

## Consumers and Consumption in the Modern Economy

### Set Essay Topic 1: Changes in Retailing, Consumers' Interests

In what ways did the main changes in retailing in Western countries, particularly Australia, benefit consumers during the 20<sup>th</sup> century?

Retailing was traditionally a sector dominated by a myriad of small firms. During the 20<sup>th</sup> century, a major trend in retailing has been the increase of the scale of retail outlets, and consequently the growing domination of supermarket chains owned by companies that also own other chains of discount stores and department stores. For instance, in Australia, the Woolworths and Coles-Meyer groups dominate the retail sector by far. The Coles-Meyer group, for example, comprises not only the Coles supermarkets, but also Bi-Lo, Kmart, Target, Meyer/Grace Brothers, Liquorland, Fosseys etc. How did this concentration come about? You would normally expect a duopoly to form a threat to the interests of consumers. Still, in retailing that is not the general perception of consumers. Why not? So, in what ways did the changes in retailing (ie. the techniques of retailing on the shopfloor and the organisation of the retail sector) change and how did it benefit consumers?

#### Some suggested reading (check library catalogues, bibliographies and internet for more):

- Alexander, N. and G. Akehurst (eds.) (1999) *The Emergence of Modern Retailing, 1750-1950*. London: Frank Cass. Chifley HF5429.E455 (special issue of *Business History*)
- Bowlby, R. (2001) *Carried away: The invention of modern shopping*. (New York: Columbia University Press).
- Benson, John (1994) 'Shopping' in *The Rise of Consumer Society in Britain, 1880-1980*. (London: Longman) pp.59-81. Chifley HN385.B46
- CAB (1963) 'The Merchandising Revolution' [in Australia], *Current Affairs Bulletin*, 31, No.11, pp.163-178.
- CAB (1972) 'Shopping Centres' [in Australia], *Current Affairs Bulletin*, 40, No.2, pp.19-32.
- Cundiff, E.W. (1988) 'The Evolution of Retailing Institutions across Cultures' in T. Nevett and R.A. Fullerton (eds.) *Historical Perspectives in Marketing*. (Lexington: Lexington Books) pp.149-162. Davis, D. (1966) *A History of Shopping*. (London: Routledge & Kegan Paul) chapter 13. Chifley HF5349.G7.D3
- De Grazia, V. (1998) 'Changing Consumption Regimes in Europe, 1930-1970: Comparative Perspectives on the Distribution Problem' in S. Strasser *et al.* (eds.) *Getting and Spending: European and American Consumer Societies in the 20<sup>th</sup> Century*. (Washington DC: Cambridge UP) pp.59-83. Chifley HC110.C6G48
- Ferry, J.W. (1960) *A History of the Department Store*. New York: Macmillan. Chifley HF5461.F4
- Gardner, C. and J. Sheppard (1989) *Consuming Passion: The Rise of Retail Culture*. London: Unwin Hyman. Chifley HF5429.6.G7G37
- Humphery, K. (1998) *Shelf Life: Supermarkets and the Changing Cultures of Consumption*. (Melbourne: Cambridge UP) especially chapters 1 and 2. Chifley HF5469.23.A8H86
- Jefferys, J.B. and D. Knee (1962) *Retailing in Europe: Present Structure and Future Trends*. London: Macmillan. Chifley HF5349.E9.J4
- Johnston, A. *et al.* (2000) 'Productivity in Australia's Wholesale and Retail Trade.' *Productivity Commission Staff Research Paper*. Melbourne: Productivity Commission.  
<http://www.pc.gov.au/research/staffres/wholesaleretail/wholesaleretail.pdf>
- Kingston, B. (1994) *Basket, Bag and Trolley: A History of Shopping in Australia*. Melbourne: Oxford UP. Chifley HF5429.6.A8K56

