict, and it is not a serious interpersonal conflict; but taken in the large it may again amount to a serious social problem. At the most overt level, there is the potential for rip-offs and exploitation, which regularly happen. Those who are ignorant about the details of various products or inexperienced in how to go about the whole process may be intimidated. But at a more cultural level, the conflict reinforces a shadow of mistrust throughout society that hangs over all economic transactions, and over society more broadly. In its most extreme form, this mistrust says that everybody else is out to rip you off, everybody else is out to exploit you and make money out of you. And indeed it is true, in the sense that any producer or retailer wants any potential consumer to buy something from them, and to spend as much as possible. It may be true also in a stronger sense: in some cases this tendency to rip off others may extend to a malicious desire to exploit, may extend to pure greed profiting off the ignorance, incompetence, vulnerability or weakness of others. Certainly, those predisposed to exploitation and malicious profiteering may do well out of it, and the consistently impartial and honest may not — so that in the sales industry one might expect to see more exploitative, manipulative or profiteering types than elsewhere. At least parts of the industry are associated with smooth talking and the telling of truths which are only partial. But whatever the case, in such an atmosphere of opposed interests, the potential for meaningful interaction is much diminished. To be sure, one may get to know and befriend the local storekeeper, the local butcher or grocer or whoever else one encounters in the course of one's business; people can understand each other's interests, understand each other's situation, accept it as a social background, and connect to each other on this basis of understanding. Indeed the human desire for connection and sociability will find ways to connect with others whatever the

circumstances. But where there is salesmanship, where there is pressure placed on the consumer, where there is uncertainty, manipulation and distrust — or merely the perception of it — one cannot say that the interaction builds the fabric of society; rather it introduces friction into human relationships, a friction of a subtle but habitual, customary type, indeed expected in all interaction as a consumer.

And worst of all, we have not mentioned the obvious dehumanisation and conformity in those retail transactions where marketing techniques of branding and imagery have infected even the language, the mannerisms and the personalities of shop attendants and salespeople. The forced smile of the cashier in the chain restaurant, the requirement always to smile, the rote repetition of corporate-sanctioned formulations and incantations, the fake friendliness which goes to ever-increasing lengths and ever permeates further into human interactions — all this is deeply repressive of individual personality and enforces a dull, fake, twisted, disorienting, and deeply disappointing culture in what are, after all, real interactions between real people. But this applies more to the salesperson than the consumer, and we will deal with it at greater length at the proper time.

In any case, all these considerations point toward an inherent conflict of interest, an inherent mistrust, destructive of human interconnection and solidarity, in every consumption activity in contemporary society. And all these considerations are especially sharpened when, in a totally alienated and disconnected society, most of one's interactions with others are reduced to hollow transactions, devoid of interest, depersonalised, with enforced smiles, couched in corporate slogans, and habitual fake pleasantries — a climate prohibitive of empathy; indeed a climate prohibitive of humanity.

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1.10 An inherent conflict of interest?

We may well ask if there is any answer to this problem. As things are arranged at present, a consumer, purchasing goods or services, all other things being equal, will always have an interest in finding the lowest possible price. And the retailer, or producer, all other things being equal, will always have an interest in selling at the highest possible price — in any case, an interest in selling something rather than nothing. Is there any way, then, to avoid the conclusion that there is an inherent conflict of interest — and hence, potential mistrust and hostility — in every consumer transaction?

We must think carefully here; for it seems that there are solutions, though not specifically on the consumer's side. The consumer's interest in a low price is clear: all other things being equal, (and assuming a price system is retained!) a lower price means they have more financial resources afterward. One who obtains goods or services has a clear interest in having full knowledge about them, as well as all the alternatives and competing goods and services, along with their prices — and, as we have discussed, production conditions too — in order to make their purchase. Of course, with a sufficiently high standard of

living, and a culture that recognizes the proper but limited status of material possessions, this interest need not be so zealously pursued; but still the interest remains. And this interest is completely unavoidable in any economic system with any sort of pricing system; and moreover, it seems completely reasonable.

The positions of producers and retailers, however, are more complicated. A producer is not the same as a retailer.

In the contemporary system, the producer is paid for sale of goods or services, and obviously, all other things being equal, is better off financially with a higher price. Of course there are many considerations that go into that financial position — the numbers and types of products sold, as well as the price, and costs of inputs, capital, labour, overheads, and whatever else. A higher price may mean less units sold. And financial considerations are of course not the only ones. But, all other things being equal, in the contemporary system their interest is clearly in a higher price, and in selling something rather than nothing to a consumer. Moreover, in any system where it is in the producer's interest to maximise the total cost of sales, the same conclusion holds. This includes the standard participatory economic model, where prices reflect fully all social costs and benefits, and consumers are provided with all information about production conditions: the status of production units is primarily based on a consideration of their total social costs and benefits; and the social benefits will be higher, if products have a higher social benefit as reflected in their price. Perhaps certain systems of planned economies involving price systems — whether that planning is central, democratic, participatory or otherwise — might set prices externally, so that there is no interest in it being otherwise, or at least nothing can be done about it until the next planning session — this might avoid the conclusion. The same, incidentally, is true of price-fixing laws in market economies. But even when prices are set externally, if the producer's total social benefit to society is considered as relevant to its status, then the number of products sold will be relevant — and hence, there will be an interest in selling rather than not.

Let us not proceed down the speculative path, but let us note: a salesperson or retailer in any economy whatsoever, selling products on behalf of and reflecting the interest of a production unit, would most likely have every interest in selling you a product as opposed to not — and would have every interest in selling you a more expensive one than not.

It seems that the conclusion of inherent conflict might be unavoidable. But yet it is not; we are not yet defeated. We have simply made assumptions about retailers and salespeople; we have not examined the position of the retail industry in a decent economy.

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1.11 The role of the retailer.

For what do consumers do? They consume. What do producers do? They produce. And how do the products they produce get to the consumer? Via a transport and distributional apparatus no doubt, but then through a retail apparatus. The place of the retail apparatus is to get the most appropriate

goods into the hands of the consumers who want them. That is its role: that is an obvious role, seen globally, seen as part of an overall economy. And that is a reasonable role in any economy; that is the role in a sane economy; but it is not the role that they play today. *The role of the retailer is not to act on behalf of a producer; the role of the retailer is as an impartial and knowledgeable advisor.* The retailer, as a mediator between the producer's goods and services and the consumers who want them, has a proper role to inform consumers about all the relevant aspects of products, and to help them to decide what they need. There can be no proper role for dishonesty; no proper role for smooth talking; no proper role for pressure tactics; no proper role for half-truths, one-sided information or obfuscation. In a decent economy, a shop assistant is precisely that: an assistant, not a marketer, not a voice of the producer. In a decent economy, retailers are impartial. Nay better: *in a decent economy, retailers are consumer educators.* They have no proper role or interest in seeing any particular producer succeed or fail; they have no direct interest in seeing that a consumer purchases any particular product; only an interest in the dissemination and propagation of all relevant facts. If only revealed injustice can be addressed, and if only a full appreciation of the facts can lead to rational decision-making, the retailer is the conduit and the loudspeaker for those injustices and facts. Information will set us free; and that information most naturally comes primarily from the retailer.

We have already argued that if there is a place for a 'marketing' or 'advertising' industry in a decent economy, it is reduced to the role of providing relevant information about products to consumers — information about products, about comparisons between products, about how products are made, and in what conditions. Now we have a role for retailers too. *Marketers become investigators and researchers of products and production techniques and conditions; advertisers become the authors and publishers of their findings; and retailers become students of that knowledge, scholars familiar with that research, and popularisers of it* — explaining it to the people, advocating to consumers on behalf of the consumer interest, making clear to consumers the broader social consequences of their consumption actions, not as preachers, but as teachers and explicators. What is more, *retailers mitigate the problem of information overload.* Since a significant amount of information is required for rational decision-making, there is an obvious role for knowledgeable individuals and specialists: that role is that of the retailer-educator. Concerns about the reams of data on the supermarket shelf are resolved in an appropriate institutional fashion — a new role of retailer-educator is created, out of the old role of the retailer-wheeler-dealer, to focus and promulgate the necessary information.

This is the rational way to organise information for consumers in a decent economy; the natural way to obtain and distribute all the information relevant to consumption decisions. This is, in fact, the only way to do it: the interface between producer and consumer, namely the retail interaction, can only be a sane interaction if all information is available; the full data of relevant information requiring specialist training to synthesise, the role of the retailer-educator becomes necessary. This is, then, the only way to operate an economy

based not on distortion and distraction but on fact and truth; not on ignorance, but knowledge; not on conformity, but on questioning and inquiry; and not on exploitation, but on justice.

This idea has significant implications; implications which again drastically alter our view of how consumption might take place in a sane society. It suggests that there should be a separation between producer and retailer. In the developed world, already there usually is such a separation, at least geographically; only at the local market or in other small-scale examples do we buy from the people who produced the goods; we do not usually shop at factories or farms or workshops. In the contemporary system, shops may operate on behalf of a particular producer or producers; or they may operate on their own behalf, supplied by particular producers but formally independent from them. But in any case they have an interest in selling products — their financial status depends upon the goods they sell, and the receipts they receive from them. And hence, the shopkeepers therein, who rely on the shops' financial status in order to continue their employment, have an interest in selling products too. But we propose that retailers be completely independent of producers, not merely as formal entities, but also in terms of having independent economic interests. They cannot be dependent on particular producers for sales; they must be able to provide independent, impartial advice; and hence they must be independent, impartial entities.

Nor should the retailer, then, display for sale a good without full information. But moreover, nor should the retailer display for sale a good *without displaying all the alternatives*. An educator cannot be knowledgeable about half of the subject; a scholar cannot be ignorant of half their field; an educator should know her or his specialisation. The role of the retailer thus becomes the provision of a kind of 'social department store' to which products from all different producers may be distributed, at which consumers can peruse different products, and at which consumers can receive independent, impartial and comparative advice from independent and informed assistants on all attributes of those products, their production conditions and environmental effects, and any other relevant aspects.

Seen in this light, the present-day retail industry begins to appear rather curious. Here are dozens, hundreds of retail shops lined up in a shopping mall, selling similar products, but they cannot be compared; the same assistants cannot consider them together since they are in different stores — not to mention that while assistants in the present day might be knowledgeable about their products, they will rarely know anything about how those products were made or what it was like for the people who made them. To compare the products and decide between them, the consumer must do it themselves. The consumer can only expect each store and its assistants to talk up their own wares — not because they are evil or greedy, but because that is their job and their economic interest. They cannot expect impartial information, and they cannot expect a relationship of trust or of particular empathy with the assistant. It is an inefficient, possibly ridiculous, irrational state of affairs. It is rational only on the assumption that shopping should be difficult, or that a good choice should

be hard to find — that shopping *should* be a bargain hunt against the odds. Rationalising all those disparate stores clamouring for one's business would not only make finding the bargains easier: it would make information easier to obtain, it would make that information much more reliable and trustworthy, and it would be done in an atmosphere of trust and empathy in which interests are not opposed and information and knowledge about products, and about the world in which they are produced, flows easily and freely.

This is indeed a radical restructuring of the retail industry. But it is a rationalisation, in all senses of the word. It means that the present enormous number of small, competing, vulnerable retailers in the shopping mall, each with a relatively small number of suppliers, be replaced with a much smaller number of larger, unified retailers, each with a large number of suppliers — perhaps all in a particular industry or type of industry, or even potentially *all* consumer industries — so that all alternatives can be considered at once and properly compared in the light of all relevant information. It means that a vast industry of dependent retailers, with interests conflicting with consumers, be reduced to an efficient and independent core consisting of as many well-stocked and comprehensive retailers, as is desired.

Even the most capitalist reader, reading in disgust at the proposed attack on competition, will note that this is nothing of the sort — it is perfectly rational, even in the narrow neoclassical economic sense. It is the only acceptable arrangement for the provision of all necessary information — rather than, as is done now, the control and management of information for manipulative purposes. Just as one must intervene in the market to avoid externalities, or to avoid monopoly, or to provide social goods, one must intervene to ensure the full provision of relevant information in transactions: and if one is serious about providing information in consumer transactions, one is led to an arrangement such as that now under discussion. Whatever one's ideological predisposition to competition, it is not relevant here. We provide the fullest, most informative and most socially responsible way in which consumers may make those crucial decisions which determine work and production in society, allowing efficient and conscientious workplaces to prosper. Whatever we think of competition *per se*, the present proposal enhances whatever aspects of competition are socially beneficial, and curtails those which are socially destructive.

