

## The Transformation of Consumer Desire in the Long Eighteenth Century

On April 20, 1697, an advertisement appeared in the *Amsterdamsche Courant* for a new product: the *zak-aardebol*, or pocket globe. This globe was no more than two inches (five cm.) in diameter and was encased in a leather cover on the inside of which was presented the heavens with constellations – one of the earliest geocentric representations of celestial space. The producers of this pocket globe, the mapmakers Abraham van Ceulen and Gerrit Drogenham, recommended their new product as “Very appropriate for all devotees of astronomy and other sciences, as well as [all those] who would customarily carry a pocket watch with them.”<sup>1</sup>

The pocket watch was then a recent development of the clockmaking industry, which had extended its markets from church towers and other public structures to private homes with the invention by Christiaan Huygens of the pendulum clock in 1657. Its diffusion through bourgeois and even middling and farm families was remarkably rapid,<sup>2</sup> and the new

<sup>1</sup> The advertisement reads: “Seer bequam voor alle Liefhebbers der Astronomie en andere Konstejn, gelyk een sak-horlogie alom by sig te dragen.” *Amsterdamsche Courant*, 20 April 1697.

<sup>2</sup> Clocks, as opposed to watches, may have diffused faster in commercialized rural areas than in the towns. In Friesland, no farmers (relatively large farmers, with at least ten milk cows) left clocks at their deaths as late as 1677–86. But by 1711–50, 86 percent of the probate inventories for such farmers recorded the presence of a clock in the house. In the village of Weesperkarspel, near Amsterdam, 80 percent of all late-eighteenth-century farmers’ inventories included clocks. Likewise, in the English county of Kent, few inventories listed clocks in the seventeenth century, but by 1720–49, 54 percent did so. In distant Cornwall, on the other hand, clocks remained a rarity. In 1720–49, only 9 percent of inventoried households possessed a clock. Jan de Vries, “Peasant Demand Patterns and Economic Development. Friesland, 1550–1750,” in W. N. Parker and E. L. Jones, eds., *European Peasants and Their Markets. Essays in Agrarian Economic History* (Princeton, N.J.: Princeton University Press, 1975), pp. 205–66; H. van Koolbergen, “De materiële cultuur van Weesp en Weesperkarspel in de zeventiende en achttiende

pocket watches, adding mobility to the science of time keeping, met with a very positive reception among those who could afford the steep price. Van Ceulen and Drogenham presented their pocket globe as the logical companion to the pocket watch – something that the well-equipped modern man would find essential. The owner of both instruments would always know where he or she was – both in time and in space. The appeal will not be lost on those who move about today with mobile phones and BlackBerrys always on their person.<sup>3</sup>

As it happens, the pocket globe did not catch on. Peter the Great, who was in Holland at the time of its introduction, picked one up,<sup>4</sup> but most cutting-edge consumers passed it by. The pocket watch, on the other hand, quickly became a coveted possession of every social class. European watch production rose from the tens of thousands per year at the time of the pocket globe's introduction to nearly 400,000 per year in the last quarter of the eighteenth century.<sup>5</sup> In a ten-year span enough timepieces of all types and qualities were then produced to supply one-quarter of the adult males of western and central Europe (the putative customers in the geographical zone where nearly all watches were produced and sold).<sup>6</sup>

eeuw," *Volkskundig Bulletin* 9 (1983): 3–52; Mark Overton, Jane Whittle, Darron Dean, and Andrew Hann, *Production and Consumption in English Households, 1600–1750* (London: Routledge, 2004), p. 111.

<sup>3</sup> Nor was it lost on Adam Smith. "How many people ruin themselves," he mused, "by laying out money on trinkets of frivolous utility? What pleases these lovers of toys is not so much the utility, as the aptness of the machines which are fitted to promote it. All their pockets are stuffed with little conveniences. They contrive new pockets, unknown in the clothes of other people, in order to carry a greater number. They walk about loaded with a multitude of baubles, in weight and sometimes in value not inferior to an ordinary Jew's-box, some of which may sometimes be of some little use, but all of which might at all times be very well spared, and of which the whole utility is certainly not worth the fatigue of bearing the burden." Adam Smith, *The Theory of Moral Sentiments* [1759, rev. 1790], D. D. Raphael and A. L. Macfie, eds. (Oxford: Oxford University Press, 1976), p. 180.

<sup>4</sup> Renee Kistemaker, et al., eds., *Peter de Grote en Holland* (Bussem: Amsterdam Historisch Museum, 1996), p. 163.

<sup>5</sup> David Landes, *Revolution in Time. Clocks and the Making of the Modern World* (Cambridge, Mass.: Harvard University Press, 1983), p. 231, fn 19; p. 442.

<sup>6</sup> A similar calculation was made by Hans-Joachim Voth for England, where at least 40 percent of all European watches were produced in the 1775–1800 period. If watches had a useful life of between five and twelve years (his upper and lower estimates), the stock of watches in 1800 would have been between 1.4 and 3.1 million. This compares to an adult population (men and women) of 5.5 million. Hans-Joachim Voth, *Time and Work in England, 1750–1830* (Oxford: Oxford University Press, 2001), p. 51. In 1700, an independent estimate puts the English stock of watches and clocks at 200,000. Paul Glennie and Nigel Thrift, "The Spaces of Time" (University of Bristol, unpublished ms, 1999).

Timepieces of all kinds, mentioned in less than 10 percent of English probate inventories around 1675, were recorded in over a third of all inventories by the 1720s, and by no less than 38 percent of pauper inventories in 1770–1812.<sup>7</sup> Parisian inventories reveal that as early as 1700, 13 percent of servants and 5 percent of wage earners owned a watch. Later in the century more than half of the owners of stolen watches who brought prosecutions for watch theft in northern English courts were working-class men.<sup>8</sup> By the 1780s, 70 percent of the inventories of Parisian servants mention watches, as do 32 percent of those for wage earners.<sup>9</sup> The pocket watch long remained a costly item – even cheap watches cost several weeks’ pay – but became common because it was one of the chief objects of expenditure for extraordinary and windfall earnings. The sailor returning from years in the East Indies, or from a successful fishing or whaling trip, the farm laborer at the end of the harvest, the recipient of a small inheritance, the successful thief – these and others had a high propensity in the eighteenth century to spend on a narrow range of articles, including pocket watches, that had come to symbolize working men’s status.<sup>10</sup> Many eighteenth-century families that periodically found basic subsistence to be beyond their financial reach nonetheless possessed clocks and pocket watches – but probably not pocket globes.<sup>11</sup>

<sup>7</sup> Lorna Weatherill, “The Meaning of Consumer Behavior in Late Seventeenth and Early Eighteenth Century England,” in John Brewer and Roy Porter, eds., *Consumption and the World of Goods* (London: Routledge, 1993), p. 220. The pauper inventories are for Essex. Peter King, “Pauper Inventories and the Material Lives of the Poor in the Eighteenth and Early Nineteenth Centuries,” in Tim Hitchcock, Peter King, and Pamela Sharpe, eds., *Chronicle of Poverty, The Voices and Strategies of the English Poor, 1640–1840* (New York: St. Martin’s Press, 1997), pp. 155–91. Further English evidence is provided by Estabrook, whose study of Bristol and environs found timepieces in only 3 percent of inventories drawn up in 1660–99, but in 22 percent of those dating from 1700–39. He went on to distinguish a category of “early adopters” (those more likely, given their socioeconomic status, to acquire new luxury items). Among these households, 22 percent already owned timepieces in 1660–99, and 72 percent by 1700–39. Carl B. Estabrook, *Urbane and Rustic England. Cultural Ties and Social Spheres in the Provinces, 1660–1780* (Manchester: Manchester University Press, 1998), p. 141.

<sup>8</sup> John Styles, “Manufacturing, Consumption and Design in Eighteenth-Century England,” in Brewer and Porter, eds., *Consumption and the World of Goods*, p. 538.

<sup>9</sup> Daniel Roche, *Le Peuple de Paris. Essai sur la culture populaire au XVIIIe siècle* (Paris: Aubier Montaigne, 1981), p. 226.

<sup>10</sup> E. P. Thompson, “Time, Work-Discipline and Industrial Capitalism,” *Past and Present* 38 (1967): 56–97; Paul Glennie, “Consumption within Historical Studies,” in Daniel Miller, ed., *Acknowledging Consumption. A Review of New Studies* (London: Routledge, 1995), p. 174.

<sup>11</sup> Anne McCants, “Petty Debts and Family Networks. The Credit Markets of Widows and Wives in Eighteenth-Century Amsterdam,” in Beverly Lemire, et al., eds., *Women and Credit. Researching the Past, Refiguring the Future* (Oxford: Berg Publishers, 2001),

This episode in the history of product innovation and consumer demand is evocative of current preoccupations at the same time that it calls attention to the early development of historical man and woman as consumers. Given the mixture of anxiety and fascination that colors our efforts to understand the consumer society in which we live, it is natural to inquire into the history of consumption. Does consumer behavior have a history? That is, is there some structured progression to consumer wants? Have there been turning points or points of divergence in the evolution of consumption and consumer society?