- Kotler, P. (1988) 'The Convenience Store: Past Developments and Future Prospects' in T. Nevett and R.A. Fullerton (eds.) *Historical Perspectives in Marketing*. (Lexington: Lexington Books) pp.163-175.
- Leach, W. (1993) *Land of Desire: Merchants, Power, and the Rise of New American Culture*. New York: Pantheon. Chifley HF5465.U5L4
- Lancaster, W. (1995) *The Department Store: A Social History*. London: Leicester UP. Chifley HF5465.G73L36
- Mahoney, T. and L. Sloane (1966) *The Great Merchants: America's Foremost Retail Institutions and the People Who Made Them Great*. New York: Harper and Row. Chifley HF5429.M288
- Pasdermajian, H. (1954) *The Department Store: Its Origins, Evolution and Economics*. London: Newman Books. Chifley: HF5461.P18
- Pritchard, W.N. (2000) 'Beyond the modern supermarket: Geographical approaches to the analysis of contemporary Australian retail restructuring', *Australian Geographical Studies*, 38, No.2, pp.204-218.
- Reekie, G. (1993) *Temptations: Sex, Selling and the Department Store*. St.Leonards: Allen & Unwin. Chifley HF5463.T46
- Seth, A. and G. Randall (1999) *The Grocers: The Rise and Rise of the Supermarket Chains*. London: Kogan Page. Chifley HF5469.S48
- Sparks, L. (1993) 'The Rise and Fall of Mass Marketing? Food Retailing in Great Britain since 1960' in R.S. Tedlow and G. Jones (eds.) *The Rise and Fall of Mass Marketing*. (London: Routledge) pp.58-92 Chifley HF5411.R57
- Strasser, S. (1989) *Satisfaction Guaranteed: The Making of the American Mass Market*. New York: Pantheon Books. Chifley HF5813.U6S79
- Treadgold, A. (1996) 'Food Retailing in Australia: Three Retailers, Three Strategies', *International Journal of Retail & Distribution Management*, 24, No.8, pp.6-16.
- Zimmerman, M.M. (1955) *The Supermarket: A Revolution in Distribution*. New York: McGraw-Hill. Chifley HF5472.U6.Z48

Don't forget the chapters by Cundiff and Jeremy in the course reader. Marketing and consumer behaviour textbooks will have sections relevant to this topic!

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### Set Essay Topic 2: Consumer durables and the emancipation of women

Did the increasing consumption of household durables contribute to the emancipation of women during the 20<sup>th</sup> century?

Benson (1994) wrote: 'While increased consumption offered women new economic power and opportunities for enhanced social status, it did so within the limits that reinforced their traditional conventional role - advance but not emancipation.' Explain in your essay why you agree or disagree with this statement. It is possible to disagree, because one would think that increasing consumption, particularly of a greater range of consumer durables, has actually reduced women's conventional role in the household, particularly since World War II. For one thing, the female labour force participation rate has increased dramatically, which must have reduced and changed the average time women spent in the household.

#### Some suggested reading (check library catalogues, bibliographies and internet for more):

- Benson, J. (1994) 'Emancipation of women?' in *The Rise of Consumer Society in Britain, 1880-1980*. (London: Longman) chapter 8. Chifley HN385.B46
- Bittman, M. (1992) *Juggling time: How Australian families use time. A report on the secondary analysis of the 1987 pilot survey of time use*. Canberra: AGPS. Chifley HD6060.65.A8B58 (The 1992 and 1997 Australian time use surveys are available from the ABS website).
- Blau, F.D. and M.A. Ferber (1992) *The Economics of Women, Men and Work*. (Englewood Cliffs: Prentice Hall) especially chapter 2. Chifley HQ1426.B62
- Boss, C. and P. Bereano (1984) 'Household technology and the social construction of housework', *Technology and Culture*, 25, pp.53-82.
- Bowden, S. and A. Offer (1994) 'Household Appliances and the Use of Time: The United States and Britain since the 1920s', *Economic History Review*, 47, pp.725-748. (Article in the brick, check the listed sources)
- Bowden, S. and A. Offer (1996) 'The Technological Revolution That Never Was: Gender, Class, and the Diffusion of Household Appliances in Interwar England' in V. de Grazia and E. Furlough (ed.) *The Sex of Things: Gender and Consumption in Historical Perspective*. (Berkeley: University of California Press) pp.244-274. Chifley HF5415.32.S49
- Cowan, R. (1976) 'The industrial revolution in the home: Household technology and social change in the 20<sup>th</sup> century', *Technology and Culture*, 17, pp.1-23. (see also other contributions in this journal issue)
- Cowan, R. S. (1983) *More Work for Mother: The Ironies of Household Technology from the Open Hearth to the Microwave*. New York: Basic Books. Hancock TX23.C64
- Lees, S. and J. Senyard (1987) 'Give Your Man Meat' in *The 1950s ... How Australia Became A Modern Society, and Everyone Got A House and Car*. (Melbourne: Hyland House) pp.74-94. Chifley DU105.L43
- Hardyment, C. (1988) 'The Domestic Mystique' in *From Mangle to Microwave: The Mechanization of Household Work*. (Cambridge: Polity Press) pp.177-199. Hancock TX298.H37
- Hartmann, H.I. (1987) 'Changes in Women's Economic and Family Roles in Post-World War II United States' in L. Beneria, and C.R. Stimpson (eds.) *Women, Households and the Economy*. (New Brunswick: Rutgers State UP) pp.33-64. Chifley HD6060.65.U5W65
- Ironmonger, D.S. (ed.) (1989) *Households Work: Productive Activities, Women and Income in the Household Economy*. (Sydney: Allen & Unwin). Chifley HD6073.H842A85