The proposal however implies that retailers should be independent, and should not compete on the basis of salesmanship or marketing or advertising, or even sales — they should cooperate in the social service of informing consumers about products. Different retailers, however, may produce varying degrees of social cost and benefit, depending on various aspects of the service they provide. A retailer benefits society by providing consumer education and information; indeed, this should be regarded as a social service. There is no proper place for rewarding a retailer who sells more; for in a sane society, a fully informed populace might well buy less, once distorting and distracting consumerist marketing techniques have dissipated, and exploitatively-made products are avoided — thereby directing work around productive sectors more efficiently, justly and rationally. To compete on the basis of total expenditure — including expen-

dition in the education and training of shop assistants, who are charged to be knowledgeable about a large amount of fact and understanding of products and industries — could compromise the retailer's educative and informational role. There can be no competition on the basis of provision of information. However, retailers may differ in their approaches to logistics and distribution, and there may be various social costs and benefits associated to them. Logistics and distribution are important — we have already seen at the outset how some present-day supermarkets and department stores have ridiculous and inefficient distribution mechanisms. A clear and user-friendly display of goods within the store is also important. Furthermore, logistics might be more difficult, and the economies of scale apply differently, in different geographic areas or different industries, leading to differences of approach and scale between retailers. Through the various methods available to retailers, they might differ in terms of their social benefits and costs — evaluated along these lines — and they might be evaluated on that basis. The fine details, of course, are not our interest here.

On the other hand, direct state management of a revamped retailing industry could also be dangerous. We have no great desire to reinstate the conformity and lack of diversity of the supply stores of the central planning stereotype. Regardless of the reality of the stereotype, it is worth noting that any negative connotations associated with such stores do not apply in the present case. Any similarity to the 'communist store' consists only in the rationalisation of different products, all contained under one roof — as we have argued, necessary for the full provision of relevant and comparative information. Diversity of goods and services is maintained; a price system of some sort is maintained; a supply of goods, rather than shortages, is maintained. There are no queues. There is no reason, in fact, to expect any of the problems that plagued the centrally planned economies; and we explicitly provide additional information and retail specialist-educators. Really such issues arise as effects of allocation institutions, which we will discuss at the appropriate time.

In any case, a revamped retailing industry along these lines must remain fiercely independent of the state. Not only does the state have its own centralising and bureaucratic tendencies, but powerful corporate interests have a direct incentive to interfere politically in the research and education necessary for the new retailing industry. Just like other educational bodies such as schools and universities, the new retailing industry must be formally as well as substantively independent — and it must be prepared to fend off political attacks on it which threaten to compromise its independence. As it involves empirical research and the collection of facts — on product quality, as well as production conditions — the new industry must also be considered a scientific enterprise. Any scientific inquiry, of course, must be done freely and independent of any external control; and since the research in question here is a collection of well-defined facts — albeit potentially embarrassing facts to producers — it can likely be done with a level of certainty which can rise above political attacks and produce a flow of uncontroversial fact supported by clear evidence. If one likes to imagine it this way, the proposal is for an institutionalisation of Nader's raiders, writ large, focusing not just on egregious cases but on all relevant aspects, and focusing not

just on some industries but on all of them — working in cooperation with producers if possible, and investigating them where necessary — and, furthermore, placed in every retail store as knowledgeable retailer-educator attendants.

Note that our two proposals so far regarding consumption are consistent — the proposal for widespread information regarding products and their production conditions is reinforced by the proposal for a rationalised system of retailing and retailer-educators. The information can not only be provided on store shelves, but it can also be explained in detail by informed and knowledgeable shop assistants — if one thought that a potentially unmanageable amount of information was to be provided, one might be relieved to know that specialists will be on hand to elucidate it. Also if one thought that the amount of information was potentially unmanageable, one will appreciate what I mean when I say that retailers may become students, scholars and popularisers of this new field of investigation, the expanded and unified field of consumer advocacy and production conditions — and one should obtain a newfound respect for retailers! And finally, however small the amount of relevant information which can be provided within product packaging or on store shelves, the small kernel of the most relevant facts that do make it onto the shelves will be supplemented by the trained retailer-educator professionals ready to assist you in your consumption activities.

We are familiar with the concept of separation of powers in government: that the legislative, executive and judicial functions of political power should be kept separate and independent of each other — the idea being that undue concentrations of power involve the prospect of abuse, and that vesting the different types of governmental function in different bodies allows them to check and balance one another. Here we have a separation of powers in the economy: between producers, consumers and the retailers that mediate between them. Production and consumption activities are both necessary; but producers in the present day are the dominant economic power; individual consumers, fragmented and alienated, are formally independent of producers but in practice manipulated by marketing, advertising, the retail conflict of interest and the sales industry. The retail industry interposes itself between the two: the retail industry, as educator and supplier of information, ensures that consumption decisions are made rationally and serve their proper purpose — satisfying genuine consumer needs and wants, not manufactured ones, made while paying consideration to all the social consequences of those decisions. The chain of production industries ends at the retailer — but we propose to cut the retailer adrift from dependence on producers, from (at least some of) the pressures of the market, and from wasteful competition for what is, after all, merely the physical provision of goods and services. We institutionally separate production from retailing, and insulate the consumer from the indoctrination of marketing and advertising, so that decisions can be made in the light of all relevant factors. Only then can an economy produce rational outcomes, and fully rational, questioning, developed human beings.

Indeed, the notion of the 'social department store' is an appropriate one. If one fully appreciates the intricacies of a developed industrial or post-industrial

economy, one appreciates an incredible panoply of production activity, all carried out for the satisfaction of consumer needs and desires — whether desires are manufactured or not. The social department store, once it comes to exist, will embody the productive capacities of a society, the output of those vast production capacities — a clear and objective exhibition of society’s wealth and ability to provide for its citizens. If there is any reason to be proud of a society, it is when that society can provide for the needs and wants of its citizens, without excessive struggle, without overwork or stress, and allowing its citizens to live their lives to the fullest. Just as ancient civilizations built granaries to display their economic capacities, so too the social department store would symbolise the economic capacities of the age — and more, being done in a comprehensive, global, impartial, and educative fashion, would foster attitudes and knowledge in its economic activities of which its citizens could also justly feel proud.

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1.12 Large-scale individual purchases.

We have so far restricted ourselves to small-scale consumption, but clearly this is not the end of the consumption story. We now turn to large-scale consumption; and indeed, large-scale consumption is everywhere and is almost everything. Cars, houses and international travel are common large-scale purchases in the developed world; but if we think about it this way, all state spending counts as well. Roads, railways, hospitals, schools, swimming pools, and so on, all count as large-scale purchases when they are built and maintained. At least, the users of a road or hospital are not engaging in production or allocation activity; so it will count as a consumption activity, for our purposes! I do not want to consider all of the above; different considerations may apply to these very different categories of consumption, but I will consider some relevant aspects. In terms of individual large-scale consumption, let us first consider what is commonly (though it varies within the developed world) the largest scale purchase any individual makes.

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1.13 Housing.

To be sure, housing is a serious issue in many places around the world, not least because there is often not enough of it, and there are often many — often a large proportion of the population — who cannot afford it. But here we are concerned with the consumption of housing; we are concerned with how people obtain housing, and the economic and financial arrangements that go with it. So we are talking about people living in housing; we are talking about people buying housing; and we are talking about people renting housing; whether houses, apartments, flats, or whatever else.

Let us first consider the purchase of a residence. In the developed world, perhaps the greatest contribution a person can make towards their own economic security is to own a home. You can be fired from your job, if economic conditions turn awry, without having any say in the matter; you can lose your investments,

if the stock market turns awry; credit squeezes, prices rises and inflation all threaten the position of the middle classes all over the world. But owning land is insurance against all of this: it is very expensive, it is in high demand, and it is finite in stock. Of course, land prices can fall, neighbourhoods can become unfashionable or undesirable, and markets can boom and bust; but usually the price of land is stable, and increasing steadily, faster than inflation; even if it falls, it will rise again. The security of owning land is a comforting thought to those who have extricated themselves from the poverty of much of the world, and who have seen the madness of economic cycles.

The consequences of land ownership, however comforting they might be for the owner, are not necessarily so soothing to society as a whole. The distributional consequences are far from obviously preferable. Widespread land ownership can mean widespread relative wealth and a stable, large and economically secure middle class. But the widespread desire to buy land, when prices are always high and supply is always short, means that many will be disappointed, or condemned to paying extraordinarily high prices. For those who own properties in addition to their own residence — investment properties — they deprive others of owning, and earn income by virtue not of work, effort, sacrifice, talent or anything else, but of the mere fact of ownership. Renters effectively throw money to owners and are locked out of the stability of ownership themselves — money is paid for accommodation, to be sure, but money that does not pay for any work done by anyone; the original work of the builders lost long ago among the increases in land prices and the profits of the landlord.

But I do not want to go too deeply into the details of the present situation: I want to point out obvious hardships and injustices, and the issues associated with their resolution. The obvious hardship involved is paying off a mortgage on one's residence. The obvious injustices here are the unearned income of landlords and the drain thereby imposed on renters' wealth, as well as the potentially averse distributional consequences. We will deal with these in turn.

* * *

1.14 The mortgage.

The mortgage is the modern form of bondage. In order to purchase a house, the rite of the middle class home buyer is to borrow an enormous amount of money, secured against the property, and spend a large number of years thereafter diverting a substantial proportion of their income into paying it off. It imposes substantial restrictions on their life and lifestyle. Of course, these restrictions are nothing compared to those endured by most of the world's population, and in the third world. A mortgage is hardly serfdom; a mortgage is hardly slavery; and a mortgage, once paid off, provides one with vast amounts of wealth, at least compared to most of the world — and a wealth that increases with the price of land. To the extent a mortgage imposes hardship, it is minor, and relative.

The problem, however, is not that a mortgage is a minor hardship: the problem is that it is a *gratuitous* hardship. Consider who the typical mortgagor

is: living in a wealthy society, young, middle-class, relatively comfortable, dedicated, hard-working. Namely, precisely those whose freedom and understanding and development is crucial to the future development of their society: they are future elites; barring any major changes in political power, they are the future of their society. Those with a modicum of wealth, and living in a relatively rich society, are precisely those who have a little more time to think, a little more free time to spend at their own discretion, and not merely for survival. In that space they have carved out for themselves, at the top of global society, there is space to reflect upon the world and use it to act. Their self-interest may coincide with the class-based interest of the worker; or may be the interest of the articulate class with power to shape elite policy. Whatever the case, with the social conscience to act, and to use one's wealth for socially beneficial purposes, this class is a potential force for progress around the world.

And yet the mortgage — amongst many other factors, to be sure — acts to thwart them. Whether it is driven by a desire for social conformity, by a desire for the social esteem of ownership, or by the yearning for economic security, taking out a massive loan and mortgage places a huge burden on their lives: a burden that is psychological, emotional, dispositional, as well as financial. The sword of Damocles now hangs over them, and if payments are not met then the thread may be cut, and the promise of security taken away. The pressure to repay, regularly and in large amounts, fixates them on earning enough, on thrift, on working harder, and on the level of interest rates; and a fixation on interest rates is a boon for conservative politicians, playing on the fear of interest rate rises as a consequence of progressive social reform and spending and expansionary fiscal policy. One might think that in a sane society in the developed world, enormous social wealth could mean shorting working hours, more leisure time, more time to contemplate the world, and the freedom to act meaningfully in the world. Instead, with mortgages the hopes of the world strangle themselves: they become indebted, and hence vulnerable, and hence obedient. Taking time off; experiencing life; working shorter hours; engaging in extra study and thought and action; none of this is now possible. Potential considerations of others or society in general are narrowed into concern for oneself, with the new self-imposed hardship; just as the truly impoverished must be selfish for survival, the mortgagor must be selfish for the maintenance of the burden they have placed on themselves. Being indebted, they are not only vulnerable; they have tethered their fortunes to the fluctuations of the economy at large; they have traded their own security for years of insecurity with the eventual prospect of enormous wealth and, once they have the property and the wealth, they will have developed an expectation of luxury, and a commitment to maintaining their position, hard-earned as it might be. To be sure, there may be exceptions, perhaps many: to some the mortgage may not be so oppressive; some may have sufficient integrity to maintain their social consciousness despite the pressures. But in terms of its effect on society, the mortgage is more of a Faustian pact than it seems; as a social institution, the mortgage is effective in ensuring an ideological commitment to conservative economic policies, and obedience to the dominant, materialistic, anti-social culture.

The mortgage, then, is another tragic social institution. Again there is no evil involved, no great malevolence on any person's behalf, but the social consequences are deeply disappointing. For the sake of economic security — a prudent thing to pursue, no doubt — people impose on themselves a rigid austerity and obtain a direct interest in conservative economic and social policies. They buy into the system, and the system captures them — instead of being free to pursue their own lives and develop their own potentials, they suffer overwork, stress, and eventual wealth and conservatism; they live the life of the system, owning and working, rather than living. They no longer own their property; they are indebted to their property, and eventually their property owns them.

The question which presents itself surely and squarely then, is the following: how can society assure economic security to its citizens, and remove the fear of poverty (or relative poverty) from job loss, economic downturn, or any other economic calamity, in the same way that land ownership does, without imposing on them the overwhelming and damaging burden — not to mention the distributional consequences, locally and globally — of a mortgage? This is a question which we must discuss.

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1.15 Investment properties and renting.