Standing behind this seemingly innocent question is a basic problem of the social sciences, the agency–structure problem. Are individuals active, creative agents in consumption, or are their choices in fact highly structured, if not wholly determined, by external forces? Should we focus our attention primarily on the putative agent, the consumer, or on the social, economic, cultural, and political forces (producers, merchants, laws, cultural traditions, religious beliefs, etc.) that constrain and direct the consumer? Investigations of historical consumer behavior, whether written by historians or economists, are usually approached from one or another of these positions, leaving little conceptual space for a history of consumer behavior located between the chaos of arbitrary individual impulses on one side and the remorseless push of overarching structural and institutional forces on the other.

Historians are prone to labor under the misapprehension that one can answer fundamental questions about a phenomenon by seeking its origins. There one hopes to observe naked, innocent acts that reveal the true character of what is later shrouded in mystery and forced into deeply grooved paths by encrusted habit. It does not help our task that historians have claimed repeatedly to discover the origins of modern consumerism, proclaimed as “consumer revolutions,” in at least five distinct eras stretching from the Renaissance to the post–World War II decades.<sup>12</sup> Over and again, historians have ushered Western man, or a large subset thereof, out

pp. 33–50. The attraction of timepieces to the plebian consumer extended beyond their status connotations. Watches, especially those in gold or silver cases, were eminently pawnable, and pawn shops and pawn banks were major institutions in the economic life of working people in Europe’s large cities. See Laurence Fontaine, “The Circulation of Luxury Goods in Eighteenth-Century Paris. Social Redistribution and an alternative Currency,” in Maxine Berg and Elizabeth Eger, eds., *Luxury in the Eighteenth Century. Debts, Desires and Delectable Goods* (Basingstoke: Palgrave Macmillan, 2003), pp. 89–102.

<sup>12</sup> See the appendix to this chapter for a historiographical overview of the five “consumer revolutions.”

of an Edenic world of customary and traditional consumption patterns, well integrated with all aspects of life, and have chronicled with a mixture of fascination and horror the entry of the objects of their concern into the brave new world of “consumerism.”<sup>13</sup> The consumer revolutions detected before the nineteenth century tend to meet with fascination. For better or worse, these consumers are regarded as pioneers in the construction of modernity; something heroic attaches to even their most ordinary acts of consumption. Thereafter, historians’ accounts tend to darken. The new consumers are more often seen as victims, or as the bitter, alienated fruit of modern society; something tawdry cleaves to even the most beneficial of their new consumer practices.

The interpretation long favored by most historians relied on maintaining a sharp distinction between true and false needs and emphasized the powerful forces – the needs of capitalist producers, the influence of fashion elites, the directives of the state – that prevented individuals from recognizing the difference. The implosion of the worldview underpinning this social interpretation of consumption has left a void that in recent times has come to be filled by a cultural interpretation of consumption. There are certainly many scholars who remain locked in embrace with the lifeless forms of old ideologies, but the now-prevailing academic climate is inclined to celebrate the triumph of the will of the self-fashioning individual. Consumer behavior is viewed as a cultural phenomenon enjoying a broad, if not complete, autonomy, detached from constraining economic and social forces. Consumption is not primarily an economic event; instead, it is thought to serve communicative and demonstrative functions in which consumers play with market signs to “construct their own

<sup>13</sup> *Consumerism* is a term I will seek to avoid wherever possible in this study. Often invoked, it is rarely defined. Stearns ventures to offer a definition remarkable chiefly for its shortcomings: “Consumerism describes a society in which many people formulate their goals in life partly through acquiring goods that they clearly do not need for subsistence or for traditional display.” Peter N. Stearns, *Consumerism in World History. The Global Transformation of Desire* (London: Routledge, 2001), p. ix. Steven Miles does not get us much further when he proposes that “the study of consumerism should actually attempt to come to terms with the complexities that lie behind the act of consumption. In effect, while consumption is an act, consumerism is a way of life.” This distinction depends on an uncomplicated definition of *consumption* that, as we shall see, fails to take seriously the important distinction economists make between the acquisition of goods and ultimate consumption. Once one accepts that an act of consumption gives utility in a variety of dimensions, including cultural dimensions, Miles’s distinction collapses. Steven Miles, *Consumerism as a Way of Life* (London: Sage, 1998), p. 4. For an overview, see Peter N. Stearns, “Stages in Consumerism. Recent Work on the Issues of Periodization,” *Journal of Modern History* 69 (1997): 102–17.

meaning for every single product and activity.”<sup>14</sup> In short, under post-modernism, “the politics of class, based on production, everywhere gives way to the politics of cultural identity, built around consumption.”<sup>15</sup>

Economists are always ready to acknowledge supply and demand – production and consumption – as paired forces in the shaping of market economies, but they do not commonly accord to demand a causative role in the process of economic growth. Studies of modern economic growth are inevitably founded on a decisive “supply-side” advance, which economic historians have variously located in technological change, enlarged supplies of capital, energy and raw materials, and new institutions that allowed these factors of production to be deployed more effectively. The locus of decision making in these accounts is almost always the firm and the entrepreneur. In all of this it remains true, as Adam Smith put it, that “consumption is the sole end and purpose of all production.”<sup>16</sup> But Smith’s language did not leave his readers in doubt as to the direction of the causal arrow connecting supply and demand: The consumer responds to the developing productive forces, not the other way around.<sup>17</sup>

This is where my interest in consumer behavior began: in trying to disentangle the relations between demand and supply. The Industrial Revolution, with its technology-driven, hence supply-driven, economic growth, long stood as a formidable barrier to any effort to search for economic growth based on any other factors or in any earlier period. Yet the accumulating evidence for an earlier increase of per capita income in northwestern Europe paired with a major refinement of material life casts serious doubt on the orthodoxy that the Industrial Revolution was the actual

<sup>14</sup> Liisa Uusitalo, “Consumption in Postmodernity. Social Structuration and the Construction of Self,” in Marina Bianchi, ed., *The Active Consumer* (London: Routledge, 1998), p. 227. Particularly influential in this line of thought is the semiotics-inspired neo-Marxism of Jean Baudrillard, who argues that, “in capitalist societies, consumption should be understood as a process in which only the signs attached to goods are actually consumed.” Colin Campbell, “Consumption. The New Wave of Research in the Humanities and Social Sciences,” *Journal of Social Behavior and Personality* 6 (1991): 61.

<sup>15</sup> Jonathan Clark, *Our Shadowed Present. Modernism, Postmodernism, and History* (Stanford, Calif.: Stanford University Press, 2004), p. 4.

<sup>16</sup> Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations* ([1776] Cannon edition, London: Methuen, 1904; republished, Chicago: University of Chicago Press, 1976), Vol. II, Book IV, Ch. VIII, p. 179.

<sup>17</sup> Joel Mokyr, “Demand vs. Supply in the Industrial Revolution,” *Journal of Economic History* 37 (1977): 981–1008. “The determination of ‘when,’ ‘where,’ and ‘how fast’ are to be sought first and foremost in supply, not demand-related processes” (p. 1005).

starting point for long-term economic growth. Consequently, I turned my attention increasingly toward a reconsideration of the place of consumer demand in economic development.<sup>18</sup>

What began as an effort to restore demand as one of the cutting blades of Marshall's supply and demand scissors led me to an even larger – and even less tractable – problem.<sup>19</sup> Standard consumer theory posits a “sovereign” individual consumer standing face to face with the market and behaving in a manner calculated to maximize his or her individual utility independently of the decisions of others. However inadequate this focus on the decontextualized individual might be in our own time, its silence concerning the individual's family ties and obligations in the historical past is too conspicuous to be ignored. Consequently, as demand led me to the consumer, the consumer led me to the family and its household economy.

My project quickly became not simply to add demand to supply but also to relate the behavior of the household to that of the market. Several modern developments in history and economics have guided my thinking about the household economy and consumer demand as historical phenomena. Briefly stated, they are:

1. *The Revolt of the Early Modernists*. Three decades of work on early modern European agriculture, urbanization, proto-industry, and demographic and family history have fundamentally challenged the conventional belief in a growthless, traditional economy. It is now sometimes conceded that substantial economic growth occurred before the technological breakthroughs of the Industrial Revolution, but the dynamics of this process of pre-industrial economic growth remain unclear.<sup>20</sup>

2. *The Revisionist Macroeconomics of the British Industrial Revolution*. The currently accepted view of overall British economic performance in the classic Industrial Revolution era, 1760–1830, reduces the earlier

<sup>18</sup> For a full discussion of the problems that adhere to the concept of modern economic growth, see Jan de Vries, “Economic Growth Before and After the Industrial Revolution. A Modest Proposal,” in Maarten Prak, ed., *Early Modern Capitalism* (London: Routledge, 2001), pp. 177–94; Jan de Vries and Ad van der Woude, *The First Modern Economy. Success, Failure, and Perseverance of the Dutch Economy, 1500–1815* (Cambridge: Cambridge University Press, 1997), pp. 711–22.

<sup>19</sup> Alfred Marshall, in his *Principles of Economics* of 1890, put the matter as follows: “We might as reasonably dispute whether it is the upper or the under blade of a pair of scissors that cuts a piece of paper, as whether value is governed by utility [demand] or cost of productions [supply].” Book 5, Ch. 3.