- Lorance, L. (1998) 'Promises, Promises: The Allure of Household Appliances in the 1920s', *PART; A Journal of Art Histories and Visuality*, 3. <http://brickhaus.com/amoore/magazine/house.html> (accessed 13 November 2001)
- Mokyr, J. (2000) 'Why "More Work for Mother?" Knowledge and Household Behavior 1870-1945', *The Journal of Economic History*, 60, pp.1-41.
- Morris, L. (1990) *The Workings of the Household: A US-UK Comparison*. (Cambridge: Polity Press) especially chapters 4 and 5. Chifley HD5724.M667
- Rothshield, J. (1983) 'Technology, housework, and women's liberation: A theoretical analysis', in J. Rothschild (ed.) *Machina ex Dea: Feminist Perspectives on Technology*. (New York: Pergamon) pp.79-98. Hancock T14.5.M3
- Snooks, G.D. (1994) *Portrait of the Family within the Total Economy: A Study in Longrun Dynamics, Australia 1788-1990*. (Melbourne: Cambridge UP) especially chapters 3-5.
- Strasser, S. (1982) *Never Done: A History of American Housework*. New York: Pantheon. Hancock TX23.S77
- Thomas, G. and Zmorczek (1985) 'Household technology: The liberation of women from the home?', in P. Close and R.Collins (ed.) *Family and Economy in Modern Society*. (Basingstoke: Macmillan) pp.... ANL 306.85 F198

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### Set Essay Topic 3: Cars and life style

How did the increasing expenditure on cars change the style of life in Western societies, particularly in Australia, during the 20<sup>th</sup> century?

Today, life without cars is almost unthinkable. Most of us have grown up in a world filled with cars. Cars are one of the first durables Australians purchase when reaching adulthood. Still, the first cars were not seen in Australia until 1902, and it took until after World War I before people started to purchase cars in significant numbers. The lectures in several instances indicated that greater mobility as a consequence of increasing penetration rate of the car facilitated a range of changes in consumption patterns. Why did people take to cars to the extent that they have almost become necessities? Was it advertising, convenience, falling prices, increasing affluence, or the car as a status symbol? Didn't car owners realise the demands on public infrastructure and the pollution that increasing car use would cause?