If owning a residential property brings economic security and wealth — vast wealth on a global scale, relative wealth on a national scale — then owning multiple properties should be considered an extraordinary phenomenon. Of course, investment properties are not unknown in the third world: in fact in some ways they are more prevalent there, in an extreme form. The remnants of aristocratic landholding systems are still powerful political forces in many nations and are a major impediment to economic development and progress: that is why agrarian reform has been a major plank of almost every progressive government in former imperial colonies. It is clear why it is a major problem: the tenants are effectively held in bondage — not like a mortgage, with the eventual prospect of land ownership and wealth — but simply to pay the rent. Such arduous rents effectively maintain a substantial part of the population in poverty, preventing the development of a middle class, a national consumer market, and economic development in general. In the developed world, the considerations may sometimes be different, but there are similarities.

Tenancy in the developed world may not always be as oppressive as the South American *latifundia*, but it can be arduous. Among poorer sectors of the population, rent repayments may add to financial difficulties, coming together with bills and groceries to form an enormous burden. The hardship may be as harsh as those paying off a mortgage, or worse, depending on one's level of income and the level of rent. Indeed, those who would not suffer hardship paying rent may be those who instead suffer the hardship of mortgage — so broad is our range of hardships, there is one to suit any income level. (Except perhaps the very wealthiest.) Of course circumstances differ, and the range of hardship differs, and may sometimes be negligible, but one cannot ignore suffering when

it occurs. When there is such a level of hardship — with payments hanging over one’s head, and the necessity to work harder and longer to make ends meet — all the considerations we made in regard to the hardships and pressures of mortgagors apply here too. One is forced to be selfish for survival; just as the mortgagor ties their fate to interest rates, the tenant ties their fate to rent levels; both are vulnerable.

The difference is, of course, that tenants tend to be poorer than mortgagors, so suffer more hardship and poverty in the first place; and that the mortgagor’s payments at least go towards ownership and consequent wealth and economic security, while the tenant’s payments go towards nothing for themselves except maintaining a roof over their head. The tenant, unlike the mortgagor, has no prospect of economic security through land ownership. Their rent payments are no different in nature, to them, from hotel fees — though generally cheaper, and without the services. The effect is as simple as it is regressive and socially disastrous: a wealth transfer from poor to rich. All of them, rich and poor, mortgagor and owner and landlord, have a roof over their head, independently of whatever work they do or effort they expend for a living, but as a result of the legal status of various blocks of land, the consequences are vastly different: the landlord receives payments without having to do anything; the mortgagor makes payments and suffers hardship in the eventual prospect of owning; the tenant also makes payments and suffers hardship with no prospect of anything. Furthermore, it is well illustrated throughout history that rents at market levels, fixed only by supply and demand, are often unbearably high; the state must habitually intervene to rectify the situation. Rent, one may argue, wants to be arduous by its nature.

We have not yet discussed income levels and distribution — these arise in relation to work and production, which we will come to eventually — but the landlord’s rent is the first example we have met of income. For present purposes, it will suffice to point out that the landlord’s income here is not income for work; it is income for *owning property*. There may have been some effort in deciding on an investment property to buy, and obviously a large payment made to acquire it; and a landlord may well be using rent money to pay off a mortgage on the investment property. But none of this constitutes a job; none of it constitutes work. A mortgagor has to go through the same; and they do not already own other properties. Responsibilities for the maintenance of their property aside, the landlord is an absentee by definition; on an everyday level, the landlord has nothing to do with the property from which they derive income. There can be no sympathy for the landlord as there is for the residential home buyer and mortgagor; the landlord already owns property; the landlord cannot be suffering any comparable hardship. And as a result of suffering less hardship, of being more comfortable, they gain the privilege of being able to take payments and impose hardship and discomfort on others. Such are the social, distributional consequences of property investment and renting. Rent is the prototypical embodiment of exploitation.

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1.16 Potential responses.

Governments have regularly intervened in the housing sector, when the brutal consequences of a market-based housing system become too much to bear. And there are many responses available: subsidise rents; impose maximum rents; increase social security assistance; build cheap housing; and so on. But none of these is a real solution; none of these stops the problem recurring; beyond temporary alleviation of some of the financial hardship, none of these deals with the issues raised above; if we are serious about addressing the root of the problem, we must be more thorough than that.

We have seen that all the usual economic forms applied in housing are socially destructive: the mortgage, the investment property, rent. What would be a decent model for housing, then?

Housing by its nature differs in location, desirability, luxury, aesthetics, comfort, access to social services, transport, and many other factors. Not all housing is the same; and nor should there be any attempt to make it the same. Of course, we should like all houses to be energy efficient, and well constructed, and planned with proper resources and amenities nearby, and proper access to all necessary facilities and shops. But nothing will ever alter the fact that a house along the beach is generally more desirable than one in the midst of suburbia; that a big house is generally more desirable than a small house; and that a well maintained house is more desirable than a dilapidated house. Some people may care more about this than others; and too much of an attachment to living in pretty surroundings, while the situation in the rest of the world is bleak, is a sort of pathology. But the point is clear: housing varies in desirability, necessarily. And too much sameness may well be considered stultifying: concrete blocks of identical apartments, whether constructed by the state as affordable housing, or by property development corporations as a cheap source of investment income, symbolise a culture of conformity, obedience and dehumanisation.

There seems to be no real difficulty, then, to say that all other things being equal — and that is a lot of other things! — people ought to pay for housing, and that those who want to pay for a more or less desirable property ought to pay more or less. As with smaller-scale consumption, one must recognise that the decisions of what houses to live in, what is popular and what is not, have social consequences, and determine the amount and type of housing that is built in society — although, of course, housing has a much longer lifetime than the average grocery. It seems reasonable for such variations in desirability and demand to be reflected in the price — demand of people for housing being decided not only according to desirability and superficial appeal, but in the light of all the social consequences, as we have discussed. For a beachside apartment to have higher rent than one next to a factory is not in itself a problem. The problem is that the rents may well be arduous to their tenants, and that they go as unearned income to make the rich richer; the problem is also that in the present day, pristine properties will be reserved for the rich and miserable, invisible accommodations reserved for the poor, increasing the severity of inequality with geographical separation, physical hardship and health

consequences. To say that it is reasonable for the beachfront property to require a higher price rent, one assumes that paying a higher price actually means making a greater effort and foregoing other potential pleasures to afford it; one assumes that the beachfront resident is making sacrifices elsewhere; but these assumptions are horribly violated today, and will continue to be violated until income is correlated to that effort and sacrifice — today, the correlation is minimal. But we will discuss the matter further when we come to income.

What about owning land? We can question this very notion itself; for we have seen that owning investment properties has horrible distributional implications; and even owning one's residence usually involves major hardship in paying off a mortgage, with undesirable social consequences both obvious and subtle; and once paid off, land ownership implies massive individual wealth on the global scale — wealth which increases with the price of land and conveys unearned income. It is true that widespread land ownership, historically speaking, comes with widespread wealth and economic development; but the cost is high, and it seems difficult to see how land ownership could ever become absolutely universal: as long as some own such a valuable resource, and others do not, great inequality will be built into the system. Is there not perhaps a better way?

If we agree that an individual ought to pay for housing, the payment varying with the desirability of the land, then we find ourselves predisposed to prefer 'renting' — but renting without any landlord. The remedy is for housing to be 'rented', in the sense that one pays a fee to use it, at periodic intervals — but not to a landlord or owner. In this way one pays for the security of having a roof over one's head, and one pays more or less accordingly as it is a more or less desirable roof in a more or less desirable location! And one does not suffer the gratuitous hardship and life constraints of meeting extreme repayments even though one is relatively wealthy. But given the undesirability of that 'rent' going to a landlord, one must find an alternative recipient. The obvious recipient is society in general: one is paying for the pleasure in staying in a room of the giant hotel society has constructed of a city over many years! Planners and architects make proposals for houses in society; builders construct houses for society; tradespeople maintain them; decorators and other manufacturers furnish them; and the consumer of housing — the resident — lives in it.

That we call it 'rent' does not imply that the living arrangements are temporary, or that there is a lease with a fixed expiry date. One can easily imagine paying 'social rent' on an ongoing basis with the right to live in a dwelling permanently — just like one pays council rates on an ongoing basis, though one has the right to stay permanently in their house. One can imagine temporary arrangements also; and the analogy to local council rate payments is probably a useful one to bear in mind. Nor is the word 'rent' used in the mainstream economic sense, implying profiteering and exploitation — there is no owner other than the community at large, but even then the rights of the collective or state need be no more or less than the legally proscribed powers of states today. We envision no powerful rights of ownership such as those possessed by landlords, no power to determine leases, impose terms and so on. In fact, it may be better

not to say that the land or house has any 'owner' at all, in the traditional sense of the world. Rather, ownership consists of a certain set of rights, responsibilities and privileges, and some of these accrue to the resident-tenant, while others accrue to the collective-owner. Property has no mystique or necessity to it; property is a bundle of rights and these can be distributed accordingly.

This is indeed a radical proposal — it is the successor to agrarian reforms; it is land reform for a better world. One might expect investment property owners can claim that it is an attack on investment generally. One might expect residential homeowners and mortgagors to claim that it threatens the economic security they have in owning their homes, and undoes all their hard work in paying it off. The proposal amounts to a complete restructuring of the way land and housing ownership operates in society.

But that is precisely what we are looking at here: we are looking at how a decent economy might operate. If the hardships of private land ownership impose unnecessary suffering on otherwise wealthy societies — the hardships of obtaining it, as well as the hardships imposed on others by those who obtain it — then we should ask difficult questions, and not be afraid of the answers we come up with. And the answer here, despite its tremendous consequences, appears almost obvious once we think about it this way. That it seems obvious when we think about it this way, however, does not mean that it is the end of the story: there are still many questions to be asked. That we have proposed a less exploitative and more distributionally effective system is one thing; its implications are another.

The argument that this is an attack on investment generally is not correct: investment is necessary for any large-scale project to happen by definition; rather this is an attack on unearned income and exploitation of others; it is an attack on injustice. But it is true that, even though we have not yet come to investing generally, any criticism we make of landlords and property investors for their unearned income applies equally to other situations, such as private shareholding — but we will come to that in due course. Can investment — that is, the provision of resources to fund new projects and maintain them — occur without unearned income? This is another question at the heart of political economy, a crucial question. If we oppose the distributional consequences of unearned income, but still wish to see all manner of projects go about in society with sufficient resources, we must answer it; and we will, in due course.

One may also point out the amount of state involvement required in this proposal: the state will have to value, to keep records, and to collect payment on every property. But the state already keeps intricate property records in most nations, in order to certify property transactions; land valuers keep track of property prices for the purpose of rate payments; and the state already has a taxation apparatus. Indeed, 'social rent' in the sense I have proposed is perhaps best thought of as an extended version of a rate payment — included are not only the privileges of local services, but the privilege of living in one of the rooms of society's collective hotel. Demand will act to determine prices, along with other factors, as they do today; with the added consideration that a fuller appreciation of circumstances should inform that demand. As for the building

of houses, and investment in housing projects, that is a production question, and we will deal with it in due course.

The argument that this is an attack on hard work and economic security — potentially made by homeowners, and landlords too, though the former endure far more hardship — is not correct either. We have already talked approvingly of income for hard work, and achieving economic security — though we will have more to say in subsequent discussion; but more importantly, we have not said anything about how to proceed from the present. Unlike our previous proposals about provision of information about products on store shelves, the proposal of abolishing private land ownership is not one that can be — theoretically at least — implemented overnight. Once research about production conditions of consumption goods and services is done, the relevant information could go up on shelves overnight, without major consequences, other than perhaps shocking consumers with some home truths, and embarrassing some corporations as those truths become known. On the other hand, rearranging land ownership involves a readjustment of legitimate existing interests and requires more caution and careful implementation. One of course recognises that whatever wealth some people have, whether paying off a mortgage or otherwise, may well come as a result of hard work and perseverance. Nobody in their right mind proposes taking that away from anybody. Whatever the proposal may amount to, it is not a land grab, it is not immediate, and it is not an expropriation without compensation. It might wait until property changes hands; it would certainly involve proper compensation; and other transitional measures are obviously possible. None of this should be considered an attack on hard work, or an attack on earned income.

We should point out, in any case, that while the goal of most mortgagors may be to obtain economic security — and while economic security is no doubt a very prudent thing to work towards — the mortgage is certainly not the most effective institution to achieve it. We would very much like to see real economic security achieved for people in society. But we should not like to see it for *some*, or for *many*, but for *all*; and there are far better and more efficient ways to achieve economic security across all of society. This is precisely the role of social welfare programs, which insure against loss, against unemployment, against illness, or whatever other misfortune, and to provide a pension in old age. The fact that many seek security and refuge in the ownership of such a perennially valuable resource such as land is a reflection of the failings of historical and contemporary social welfare programmes. Stockpiling one's own resources is the best — and perhaps the only — way to preserve one's own security in a harsh, hostile world where calamity threatens and support from others is uncertain. But it is clearly not the best solution: if society pools its resources to serve those most in need, such frugality, restraint, and refusal to live one's life to the fullest in the meantime, becomes unnecessary. If a decent society is anything, it is one where one's natural inclination is to experience all that life has to offer, realise one's potentials to the utmost — to live to the fullest. That includes living for others, and in solidarity with others. When the wealth of society is great enough to secure all this — great enough for people

to live full lives — but we are forced to pinch pennies through much of our lives in order to secure ourselves against disaster, something has gone very wrong indeed.