<sup>20</sup> For a fuller account of this concept, see Jan de Vries, “The Industrial Revolution and the Industrious Revolution,” *Journal of Economic History* 54 (1994): 251–3.

growth estimates by more than half.<sup>21</sup> This slow macroeconomic growth bathes in a rather less luminous light the traditional arguments about the relative importance of technology and augmented supply factors in “initiating” modern economic growth in this era. It also reduces the contrast with earlier decades and makes pre-industrial Britain as well as several neighboring regions/countries “richer,” more industrial societies than long had been supposed.

3. *The Western European Marriage Pattern.* The pioneering work of “The Cambridge Group for the History of Population and Social Structure” established the view that the nuclear family structures of modern western European countries and their offshoots are not a product of industrialization but have much earlier origins. In addition, the seminal articles of John Hajnal called attention to specific characteristics of these conjugal families, which also long predate industrialization, that appear to be unique to western Europe and had far-reaching and not yet fully understood influences on society and economy.<sup>22</sup> While the demographic behavior of this household type has been explored in some detail, its distinctive economic behavior remains an open question.

4. *The New Household Economics.* Developments in consumer theory and new approaches to the behavior of family members pioneered by Gary Becker and others have illuminated some corners of that notorious “black box”: the family, or household, as an economic unit. Through a focus on the allocation of time, this literature relates production and consumption decisions to each other in a fruitful way. Although some of these theoretical writings date from the 1960s, they have yet to be applied historically, or extended to accommodate historical change in household behavior.<sup>23</sup>

<sup>21</sup> N.F.R. Crafts and C. K. Harley, “Output Growth and the British Industrial Revolution. A Restatement of the Crafts-Harley View,” *Economic History Review* 45 (1992): 703–30. Joel Mokyr, “Accounting for the Industrial Revolution,” in Roderick Floud and Paul Johnson, eds., *The Cambridge Economic History of Modern Britain* Vol. I, *Industrialisation, 1700–1860* (Cambridge: Cambridge University Press, 2004), pp. 4–10. The earlier accepted wisdom had been established by Phyllis Deane and W. A. Cole, *British Economic Growth, 1688–1959* (Cambridge: Cambridge University Press, 1967).

<sup>22</sup> John Hajnal, “European Marriage Patterns in Perspective,” in D. V. Glass and D. E. C. Eversley, eds., *Population in History. Essays in Historical Demography* (London: Edward Arnold, 1965), pp. 101–43; John Hajnal, “Two Kinds of Preindustrial Household Formation System,” *Population and Development Review* 8 (1982): 449–94.

<sup>23</sup> Gary S. Becker, “A Theory of the Allocation of Time,” *The Economic Journal* 75 (1965): 493–517; K. Lancaster, *Modern Consumer Theory* (Aldershot: Edward Elgar, 1991); Staffan B. Linder, *The Harried Leisure Class* (New York: Columbia University Press, 1970).



Together, these discrete literatures offer the raw materials with which to fashion a new way of approaching the economic history of the early modern period – and, indeed, of more than that. This new approach is intended more as a supplement to, rather than a replacement of, earlier interpretations. However, it *does* aspire to question the claims of the twin revolutions – the British Industrial and the French political – to function as gatekeepers to modern history.<sup>24</sup> In so doing, this study seeks to add to the macrohistorical processes of modern economic growth and state formation that dominate most theorizing about long-term structural change a third, anterior process: the structure and behavior of the household.<sup>25</sup>

### The Household and the Market

I recognize that an historian proposing to introduce a new metahistorical concept with an accompanying master narrative in this day and age has a lot of explaining to do.<sup>26</sup> And even more explanation is needed when the name given to this concept is borrowed, imprecise, and, perhaps, just a bit too clever.<sup>27</sup> Thus, my task is a formidable one, and I must begin by

<sup>24</sup> For more on the notion that the stark difference between economic life before and after the Industrial Revolution is overdrawn, see de Vries, “Economic Growth Before and After the Industrial Revolution,” pp. 177–94. However much historians have been open to epistemological and philosophical challenges in the past three decades, we have jealously protected a periodization that, because it determines how new generations of historians will be trained, stands as a formidable obstacle to progress in the discipline – to use a figure of speech.

<sup>25</sup> Although directed to other ends, a similar claim has recently been made in Mary S. Hartman, *The Household and the Making of History. A Subversive View of the Western Past* (Cambridge: Cambridge University Press, 2004), pp. 1–5.

<sup>26</sup> A leading exponent of postmodernism, Jean-François Lyotard, defined this elusive term in 1979 with admirable precision and concision: It is “incredulity towards meta narratives.” Jonathan Clark offers a similar definition: “Postmodernism is the most theoretically expressed version of a rejection of the historical. This rejection is a consequence of the way in which postmodernism has set itself against what it takes to be ‘modernist’ ideas of truth and objectivity, replacing what it sees as a set of grand narratives claiming objective authority with a diverse pattern of localized narratives and fluid identities.” Clark, *Our Shadowed Present*, p. 3. This study focuses on a major object of postmodern interest, consumption, but seeks to supply it with a history.

<sup>27</sup> The term was coined by Akira Hayami to contrast the labor-intensive path of industrial development of Japan with the capital-intensive industrialization of the West. I first encountered the term in conversation with Professor Hayami. The “East Asian” and the “Western” industrious revolutions are compared and analyzed in Chapter 3.

On the “East Asian Industrious Revolution” and its relationship to the concept introduced here, see Akira Hayami, “A Great Transformation. Social and Economic Change in Sixteenth and Seventeenth Century Japan,” *Bonner Zeitschrift für Japanologie* 8 (1986): 3–13; Osamu Saito, “Population and the Peasant Family Economy in Proto-Industrial

trying the reader's patience with a discussion of the "nuts and bolts" of the analytical framework of this study.

The key propositions of my argument concern the *household* (usually a family, or with a family at its core) and the *terms of interaction between households and the market economy*.<sup>28</sup> The family-based household is an entity that performs functions of reproduction, production, consumption, and resource redistribution among its members, as well as wealth transmission across generations. These functions are all interrelated and involve the interests of individuals with unequal standing, which makes household decision making highly complex. In this book the focus rests primarily on decisions affecting production and consumption. At the household level, as I will attempt to make clear, these decisions are directly related to each other. Consequently, in studying the household economy one can sidestep the chicken-and-egg question of the primacy of supply or demand by focusing on a single set of decisions that simultaneously determines both. Specifically, my historical claim is that northwestern Europe and British North America experienced an "industrious revolution" during a long eighteenth century, roughly 1650–1850, in which a growing number of households acted to reallocate their productive resources (which are chiefly the time of their members) in ways that increased *both* the supply of market-oriented, money-earning activities *and* the demand for goods offered in the marketplace. Increased production specialization in the household gives access to augmented consumption choices in the marketplace.

Japan," *Journal of Family History* 8 (1983): 30–54; Eiji Takemura, *The Perception of Work in Tokugawa Japan* (New York: University Press of America, 1997).

<sup>28</sup> The family, a biological/social unit, is based on kinship. In this study the family is normally the nuclear family of conjugal couple plus children. The household, an economic unit, is commonly defined by co-residence with a decision-making process that leads to a degree of coordination in production and of internal redistribution of resources. Ordinarily it refers to a family plus, in the early modern context, possible resident servants and apprentices. However, it also incorporates the economic relations (via earnings remittances and other transactions) between the family and nonresident members such as those engaged in migrant labor, in service in the households of others, or payments made to nonresident grandparents or other relatives. The household defined as a long-term income pooling arrangement is broader than the household defined by co-residence, and this is of particular importance to the themes of this study, because the broader the network of claimants of the household's pooled income, the more constrained is consumer decision making. Michiel Baud, "Huishouden, gezin en familienetwerk," in Baud and Engelen, eds., *Samen wonen, samen werken?* (Hilversum: Verloren, 1994), pp. 13–20; Peter Laslett, "Family and Household as Work Group and Kin Group. Areas of Traditional Europe Compared," in Richard Wall, J. Robin, and Peter Laslett, eds., *Family Forms in Historic Europe* (Cambridge: Cambridge University Press, 1983), pp. 513–63.

This study is concerned with the *interaction* of the market economy and the family-based household. My first task is therefore to defend as correct the use of the word *interaction*. To an economist, the first question would be whether the household behavior with which we are concerned can be accounted for satisfactorily by conventional commercial incentives, such as changes in relative prices and real wages (i.e., by income and substitution effects). If so, we should be speaking simply of the “influence” of the market *upon* the household. A social–historical approach would grant more economic autonomy to the household in some far-distant past. But the dominant social scientific models trace a progressive emptying of the household’s economic substance as the market expands to rob it first of its self-sufficiency and then of its productive role, as the “family economy” evolves into the “family-wage economy” before achieving its modern form: the “family consumer economy.” This is the influential typology of linear development proposed by Louise Tilly and Joan Scott, which is similar to many efforts to relate family forms to economic development.<sup>29</sup>

Their typology (to which we will have occasion to return in Chapter 2) is inspired by Parsonian structural-functionalism, which is based on the proposition that family structure changes over time to fit the functional role required of it by societal change. The most important social changes associated with industrialization are assumed to be the emergence of nonkinship structures such as the state, schools, business organizations, insurance programs, and labor unions. All these institutions remove functions from the family. Ultimately, industrial society leaves the family with only two functions: the socialization of children (perhaps) and the establishment of a private sphere of affective relations, a “haven in a heartless world.” The structural change associated with this radical simplification of family functions is assumed to be the transformation of complex, extended family forms into the eviscerated nuclear families of urban, industrial society.