#### Some suggested reading (check library catalogues, bibliographies and internet for more):

- Bardou, J.P. *et al.* (1982) *The Automobile Revolution: The Impact of An Industry*. Chapel Hill: University of North Carolina Press. Chifley HE5613.R4213
- Brendon, P. *The Motoring Century: The Story of the Royal Automobile Club*. London: Bloomsbury. Hancock TL57.B74 (About the situation in the UK)
- CAB (1965) 'The Australian Motor Industry', *Current Affairs Bulletin*, 35, No.9, pp.130-144.
- Conlon, R. and J. Perkins (2001) *Wheels and Deals: The Motor Vehicle Industry in 20<sup>th</sup> Century Australia*. London: Ashgate. (Various sections on demand for cars)
- Flink, J.J. (1975) *The Car Culture*. Cambridge: MIT Press. Hancock TL23.F572
- Flink, J.J. (1988) *The Automobile Age*. Cambridge: MIT Press. Hancock TL23.F5713
- Hartnett, L. (1975) 'Crisis in the Motor Industry', *Current Affairs Bulletin*, 52, No.6, pp.4-15.
- Loffler, D. (1998) *She Is A Beauty! The Story of the First Holdens*. Kent Town: Wakefield Press. Hancock TL215.H6L64
- Perkin, H. (1976) *The Age of the Automobile*. London: Quartet Books. Hancock TL145.P47
- Rae, J.B. (1969) *The American Automobile Industry: A Brief History*. Chicago: University of Chicago Press. Chifley HD9710.U52.R29
- Robins, P. (1983) 'Motor Vehicles' in *The Australian Encyclopaedia, Vol.7*. (Terrey Hills: Australian Geographic) pp.49-52.
- Spearritt, P. (1988) 'Cars for the People' in A. Curthoys *et al.* (eds.) *Australians from 1939*. (Sydney: Fairfax, Syme & Welson Ass.) pp.119-131. Chifley large book DU110.A87[v.5] (Don't forget to check the sources mentioned for this chapter at the back of this book)
- Stubbs, P. (1972) *The Australian Motor Industry: A Study in Protection and Growth*. Melbourne: Cheshire. Chifley HD9710.A82.S7
- Thoms, D. *et al.* (1998) *The Motor Car and Popular Culture in the 20<sup>th</sup> Century*. Sydney: Ashgate. (Particularly chapters 1, 3, 12 and 18)
- Also check: *Motor Vehicles in Australia*, ABS 9311.0

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### Set Essay Topic 4: Consumer protection in Australia

Did Australian consumers really need the protection that has been extended to them through various pieces of legislation during the 20<sup>th</sup> century?

Economists tend to be optimistic about the role of consumers in economies. To them, the phrase *caveat emptor* (let the buyer beware) sums up the power consumers have *vis-à-vis* producers and sellers. They postulate that consumers are ultimately responsible for bad purchases and will draw lessons from bad experiences by withholding their custom. This is what is called 'consumer sovereignty'. Still, over time, Australian state and federal governments have extended forms of protection to consumers through various pieces of legislation. Does that mean that 'consumer sovereignty' does not exist, or does it suggest that the legislation superfluous? In start terms, would consumers be disadvantaged if the 1974 Trade Practices Act no longer restricted producers and suppliers and the Australian the Australian Competition and Consumer Commission stopped policing the Act?

#### Some suggested reading (check library catalogues, bibliographies and internet for more):

- Borrie, G. and A.L. Diamond (1981) *The Consumer, Society and the Law*. Harmondsworth: Penguin. Law Library KN284.B67 (On the situation in the UK, some history relevant to Australia)
- Bowen, J. (1993) *The Complete Consumer: The Choice/Investigators Practical Guide to Your Consumer Rights*. Sydney: ABC Books. Law Library KN284.B69
- Fulop, C. (1967) *Consumers in the Market*. London: Institute of Economic Affairs. Chifley HC260.C6.F8
- Goldring, J.L. (1998) *Consumer Protection Law*. Sydney: Federation Press. Law Library KN284.G64
- Hurley, A. and G. Wiffen (1999) *Outline of Trade Practices and Consumer Protection Law*. Sydney: Butterworths. Law Library KN266.H87
- Layton, R.A. and G.Holmes (1974) 'Consumerism – A Passing Malaise or A Continuing Expression of Social Concern?', *Australian Quarterly*, 46, No.2, pp.6-25.
- Mayer, R.N. (1989) *The Consumer Movement: Guardians of the Marketplace*. Boston: Twayne. Chifley HC110.C63M38 (History of consumer protection in the USA)
- Morgan, F.W. and K.A. Boedecker (1996) 'A Historical View of Strict Liability for Product Related Injuries', *Journal of Macromarketing*, 16, No.1, pp.103-117. Chifley 6HF5001.J598
- Sassatelli, R. (1995) 'Power Balance in the Consumption Sphere: Reconsidering Consumer Protection Organizations.' *EUI Working Paper SPS No.95/5*. Florence: European University Institute. Chifley pamphlet HC79.C63S277 (History of consumer protection legislation)
- Wilson, W.A. (1977) 'Consumerism and the Law' in I.R.C. Hurst and W. Duncan Reekie (eds.) *The Consumer Society*. (London: Tavistock) pp.129-143.
- Goldring, J. et al. (1998) *Consumer Protection Law*. Sydney: The Federation Press. Law Library KN284.G64
- 'The global enforcement challenge: The enforcement of consumer protection laws in a global marketplace.' ACCC document, see: <http://www.accc.gov.au/consumer/fs-consumer.htm>

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### Set Essay Topic 5: Credit cards: Is the plastic fantastic?