Properly funded social programmes that ensure a decent life for all make stockpiling behaviour unnecessary and miserly — and they ensure the true freedom to live full lives, freed from all the contemporary constraints we have discussed: arduous payments fluctuating with interest rates and all the constraints on life, financial, psychological, emotional and political, thereby entailed. Freed from the necessity of amassing property and then committing to conservative economic policies to maintain it, we will have carved out that precious freedom which is a major goal of economic development: time left over after satisfying needs and wants, in which we can contemplate the world, and resources left over to use in action to make it a better place. That is what true freedom means, and it is a freedom that is tragically squandered in the present day by insane economic arrangements.

In any implementation of such a proposal there are, of course, many details to be considered: maintenance, upkeep, renovations, subdivision, urban planning implications, building specifications, and so on. Should costs of renovations and repairs be borne by the resident, the collective, or split between them? Should the answer depend on the nature of the property or the living arrangements, temporary or permanent? These are all questions, among many others, which must be answered in any implementation; but this is not the place to be writing blueprints.

Finally, let us reiterate that none of the measures discussed here make particular sense as long as income is distributed as it is today: in discussing the pricing of housing, we argued that more desirable housing should come at a higher price, so that those who wish to enjoy more luxurious accommodation should pay more for it; but the whole sense of the argument is compromised if income is randomly distributed, or distributed according to random inheritance, or the vagaries of some lottery, or unearned, or exploitative. It is fine to say that if one wants to live in luxury, one can sacrifice a little to do so; it is far more questionable to say that if one exploits others or has unearned income, one should be rewarded with an easier, more comfortable life and surroundings by paying a greater monetary amount out of it. For income then does not signify one's own effort, not one's own sacrifice, but the work and effort of others, captured through exploitation. Neoliberal economists often make this mistake: they employ normative language about how people who wish to pay more should be able to obtain goods which are more desirable, more scarce, or more luxurious; they fail to point out that all discussion of 'ought' is rendered nonsensical if the distribution of income itself is nonsensical. We should bear this in mind: very few of the discussions here about separate sectors of the economy stand alone; generally speaking, they stand or fall together — and this has implications for strategy in the meantime.

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1.17 Other individual large-scale consumption, generally; luxuries.

Housing may be the largest item of common individual consumption, but there are many other examples besides. And between the household groceries and the household itself, goods and services can come on any possible scale: any combination of the considerations we have discussed above may apply, and often more.

Many of these goods and services are luxury items: home renovations, grand pianos, billiard tables, yachts, boats, sports cars, home cinemas, international holidays, expensive jewellery, and so on. Many of these goods and services are considered less luxurious, but still relatively expensive: computers, guitars, stereos, DVD players, televisions, microwaves and so on. Some of these are now, in the developed world, considered far less elitist than they once were, and have become commonplace: for example, televisions, microwaves and mobile phones. It is in the nature of technological and economic development that new items, originally seen as luxuries, eventually become widely affordable and everyday household items.

All of these goods are also subject to marketing and advertising, and similar considerations apply in this regard as for smaller-scale consumption items. Such products may overlap with the various types discussed earlier; obviously there is no rigorous classification scheme. Particularly prominent in the contemporary marketing deluge are advertisements for cars, jewellery, home appliances, computers, software and advanced gadgetry. All the same considerations apply, in fact, with extra force, since luxury is by its nature not necessity — the potential for the manufacture of needs and wants by the marketing industry here is even greater. Automobile advertising broadcasts images of freedom on the open road and the thrill of speed and control over immense mechanical power — utterly incongruous with the more likely prospect of metropolitan gridlock. But if advertising succeeds in planting this idea in one's mind — a primal yearning for freedom, experience, self-development, and mastery over nature, distorted and deformed into the desire for a polluting, noisy, destructive hulk of metal — a desire that can only be fulfilled by the purchase of an appropriate car, then the greatest aspiration is to the fastest, most luxurious, high-end model. Similarly, the beauty industry is fed by advertisers preying upon insecurities about self-image, and if the false images of reality promoted by the fashion industry lead the impressionable to aspire to anything, it is the elegance and seductiveness of high-end fashion, and the most expensive labels and designers — a realm of luxury indeed. If one is to be fully obedient to advertising, one's aspirations are not towards meaningful human relationships, or towards a fully developed personality or the achievement of one's potentials, but towards obtaining the most desirable goods, which are necessarily the luxury items at the top of the market. But we have discussed the remedies to such marketing, and a return to reality through the propagation of fact, via some combination of counter-advertising, a rationalised retailing sector, marketer-investigators and retailer-educators, may deflate such imagery here as elsewhere.

One may well see some luxury consumer goods as rather obscene. Who can deny that, when there are so many deaths from preventable diseases in the world, for people to own a private jet, or a multi-million-dollar yacht, or indeed things worth more than that, is a shocking state of affairs? (Unless, perhaps, they have been trained as neoliberal economists to rationalise it!) There may be some things — like a private jet, perhaps — that will always be obscene to own individually; some things involve so many hours of hard work and skill by so many people that in any reasonable economic system nobody could earn enough in a lifetime to pay for it themselves. This is not an attempt to thwart people's ambitions to succeed and become economically secure and comfortable; but it is a warning that if ambitions reach to such extreme levels of wealth, they cannot be achieved without exploitation. Nor is this an argument that all such objects should never be produced. I don't see how massive private yachts could ever become affordable to individuals without exploitation, but perhaps they might one day; but in any case, even if they do not, there is no reason why a *group* of people might not get together and jointly buy it.

Who will say, for instance, that a grand piano, or sports car, or great works of art, should never be produced because they are too expensive for anyone to afford without exploiting others? Of course we do not say that, and the answer is clear: we just gave it. Some such things *might* become affordable if with technological advancement and increased levels of wealth make them so; but even if that is not the case, they may still be affordable to *groups* or *collectives* of people. For great works of art, say, one might well say that they should not be for purchase and sale, but should belong to the public at large, for display in public places such as museums. For extremely large objects — such as a jumbo jets or spacecraft — one might say that these are the proper province of large collectives of people, such as nations or states or production entities, which can expend their resources to build them if the individuals within them and people in society at large so desire.

In any case, the point is clear: there is nothing to be said against luxury per se. Luxury per se is not evil; luxury per se is not obscene. It is luxury *in the midst of poverty* which is obscene. It is luxury *achieved without regard to its social consequences* which is obscene. It is luxury *which comes at massive environmental cost to future generations* which is obscene. If we start condemning wealthy lifestyles as evil, we should condemn all those who do not live in poverty — for anyone living above a contemporary poverty line lives in such luxury as those even a few centuries ago would find unimaginable. As usual, moralising will not achieve much — and also as usual, there is not much to moralise about! With further economic development, and a higher standard of living, today's obscenity might become tomorrow's commonplace. If a society is sufficiently wealthy, and its members have earned enough to have discretionary income beyond necessities, there is no reason to stop them purchasing luxuries — and plenty of legitimate reasons why they might want to do so. There is no reason to interfere with a free and informed choice as to how to spend one's properly earned income. To be sure, complete self-indulgence without consideration for the rest of society is not admirable, and an infatuation with material

objects which displaces concern for human relations and human development is deeply pathological. Similarly, on the social level, a society which allows some people to earn and spend obscene amounts while others endure poverty is deeply troubled, insane. But these are good reasons to organise society so that such an inequitable distribution of income never arises; these are good reasons why the prices of all goods and services — in this case more expensive ones — should fully reflect and be obtained in full knowledge of all of the effort and hard work, all the difficulty and unpleasantness that went into them; and these are good reasons to implement social programmes to end poverty and ensure all citizens economic security. These are not good reasons to wag the finger disapprovingly at luxuries, which may soon enough become everyday items. We seek justice and sanity, not prudishness, nor unnecessary austerity. The full development of human potentials may not require much in the way of material goods; but self-flagellators aside, nobody will deny that an absence of squalor, a modicum of cleanliness and a little comfort may also be good for the soul.

It is well to point out an additional consideration: in a wealthy society there may be such a level of luxury that it is taken for granted; and as the standard of living rises one may feel that they are more impoverished than they really are, being tremendously wealthy relative to the rest of the world but not so privileged relative to local standards. This is something to guard against; it is always useful to be reminded of the true plight of the world at large — not to feel guilty, and not to depress ourselves into inaction, but to obtain a true picture of the situation, appreciate it, appreciate that we live within it, and act accordingly. Only revealed injustice, injustice kept present in one's mind, can be addressed; and the injustice of the contemporary world cannot be fully appreciated without violent shocks to the conscience. True knowledge of the state of the world lodges itself as an aneurism in one's moral sense — a situation which fully developed human beings will confront, fight, and remedy. This is all the more reason to provide full information on the production conditions of every good and service offered for sale, so that consumers see those conditions in the flesh, as production conditions wreak their effect on people, as goods and services thereby produced find themselves to store shelves, and as consumers reflect back upon those conditions and support them, or do not.

In short: although large-scale individual consumption raises more starkly the distributional inequities in our world, the same general considerations and approach apply as for small scale consumption. What is luxurious is relative; what is essential is relative; what is considered impoverished, in a society with a shifting standard of living, is also relative. And our proposals for consumption to be performed in the light of full knowledge of production conditions only sharpen the way these issues are raised; they are fully compatible; they are a step wholesale and broadside towards justice. There is no place for wallowing in guilt; there is no place for intricate individual judgments of good and evil; no place for making examples of indulgent sin and pious frugality; there is only a place for reflection upon the situation and action to cure the world of its moral aneurism.

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Having noted these essential similarities between large- and small-scale purchases, we now turn to some subtleties and differences.

1.18 Large-scale individual consumption meets hiring and social rent.

We have already noted that with an equitable distribution of wealth, there may be some things that simply involve so much work by so many different people, so much effort and time and skill and care, that it will be impossible for a single person to afford them with even a lifetime of savings. We cannot say what exactly — who knows what levels of economic development will occur in the future, and what levels of technological advancement may be reached? — but they may exist. Perhaps a private jet, an enormous private yacht, or a fancy sports car are examples. There may be other goods or services which, while theoretically affordable with a great deal of work and saving with an equitable distribution of income, in practice are unaffordable. Of course there can be goods with any conceivable price tag; and as the price increases relative to income, affordability becomes increasingly remote.

One approach might well be not to produce such goods and services. Since they are unaffordable, since there is no way to purchase them, these might well be unrealistic ambitions to hold in a society without exploitation, so that there is no demand, and no production. They might cease to exist in the economy; and if so, so be it. But that is not the only possible approach; it does not follow that because a good or service is unaffordable *to one person*, that it is not affordable *at all*. Clearly, and as we have already mentioned, groups or collectives of people can purchase goods. We will deal with this important possibility in the next section; but there is also another one. We have seen in the case of housing that the best approach to take might be one of paying a fee for use, or a 'social rent'. There is no reason why that approach need be limited to housing: it may be useful in other cases as well.

Suppose, for the sake of argument — I have no idea whether it would actually be the case — that a fancy sports car became unaffordable to anyone in an economy without exploitation and with a decent distribution of income. (This might be the case: they are already very expensive; and once the environmental effects are taken into account, and as fossil fuels become increasingly scarce, even more so. On the other hand, a rising standard of living and technological advancement might lower the price. I cannot say; the assumption is simply in order to provide an example.) Nevertheless, many people may still desire them, and lust after them. (Personally I would hope the machismo associated with sports cars would dissipate with increasing social conscientiousness, and indeed also the desire for cars in general, inefficient and environmentally unfriendly as they are — but who am I to say?) If people cannot afford one, there is nothing to stop them getting together and deciding jointly to purchase one — as we will see shortly. Alternatively, such a car might be provided to an individual, not for the purposes of ownership, but for the purposes of use, for a limited and specified time, in return for a certain fee — they could be provided for hire,

just as cars are offered for hire today. Just as we have discussed with housing, there is a fee for use. We can expect the fee to be high; we would expect that, if the car were to be used continuously over a course of many years as if the user/hirer owned it, then the total fee would be comparable to the extreme and unaffordable cost of using it in the first place, or higher. But for short periods of time, it could be affordable; a brief joyride, perhaps.

Similar considerations could apply to other large, otherwise unaffordable items: perhaps private jets, boats, yachts, and so on. At the other end of the spectrum, paying a fee for using small, common household items, or groceries, rather than just buying and owning them, may appear a little strange and inappropriate. Clearly only certain classes of goods are appropriate for paying fees for use: services are usually provided for a fee anyway, and are not owned; goods which are not perishable; goods which are long-lived, at least much longer than the period of use; goods which are only used for short periods, or occasionally; goods where for some reason individual ownership is difficult or undesirable. In the case of land and housing, we argued that individual ownership was difficult and undesirable: it involves hardship to pay off, requiring large and regular repayments over many years; once paid off it conveys enormous wealth; and it conveys unearned income through increases in the price of land. In the case of the fancy sports car, similar considerations arise. In the case of any extremely expensive product, the hardship of debt and purchase makes it difficult to own; and in the case of any long-lasting valuable item, there is the chance that ownership combined with fluctuations in value could result in windfall gains or losses, and unearned income or gratuitous loss.