Historians’ acceptance of this theoretical framework has not been without consequences. Richard J. Evans puts it succinctly: “[The family’s] incorporation into a private sphere removed from society has been

<sup>29</sup> Louise Tilly and Joan Scott, *Women, Work and Family* (New York: Holt, Rinehart & Winston, 1978; revised ed., London: Methuen, 1987). See also Talcot Parsons, “The American Family. Its Relations to Personality and the Social Structure,” in Talcot Parsons and Robert F. Bales, *Family, Socialization and Interaction Process* (Glencoe, Ill.: The Free Press, 1955), p. 9; Niel Smelser, *Social Change in the Industrial Revolution. An Application of Theory to the Lancashire Cotton Industry, 1740–1840* (London: Routledge & Kegan Paul, 1959).

followed by its removal from history in a wider sense and its incorporation in a de-politicized history of private life.”<sup>30</sup>

This study does not engage structural functionalism, per se, in extended critique, but it holds that households have a substantially greater autonomy (because they are more functional?) than is provided for by these theories. It emphasizes the degrees of freedom that households possess in negotiating the options opened by the evolving society and economy, rather than the absence of such choices. This, of course, is how economics is often distinguished, whether fairly or not, from sociology.<sup>31</sup>

Another common view with which this study takes exception, one closely related to the functional model of family structure, holds that families are the repository of obsolete values – indeed, are the last refuge of atavisms of all sorts. They resist the imperious functional requirements laid upon them by an industrializing society; they even try to make use of the changing economy to defend their increasingly anachronistic values. But this is ultimately a hopeless cause in which the family members, more often than not the women of the family, seek to reconcile the irreconcilable. In the fullness of time, functionalism triumphs, as it must, and the defensive actions of families appear as “cultural lag.” They are caught in what German scholars call *gleichzeitige Ungleichzeitigkeit* (synchronous anachronism).<sup>32</sup> This concept of lag is most uncongenial to the concept of an industrious consumerism: The family is looking backward rather than forward, using its economic resources to defend old ways of living rather

<sup>30</sup> Richard J. Evans, “Politics and the Family. Social Democracy and the Working-Class Family in Theory and Practice Before 1914,” in Richard J. Evans and W. Robert Lee, eds., *The German Family. Essays on the Social History of the Family in Nineteenth- and Twentieth-Century Germany* (London: Croom Helm, 1981), p. 256.

<sup>31</sup> The familiar quip that “economics is all about how people make choices; sociology is about how they don’t have any choices to make” appears to have originated with the economist James Duesenberry. While the current study seeks to correct the “undersocialized” conception economists have advanced of the individual, optimizing consumer, it objects as well to the “oversocialized” position found in sociology, which questions the notion that households can be said to engage in strategic behavior, caught as they are assumed to be in the embrace of norms and structures. For a discussion of this problem, see Michael Anderson, Frank Berchhofer, and Jonathan Gershuny, “Introduction,” in Anderson, Berchhofer, and Gershuny, eds., *The Social and Political Economy of the Household* (Oxford: Oxford University Press, 1994), pp. 1–16.

<sup>32</sup> The clearest application of this concept to family history is Hans Medick’s theory of the proto-industrial family economy. Such households, seeking to preserve the forms of peasant society in a market economy, formed “part of the long post-history of peasant society to the same extent that it formed a part of the pre-history of industrial capitalism.” Hans Medick, “The Proto-industrial Family Economy. The Structural Function of Household and Family During the Transition from Peasant Society to Industrial Capitalism,” *Social History* 1 (1976): 293, 310.

than to achieve new goals. In any society, some number of households will define and defend a “lifestyle” that involves a self-conscious resistance to change, but this study does not define these choices as “cultural lag,” nor does it assume such behavior to be typical.

A final question is whether the process of historical change ends with any family at all, for a body of social scientific theory oddly attractive to both right and left regards capitalist-market rationality as a force that corrodes the essentially extra-capitalist institution of the family, loosening the ties that bind its members in its last remaining functions.<sup>33</sup> Joseph Schumpeter, in his influential *Capitalism, Socialism and Democracy*, introduced the concept of “family decomposition,” arguing that the same capitalist rationality which undermines the authority of popes and kings does not stop there but continues on to question the domestic roles of wives and the subordination of children. The decomposition of the family is part of a more general tendency within the dynamic of capitalism: “In

<sup>33</sup> For a sociological analysis, see David Popenoe, *Disturbing the Nest. Family Change and Decline in Modern Societies* (New York: A. de Gruyter, 1988); see also the work of the political scientist James Q. Wilson, *The Marriage Problem. How Our Culture Has Weakened Families* (New York: HarperCollins, 2002); for an economic perspective, see Shirley P. Burggraf, *The Feminine Economy and Economic Man. Reviving the Role of Family in the Post-Industrial Age* (Reading, Mass.: Addison-Wesley, 1997). Burggraf’s central claim (p. 2) is that “Disinvestment in our most basic social institution [the family] is rapidly bringing our culture to a critical point in social evolution and creating unprecedented problems for social and economic policy.”

For a Marxist interpretation, see Claude Meillassoux, *Maidens, Meal and Money. Capitalism and the Domestic Economy* (Cambridge: Cambridge University Press, 1981). Meillassoux argues that it is in the interest of the capitalist to preserve the nonmarket household sector as a zone in which the reproduction of labor power can take place cheaply, thus allowing for the “super-exploitation” of the labor force: “Thus, to reproduce itself, the capitalist mode of production depends upon an institution which is alien to it, but which it has until now maintained as that most adapted to this function, and also the most economical, on account of its capacity for utilising unpaid – particularly female – labour, and by exploiting the emotional attachment which still dominates parent-child relations” (p. 142). But Meillassoux goes on to describe an inexorable logic of capitalism’s historical development that speeds the emancipation of youth (the better to exploit them as workers) and liberates women from the family (to recover the cost of educating them via labor force participation). “But capitalism’s logical advance here contains its own contradiction, for, by removing all vestiges of freedom, it modifies the very nature of productive relations. Ties of personal subjugation may disappear with the family, but so will the ‘free labourer’ who is freed from one set of bonds (the family), only to be reduced to a condition of *total alienation vis à vis* his employer.” Here the tone of his discussion of the family suddenly shifts: “Thus threatened, the family is coming to be regarded, by reason of the few affectionate relationships it preserves, as one of the last bastions of individual liberty. It is, however, a very fragile bastion, for nothing any longer predestines it to withstand the corrosive influence of money-relations; and in this we have the measure of the totalitarian menace with which capitalism is heavy” (p. 144).

breaking down the pre-capitalist framework of society, capitalism broke not only barriers that impeded its progress but also flying buttresses that prevented its collapse.”<sup>34</sup>

Viewed from this perspective, modern feminism, with its insistence on the removal of all remaining laws, social obligations, and customs that limit the participation of women as unencumbered individuals in society and economy, appears to press for the decanting of the last remaining substance of the family into the market economy. As it removes the last significant pre-capitalist institution from the historical stage, feminism takes the place Lenin had reserved for imperialism as the “highest stage of capitalism.” These considerations lead us well beyond the eighteenth century, but if the character of the family-based household is determined entirely by forces emanating from outside – the market, capitalist rationality, and the state – then the value of the approach I wish to develop here is diminished considerably.

My position in these debates is that the Western family is a sufficiently enduring and autonomous entity, but simultaneously a sufficiently weak entity, to justify use of the term *interaction* to describe its relations with the market economy. Instead of a “substantialist” notion of the household that sees it as a total unity – *das ganze Haus* of the German tradition – I prefer the view that it is the site of alliances between husband and wife and of implicit contracts between parents and children.<sup>35</sup> The market casts its shadow – literally, shadow prices<sup>36</sup> – upon this entity, affecting the behavior of its members. But the family alliances are generally sufficiently resilient to endow the family with the capacity to develop adaptive strategies and chart common consumption objectives.

Moreover, the relatively fragile nuclear family structures of northwestern Europe should not be interpreted as the functionalist products of

<sup>34</sup> Joseph Schumpeter, *Capitalism, Socialism and Democracy* (New York: Harper & Row, 1941), Ch. 14, p. 139. The general theme – that capitalism depends on a moral world it is destined to erode – is explored in detail in Krishan Kumar, “Pre-capitalist and Non-capitalist Factors in the Development of Capitalism. Fred Kirsch and Joseph Schumpeter,” in Adrian Ellis and Krishan Kumar, eds., *Dilemmas of Liberal Democracies* (London: Tavistock Publications, 1983), pp. 148–73.

<sup>35</sup> David Sabean, *Property, Production, and Family in Neckerhausen, 1700–1870* (Cambridge: Cambridge University Press, 1990), pp. 97–8.

<sup>36</sup> A “shadow price” is the imputed price or value of a good or service in the absence of an ordinary price-determined market. To impute a price is to make the best estimate possible of what the price would be if a normal market existed. Such an estimate is typically guided by the opportunity cost of the factors of production that enter into the production of the good or service at issue – that is, the alternative use forgone.

nineteenth- and twentieth-century urbanization and industrialization. A generation of historical demographers and family historians has “demonstrated the untenability of the close association between the extended family household and pre-industrial Europe.”<sup>37</sup> Nuclear family structures had existed for centuries before industrialization in most of western Europe. Indeed, I will argue here that it was precisely these weak nuclear families that had a greater capacity to respond strategically to market opportunities than did the hardier, more complex family structures found in most other parts of the world.