Credit cards were only introduced in Australia in 1974, although they had been around much longer in the United States. Diffusion of the cards was initially slow, but it accelerated during the 1990s. Almost everybody now has a credit card or is able to obtain one. What factors determined the diffusion of the credit card? Did credit cards add convenience or misery to the lives of consumers? You will find that a reason for the increasing use of the credit card is that it provides easy access to credit, especially for low-income households whose access to formal credit was otherwise restricted. Consequently, an increasing number of people, though not all low-income earners, have accumulated debts and are facing difficulties in servicing these debts. Debt problems are of course nothing new. However, some analysts have argued that increasingly easy access to credit has increased misery in the lives of many. Would that be true? Would the increased convenience for most outweigh the increased misery caused by indebtedness experienced by some?

#### Some suggested reading (check library catalogues, bibliographies and internet for more):

- Barty-King, H. (1991) *The Worst Poverty: A History of Debt and Credit*. (Wolfeboro Falls: Allen Sutton) chapter 7. Chifley HG3756.G7B37
- Clare, R. et al. (1989) 'Trends in Household Debt and Assets.' *EPAC Council Paper No.40*. Canberra: Economic Planning Advisory Council. Chifley HC8.C67 no.40
- Durkin, Th.A. (2000) 'Credit Cards: Use and Consumer Attitudes 1970-2000', *US Federal Reserve Bulletin*, September 2000, pp.623-634.
- Evans, D.S. and R. Schmalensee (2000) *Paying with Plastic: The Digital Revolution in Buying and Borrowing*. Cambridge (Mass.): MIT Press.
- Gelpi, R.M. and Julien-Labruyère (2000) *The History of Consumer Credit: Doctrines and Practices*. London: Macmillan. Chifley HG3755.G413 (Chapters 8-10)
- Goldring, J. et al. (1998) 'Consumer Credit' in *Consumer Protection Law*. (Sydney: The Federation Press) pp.307-353. Law Library KN284.G64
- Griffiths, M. (2000) 'The Sustainability of Consumer Credit Growth in Late 20<sup>th</sup> Century Australia', *Journal of Consumer Studies & Home Economics*, 24, No.1, pp.23-33.
- Holden, A. and J. Sheppard (1999) *Life after Debt*. Pymble: HarperCollins. ANL N 332.02402 H726
- Horne, J. (1984) *The Diffusion of Financial Innovation: Bankcard in Australia*. Parkville: University of Melbourne, Dept. of Economics.
- Mandell, L. (1990) *The Credit Card Industry: A History*. Boston: Twayne Publishers.
- Manning, R. (2000) *Credit Card Nation: The Consequences of America's Addiction to Credit*. New York: Basic Books. See: <http://www.creditcardnation.com/Free/website/www/>
- PSA (1992) *Inquiry into Credit Card Interest Rates, 15 October 1992*. Melbourne: Prices Surveillance Authority. ANL Nq 332.7650994 A938

- Roberts, M. (1991) *The Credit Trap: Help for the Financially Over-Committed*. Carlton: McCulloch. Law Library HG3756.A8R63
- Plympton, A. and J. Howe (1989) 'Economic and Social Implications of Consumer Debt.' *EPAC Council Paper No.37*. Canberra: Economic Planning Advisory Council. Chifley HC8.C67 no.37
- RBA (1999) 'Consumer Credit and Household Finances', *Reserve Bank of Australia Bulletin*, June 1999, pp.11-17.
- Rowlingson, K. (1994) *Paying with Plastic: A Study of Credit Card Debt*. London: Policy Studies Institute. Chifley serial HC4.P56 no.750.
- Ryan, M. (1996) *Social Work and Debt Problems*. Aldershot: Avebury. ANL NL 332.02020994 R989
- Visa/KPMG (2001) 'Australians Responsible with Their Credit Cards', *Visa News Release* (10 July 2001), <http://www.visa.com.au> (go to Visa's media center to locate this press statement, or see <http://www.visa.com.au/av/main.html#reports> for the full report).
- Worthington, S. (1992) 'Plastic Cards and Consumer Credit', *International Journal of Retail & Distribution Management*, 20, No.7.

