The Philanthropic Basis of Consumocratic Developments

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Bekkers and Wiepking (2011) have identified eight determinants of philanthropy in a comprehensive literature review, enriching our general understanding of the reasons for which people give. They are, in the chronological order in which they may interact in the process of giving: (1) awareness of need; (2) solicitation; (3) costs and benefits; (4) altruism; (5) reputation; (6) psychological benefits; (7) values; (8) efficacy. This paper is intended to shed some light on such determinants and their link to the likely development of *consumocracy*.

1. A few words on consumocracy

When they act as consumers, citizens are often regarded as the subjects of protective state regulation – potential, manifest, or latent victims of corporate negligence, misrepresentations, price-fixing, and abusive marketing. The status of consumers may

change significantly, though, depending on whether or not the societal value of consumer goods is elicited through markets. Central in this process is the control over the diffusion of societal information on world consumer markets. Its understanding requires an examination of the regulatory regime through which citizens are invited to broaden their notion of a desirable good and exercise new forms of authority over corporations. This regime is said to be *consumocratic*,[1] in contrast with the more self-centered spirit of consumerism.

On a growing number of markets, corporations send to consumers, via a label affixed to a product or other means of 'societal marketing',[2] a signal according to which a code of conduct is being enforced by them or along a given chain of production. The marketing signal can vary in clarity from one chain to another, but it invariably conveys information destined to meet the expectations of consumers who pay heed to non traditional attributes of consumer goods. Among well-known initiatives of societal marketing are dolphin-safe tuna, child labour free, fair-trade, and

[1] Consumocracy (from *consummare* (Lat.), to consume, and *kratos* (Gr.), authority) may be defined as a system soliciting philanthropic, other-regarding dispositions in consumers, allowing them to exert more authority on market enterprises through broadened qualifications of desirable goods.

[2] One may define societal marketing as the marketing of goods or services whereby societal information is signaled to consumers through various means. Societal information in turn pertains to certain conditions or effects observed or to be observed at the stage of production, distribution, or usage of goods, in accordance with the terms of a corporate code.

forestry (eco-)labelling initiatives. All of them require the use of relatively simple signals such as labels to communicate to consumers the expected achievements of relatively complex codes. The cost of altering production processes in the South-Asian carpet industry, for instance, is principally held by consumers willing to pay a premium (about one percent of the market price of carpets) to encourage adult-made textiles and sponsor elementary schools for the children of weavers. This process therefore involves private ressources (time, attention and money) for public purposes.

The consumocratic system marks the development of modern societies in various ways. It effectively solicits rational *and* other-regarding behavior, while ensuring that instrumental reason does not obligatorily take precedence over finalities on the market place.[3] It also provides politically disenchanted consumers the opportunity to exert new authority outside the traditional spheres of consumer influence, generally shaped by a deficient ideology – one under which it is (wrongly) assumed that market mechanisms are inherently guided by the solicitation of consumers' individualistic concerns.

[3] It is meant here that instrumental considerations of efficiency or maximisation constraints do not necessarily eclipse *meaningful ends* such as equitable or protection goals.

We owe to Alfred Marshall the development of the more sophisticated notion of a market more visibly imperfect. It implies a disconnection between individualism and solidarity in the guidance of private markets and the pursuit of the 'public good'. This disconnection is best reflected in the widespread use of the Marshallian notions of 'negative externalities' and 'positive externalities'. Both concepts support the belief that markets are naturally driven by individualistic concerns. Negative externalities (i.e., the socially *undesirable*, *over-produced*, unintended effects of markets) and positive externalities (i.e., the socially *desirable*, *under-produced*, unintended effects of markets) have long founded the economic legitimacy of state interventionism. In the face of such 'market failures', it is generally believed that the virtue of solidarity in regulation matters is the preserve of states' corrective interventions.[4] Under this instrumental view, it is because markets intrinsically 'under-train' workers (a positive externality) and 'over-pollute' (a negative externality) that the state must promote training and discourage polluting, pre-eminently and for the benefit of all. Hence the reinforced myth of a paternalistic state correcting markets that are naturally born selfish.

[4] Such market failures are central in the study of the 'fundamental theorems of welfare economics', which in turn support the contemporary interventionist approach (Bator 1958).