The household in most of western Europe was small, being confined largely to the members of the nuclear family. Such a social unit was vulnerable to disruption or dissolution; even in the absence of catastrophic events it faced considerable stress on its internal cohesion at several points in the family life cycle. Whereas more extended family structures appealed to kin for assistance in time of stress, the Western family from medieval times tended to have recourse to external institutions, especially the church and the civil community.<sup>38</sup> The Christian church, as Max Weber argued, asserted the superiority of the individual soul to the claims of biological bonds, thus helping to demystify the sacrality of family and lineage. A practical consequence of this teaching was the nurturing, particularly in western European towns and cities, of a popular Christianity “based on community models and institutionalized sub-communities that challenged the hegemony of ties of blood and descent in western society. . . .”<sup>39</sup>

The nuclear family of western Europe was formed by the marriage of a husband and wife, who thereby established a separate residence and, hence, an independent household. That is, young married couples did not join the existing households of a parent or sibling but formed new economic units. They did so at a high average age, especially for brides (ages twenty-four to thirty); and partly because of the economic difficulty of forming a new, viable household, a significant percentage of both men and women (10–20 percent) never married. Notwithstanding the late age

<sup>37</sup> Angélique Janssens, *Family and Social Change. The Household as a Process in an Industrializing Community* (Cambridge: Cambridge University Press, 1993), p. 18. This position is associated most closely with the influential publications of “the Cambridge Group”: Peter Laslett and Richard Wall, eds., *Household and Family in Past Time* (Cambridge: Cambridge University Press, 1972); Richard Wall, ed., *Family Form in Historic Europe* (Cambridge: Cambridge University Press, 1983).

<sup>38</sup> Katherine A. Lynch, *Individuals, Families, and Communities in Western Europe* (Cambridge: Cambridge University Press, 2003), pp. 66, 103–35.

<sup>39</sup> *Ibid.*, p. 22.

of marriage, most children left their parental homes in their teens (ages fifteen to eighteen), working and residing until marriage as servants and apprentices in the households of others. These characteristics define the “European Marriage Pattern,” are evident from at least the late Middle Ages onward, and appear to be unique to western Europe.<sup>40</sup> In most world civilizations marriage was, and remains, nearly universal, young, and arranged. Women leave their parental homes only to enter those of their husbands or, more commonly, the homes of the husbands’ parents. Men often never leave their parental homes.

The importance of this European Marriage Pattern (EMP) has been explored and debated ever since it was explicitly recognized in the 1960s. The demographic consequences were the first to be developed: Late and non-universal marriage could limit fertility, while the need to form independent households could make nuptiality sensitive to economic conditions. The nuclear family appeared to be an entity engaged in planning and economic calculation.<sup>41</sup> The EMP seemed also to place a special, more individualistic stamp on personality formation, given the context provided for the socialization of children and the relative freedom offered by lifecycle servanthood and courtship.<sup>42</sup> The implications of EMP for gender relations have also been explored, especially in relation to the similarity of the life courses of men and women and the opportunities for women to assume family headship (because of the fragility of the nuclear family).<sup>43</sup> Finally, we come to the economic importance of EMP. The chief claim made to date is that late marriage and servanthood gave young people, especially women, the opportunity to save and bring resources to a new household. Did this endow non-elite European households with more capital or a richer material culture than households elsewhere? Hajnal felt confident that it did:

In the European pattern, a person would usually have some years of adult life before marriage; for women especially this period would be much larger than outside Europe. It is a period of maximum productive capacity without responsibility for children; a period during which saving would be easy. These savings (e.g. by means of the accumulation of household goods in preparation of marriage)

<sup>40</sup> Hajnal, “European Marriage Pattern.”

<sup>41</sup> A claim made most fully and convincingly in E. A. Wrigley and R. S. Schofield, *The Population History of England, 1541–1871. A Reconstruction* (London: Edward Arnold, 1981), pp. 454–84.

<sup>42</sup> Peter Laslett, *Family Life and Illicit Love in Earlier Generations* (Cambridge: Cambridge University Press, 1977).

<sup>43</sup> Hartman, *The Household and the Making of History*, pp. 34–69.



might add substantially to the demand for goods other than the food, etc. required for immediate survival. . . . [W]hen later marriage is the norm the total volume of demand generated might be much larger than that which can be caused by a small class of wealthy families in a population at subsistence level. Could this effect, which was uniquely European, help to explain how the groundwork was laid for the uniquely European “take-off” into modern economic growth?<sup>44</sup>

The “entry costs” of marriage under the EMP were uniquely high, because the aspirants faced the obligation to assemble the capital for a viable, independent household. No studies have yet pursued Hajnal’s speculations on the economic effect of induced savings during lifecycle servanthood, although, as we shall see in Chapter 4, the *spending* of servants has attracted the attention of historians interested in fashion and emulative behavior.

Most economic arguments based on EMP rely on the notion that nuclear families breed individualism, and that individualism breeds capitalism and economic development.<sup>45</sup> In this study, the focus will be not on the individual but on the household in which the individual makes decisions. Did the nuclear household – small, flexible, and autonomous – offer a uniquely propitious context for innovations in consumer behavior? Did the elements of planning and calculation that characterized its demographic behavior extend to its economic decision making as well? Complex family structures greatly limit and complicate decisions about consumption. There are numerous claimants to available resources, both within the household and in larger kin networks. Such complex households are “strong” in the sense that they have a greater self-insurance capacity than nuclear households. But this capacity to absorb risk comes at a price: more rigid rules and conventions governing the allocation of economic resources.<sup>46</sup> In addition, many married men and women in complex

<sup>44</sup> Hajnal, “European Marriage Patterns in Perspective,” p. 132.

<sup>45</sup> This argument is made with style and a certain Anglocentric assertiveness in Alan Macfarlane, *The Origins of English Individualism* (Cambridge: Cambridge University Press, 1978); and *The Culture of Capitalism* (Oxford: Basil Blackwell, 1987).

<sup>46</sup> In the West, where households were less tied to larger lineage groups, “Extended kinship solidarity and cushioning of risks within broad kinship groups is to some extent replaced by particular forms of communal risk devolution. Greater reliance on neighbors, on organizations like guilds and corporations (especially in cities), or on community charity funds is a fundamental characteristic of the Western European system.” Ronald Lesthaeghe, “On the Social Control of Human Reproduction,” *Population and Development Review* 6 (1980): 531.

Within western Europe, a further distinction can be made between northwestern and southern Europe. David Reher notes that children in Mediterranean societies were retained within the household until marriage, while in northern Europe, they left to enter

household structures are not in charge of their households, deferring for many years, if not forever, to the decisions of more senior figures.<sup>47</sup> The claustrophobic bonds of extended kinship must act to restrict and inhibit new consumer behavior, given the complexity of decision making and the potential claims made by even distant family members on whatever surpluses a given household may acquire. This contrast with the nuclear family household would appear to be important to our project. While the historical development of the European Marriage Pattern cannot shed much light on the *timing* of the industrious revolution, it may well have been influential in determining its *geographical range*.

The geographical limits of the industrious revolution cannot be drawn with precision. This is partly attributable to the limitations of the historical evidence and partly a reflection of the tendency of highly urban areas, even when distant from the core region, to exhibit at least some of the consumer behavior that is of concern here. The basic elements of the European Marriage Pattern can be found reaching east to a line that Hajnal described as extending from St. Petersburg to Trieste, but much of this vast zone was beyond the reach of the consumer

service typically in their mid-teens. Likewise, “in Mediterranean societies much of the aid given to vulnerable members of society came from the family or from individual charity, while in northern societies this was largely accomplished through public and private institutions.” David Sven Reher, “Family Ties in Western Europe. Persistent Contrasts,” *Population and Development Review* 24 (1998): 209. What concerns us here is how the claims of kin will affect the family as consumer, and how those claims affect the redistribution of income among nuclear family members. The northern nuclear family appears better suited than the families described by Reher to focus its resources on consumer goods.

<sup>47</sup> Consider this evidence from a survey of the consumer decision making of 800 recently married women in northern Italy between 1880 and 1910. Asked who had made the decisions about the purchase of their own clothing in the first two years of their marriages, the wives of white-collar workers either made these decisions on their own (30 percent) or after discussion with their husbands (59 percent). Among the wives of sharecroppers, only 6 percent reported that they had made these decisions on their own, while an additional 22 percent made them together with their husbands. However, another 50 percent of sharecroppers’ wives reported that the decisions had been made by one or both of their parents-in-law. This finding reflects a household structure inimical to the emergence of the industrious revolution. Raffaella Sarti, *Europe at Home. Family and Material Culture, 1500–1800* (New Haven, Conn.: Yale University Press, 2002), p. 218.