Of course, in one sense this is not proposing anything new. In the present day there are enterprises which hire out certain types of equipment or goods or services. One can hire a car to drive; audio equipment for a performance, video equipment for a meeting, office supplies, furniture, camping equipment, whatever; the list could go on for pages. Furthermore, any service can be considered as the hiring out of a person to assist the consumer for a fee; the list is extensive. One who is concerned about wage employment, democracy and worker empowerment might wish to make sure that 'hiring' a person to perform services does not become an exploitative arrangement. But all we are really pointing out here is a potential which already exists, which might be extended a little further in the sort of circumstances we describe, and would likely be taken up if there were a demand for it.

One should point out, however, that 'hiring out' of goods has the potential to constitute unearned income. In our discussion of housing we noted the inequity of a landlord being rewarded for the wealth of owning additional properties by being paid rent, a horribly regressive outcome. Similar considerations can potentially apply to other goods, if the hiring out involves no effort or work, but the mere physical provision of a good. For then the owner, who has the wealth to afford the good, obtains extra unearned income merely by virtue of that ownership and wealth; the situation is perfectly analogous. Of course, there may be situations where actual work is involved, such as in hire for services. Even where it is a physical good which is hired, it may still require maintenance. One

may take the view that in smaller-scale situations, the potential for unearned income is relatively negligible and not worth prohibiting — though if one is concerned with distributional consequences, one should look at those consequences in the large, over time and across society; small differences may add up to major inequality over time. The more expensive the good, the easier to maintain, and the more complete the ownership, the more regressive the distributional implications. It seems better that the hire of such goods should be regarded as carried on by enterprises, rather than individuals, so that the fees do not accrue to individuals directly as unearned income — but we will deal with accounting within enterprises, and income, later on. Alternatively, the hire of such goods, like the hire of housing, could be regarded again as a social rent, as borrowing an object from a social pool of stock, and paying a 'rent' to society for its use. The two alternatives are in the end similar, at least from the consumer's point of view: the enterprise can be regarded as a particular repository for the social stock; or the repository of the social stock can be regarded as a society-wide or collective enterprise. These, as usual, are general considerations; we are not here interested in writing blueprints.

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1.19 Large-scale individual consumption meets small-scale collective consumption.

We now turn to the other possibility for the consumption of expensive and large items by individuals in an economy without exploitation or unearned income. Let us return to the example we used above, of the extremely expensive and unaffordable fancy sports car; and the possibility, instead of the impossible individual purchase, of a purchase in concert with others.

Such a possibility is not far-fetched. Already there are numerous car clubs and car-pooling schemes around the world, especially in Europe, which represent a move in this direction. As joint owners, the group of consumers could decide jointly on the use of the car. And clearly this approach is not unique to cars — it could be applied to any item that could be shared between people. And, if a decent economy fostered connections between people, encouraged meaningful relationships and cooperation, minimised opposed interests and dealt with them effectively, abolished class antagonisms and reinforced social solidarity, we might expect to find this sort of cooperation and collective consumption increasingly often. Indeed, one might well ask: why do people not engage in such small-scale collective consumption today? There are very many situations where it would be a more effective and efficient solution to consumption issues. In any case, it does occur occasionally; but one might point to the relative disconnection and atomisation of contemporary society; one might point to the mistrust of others and self-reliance in an economic environment perceived as hostile.

It is not just to fancy cars and other inaccessibly expensive items that small-scale collective consumption might apply: it is true of less expensive items also. It could apply to cars in general; to musical instruments; to electronic gadgets; to home appliances; to power tools; to sporting equipment; to almost anything

that one does not use often, or could conceivably share. In fact, with this perspective, taking a broader view of the present situation, one might easily come to the conclusion that today in the developed world probably a great many items are in gross oversupply: they could easily be shared, and sharing a medium-or large-scale purchase with one's friends, neighbours, colleagues or others would save on expenditure, release workers from production, and result in a more efficient and less wasteful distribution of resources.

Sticking to the car example, one could easily note that in the developed world, the distribution of cars is probably oversupplied. On every street in a suburb in a US or Australian urban sprawl, there are multiple cars per residence. Apart from peak hour, almost all of them are not in use; and in peak hour, probably many cars from nearby residence go to nearby workplaces; and taken in the large this amounts to the insanity of traffic congestion by large cars each containing precisely one person. Even before considering the more rational solution of public transport, one can note that a collective approach to car ownership — which really just amounts to extending car pooling to the level of ownership and institutionalising it — would ease the problem considerably.

In a slightly different vein, in such suburban areas, where houses have lawns and gardens and backyards, most houses contain tools and equipment for home and garden maintenance: drills, screwdrivers, mops, vacuum cleaners, lawn mowers, edge-cutters, and whatever else. For the most part, they are rarely used, maybe once a week or less; and then only for a few hours. Surely there is massive duplication and redundancy in such arrangements: a small number could easily be enough for the entire street or suburb; yet a collective approach never occurs to most residents — perhaps only if one is struggling financially might one consider borrowing from a neighbour. This is not because people are unintelligent or wasteful by nature, but because there is no institutionalised, or habitual, or customary way to do so — particularly in a hostile economic environment. Middle-class inclinations towards acquisitiveness and against asking others for help can only contribute to the problem; and in alienated atomised societies, people rarely know their neighbours. One could apply similar considerations to many, perhaps even most household items — but clearly not everything: immovable items and individualised or personal items would not be appropriate.

The point is: considerations of medium- or large-scale individual consumption in a decent economy lead us to consider the notion of small-scale collective consumption; and small-scale collective consumption would often provide more rational and less wasteful arrangements than are commonly seen today.

Of course, collective consumption may have its own issues. With responsibility for an item diffused between several joint owners, it is possible that nobody may take proper care of it, and some owners may blame others in a circle of unproductive conflict. If joint ownership is, say, among neighbours living on the same street or in the same apartment building, then the collective of owners may have to re-form, or gain or lose members, as people move residence. The members of the group or collective need to be clear about what happens in such circumstances: does one buy in; can one sell one's share; are they to

worry about depreciation or amortization? If joint owners pay in non-equal amounts, they would have to be clear whether decisions over the good would be made with equal votes, or votes weighted by payment, or whatever other system. Obviously the seriousness of these considerations increases with the price of the item; but this just requires a little forward planning, and does not seem to present any great obstacle. When purchases become significantly large in scale, they may be more suited to purchase by a larger institution, such as a suburban, state, regional or national body. A private group of individuals purchasing and financing a hospital, for instance — or a large swimming pool, or a road, or a school — might well subvert social goals, such as equal access to universal health care, amenities, transport, or education. But these are fine details that any society can sort out for itself, they are quite hypothetical, and I am certainly not going to attempt to answer such questions for them in advance! Suffice it to say: small-scale collective consumption raises issues of diffusion of responsibility; and when the consumption becomes large enough in scale, it may have broader political or economic implications.

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1.20 Encouraging small-scale collective consumption, and all that entails.

We have mentioned some issues that may arise in this small-scale version of collective consumption, but a whole new range of issues arises in considering how to foster and encourage it — issues that lead on to a consideration of some of the deepest and most important issues facing society. And if collective consumption of the type we have been discussing offers the potential of less wasteful consumption and greater rationalisation of resources, then the question arises how it is to be encouraged.

There is first of all the 'null' or 'minimal' approach. One may simply take the approach that whenever groups of individuals want to engage in a collective purchase, they can go ahead, and nothing needs to be done to encourage them any further. One might simply say that information could be provided to all members of society pointing out the advantages of collective consumption in certain circumstances. In the light of all that information, people can presumably work out for themselves if there is anything they want to obtain collectively with others, and go about the process of finding people with similar desires and interests, and then go ahead making the arrangements for purchases. In some cases, of course, this may require no more than simply talking to one's neighbours, friends or colleagues, or doing a search on an internet site. On this approach, it seems that the advantages of small-scale collective consumption should not be that difficult to achieve!

But, sadly, it seems that things *are* more difficult than they seem. If it were all so easy, why do we not see much more of it today than we do? If it is indeed so easy, then the idea should occur to people all the time: instead of going to make a purchase exclusively for oneself, one should think whether it might be a more appropriate purchase to make collectively, and go and ask around about

it. Presumably the efficiency of the arrangements should be self-evident, and people should make such arrangements all the time. But in fact I think the idea would be quite alien to many people today. A neoliberal economist might say that this is evidence that such arrangements are in fact not efficient: but that is only because of their curious definitions and effective reversal of causation; they essentially define efficient to mean whatever happens in a market, so that when something does not happen in the market it must be inefficient. But we do not accept such definitions here — it is far from clear that transactions on a market, and efficiency in the usual sense of the word, are the same thing. It seems clear enough that there are some goods for which a purchase at a collective level seems more rational than at an individual level. A neoliberal economist might, however, make a more important point: this is a problem of transaction costs; it is too costly, too much effort, to go about communicating with other people and coordinating a purchase with them. This seems closer to the truth; we have also pointed to the acquisitive middle-class disposition, and inclinations to self-reliance and mistrust in a hostile economic and atomised social environment.

We have already noted that the reason people do not engage in small-scale collective consumption is not selfishness, or greed, or malice towards others. Rather it is a symptom of social disconnection and alienation — this is merely a human description of the economists' transaction costs. It may not occur to people to consult neighbours, for instance, because they *do not know them*, or quite possibly have never met them.. Without a basis of communication, trust and mutual respect between citizens — neighbours, colleagues, friends or whatever else — there is no way such arrangements could ever arise. And indeed, without such a basis of human interaction, there is no way a decent society of human beings, freely interacting to their mutual benefit and to the fulfilment of their own capacities and potentials, could ever arise either. Even if one knows one's neighbours, in such alienated societies as contemporary ones, the hostile economic and social environment predisposes one to be wary: not to place too much trust in others; to rely primarily on oneself; to always be alert that someone is trying to rip them off — because in their everyday life, in almost every transaction they make, someone *is* trying to rip them off, in the sense that we have discussed previously.

There may also be cultural factors. If it is a symbol of social status to own material goods, one is hardly going to go about losing face by engaging in negotiating with others to make purchases together. If status is tied to wealth, and wealth is expressed through material possessions, then possessing jointly is an act of self-destruction of social status. But such a culture is deeply pathological; there is nothing inherently worthy about owning possessions; these are symbols of wealth and power — rather than integrity, honesty, empathy, goodwill or human development — and as long as income has nothing to do with work or effort, these are not even symbols of industriousness either. Such a culture is a remnant of a social order based on domination and power, a social order long gone and long regarded as illegitimate; it only remains as a cultural artefact, a psychological residue of respect to those who used to be our superiors,

and an attitude which one would do well to contemplate searchingly. We will discuss this culture of acquisitiveness later, but for now it suffices to point out that it is not a culture with any basis in conscience or morality or sanity, and has no place in any decent society.

The question of how to encourage collective consumption, then, is related to two very deep and important questions about modern society, indeed perhaps the core of the struggle for a better society: how to diminish the culture of acquisitiveness, and how to encourage more meaningful connections between human beings. These questions are all intimately related, and to a significant extent they stand or fall together. This relationship may indicate the difficulty of addressing the question: it is, in the end, a basic question of changing attitudes, culture and behaviours within society. But it also indicates that progress on one front will come naturally with progress on others; and encouraging collective consumption is a much more concrete, particular question about actual purchases and economic transactions made by groups of people, than the others. Encouraging collective consumption may encourage social connection, and encouraging social connection may encourage collective consumption.

This suggests that collective consumption would be a useful and concrete behaviour to encourage, in the pursuit of a more enlightened, less materialistic culture and a more meaningful web of interconnections within our society. But more: collective consumption, once established as an economic fact on the ground, is to a significant extent incompatible with anti-social attitudes and practices. To some extent, institutions, customs and expected behaviours in society, whatever their justification, tend to generate their own justificatory culture, amplifying the justifications to the exclusion of criticisms, as long as they are habitually pursued; though there are complications and subtleties, to be sure. People rationalise their behaviour, for better or for worse, as any psychologist knows. The importance of collective consumption, seen in this light, is clear: it offers the prospect of a foothold against materialism and alienation in the struggle for a decent economy and a better world. Rationalisation will always occur; but rationalisation of socially conscientious and fulfilling behaviour reinforces the behaviour. On the other hand, conscience will always do its job, also; but conscience has an easier job justifying behaviours that we have already established in our interactions with others; and a conscience that does not have to struggle with inconsistencies between thought and action will be reinforced, magnified, will offer positive examples to others, will inspire, and will radiate its goodwill to the wider world.