Check eg. the ACCC and Credit Code (<http://www.creditcode.gov.au>) websites.

Regarding credit card statistics, the Reserve Bank collects and publishes them. See: <http://www.rba.gov.au/Statistics/Bulletin/index.html>, particularly Tables C.1-C.3.

In addition, check:

[http://www.rba.gov.au/PaymentsSystem/AustralianPaymentsSystem/all\\_banks\\_transaction\\_cards.xls](http://www.rba.gov.au/PaymentsSystem/AustralianPaymentsSystem/all_banks_transaction_cards.xls) and [http://www.rba.gov.au/PublicationsAndResearch/Occasional\\_Papers\\_And\\_Other\\_Publications/Interchange\\_Fees\\_Study.pdf](http://www.rba.gov.au/PublicationsAndResearch/Occasional_Papers_And_Other_Publications/Interchange_Fees_Study.pdf)

## Consumers and Consumption in the Modern Economy

### Set Essay Topic 6: 1.2 billion consumers in China

Can foreign companies assume that China has 1.2 billion consumers?

The fanfare that accompanied a visit to Australia by President Jiang of China in 1999 was partly inspired by the hope that Australian enterprise will be in a good position to take advantage of China's growing commercial power. China's rapidly growing economy is expected to spur demand for a wide range of consumer products that China does not produce itself and will have to import. China's economy has been described as '1.2 billion consumers' (see eg. *The Economist*, 2 January 1999). But is that true? China's economy may be growing rapidly, but from a low base. Average income is still low compared to developed countries. It will take a very long time before China's average income will have caught up with the 'West', and for consumption to reach the current levels in developed countries. Assuming of course, that economic growth can be sustained and consumption patterns in China will resemble those in 'Western' countries. Hence, isn't the characterisation of China as a country with 1.2 billion consumers misleading?

#### Some suggested reading (check library catalogues, bibliographies and internet for more):

- China Online (2001) *Consumer Lifestyles: China*. <http://estore.chinaonline.com/consumergoods.html> or [http://www.chinaonline.com/estoreNew/Consumer\\_Goods/EMI020\\_TOC.pdf](http://www.chinaonline.com/estoreNew/Consumer_Goods/EMI020_TOC.pdf)
- Davis, D. (ed.) (2000) *The Consumer Revolution in Urban China*. Berkeley: University of California Press. ANL S 951.005 STU 22
- Euromonitor (1998) 'China' in *Consumer Asia 1998*. (London: Euromonitor) chapter 4.
- Euromonitor (2001) *Consumer China 2001*. London: Euromonitor.
- Geng Cui (2001) 'Emerging market segments in a transitional economy: A study of urban consumers in China', *Journal of International Marketing*, 9, No.1, pp.84-
- Ho Suk-ching (2001) 'Growing consumer power in China: Some lessons for managers', *Journal of International Marketing*, 9, No.1, pp.64-83
- Lee, H. (1994) *Profile of China Markets: Complete Market Data on Spending Patterns of 1.1 Billion Consumers in China*. Vancouver: Hercules.
- Levy, G.R. (1996) *Consumer Marketing in China: Chasing Billions, Catching Millions*. London: Economist Intelligence Unit.
- Li Conghua (1998) *China: The Consumer Revolution*. New York: John Wiley. Chifley HC430.C6L48
- Hooper, B. (1998) 'Keeping up with the Wangs: Consuming Desires in Post-Mao China', *The Asia-Pacific Magazine*, No.9/10, pp.17-22.
- Palsa, P. and Hong Bai Chang (1998) 'The People's Republic of China: Markets within the Market' in A. Pecotich and C.J. Schultz (eds.) *Marketing and Consumer Behaviour in East and South East Asia* (Sydney: McGraw-Hill) chapter 4.
- Qin Xianwen (1993) 'China's Market Potential: Opportunities for New Zealand's Exporters', *Marketing Bulletin*, <http://marketing-bulletin.massey.ac.nz/author/qin.asp>
- Robins, F. (1996) 'Marketing in East Asia' in C. Riquier and B. Sharp (eds.) *Southern Marketing: Theory and*