Even ostensibly nuclear families had important obligations to (nonresident) kin. Hagen describes the peasant households of eighteenth-century Brandenburg as focused on the obligation of the head to support the retired family members and endow, with marriage portions, the non-inheriting siblings. The household’s strategy was reproduction rather than accumulation. William Hagen, “Peasant Fortunes. Standards of Living in the Eighteenth-Century Brandenburg Countryside” (unpublished, University of California at Davis, 1987).

behaviors of interest to us because of the restrictive influence of corporate and institutional controls on household decision making and/or the absence of sufficiently developed urban networks for the emergence and diffusion of new consumer practices. Where the relevant elements – nuclear families, urban networks, and market institutions – were most fully present, in northwestern Europe, the industrious revolution could take shape.<sup>48</sup>

In summary, the Western family has long been a “weak” family. It had – and has – a public as well as a private aspect; its members participated as individuals in the public sphere, and it had the autonomy to respond to altered market conditions and act on the consumer aspirations of its members.<sup>49</sup> It was, and remains, an active agent in history. One will not find here a household model that moves in a linear progression from the autarchic patriarchy of legend, via the sentimentalized, privatized family nurtured by the past generation of social historians, to the vestigial and eviscerated family that fuels so many modern anxieties.<sup>50</sup>

<sup>48</sup> Corporate controls on household behavior in central Europe are described in detail in Sheilagh C. Ogilvie, *A Bitter Living. Women, Markets, and Social Capital in Early Modern Germany* (Oxford: Oxford University Press, 2003). For further discussion of the “boundaries” of new consumer practices, see Sandgruber’s pioneering study of consumer behavior in the Austrian lands: He placed this region within a south German–Austrian cultural zone “which in the eighteenth and nineteenth centuries tended to be hostile to innovation.” Consumer innovations “such as coffee, potatoes, sugar, white bread [*butterbroz*] brandywine, or new mealtimes were here, in peasant circles, unknown or only sporadically known – with the exception of the Wiener Umland [zone around Vienna] and perhaps also Vorarlberg.” He goes on to note that rural and urban lifestyles [*lebenformen*] tended gradually to merge in northern German lands but remained clearly distinguishable and slow to change in the south. Sandgruber, *Die Anfänge der Konsumgesellschaft*, p. 242.

<sup>49</sup> Lynch, *Individuals, Families and Communities in Europe*, pp. 12–14; Peter Laslett, “Family, Kinship and Collectivity as Systems of Support in Pre-Industrial Europe. A Consideration of the Nuclear-hardship Hypothesis,” *Continuity and Change* 3 (1988): 153–75; Michael Anderson, *Family Structure in Nineteenth-Century Lancashire* (Cambridge: Cambridge University Press, 1971), pp. 170–9.

<sup>50</sup> For another affirmation of these claims, see Pat Hudson and W. R. Lee, eds., *Women’s Work and the Family Economy in Historical Perspective* (Manchester: Manchester University Press, 1990). In the introductory chapter, the editors critique “both pessimist and optimist interpretations . . . which tend to be very influenced by a functionalist and economic determinist perspective which sees the family economy and intra-family relationships as passive and dependent variables in the process of change” (p. 20). They go on to state that “women’s work, the family economy and family strategies are not merely reactive in the process of economic change but function in a pro-active manner which itself contributes to the material and ideological outcome of economic development” (p. 34). Their approach to this subject differs substantially from mine, emphasizing disaggregation to observe regional, occupational, lifecycle, and gender-specific behaviors, but the break with linear and functionalist accounts of family behavior is decisive.

### Consumption Theory

Thus far I have argued that the household possesses sufficient cohesion to form an economic unit that interacts with, rather than simply reflects and yields to, the market. What forms does this interaction take over the course of time, as the market economy develops and changes? In particular, how does the household chart a course as a consumer?

We can begin with standard consumer theory, although this is based on a set of assumptions that seems unpromisingly designed to confine the study of consumption to limited, short-term questions. To begin with, consumer theory focuses on the individual, not the household, and assumes the individual to be utterly autonomous, with unchanging preferences. That is, the individual knows what he or she wants independent of the economic system. In this sense the consumer is said to be “sovereign.” The sovereign consumer, with a given income, is assumed to possess perfect knowledge of all available goods and their prices, and to be capable of effortless and costless maximization. A popular textbook puts it this way: “The economic theory of the consumer is very simple. Economists assume that consumers choose the best bundle of goods they can afford.” Or, restated more formally, “consumers choose the most preferred bundle from their budget sets.”<sup>51</sup>

“Best” and “most preferred” in these citations refer to the consumer’s goal of maximizing “utility.” *Utility* can be a misleading term. It appears to suggest a narrow concept of consumer satisfaction focused on the objective qualities of goods – their usefulness. But the term also embraces the subjective attributes, including the anticipated happiness that attaches to the contemplation of a purchase. It is a measure of the intensity of desire. Faced with such a metaphysical and empirically unobservable concept, economists beginning with Vilfredo Pareto and culminating with Paul Samuelson set about replacing it with something more tractable.<sup>52</sup> Pareto chose to focus on “the pure and naked fact of choice.” What Samuelson later called the “revealed preference” of consumers is an ordering of these “naked facts of choice” into indifference curves that mark an “imaginary divide between what is preferred and what is not.” In this way, what

<sup>51</sup> Hal R. Varian, *Intermediate Microeconomics. A Modern Approach* (New York: W. W. Norton, sixth ed., 2003), pp. 20, 73.

<sup>52</sup> Vilfredo Pareto, *Manuel d' économie politique*, second ed. (Paris: Giard, 1927); Paul Samuelson, “A Note on the Pure Theory of Consumer’s Preference,” *Economica* 5 (1938): 61–71; Fabio Ranchetti, “Choice Without Utility?” in Bianchi, ed., *The Active Consumer*, pp. 28–30.

continues to be called utility is simply what consumers show they prefer by their actions, and it is transformed from an originally *cardinal* to a purely *ordinal* notion. The price of this move, as noted by Bianchi, is that “consumer motivation or the incentive to action is unknown, unknowable. Since preferences, as revealed by market choices, are the ultimate, indecomposable, and given elements of action, what is maximized is no longer known, knowable, or even relevant.”<sup>53</sup>

It is no accident, one might observe here, that the application of such a theory, by reducing the concept of demand to the logic of isolated choices, has been unable to find any but a passive role for consumer choice in dynamic economic processes. There are, however, new approaches to the study of consumer behavior that have, without wholly abandoning the foundations of conventional theory, extended the range of human activities over which economic reasoning can fruitfully be applied.

When faced with a difficult concept such as “utility,” it is understandable that one would simply concede that whatever individual action shows to be “most preferred” must maximize utility, and to leave it at that: *de gustibus non est disputandum*. Yet, there *are* a few things that can be observed about utility as a dynamic process that remove it, at least partially, from its black box and shed light on the historical evolution of consumer demand. A useful starting point is Tibor Scitovsky’s division of utility into two parts: the search for comfort and the search for pleasure.<sup>54</sup> By *comfort*, Scitovsky refers to consumption that reduces pain or discomfort. It includes, of course, providing for basic necessities but does not stop there, for there are a multitude of ways in which one can be made (even more) comfortable. The consumption of pleasure is related to arousal and stimulation. Pleasure and comfort can be experienced together in a single act of consumption. Scitovsky observed that while the desire for comfort could be satiated, that for pleasure could not, and is inherently an open-ended process. Going further, he argued that the closer one came to perfect comfort and, hence, lack of stimulation, the more one sought forms of consumption that provided excitement and that increased the level of arousal. The modern condition, a product of the comforts of consumer society, is boredom; yet, ironically, boredom itself is a driving force of consumption, because the alleviation of boredom activates the unending pursuit of novelty and excitement.

<sup>53</sup> Maria Bianchi, “Introduction,” in Bianchi, ed., *The Active Consumer*, p. 8.

<sup>54</sup> Tibor Scitovsky, *The Joyless Economy* (Oxford: Oxford University Press, 1976, rev. ed., 1992).

A further decomposition of these categories of utility is possible. The consumption of comfort may itself be divided between those goods that act, as Scitovsky supposed, to increase personal comfort, and those that provide what I will call social comfort. Veblen and many since him have called attention to the fact that much consumption is intended not only, or even primarily, for personal use, but for use as a social signal, or sign. This “conspicuous consumption” distinguishes individuals from others and strengthens claims to status.<sup>55</sup> Positional goods (inherently scarce goods, the consumption of which necessarily denies them to others) are a variant of this aggressive signaling. But social comfort is also achieved via “defensive consumption” (consuming goods to defend against the consequences of the consumption practices of others). This is an important part of the striving for “respectability,” which, in the view of Woodruff Smith, emerged in the course of the seventeenth and eighteenth centuries as a concept that contextualized a broad range of consumption practices.<sup>56</sup> All these sources of social comfort, whereby individuals distinguish themselves from others and assert or protect status claims, are open ended. Because they respond to the consumption acts of others, no equilibrium exists and no point of satiation is ever reached.<sup>57</sup> Indeed, economic growth only intensifies the demand for the positional goods that supply social comfort.<sup>58</sup>

<sup>55</sup> Thorstein Veblen, *The Theory of the Leisure Class. An Economic Study of Institutions* ([1899] New York: New American Library, 1953); Pierre Bourdieu, *Distinction. A Sociological Critique of the Judgment of Taste*, trans. Richard Nice (London: Routledge & Kegan Paul, 1984). Both Veblen and Bourdieu interpret consumption as a competitive “other-regarding” behavior (activities done for their effects on others more than for their intrinsic utility) that reinforces the hierarchies of society through the continual recreation of relationships of domination and submission. While Veblen saw conspicuous consumption as performing this function directly, through displays of wealth, Bourdieu emphasizes the indirect power of cultural capital as it is manifested in displays of taste.