The whole question is also one of social organisation. A society in which most people have significant and meaningful connections to the people close to them in society — those who are close geographically, share similar interests, think about similar things, work together, those who are friends, colleagues, whatever — is a society that has organised itself in a fundamentally different way to present arrangements. Such grass-roots, horizontal, interconnected webs of meaningful relationships and interactions no doubt exist today, but they are thinned out, prevented, thwarted, indeed ripped apart, by many practices and institutions in contemporary society. We have already seen, for instance, the

false reality of marketing; the inherent conflicts of interest in contemporary economic transactions; the perception of external society as hostile and requiring self-reliance and mistrust; the lack of knowledge of other people otherwise close to us; the overwork, stress and pressure placed on people and their life choices by poverty, debt, or their pursuit of individual economic security. To this we can add the alienation resulting from media saturation, and moreover, the failure of many organisations which potentially could reconnect individuals in various capacities, to do so — unions, colleges, reading circles, community centres, local government, whatever. Even more will become apparent when we consider the production side of the coin, for it is clear that much work is inherently frustrating, degrading or demoralising, not to mention exhausting. Hostility, fragmentation, alienation, mistrust and self-reliance today are institutionalised and expected. We must, as a positive alternative, build institutions and expectations of respect, connection, interaction, trust and empathy instead — not to mention entertainment, fun, and good humour. We must propose the alternative of *living one's life*, instead of not. We have social entities, groupings and forms which institutionalise dehumanising expectations and attitudes: these are institutions which embody social maladies; these are corporations, the marketing industry, mortgages, rents, unearned income, and much else. We need to create our own groups and forms which institutionalise humane and conscientious attitudes and values instead.

We would like it very much if people habitually met with their neighbours, their friends, colleagues and other acquaintances, not only to discuss economic questions directly affecting them, and to plan collective consumption, but also to talk about their lives, their hopes, their fears, the state of the world, social issues, and everything else that ought to be habitually discussed in a democracy. So would everyone, presumably — and this is all the more reason why it should be done. But one cannot legislate that people should meet together; one cannot legislate how everyday interactions with others should proceed. To attempt to do so would be a disaster, obviously! To legislate that local collective consumption councils should meet for such discussions would breed resentment, and either conformity or disobedience, not to mention being completely unenforceable and potentially oppressive. It may seem, then, that 'encouraging' collective consumption reduces to wishful thinking, or nothing more than well-intentioned words of exhortation. That is not true, however: on the one hand, this is a political and social goal to be achieved by the usual methods of social change and struggle; on the other hand — and much more concretely — the prospect of collective consumption gives people a direct material incentive to do so. If one can rationalise one's expenditures and save time and money by meeting with others and planning together, one will be more inclined to do so — and this will make any such meetings more effective, rather than undirected, fruitless waffle. And, as we shall see, there may be many more direct economic reasons why people might want to meet locally, if we accept a form of federated, participatory economic planning.

Such groupings — discussion groups, small-scale consumption collectives, neighbourhood barbecues or whatever else they might be! — are not only

important and necessary: in a democracy, where they exist, *they should actually form the basis of the political system*. So that, if we are serious about having a true democracy, rather than one dominated by elite political parties which gravitate to the same position, with only superficial differences, it should be built from the ground up — from the town, the suburb, the neighbourhood, or the workplace up. Small-scale collective consumption therefore runs together with a form of social organisation which is truly democratic: which is democratic in a participatory and deliberative fashion; in which power emanates from the bottom up, rather than in which power legislates from above and is grudgingly obeyed below; and in fact, in which the concept of the state — even a nominally democratic state — as a centralised, bureaucratised, instrument of political domination from above, is itself realigned and radically democratised. *Collective consumption runs together not only with rationalised and efficient economic practices, not only with an enlightened post-acquisitive culture, not only with an interconnected and non-alienated society, but also with a radically democratic and participatory form of political governance*. Make no mistake: a decent economy, an enlightened philosophy of the world, and participatory democracy, form a coherent whole, a fully integrated and consistent system by which a decent society can operate. We can hope that the direct material incentives made clear by a conscientious approach to the economy offer an opening towards such a decent society, however narrow — and even if the material incentives are not so strong, the opening will still be there. The world is still here to win.

There is another possibility to encourage small-scale collective consumption; we are not entirely out of options. We are not entirely reduced to reliance on pre-existing economic incentives (with high transaction costs) and to exhortation, inspiration, and the general grass-roots political methods of advocating and implementing changes in social attitudes and practices. The rationalisation of retailing, discussed earlier, can provide an entry point and plant the seeds of collective consumption — and there may be others which I have missed, or which arise in any concrete situation. For, we have proposed the establishment of large, comprehensive 'social department stores', operated independently of producer interests, staffed by knowledgeable and informed assistants or retailer-educators, providing relevant information about products and production conditions. Such stores would presumably service substantial areas, and generally provide a focal point for consumption activity and distribution of goods and services. Even if one goes there individually in order to purchase a potentially sharable item, one can be informed of the potential for collective consumption. One can imagine a register being kept of potential collective consumers in one's local area, putting their names on a list that for a certain product, and when there are sufficiently many names, together they purchase the product. One can imagine a similar register of local existing collective ownerships, of which the individual consumer at the local department store can be informed, and potentially join or buy in. One can imagine a large number of efficient and unwasteful collectives being built up in this way, thereby forging connections between neighbours or consumers sharing similar interests — and one can imagine this providing the seed for eventual institutionalised local consumer collectives and local councils which

could form the basis of a participatory democracy. But the trajectory of history is far too uncertain for anyone to predict at this level.

So far we have only been discussing the idea of collective consumption at a small-scale level: the level that includes the greatest number of individual human interactions, and thus has the greatest implications for participatory democracy and power emanating from the grass roots of society. But the very notion suggests the idea that there are some goods which are more appropriate to purchase at a different 'level' to others — in this case, at the 'level' of a small collective or grouping, rather than the individual. It suggests the idea that goods may have a level, or levels of social scale which are appropriate to them — some goods are appropriate for the individual, some for small collectives, some for neighbourhoods, some for suburbs, some for boroughs, some for towns, some for cities, some for states, nations, regions, and so on. Some goods may be appropriate across levels, or between them — for instance a school may serve several small towns, or several suburbs; a hammer drill may serve an individual, or a group of individuals. Real-life situations and institutions rarely fit into neat pre-ordained categorisations. But the idea is that goods are most efficiently and rationally purchased at their proper level; and so there should be institutions, entities, collectives, which exist at all those levels. This is perfectly compatible with a federal approach to society; it would fit in nicely with the federated council structure of a participatory democracy; and indeed the standard model of participatory economics incorporates federated consumption councils.

And it is to larger-scale collective consumption that we now turn.

* * *

1.21 Large-scale collective consumption.

There are many sectors of modern societies which cannot be addressed on a small or individual scale, but which can only be considered globally, on a larger scale. Roads, public transport systems, urban planning, health systems, education systems, the military, social welfare programmes, pensions, unemployment insurance, labour training programmes, employment programmes, energy production, public works, intelligence agencies, environmental protection programmes, regulatory agencies, telecommunications systems, libraries, police departments, wilderness reserves, parks and gardens, community centres, sports grounds and facilities, museums, concert halls, stadiums, and much else, fall under this heading. They are 'consumed', in this larger-scale context, in the sense that they provide goods or services or amenities, or programmes to redress social problems, or provide infrastructure used by people in going about their business. When we talk about 'consuming' such goods, services, amenities, programmes, infrastructure or whatever else, we mean making use of it, as a society — whether people use it (such as using sports facilities), buy it (such as buying telecommunications technology), receive services from it (such as receiving health care), benefit from it (such as benefiting from a clean environment), are paid by it (such as being paid unemployment insurance), or simply appreciate it (such as appreciating public works or gardens). For a large-scale consump-

tion good to be consumed, there does not have to be an individual transaction: indeed public goods often involve externalities that cannot be captured in any local or particular transaction. Of course the details vary widely between different types of collective consumption — as one appreciates, reading the very short sample list above — so we should be careful not to generalise too broadly.

In any case, when we talk about collective consumption in this sense, we mean the carrying on of relatively large scale economic activities for the benefit of relatively large numbers of people. The local park only benefits perhaps a neighbourhood or suburb; the military (supposedly!) protects an entire nation; but both count for the purposes of our discussion. The question is: how does society decide what is to be built, or established, or consumed by the collective?

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1.22 Large-scale collective consumption meets production and allocation.

Note that at the large scale, the lines between consumption, production and allocation are blurred — at least, as we might with our contemporary prejudices understand these terms. For example, if a suburb decides it wants to 'consume' another gymnasium, that means some people will have to establish a new enterprise, a workplace providing services to consumers — it is, in this sense, also a 'production' decision; similarly if a city decides to 'consume' another hospital. In these cases the consumption amounts to the establishment of new workplaces. In a slightly different vein, say if a city decides to 'consume' a new line in its train system, or a state decides to 'consume' another power plant, then the 'consumption' may amount to the establishment of new enterprises, or extensions to old enterprises, or the performance of new projects by other workplaces. Of course, a rational decision-making process should also include input from the production side — the difference in these cases is that the workplaces on the production side may *not yet exist*. On the small scale, the consumer more or less chooses between the different goods or services that producers have to offer; and, as we have discussed, these choices, taken in the aggregate, determine which workplaces produce more or less, where labour time and effort is directed, and what working conditions prevail throughout society. (Of course there are exceptions: consumers do not always just choose passively between different products on offer. Producers may make goods subject to consumer specifications, made to order; transactions can occur with any permutation of relations imaginable. Further, in a democratic society, the consumer is free to be more proactive if they want: by suggesting that other products should be manufactured, or even by attempting production themselves.) On the large scale, the link is even more direct: in deciding on such a large-scale consumption request, the 'consumption' determines not only how much to produce — goods, services, amenities or infrastructure or whatever else — but also, *what the product is to be*. And seen in this sense, the process almost seems to be turned around: whereas for small-scale goods producers generally present an array of goods or services for individuals (or small collectives) to choose between, with respect to large-scale

goods the consumption activity itself presents a need or desire for goods or services or whatever else, for producers now to fulfil.

Of course, consumers do not and should not simply dictate their wishes for large-scale projects, to be performed by obedient workers and producers! Rather, any large-scale consumption activity — indeed, any large-scale activity whatsoever — requires planning, organisation, management and administration. Those who understand the technicalities and details of the project, from experience or knowledge, should certainly have a say in it — as should the consumers and citizens who will benefit from it. Large-scale projects require cooperation between technical experts, workers and consumers. But their interests may not always agree: for instance, experts may have an interest in running the show for themselves; workers have an interest in not having to work as hard; and consumers have an interest in obtaining more services from the project. Even the same person, in their role as a worker and as a consumer, may have conflicting interests. So, the appropriate model for large-scale collective consumption appears to be *negotiation*: discussion, debate, information, about the project; clear understandings of the various interests at stake; and a negotiated outcome balancing all the various legitimate interests. This is, after all, just an expression of how large-scale activities should be undertaken in a democracy.

Not only is the relationship between consumption and production more subtle and the large-scale level; so is the relationship between consumption and allocation. *Acts of consumption also become acts of allocation*. By allocation we mean the process by which the overall resources of society are distributed, between, say, work and leisure, or between various industries, or between consumption and investment, or whatever other possibilities. When a collective performs a large-scale project, it involves the dedication of a large amount of resources. If the project is sufficiently large, then the consumption activity itself could amount to allocating a significant portion of society's total economic wealth and resources. In this way, large-scale consumption cannot really be considered separately from allocation. Of course, one could say that any consumption activity is in some sense an allocation of resources, which is true, but the allocative aspect of an individual small-scale transaction is negligible; only in the large-scale case is the allocation effect of consumption so clear and direct. To engage in a large-scale project might require a large number of workers to shift from elsewhere; it might require a large investment of pre-existing economic resources, plant, reserves, experts and whatever else.

Large-scale collective consumption encompasses much of the infrastructure, services, and programmes most crucial to society. Directed to beneficial ends, it offers up enormous prospects for society: here a society can engage in massive technological, infrastructure, development or welfare projects; here it can direct its resources towards the social good; here it can create a better world, for itself, directly — it can just decide to do it, and make it be done. Large-scale collective consumption is about a vision for society, a direction for society, and the economic processes required to do so. In the developed world, the enormous wealth of societies could be put to almost any imaginable use; almost anything could be achieved. Large-scale economic projects are the flagships of a society,

displaying to the outside world the character of the society and its preferences. And in the case of economic projects affecting the whole of society, consumer participation and citizen participation are essentially the same thing.

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1.23 The present situation and some ideas for responses.

Now, in the present day, at least in democratic nations, the largest-scale collective consumption is usually performed by the state on behalf of citizens; in the last few decades the activities have often become privatised, but the state's authority remains. Activities on a lesser scale can also be performed by performed by governments — whether national, federal, state, county, local or whatever — or by profit-driven private investment and production decisions. Education, health, military, and welfare spending are usually handled by governments — though also increasingly by private corporations. Of course to discuss all of these industries separately involves engaging in extremely broad generalisations; but still it is possible to make some comments.