- Applications, Vol.II.* (Adelaide: Marketing Science Centre, University of South Australia) pp.97-111.
- Taylor, J.R. (1986) *Consumer Demand in China: A Statistical Factbook*. Boulder: Westview.
  - Wu, Yanrui (1995) 'How Wealthy is China? Patterns of Household Spending.' *Asia Research Centre Working Paper No.53*. Perth: Murdoch University.
  - Wu Yuanri (1999) *China's Consumer Revolution: The Emerging Patterns of wealth and Expenditure*. Cheltenham: Edward Elgar.
  - Yau, O.H.M. (1993) *Consumer Behaviour in China: Customer Satisfaction and Cultural Values*. London: Routledge.

Also check *China Statistical Yearbook*, available in the Menzies library. The latest version is on the internet:  
<http://www.stats.gov.cn>

## Consumers and Consumption in the Modern Economy

### Set Essay Topic 7:

#### Consumer society: Conspicuous consumption or conspicuous waste?

Contrast the ideas of Katona about the development of consumer societies after World War II with those of two other social scientists listed below.

Social scientists have developed various interpretations of the development of consumer societies in the 'Western' world after World War II. Negative perceptions that lament the waste generated by these societies and the seemingly mindless uniformity of consumption, seem to dominate. Observers such as John Kenneth Galbraith and Tibor Scitovsky have emphasised such negative interpretations. Others have added grist to the mill by emphasising that consumers are manipulated and controlled by the producers and sellers of products, or that goods are consumed because they create and reinforce social distinctions rather than enhance direct consumer satisfaction. George Katona expounded a very different view in his various publications.

What are the differences between Katona's interpretation of the development of consumer society and those of Galbraith, Packard, Baudrillard, Scitovsky, Mishan and Linder? What tools do they use to demonstrate support for their views? Knowing what the reading brick told you about the development of consumption and consumer society, which interpretation do you support? Why?

#### Some suggested reading (check library catalogues, bibliographies and internet for more):

- Baudrillard, J. (1998) *The Consumer Society: Myths and Structures*. London: Thousand Oaks. Chifley HB801.B35513 (The author's more extensive original work is available in French.)
- Galbraith, J.K. (1958, 1984) *The Affluent Society*. Boston: Houghton Mifflin.
- Galbraith, J.K. (1993) *The Culture of Contentment*. London: Penguin.
- Horowitz, D. (1998) 'The Emigré as Celebrant of American Consumer Culture: George Katona and Ernst Dichter' in S. Strasser *et al.* (eds.) *Getting and Spending: European and American Consumer Societies in the 20<sup>th</sup> Century*. (Cambridge: CUP) pp.149-166. (Partly in the reader)
- Katona, G. (1960) *The Powerful Consumer: Psychological Studies of the American Economy*. New York: McGraw-Hill.
- Katona, G. (1965) *The Mass Consumption Society*. New York: McGraw-Hill.
- Katona, G. *et al.* (1971) *Aspirations and Affluence: Comparative Studies in the United States and Western Europe*. New York: McGraw-Hill.
- Katona, G. (1975) *Psychological Economics*. New York: Elsevier.
- Linder, S. (1970) *The Harried Leisure Class*. New York: Columbia UP.
- Mishan, E.J. (1967, 1993) *The Costs of Economic Growth*. Westport: Praeger.
- Packard, V. (1961) *The Waste Makers*. London: Longmans.
- Rassuli, K.M. and S.M. Hollander (1986) 'Desire - Induced, Innate, Insatiable?', *Journal of Macromarketing*, 6, pp.4-24. (Reprinted in S.M. Hollander (1993) *Marketing*. (Aldershot: Elgar) Vol.1, pp.515-535.)
- Scitovsky, T. (1976) *The Joyless Economy: An Inquiry into Human Satisfaction and Consumer Dissatisfaction*. New York: Oxford UP.