<sup>56</sup> Woodruff D. Smith, *Consumption and the Making of Respectability, 1600–1800* (London: Routledge, 2002). Smith sees the bourgeoisie as having “formed itself as a self-conscious class around a culture of respectability . . .” (p. 27), but, ultimately, by the nineteenth century it is not only a middle-class characteristic: “It seems as though the formulation of respectability was connected with the formation of *all* modern classes” (p. 244, emphasis in original).

<sup>57</sup> The basic point was made long ago by James S. Duesenberry. He argued, in effect, that that “sovereign consumer” is not sovereign because of the “demonstration effect” of the consumption practices of others. One’s contact with the superior consumption goods and higher standards of living of others leads to a desire to increase one’s own consumption. Thus, consumption depends not only on one’s own income but on the income of others. *Income, Saving, and the Theory of Consumer Behavior* (Cambridge, Mass.: Harvard University Press, 1949).

<sup>58</sup> Fred Hirsch, *Social Limits to Growth* (Cambridge, Mass.: Harvard University Press, 1976).

The consumption of pleasure also may be decomposed with the aid of allied terms: *hedonism* and *novelty*. Colin Campbell, in an inventive inversion of Max Weber's "Protestant Ethic," proposed that a "Romantic Ethic" shaped the "Spirit of Modern Consumerism."<sup>59</sup> In its traditional form hedonism was the pursuit of sensual pleasure through direct experience. The pleasure was in the act of consumption, be it wine, women, or song. The romantic ethic transformed hedonism into its modern form, where the image of consumption, its anticipation – the yearning for fulfillment of one's "daydreams of desire" – is at the core, while the actual act of consumption is often something of an anticlimax. In fact, Campbell argues, in modern society the illusions people are capable of nurturing are always better than the reality they can experience, causing the consumer always to be vaguely dissatisfied with reality, longing for something more, something better.<sup>60</sup> This longing eventually attaches to specific objects of desire, thereby restarting the cycle of consumption, over and again.

Thus, traditional hedonism is dependent on anticipatory images that are socially generated and static, and finds pleasure in "goods" that gratify the appetites; modern hedonism depends on individual, volatile "daydreams of desire" and can find pleasure only in novelty. Novelty – new fashions and styles, new goods and services – comes from the initiatives of producers, but in the marketplace they meet the *actively searching consumer*. The desire for novelty engages the "modern hedonist" in exploratory behaviors and learning processes.<sup>61</sup>

Such a consumer is far removed from the passive maximizer, scanning the prices of a fixed and known array of goods and matching them against a stable preference schedule in order to select with the greatest possible efficiency his or her consumption set. We now have a consumer actively engaged in a process of discovery. One might wonder why consumers would reject old goods, with their known satisfactions, for new ones with their as yet uncertain benefits. Of course, many consumers do not take this risk, and nearly all consumers reject that which is wholly unfamiliar.

<sup>59</sup> Campbell, *The Romantic Ethic and the Spirit of Modern Consumerism*.

<sup>60</sup> Campbell's "modern man" whose illusory world is inevitably richer than any available reality is not very different from the "human nature" described by Adam Smith, which features an inherent capacity "by which we convince ourselves that the possession of goods will make us happy." Under the spell of this deception we work to acquire luxuries, "baubles," that when "viewed in an abstract and philosophical light . . . will always appear in the highest degree contemptible and trifling." This results in the "comic irony" on which economic prosperity depends: Our exertions do not bring the happiness and satisfaction we seek, but they do make us better off. Adam Smith, *Theory of Moral Sentiments*, p. 183.

<sup>61</sup> Bianchi, "Introduction," pp. 4, 8.

Scitovsky notes that “[a] new activity, as well as a novel good . . . can be enjoyable only if recognizable, if some of its potentiality is understood, if tastes have develop[ed] and adapted in order to appreciate it.” In order to be a source of pleasure, the new good must encounter the skilled consumer, one whose knowledge and experience allow him or her to recognize its potential.<sup>62</sup>

To the need for recognizability we must add the need for combinability. The potential utility of new goods is rarely evident from the qualities of the goods in isolation. “They are,” as Bianchi observes,

part of a complex and changeable network of interrelations with other goods and characteristics. It is this combinable potential of goods which allows for variations and change in consumption. New goods, in order to become “goods,” have to play on recognizability, exploiting known similarities and rivalries among goods. But to be new they have to introduce characteristics and functions which alter the existing order and timings in the consumption set. Often in this process small changes activate large ones.<sup>63</sup>

The structure of utility as we have delineated it thus far appears to have two variants each of a demand for comfort and a demand for pleasure. The search for comfort leads to a demand for specific goods and services to relieve specific discomforts, and the search for pleasure governed by traditional hedonism leads to a demand for specific experiences. In both cases demand is at least theoretically limited as discomforts are addressed and the desire for pleasure is satiated. In contrast to this, the search for social comfort, with its concern for status, distinction, and identity, is limitless and tends to be intensified by the very process of economic growth. Finally we have the search for pleasure driven by modern hedonism. The relief of discomfort produces genuine utility, but through the removal of stimulation it also creates and intensifies the modern condition of boredom. Boredom has no simple antidote. More consumption of existing goods does not relieve boredom; instead, escape is offered by a potentially wide variety of goods and services incorporating novelty. The escape is inevitably partial and temporary – lasting as long as novelty adheres to the new objects of consumption, but the now-active and imaginative consumers have been launched on their never-ending quests for novel sources of pleasure.

<sup>62</sup> Scitovsky, *The Joyless Economy*, pp. 74, 225. Amartya Sen, “Economics and the Family,” *Asian Development Review* 1 (1985): 14–26, speaks of the “capabilities” of consumers that determine what can be accomplished with goods.

<sup>63</sup> Bianchi, “Introduction,” p. 10.



This exercise in the decomposition of consumer behavior into its basic parts offers no more than a brief sketch of the dynamic structure of demand. It suggests the existence of an historical process in which demand patterns develop *within* the economic system in a coherent, sequential manner. This, in turn, requires that we set aside the passive consumer of conventional theory, with his stable, exogenously determined (i.e., external to the economy) preferences, who maximizes utility through a sequence of isolated choices. I propose that we replace this stock figure with an active, searching consumer whose acts of discovery interact with the array of goods supplied by producers to form tastes, and whose selection of goods, in a trial-and-error process, exploits complementarities to achieve new “consumption clusters” and new ways of signaling meaning to others. Her utility is not simply dependent on the intrinsic qualities of the goods consumed but depends on knowledge and experience (consumer capital) and the exploitation of the combinatory possibilities of available goods.

### Household Economics

Thus far we have focused on individuals and their demand for goods, yet this study’s stated concerns are households and a concept of consumption that embraces more than the physical utility of goods. That is, without denying Adam Smith’s dictum that “consumption is the sole end and purpose of all *production*,” one can affirm that consumption is not the sole end of *human activity* but is better understood as the means to some further end. Here, too, new approaches to the economics of consumer behavior can come to our assistance.

An important development in the study of consumer behavior is the distinction introduced by Kelvin Lancaster between “goods,” which are purchased, and their “characteristics,” which give rise to utility and are consumed. This allows one to distinguish goods, their prices, and the budget constraints that govern consumer behavior in conventional theory from the characteristics of goods (they typically possess multiple characteristics) that give utility and are the qualities for which individuals possess preferences. Just as goods have multiple characteristics, so characteristics can be shared by more than one good. Indeed, “goods in combination may possess characteristics different from those pertaining to the goods separately.”<sup>64</sup> This invites the economist to inquire into the complex processes

<sup>64</sup> Lancaster, *Modern Consumer Theory*, p. 13.

by which households convert goods into the consumed characteristics, a process Lancaster called the “consumption technology.”

These insights were developed further by Gary Becker, leading to a body of theory called the “new household economics.” Instead of focusing on the individual as an autonomous decision maker, Becker took the household as his unit of study. He treated the household as an entity dedicated to consumption, just as a firm is dedicated to production, and posited that, just as the process whereby firms convert inputs into their output of goods is described by a production function, so the process by which households convert their purchased goods into ultimate consumption could be summarized by a “consumption technology” (the term *consumption function* having already been appropriated for other purposes by John Maynard Keynes).

The household purchases goods (purchased goods =  $x_i$ ) on the market until it has exhausted its money income and combines these goods with the labor ( $T_i$ ) and other resources of the household to produce that which is ultimately consumed. Becker called this ultimate consumption “Z,” or Z-commodities.<sup>65</sup> The household (typically, but not exclusively, a family) is seen here as an entity that allocates its resources, chiefly the time of its members, in such a way as to maximize the utilities of its individual members.<sup>66</sup> This allocation is a complex one, involving labor to acquire the money income to purchase goods ( $T_w$ ), labor retained within

<sup>65</sup> Becker, “A Theory of the Allocation of Time,” p. 495. Z-commodities: “the more basic commodities that directly enter utility functions.”