State involvement in economic projects may become bureaucratic and unresponsive to the needs of individuals, and the state may become dominated by elite interests. On the other hand, corporations involved may *consciously* limit their responsiveness to consumer needs, for corporate interests in profit may override human need and want — and there is even less redress and accountability against a private, undemocratic corporation than against a nominally democratic state. Furthermore, in large-scale projects the sheer size of the project may necessarily result in monopoly or oligopoly for whoever is the operator. In some cases we may see effective planning, public hearings, public information, transparent negotiation between stakeholders, and then implementation — but in many cases the process is much less transparent, much less democratic, much less deliberative, even unilaterally imposed, even concluded secretly, even corrupt. Governments regularly impose their 'collective consumption' decisions on the population, despite the opinions of citizens, often despite a majority against it — this has usually been the case with privatisations, and is regularly the case with levels of funding for education and health. To take an extreme case, the US government, under administrations of both the major parties, has consistently refused the population's demand for a universal health care system such as exists in every other industrialised nation. The process is likely to be dominated by elites, with little or no consumer or citizen participation — at best, a small number of public hearings where concerned citizens may make limited statements for the government's consideration. Participation, instead, is often dominated by corporate producers' interests — or rather, the interests of the *owners and managers* of corporations, rather than producers as workers themselves, whose interests may well be opposed to their owners — as well as technical experts, which will hopefully provide impartial objective information but may be subject to interference from economic or political powers that be, or may have a self-interest in their own role. But these are extremely broad generalisations, and it is unwise to say too much at such an abstract level. In

any particular case the processes can be better or worse, and require its own considerations. It will suffice it to make a few general points.

Note that the interests of consumers, or of citizens generally, in present-day large-scale collective consumption, come into the process only tangentially and as a token gesture towards democracy: the state's will is rarely altered on the basis of an insightful submission to a government committee. If the present-day process is a negotiation, it is a negotiation between corporate elites and state elites, supplemented by experts who are potentially elites too. The overrepresentation of corporate interests, owners of enormous wealth and economic power, surely undermines the democratic nature of the process — and corporate interests are obviously skewed toward their own profit, and in favour of strengthening their own powerful position in the society and economy; at the very least they will defend their current privileged position in the distribution of power and resources throughout society. But inequalities of economic power, and domination by elites in state procedures and institutions for collective consumption, form only half the problem. Not only do consumers and citizens not have a significant say in the process; but also, *there is no institution to represent consumers' interests within the process.*

To be sure, there are consumer advocacy organisations, but these rarely have large membership or the political legitimacy to negotiate with the state on behalf of consumers; the only body which has any potential legitimacy in representing the interest of the citizenry at large is perhaps the democratic state itself; but the contemporary state often fails to do so. Without more democratic participation in the state and its processes, without organised consumption taking place at the level of smaller collectives, and without greater engagement of citizens in social processes generally, the problem may be unavoidable; and in a climate of alienation, apathy, obedience, conformity, insecurity, mistrust and hostility, all the more difficult.

For a rational and democratic approach to collective consumption to occur, the legitimate interests of citizens and consumers — not just corporate elites and the occasional technical expert — must be represented, and not just as a token gesture, but as an institutional part of the process. Any collective consumption institutions — institutions representing consumers, constituted by consumers, for the interests of consumers — which come to exist will have an obvious and proper place in such processes and decisions. A nested federation of councils representing consumers is an ideal such form for collective consumption institutions; but the proper functioning and vitality of such institutions requires widespread and grassroots citizen participation; they cannot be legislated into existence or created from above without obvious risks of degeneration and capture by elites. A more modest possibility is an independent agency charged with the representation of consumers — though it may have issues with democratic legitimacy as well as maintaining independence. But whatever forms come into existence must be created by people themselves in the course of their own affairs; again, we are not writing a blueprint.

The contemporary processes and institutions of collective consumption suffer from a further problem: in addition to being elitist, inherently conservative

and neglecting citizen consumers, they lack versatility, they lack the ability to innovate or to change; they carry incredible institutional inertia. Large-scale economic activities usually involve a particular government agency, body, commission or committee designed to deal with a particular project or type of project. There are specialised departments of health, of social services, of education, and so on. Each individual department or institution is ad hoc and limited in purpose; any significant innovation or change of direction requires the whole machinery to establish a new ad hoc institution from the beginning. There is not a department of collective consumption, which would encompass all of the above, so any new or innovative project is required to jump through institutional hoops: first it must permeate sufficiently through society into the minds and interests of elites; then it must go through the bureaucratic and procedural processes of establishing a body or commission or committee; and then it must survive all the semi-democratic and elite-dominated processes of consultation, government decision-making and legislation; and then, in the present-day context, presumably a process of inefficient and ideologically-driven privatisation. It is a creaky, unwieldy machine; it rarely does the job properly; it rarely does the job acceptably; and it may sometimes not do the job at all.

This leads to outcomes which appear irrational, and are opposed by the bulk of the population. In every country — not just in the developed world — somehow the state always finds enough resources to supply the military and intelligence and security agencies with whatever they desire. In almost every country — not just in the developed world — health and education systems are perennially short of funding, and continually struggle to provide proper care for the health of citizens and the education of students. In the developed world, where social democratic reforms have been achieved, welfare systems are chronically underfunded. But in the developed world, massive state resources are poured elsewhere: to subsidise industries dominated by large corporations, fearful that they will be defeated by foreign competitors; to build new roads and highways while public transport is neglected; to bail out failed privatisation schemes; to bail out workers who suffer when corporations go bankrupt. We also see massive resources, and an increasing share of society's wealth, appearing as corporate profits, where it is immune from democratic control, instead coming under the unilateral control of the undemocratic corporation. In effect, corporate profit is privatised and corporate risk is socialised; industries which generate private profits generate concentrations of power which rival the state itself; corporate power infiltrates state institutions and receives state largesse; while industries which generate social benefits but few profits do not; social benefit is under-resourced and private benefit is over-resourced. This is, we see, merely the natural operation of the system, reflecting the interests of those who dominate it and the processes and institutions through which it operates. If we want to see more rational activities of collective consumption, and a more rational allocation of resources, then decisions must be made reflecting the interests of all those affected; consumption and production and any other interests should have balanced decision-making and negotiating power: this is a basic principle of democracy.

The above also leads us to an important consideration: the state and its agencies, with their bureaucracy, elitism and inertia, may simply fail to engage in certain activities that should occur and would occur, were collective consumption organised more rationally. We may see certain projects that operate tolerably well; we may see certain projects that operate poorly and inefficiently, but at least operate; we may see certain projects that operate horribly and which fail. *But we do not see the projects that never exist*; we cannot be disappointed by projects that do not come to fruition, or never make it to proposals, or never arise at all because all effort and planning is directed into existing, institutionalised channels. At the smaller-scale level, at the very least, ideas that occur can be taken up via private investment. But at the largest-scale level, projects must fit within the rubric of existing state institutions and activities; and if they do not, they will be all the more difficult to implement.

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1.24 The scope of the problem.

We may be inclined not to regard large-scale collective consumption activities in the present day as a serious problem. It is difficult to plan and administrate such large-scale projects; perhaps, we might think, it is better that individuals have less of a say in it; we can elect governments to administrate such projects; it is too large a problem for individual citizens to figure out themselves; the experts, the state, and its agencies, are all better placed. Even if there is some inertia in the institutions, this is not all bad; it should not be so easy to make great shifts in the economy so quickly. So might say one who sees no great problem in collective consumption; and it is all to some extent true.

But to play the problem down is to play down some of the worst social problems in economically developed societies. One of the most obvious insanities in the developed world is the existence of enormous social wealth, while society cannot even provide basic education or medical assistance to its citizens. To play down the problem is to resign oneself to this and other horrendous misallocations and collective consumption decisions. Alongside enormous social wealth, public transport systems are antiquated and neglected and inadequate to serve the general population. Alongside enormous social wealth, social welfare and unemployment insurance fails to cover marginalised and impoverished segments of the population — unemployment being an unavoidable consequence of the present system — and they are taunted in the process. Alongside enormous social wealth, schools are closed down or cannot afford basic supplies. Alongside enormous social wealth, large segments of the population cannot afford adequate medical care. Alongside enormous social wealth, crippling debts owed by the third world are brutally enforced, and foreign aid to impoverished regions of the earth is miniscule. All of these are reflections of the woeful collective consumption situation. They cannot be ignored; they must be redressed.

And it is not enough to elect a social democratic party to government. A social democratic government will, if they are honest, divert greater resources to social programmes and collective consumption to redress the above problems.

But still the processes remain; still elite and corporate interests dominate the decision-making processes of collective consumption; still the natural tendency is to over-resource private benefits and under-resource social programmes, simply reflecting the interests of those engaged in decision-making processes; the institutional structure itself remains. Any gains in funding for such programmes are vulnerable to attack if a neoliberal or conservative government comes to power; and sadly, we have seen in recent decades supposedly social democratic governments themselves roll back social spending and collective consumption. Electing a social democratic government is a stopgap solution; it may ameliorate the situation; but it will not alter the institutions or decision-making procedures themselves. Rather it may simply alter the levels of funding and outcomes; and once established, it must defend itself against political defeat and rollback; and in the process it may betray its own constituency.

Part of the reason social democrats have so betrayed their traditional constituency in the developed world is simply through their capture by neoliberal ideology and the dominance of economic and corporate elites in government and in society generally. But an examination of the social democratic approach to the problem shows that there is another problem as well: one that betrays another serious institutional problem in the current system.

Social democratic governments have faced real issues in maintaining levels of funding in collective consumption in recent decades, not just ideological ones. The cost of certain collective consumption projects and activities have increased — an ageing population for which greater resources must be diverted to provide medical services and pensions, for instance. Of course the cost could easily be borne by wealthy societies, if they chose to: but in the present context this means diverting resources away from existing collective consumption, or increasing taxes, or running social deficits. We here run into macroeconomic issues which are not our concern at present; but we see a part of the problem. In many cases the necessary collective consumption could be obtained by diverting resources away from military spending, or from corporate subsidies, or many other projects whose social benefit is far from clear; but governments of all stripes are committed to these. The system as it is constituted at present means that, if the state wants to relieve the insanity of such socially disastrous outcomes as discussed above, it must abandon programmes dear to elite interests, and battle with them in the process; or it must ask more tax from its citizens; or if it ignores both, it will eventually suffer from an oppressive level of debt. Even the most progressive social democratic government will run into difficulties against all of these options. All of these options are difficult; yet collective consumption through social provision of health and welfare for the population *should* be one of the first priorities of any society. Economic institutions are so arranged in contemporary society that the first priority of a society for the wellbeing of its citizens is one of the most difficult to implement. One may make excuses and talk down the problem; but the problem remains and is acute. Even fabulously wealthy societies cannot properly perform the collective consumption and social spending necessary for the basic wellbeing of their citizens; they have so constituted themselves that it is extremely difficult to achieve.

The problem is not just the wrong outcomes, horrid as they may be. The problem is how outcomes come about; the problem is structural; the problem is institutional. It demands a restructuring; an institutional solution. And it leads us to deep questions at the heart of economics, at the intersection of consumption, allocation and distribution.

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1.25 Collective consumption against taxation and private income; participatory budgeting.

We have noted the situation of the social democratic government: unmanageable deficits and pure reallocations of social spending aside, the choice is between inadequate collective consumption and inadequate provision of social needs, on the one hand, and on the other, increasing taxation. Nobody wants to be taxed, of course; and in nations with adequate social spending for citizens' basic needs, arguably such as the Scandinavian countries, citizens see well over half of their income go to taxation. This is the picture then: by default, income accrues to individuals; collective consumption is inadequate for citizens' needs; in order to rectify the situation, the state must intervene, demand some of that income — in fact a large proportion — as tax, and then spend it. To engage in large-scale collective consumption, one must tax. To satisfy basic needs, one must tax. To allocate resources to society at large, rather than individuals, the state must take it off individuals. Wealth accrues to individuals by default; to divert it to society, the state must cajole them out of it.

To be sure, citizens do not like paying tax; and often with good reasons. Taxation often goes to fund wasteful or unnecessary government programmes. In the presence of vast disparities of income, rarely correlated to hard work or effort, and where the wealthiest are able to evade taxation by various loopholes, one will always feel, correctly, that one is suffering a more oppressive burden of taxation than others. When income is taken out of a pre-existing income, one sees that a large proportion of it is 'taken away' — despite the social reality, it looks as if up to half of what is yours is being taken from you. The psychology of taxation is damaging to the individual citizen; the citizen naturally feels that they must protect their property against the encroachments of the tax office; their self-interest in maintaining 'their' income reinforces conservative politics and a miserly approach to collective consumption and social spending. It encourages a local, parochial, indignant view — it reinforces the perception of an alienated individual, alone and mistrustful against a hostile society, now embodied by a prying tax collector. It inhibits a global view of the situation: one always feels that one has to protect one's own interests first; and this psychology may persist, even if the taxation will help fund social programmes and the social good.