This exclusive approach to the exercise of individualism and solidarity has been the source of an influential assumption. When faced with the failure of solidarity-derived functions (e.g., the functions of reducing environmental pollution, or protecting vulnerable people), social analysts are typically drawn, under it, to invoke the *contingent failure of the protective state*, in contrast with the *necessary failure of the market*. The state would therefore fail in its attempt to prevent or redress the undesirable effects, thus deemed inevitable, of private markets and individualistic logics of action. Such is the central assumption conveyed in the Taylorian critique of modernity.[5]

A similarly deceitful rationale is found in standard economic microanalyses. Under the common wisdom, more informed consumers are in a better position to guide producers towards supplying goods more efficiently – i.e. by supporting a better symbiosis between production capacities and consumers' (traditionally defined) preferences, at relatively low costs. More accurately, it is assumed that more information on products (e.g., on the availability or the placement of commercial goods) should

[5] It is implicit in the suggestion "that the institutions and structures of industrial-technological society severely restrict our choices, that they force societies as well as individuals to give a weight to instrumental reason that in serious moral deliberation we would never do, and which may even be highly destructive. A case in point is our great difficulties in tackling even vital threats to our lives from environmental disasters…" (Taylor 2003: 8).

enhance consumers' satisfaction through reducing the risk that products of identical quality are offered at different prices, at the same time and in the same region, all else being equal. Thus, it is because of a lack of information that a consumer would end up buying such an identical product at a higher price.

2. On the determinants of consumocratic action

In a non-consumocratic regime, traditional type information circulates through channels of consumption for the purpose of satisfying a demand for desirable goods. This information is typically confused with traditionally defined attributes as to what is a desirable consumer good – i.e., a fairly safe, accessible, and (more or less) affordable product of good quality and repute. It is also widely publicised; the market place is inundated with marketing slogans and images evoking the desirability of products thus defined. Such information has largely solicited *individualistic* consumer reflexes. In the absence of more elaborate and accessible representations of consumer goods, it is in fact in relation to oneself, as a general rule, that a consumer good is showing attributes of desirability. A better price, better quality, guarantee of safety, proximity of the product to the consumer, a more refined design, prestige, better after-market customer service and other information of this sort contribute to promoting the idea that the

desirability of a product is not defined in relation to others (e.g., workers, eco-systems, or future generations), but simply in relation to oneself.

The architecture of this informational structure is accordingly inspired by a deceptive spirit; it suggests that expressing non-individualistic concerns through markets is a peculiar or implausible phenomenon. Informational walls, no doubt, occupy a central place in the motivational foundations of commodity markets. But they do not pose insurmountable obstacles. If one is to develop plausible means of safeguarding against the exclusive appeal to individualistic drives, 'information windows' between the spheres of production and consumption provide the essential element. Consumers invited to pay attention to both the final and peripheral attributes of goods may not, as a result, act solely in accordance with their own interests, but also in accordance with the interests of others – or, from a psychological point of view, according to the value given to the consideration of others' interests.

Four types of 'other-regarding behaviour' may be elicited through this rapprochement between the spheres of production and consumption.[6]

The first type characterises consumers as motivated by sympathetic feelings towards wage-earners, vulnerable beings, or future generations. These feelings are sufficient to such consumers to develop an ethical approach to buying, independent of the presence or absence of other mechanisms of justification; in the end, they create their own norm which eventually may or may not be observed by others. These non-individualistic feelings rest perhaps more generally on the altruistic trait that is widely shared among humans. In support of a naturalistic vision of this phenomenon, one may note that this trait is present even among other animal species.[7] The normative 'golden rule', for instance, must have first been formulated and relied upon by some philosophical leader.[8]

[6] The suggested categorization of other-regarding behaviour is based on an earlier one (Dumas 2003) to which the 'spirit of admonitory justice' was added, following my own observations of militant-like behaviour.

[7] "Only on the basis of sympathy does food sharing [among chimpanzees] become possible. As opposed to the inequality principle, this bud of mentality is oriented toward some social system based on the equality principle" (Itani 1988: 149). See also de Waal (1992), who cites Itani.

[8] 'Do unto others as you would have them do unto you', Matthew [7:12]. The opposite formulation of such rule is often attributed to George Bernard Shaw: "Do not do unto others as you would that they should do unto you. Their tastes may not be the same".

A second type characterises consumers as motivated by a sense of duty. This duty is hardly influenced at all by the culminative outcomes of an individual purchase made as a result of an enlightened choice. Rather, its source is more akin to that which motivates many voters and which consists in anticipating theoretically what the likely results would be if everyone acted in the same fashion (in voting or not voting, in supporting or not supporting a consumocratic system). Following Kant, this duty can be assimilated to a *categorical imperative*[9] to the extent that it does not respond inevitably to utilitarian reasoning (Russel 1972: 710-711).

A third type characterises consumers as motivated by the effects of already-established or emerging norms of conditionality.[10] An example of this type would consist in describing the behaviour of consumers who desire to express their altruism on the condition that a critical mass of consumers are doing the same.[11] This

[9] One may recall Kant's categorical imperative: "Act only according to a maxim through which you can at the same time will that it become a universal law" or "Act as if the maxim of your action were to become through your will a general natural law" (2002: 37).

[10] See among others Elster (1989: 113) on norms of conditionality and, although the author does not make a point of distinguishing between self-regarding and other-regarding behaviour in the discussion, Bicchieri (2006).

[11] One may here refer to the rich literature on the (ir)rationality of voters (see, e.g. the classical study of Riker and Ordeshook 1968). Utilitarian voters and consumocrats may value the very process of voting and of 'buying responsibly' as much as the civil projects that lie behind such processes. It is otherwise more difficult to explain why (1) voters would apparently wait in line to simply add one vote into a national election machinery

egalitarian norm is obviously not without its ties to objectives of efficiency and, more generally, a utilitarian perspective. Utilitarian people must be aware that if the fate of a national election were to hinge on a single vote – not to even consider controversies surrounding rejected ballots – a new election would be called in response. The culmination outcome of their action, in such a decisive and critical case, would inevitably wind up in a cul-de-sac. In these conditions, utilitarian voters do not only value the culmination outcomes of their action, but also the very fact of exercising their right to vote.[12] It is further noted that interest in exercising one's right to vote is inextricably attached to a civil project, either supportive or oppositional. Utilitarian voters typically refer to culmination results when it comes to justifying their going to vote. Culmination outcomes envisaged by voters (e.g., supporting a certain political program or ideology) are used to justify their vote. Voters wish to 'win' their election, or 'object' to a political project, but it is difficult for them to explain how, in effect, their individual vote will 'make a difference' and significantly contribute to the ultimate outcome. The

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and why (2) consumers would spend 'extra time' or 'extra money' when shopping individually. See also Sen (1997) on the role of the choice act in maximizing behaviour.

[12] The act of voting is arguably the most powerful symbol of living democracies and, were it to fade away, it would most likely be rehabilitated, paradoxically, by an obligation to vote imposed by the state. Australia and Belgium, among other states, have made voting a legal duty.

internalization of the civil duty to vote, and the valuation of this democratic necessity, is often strong enough to induce voters to speak of culmination outcomes as their principal motivational force. Consumocrats may adopt a similar logic in this regard. Because there is a societal value attached to a product subject to societal marketing, a 'child labour free' carpet for sale is not simply a carpet for sale. It is also an idea of, and a commitment to, fairness; societal marketing thus opens a door to the terrain of civil action. In this context, consumocrats may justify their ethical buying by referring to some socially desirable outcome (e.g., the elimination of child labour). Nonetheless, rational consumocrats must be aware of the inevitable dilution of the instrumental effect of their purchasing decisions in the sea of sales. An ethical appeal, more or less internalised under the form of a social duty, ought to drive such pro-active consumers. For they must here value the process of ethical buying as much as the desired culmination outcome – e.g., the making of carpets by fairly paid adults, not by young bonded labourers. Utilitarian voters and consumocrats accordingly value the process of voting and of 'buying responsibly' as much as the civil projects that lie behind such processes. This is why one may anticipate participation levels in consumocratic activity to approach or mirror those of traditional democratic activity (Dumas 2013). Similar norms of conditionality

could exert a positive and approving social pressure on 'other-regarding' types of consumer action and, as a corollary, a negative and disapproving social pressure on more egoistic patterns of behaviour.[13]

A fourth type characterises consumers as motivated by a spirit of admonitory justice. This means that people may value the sending of disapproving signs to 'abusers' (or the sending of signs of approval to 'non-abusers') at least as much as the expression of sympathy towards the 'abused'. The diffusion of process and peripheral information to consumers does provide them with the possibility to express their unease in a context often marked by feelings of powerlessness in the face of corporate or 'tutelary power'. For the firms involved on a competitive market, such warnings and approvals, as market signals deriving from any other type of consumocratic behaviour, generally result in increased or decreased market share.[14]

[13] Some people indeed find interest in combining more directly reputational effects with the value that is socially attached to the act of voting or buying responsibly; they are openly proud of having voted, or showing their latest fairly traded item. This normative process is also advanced to explain how, by the valorization of individual reputations, a working community can be driven to gradually eliminate certain corrupt practices (Lopez-Guerra 2000).

[14] In all cases, consumocratic influence may be underestimated as few firms can afford to lose a significant portion of their market share (Dumas 2006a: 5).

These can certainly overlap to a variable extent. One essential attribute that all four types share, however, is their attachment to a predefined project involving, as a general rule, the protection of vulnerable people or things. It is a predefined other-regarding project sanctioned at the individual level – an 'individualized collective action'.[15] As such, it does not 'draw the individual towards himself' or render him 'less concerned with others or society', but rather invites the individual to inject 'meaning' into the socket of the liberal order itself. It does not destroy 'horizons of significance', but instead gives rise to an ethical background against which an otherwise purely individual act acquires societal value. It does not encourage 'soft-relativism' either, but offers an ordering of values in which the sense of indifference is posited below that of responsibility, prior to choice. The malaise of individualism therefore does not typify the spirit of a consumocratic order.

[15] This expression is borrowed from Micheletti (2003).