On a global view, on the other hand, one sees that a society in the developed world has vast wealth and resources. No individual works alone; each is part of an enormous, incredible, interconnected web of dependencies and reliance and responsibilities. No person is an island, certainly not in economically developed

societies: every person is so dependent on others, and others dependent on them, that they are bound up inextricably in the same project. Nobody can escape; nobody can extricate themselves from reliance on others and responsibility for others unless they abandon civilization altogether. It is extremely rare that anyone can point to an item, and say — this is mine, and only mine! — for I made it, I provided all the materials and all the effort that went into it, and no other part of society went into it! All production relies on cooperation and intricate supply chains; all production is carried on in common; all economic activity relies on the provision of infrastructure in transport, energy, sanitation and everything else, provided by others and by society; all wealth is built upon the wealth previously amassed by others; everything we have, others worked on, others produced, others laid the foundations for. All our wealth and all our possessions are, in truth, an inheritance from others.

And society must somehow make decisions about what will be produced, consumed, how it will be allocated, and more — the economic part of society must answer all these questions if society is to function. It must decide how much of its resources to expend on health, education, welfare and other necessary collective consumption; it must decide how much of its resources to expend on other social projects; it must decide how much of its resources to provide to individuals as income; it must decide how much of its resources to provide to produce the necessary goods, services, amenities, infrastructure and everything else required. Of course, nobody needs to make all these decisions at once; but systems have to exist by which the required economic activities are carried out and by which society 'collectively decides' the answers to these questions. In such an interconnected society as we see in the contemporary developed world, there is no basis in economic reality for allocating income and resources by default to individuals, to be expended on private goods and services, rather than the provision of services for society at large. (Least of all should resources be allocated by default to individuals with as inequitable an income distribution as we see today!) Furthermore, to the extent that the decision-making process on taxation and spending is undemocratic, the problem is exacerbated. Allocation by default to individuals, and as a correction or afterthought re-allocating to society at large, seems like a recipe for disaster — an institutional recipe for suffering by those in society who are deprived of the benefits of collective consumption, those who fail to receive adequate medical care, education, training, or anything else. Nay, not seems, it *is*, as the present state of affairs attests: the need to tax in order to spend socially, as we have discussed, is a major factor in several terrible social problems.

We may be rightly sceptical of allocating a portion of society's resources by default to the state — especially given its capture by corporate interests and its propensity for corruption, abuse, and brutality through history to the present day. But the state today is large and complex: the viciousness of security agencies, armies and the corruption of politicians are some distance removed from the situation of public hospitals, schools, universities and social security programmes. We do not propose, in any case, that the state have a claim on total income as such. We merely claim that a global approach should be taken to the

provision of goods and services in society. Society ought to consider the potential alternatives, ought to consider the various possibilities for the basic orientation of the economy: in particular, the possibilities for allocating resources to collective consumption in different ways — that is, allocating resources to hospitals, or education, or welfare, or insurance, or whatever else — on the one hand; and private consumption, on the other. There are different balances possible: one may preference private enjoyment and luxury over extensive medical care, or over education; or vice versa. Choosing to divert more resources into social programmes may limit private income and consumption (though there need not always be a strict trade-off; for instance, more resources in hospitals might imply a healthier society which might in turn imply higher productivity and hence higher income overall). There are legitimate competing interests, debates to be had, and decisions to be made. In a rational society, those decisions are made on a democratic basis and in the light of all the facts available. We should surely be able to calculate: if society is to provide X level of medical care (and other collective consumption), then the average income will be approximately Y; if society is to ensure different levels of medical care (and other collective consumption), then the average income will be whatever else. But we never see this; decisions are made ad hoc, as corrections — by taxation — and by a corporate- and elite-dominated state - to a system of private monopolisation of all income and wealth.

Indeed, such considerations lead us squarely to a notion of 'collective income' — not a predetermined portion of society's wealth accruing to the state, but rather resources being allocated globally, without taxation as such, via some process of democratic budgeting. In such a process, the supply of social resources is 'budgeted', allocated between various forms of collective consumption, investment, and private income, by some democratic procedure. An individual does not have an initial income to be taxed — rather income levels are themselves an outcome of decisions made in the budgeting process. Rather than having a parochial and narrow self-interest in minimising tax, individuals participate in the process, have an interest in an equitable arrangement, and along with other citizens acquire knowledge about large-scale economic issues and a responsibility to choose what they believe is the most beneficial outcome. In a sane society, the pool of resources is allocated between collective consumption, along with all other sectors — collective consumption is not an afterthought; funding it is not a hindrance; collective consumption maintains crucial parts of society and should be financed on its own account, not on the taxpayer's account.

In such a process, social spending levels, income levels, and indeed levels of everything else, are decided by a democratic procedure. The details of that procedure is the subject of allocation, which is not our primary interest at present. But the particular form of the process is not crucially important; that it is democratic, and that it balances decision-making power between consumer and producer interests, is important. The procedure could be an iterative planning process; it could be a choice regarding very general aggregate levels achieved by referendum; it could apply down to the level of medium- and small-scale collective consumption, and detailed production levels; it could be a choice between

plans drawn up by experts reflecting the various general possibilities; it could be prescriptive, binding in total, or involve binding targets and mere guidelines; or any combination of the above. (One should think, however, that whatever the procedure, it should not amount only to merely aspirational or exhortatory declarations.) It could involve referenda, nested council procedures, or independent consumer agencies negotiating on behalf of consumers. But whatever the case, in the process nobody is cajoled out of income that was previously theirs; nobody turns over anything to the state; rather society decides for itself where its resources are to go, democratically. It is a more rational solution than taxation.

It follows that a rational and democratic approach to collective consumption runs together with a notion of democratic economic planning. Rationality at this level demands an institutional basis for consumer interests; and democracy at this level demands that the decision-making not be left to unaccountable corporate boardrooms, nor to semi-democratic state committees and bureaucracies, but a participatory, democratic procedure. We are led to a notion of planning — although the level of planning required here is potentially very general, having very little to say about the activities of particular individuals or workplaces. It is true that if society decides that resources are to be transferred from one sector to another, then people will be affected — presumably some workers will need to shift their work from one job to another. This involves the potential for displacement: but of course society can provide retraining programmes and insurance — and further, as we will see, a democratic approach to production leads to the notion of the balanced job complex, a concept which is designed to further democracy and self-fulfilment, but has the fortuitous consequence of smoothing job transitions and hence shifts in economic direction. In any case, we will not at this stage delve too deeply into the details of allocation.

Participatory budgeting — indeed, any move towards greater democracy and participation in collective consumption, allocation and budgeting processes in society — would improve the situation. It would help not only as a remedy; but as a change in the economic institutions and processes of society. It offers the prospect of a lasting solution to the problem, rather than the temporary, vulnerable and treacherous approach of traditional social democratic governments. When implemented, it should allow all relevant interests a say in the decision-making or negotiating process, as all are affected by the overall orientation of the economy — not just producers, not just owners and managers, not just corporate elites, not just technical experts, not just politicians, not just bureaucrats, as today. Any institutions of collective consumption — whether federated consumer councils or anything else — should take part in the process, if the interests of citizens-as-consumers are to be recognised and realised in the outcome.

To be sure, participatory budgeting may seem like a distant prospect for those jaded by the experience of the developed world. It does not help that, in the absence of any concrete institutional examples in existence, the present discussion must be couched in general and abstract terms, with only minimal concrete suggestions possible. The situation may be clarified when we come to

discuss allocation per se. But the goal may be less distant than we think: for experiments in participatory budgeting have already occurred and been successful in recent times in Brazil and India, for instance. It is an achievable goal; perhaps to be implemented first on smaller scales, such as at the neighbourhood and local level, where various implementations and experiments can be made in preparation for larger-scale versions. Participatory budgeting at the small-scale collective level, such as the neighbourhood, suburb, village or town, runs together with small-scale collective consumption, which we have discussed at length previously. Indeed small-scale participatory budgeting is really just a consolidation of small-scale collective consumption, a more comprehensive version. And if there are several small-scale participatory budgeting institutions in place, a consolidation of them forms medium-scale participatory budgeting; and so on. Whatever the course of events, the particular forms by which the ideas of consumer institutions and participatory budgeting could be implemented are countless, and will vary according to circumstances and prevailing political, economic, geographic, cultural and other conditions. But the particular forms are not crucial, and here we cannot provide any blueprints specific to any particular situation. What is important is that the basic institutional processes by which these decisions reflect the interests of all those involved, and are made in global, democratic fashion; only in this way can a society make overall economic decisions for itself in a rational way.

Finally, we should note that proposals along these lines are not just an organisational rejig, but create the possibilities and conditions for a sane economy and a sane society. Participatory budgeting, as an approach to collective consumption, offers the possibility of a much more adaptive, innovative, responsive economy. With a directly democratic approach to collective decision-making, and existing institutional hoops and hurdles and filters removed — as well as the downgrading of entrenched powerful interests — the orientation of the economy can shift in a relatively short time, if society so desires. In the present day, every economy in the world needs to rapidly shift its orientation: the threat of climate change requires an urgent reduction in greenhouse gas emissions, and a major shift to energy production from renewable resources; the economy needs to become a sustainable economy. It can be done, the technology exists, and since a vast majority of the population supports it, participatory budgeting in the present day would lead to immediate massive investment in renewable energy technologies, and their widespread implementation in a short time frame. But with the present system, especially in Australia and the US, we see precisely that entrenched interests from fossil fuel industries dominate government bodies — indeed in the US they *are* the government — that would be responsible for the collective consumption involved in finding and implementing a solution. In addition, of course, these interests block all but the most minimal moves towards sustainable energy, cast doubt on the existence of the problem, sabotage international agreements such as the Kyoto protocol, and attempt to discredit the worldwide scientific consensus. It is no exaggeration to say that as a result of this intransigence, civilization hangs in the balance; not only because of the forthcoming climate catastrophe; but also because we can only hope that by the

time oil runs out, we have edged our way sufficiently towards renewable energy, and found a way out of the impending descent into resource wars, chaos and the abyss. Participatory budgeting and a global approach to collective consumption would provide a rational process by which to find a solution and implement it: a solution which is found through democratic processes involving all affected parties and citizen interest and participation; a solution not procured at the behest of powerful interests; a solution not manipulated by marketing and advertising; a solution not decided upon in secretive boardrooms and obscure committees, but in the open, by the people, for the people.

In a sane economy, the people decide that some new project or investment is necessary — and then it is done. Whatever the institutional forms which implement the idea, the idea itself is simple and obvious — it is a criterion of minimal sanity. There is no need to fiddle with regulatory regimes, or incentives, or public-private partnerships, or privatisations. Rather, the people decide, and it is done. That we cannot yet achieve such minimal standards of economic sanity not only blights our society with injustice; it is also an existential threat to civilization.

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1.26 In conclusion.

We have examined different aspects of consumption at some length, investigated several serious social problems, suggested several potential solutions, as well as strategies and prospects. The considerations are complex and intertwined and I will not repeat them at length here. Suffice to point out the essential institutional innovations suggested: marketing as provision of information to consumers, about products as well as production conditions; the rationalisation of retailing; retailing as consumer education and a 'social department store'; 'social rent' for housing; housing as a 'social hotel'; encouraging small-scale collective consumption; establishing collective consumption institutions; a global approach to collective consumption, involving allocation from the social product as 'collective income', rather than via taxation; consumer/citizen involvement in large-scale collective consumption decisions; and participatory budgeting. All these features are part of the participatory economics model, albeit in a more concrete form, related to the present, derived from initially considering the present. But we obviously have not arrived at a comprehensive set of suggestions yet; it could hardly be otherwise, since we have considered much less than half of all economic issues, and then only superficially. For consumption is certainly no more important than production; and then there are questions of allocation, income distribution, investment, finance, international trade, and many more. But concrete considerations can elaborate abstract models and suggest elaborations, potential weaknesses and alternatives. The range of possibilities for economic organisation, after all, is as vast as the range of possibilities for human interactions and relationships.

We should not expect that the solution to all our economic problems is as easy as thinking about it and immediately convincing all entrenched economic

interests that there is a better way. We should expect that, however simple the strategies, and however clear the solutions may seem, all political change involves struggle over extended periods of time. We do not hope to provide complete solutions; we do not hope to provide blueprints; we hope to provide vision, inspiration, strategies and ideas.

Whenever we consume, we may keep in mind what we are doing, where it fits into society, all the madness that entails, and how the whole system might be brought back to earth, carried on in a rational fashion, in a sane fashion. We might even hope that consumption is an easier entry point to these questions than production: for almost everyone consumes, almost all the time; and whereas production in the present day is tightly controlled by private, undemocratic ownership and management institutions, consumption at least nominally offers individuals free choices. This apparent freedom, manipulated as it is, operating as it is within a system which is an economic madhouse, however, offers an opening: an opening which may be exploited, questioned, challenged, and agitated against until it gives way to reason, until the system recovers its balance, recovers its sanity, and is made truly free.