<sup>66</sup> The discussion will be clarified for some readers by recourse to formal notation. The household’s production of Z-commodities takes place via a consumption technology that combines purchased goods and household labor:

$$Z_i = f(x_i, T_i) \quad (1)$$

The household allocates the time of its members among three major categories: labor to acquire the money income to purchase goods ( $T_w$ ), labor retained within the household to transform purchased goods into Z-commodities ( $T_c$ ), and leisure, which includes the time to actually consume the commodities ( $T_r$ ).

$$T = T_c + T_w + T_r \quad (2)$$

The time constraint (2) defines the amount of labor devoted to money earning activity, which in the simple case of wage labor yields a goods constraint:

$$\Sigma p_i x_i = I = T_w w \quad (3)$$

where ( $w$ ) equals the wage rate, and ( $I$ ) is total money income.

The presence of  $T_w$  in both equations (2) and (3), the time and goods constraints, respectively, highlights the importance of the degree of “substitutability” between goods and time in the consumption technologies available to secure the desired Z-commodities.

the household to transform purchased goods into Z-commodities ( $T_c$ ), and leisure, which includes the time to actually consume the commodities ( $T_r$ ).<sup>67</sup> When the available time of household members is divided into these categories, it becomes apparent that the household's allocation of the time of its members is of fundamental importance. The more time devoted to market work, the more goods ( $x$ ) the household can buy, but the less time is left for the transformation of these goods into the ultimately consumed commodities ( $Z$ ) and for the consumption time to enjoy them.

What choices are available to households in making these allocations of time? This depends on alternative consumption technologies available to secure the desired Z-commodities and the degrees of "substitutability" between goods and time that they offer. That is, in a given technological and commercial regime, are the ways available to combine goods and time to achieve a given Z numerous, or are there only one or two? Over time, technical and commercial developments can increase the range of choices faced by households to achieve their Z-commodities. As households change their consumption technologies, they generate changes in the demand for individual goods ( $x_i$ ). This does not necessarily reflect a change in tastes, because they may well continue to seek the same Z-commodities, the actual source of utility. In this context one can readily see how, say, a reduction in the price of a good could induce the selection of a different consumption technology, one that uses goods ( $x_i$ ) more intensively. Similarly, an increase in the wage, by increasing the opportunity cost of household work and leisure, would encourage a shift toward more goods-intensive consumption technologies.

In this Beckerian framework, the industrious revolution refers to household decisions that go beyond these adjustments to prices and wages. Examples would include allocations of household time to market labor that exceed those suggested by the changes in wages and prices; an exploitation of a greater substitutability in consumption technologies to pursue specialization and, hence, productivity gains in both production and consumption; and, ultimately, revisions in the mix of desired Z-commodities (which implies a change in preferences in Becker's terms) toward those with more goods-intensive consumption technologies.

<sup>67</sup> This last claim on time, consumption time, is not considered by Becker but is explored in Linder, *The Harried Leisure Class*, pp. 13–15. Linder takes in earnest the quip of Arthur Schopenhauer in 1851 that "Buying books would be a good thing if one could also buy the time in which to read them." See also Ian Steedman, *Consumption Takes Time. Implications for Economic Theory* (London: Routledge, 2001).

Several observations with implications for an historical analysis of the household flow from these extensions of consumer theory.

*Full income and household efficiency.* The household members derive utility, shaped by their preferences (or tastes) from the consumption of Z-commodities. Hence, a full measure of well-being would be the summation of the “value” of all consumed Z-commodities. (Because Z-commodities are inherently nontraded, this is no simple exercise, requiring the invocation of what economists call “shadow prices.”) Yet the conventional study of standards of living limits its attention exclusively to money income, which defines the household’s budget constraint and hence its command over goods (x). The gap between these two definitions of living standards – of the purchase of goods (x) times their prices versus the consumption of Z-commodities times their shadow prices – is a measure of the “value added” of household production.<sup>68</sup>

The two measures are analogous to the narrow definition of gross domestic product and the broader definitions, or “extended accounts,” often advocated by feminist and other critics of conventional national income accounting, which include the value of nonmarket production.<sup>69</sup> The gap will grow or contract depending on the household’s choice of consumption technologies – that is, depending on how “goods intensive” is the production of Z-commodities.

This gap will also vary at the micro level of the household itself according to the household’s “consumer efficiency.” Maximization of the complex decisions discussed above is far from effortless and costless, and households vary considerably in the efficiency with which they are capable

<sup>68</sup> The household members derive utility, shaped by their preferences (or tastes) from the consumption of Z-commodities. Hence, a comprehensive measure of well-being – the “full income” of the household – is:

$$\Sigma Z_i \Pi_i \tag{4}$$

where  $\Pi_i$  = the shadow price of the inherently non-traded Z-commodities. This can be compared to the conventional measure of the household’s standard of living, which limits itself to total money income and the household’s command over goods (as in equation 3 of note 66). The gap between these two definitions of living standards is a measure of the “value added” (VA) of household production:

$$VA = \Sigma Z_i \Pi_i - \Sigma p_i x_i \tag{5}$$

This gap will grow or contract depending on the household’s choice of consumption technologies.

<sup>69</sup> Extended accounts add nonmarket production but often go on to subtract outputs that are viewed as “regrettable necessities”: disamenities of modern life. See William Nordhaus and James Tobin, “Is Growth Obsolete?” in James Tobin, *Essays in Economics*, Vol. III, *Theory and Policy* (Cambridge, Mass.: MIT University Press, 1982), pp. 360–450; Robert Eisner, *The Total Incomes System of Accounts* (Chicago: University of Chicago Press, 1989).

and willing to transform their resources into Z-commodities.<sup>70</sup> The degree of calculation in decision making chosen by consumers will be related to the knowledge and experience (social capital, consumption capital) they bring to the enterprise. Thus, the retained nutrients of consumed food depend on the cook's human capital; detecting the combinatory possibilities of available goods requires consumption capital; fully exploiting the symbolic values of goods requires social capital. Moreover, while production inefficiency in firms is signaled and punished by market competition, no such external forces discipline families and push them toward greater consumer efficiency.<sup>71</sup> Even when households efficiently produce individual Z-commodities, the problem of the mix of commodities and their distribution among household members remains.

The main point of the "full income" concept can readily be grasped by considering the most common measure of income: Historians of pre-industrial societies typically define the economic resources available to a household by the wage rate deflated by the price level. This real-wage measure commonly stands as a first approximation of household purchasing power.<sup>72</sup> The allocation-of-time model discussed above alerts us to the possibility that reallocations of time use by the members of the household – changes in leisure, redeployment of labor between the household and the market – can cause household money income to follow a different course from that suggested by the wage rate alone. But even

<sup>70</sup> Jeffrey James, *Consumption and Development* (New York: St. Martin's Press, 1993), pp. 186–8.

<sup>71</sup> No *external* forces discipline families, but *within* the household, dissatisfaction and criticism can be intense and induce in the person held most responsible – in most cases the wife and mother – a great anxiety. Daniel Miller calls attention to the considerable power that accrues to the modern housewife as she exercises consumer choice on behalf of the family, but he hastens to add that "[this power] is not experienced as empowerment in the daily life of those who wield it." The housewife is in the unenviable position of simultaneously negotiating the household economy (find the right position, somewhere between Martha Stewart and sloven) and the political economy (somewhere between acting as the manipulated tool of international capitalism's advertising and the savvy beneficiary of the international market economy). Because most academic writers on this subject appear to view their own consumption practices as elevated above the mundane concerns of the housewife, analyses of these issues untouched by condescension are not common. Daniel Miller, "Consumption as the Vanguard of History. A Polemic by Way of an Introduction," in Daniel Miller, ed., *Acknowledging Consumption. A Review of New Studies* (London: Routledge, 1995), pp. 34–5.

<sup>72</sup> For example, see the recent study of Robert Allen, "The Great Divergence in European Wages and Prices from the Middle Ages to the First World War," *Explorations in Economic History* 38 (2001): 411–47. For a critical discussion of this venerable tradition, see Jan de Vries, "Between Purchasing Power and the World of Goods. Understanding the Household Economy in Early Modern Europe," in John Brewer and Roy Porter, eds., *Consumption and the World of Goods* (London: Routledge, 1993), pp. 95–8.

this more comprehensive measure of income does not comprehend “full income,” which includes nonmarketed labor and the efficiency of consumption. The extent to which full income is greater than the others measures of income depends on the consumption technologies used to produce Z-commodities and the consumer efficiency of the household’s labor.

*Utility and income redistribution.* It is individuals who consume, and derive utility, but most Z-commodities are either consumed jointly or are allocated to individuals by some household decision-making process.<sup>73</sup> The character of that process – whether it is grounded in altruism or reflects the unequal power of family members – is as important a topic as it is obscure. The opacity of family life – most people are less forthcoming about their monetary practices than their sexual practices – has caused normative pronouncements, ideological claims, and convenient assumptions to substitute for direct knowledge of income distribution within the household. (I will examine this in more detail in Chapter 5.) Here it will suffice to recall that the household economy necessarily involves decisions about production (who will work, and at which tasks?) and consumption (what will be consumed – invested, saved – and how will it be distributed among the members?).

Most income is earned by individuals, most goods are purchased by individuals, and all utility is “registered” by individuals. Yet, the consumption resources eligible for redistribution within the household are a large fraction of total societal resources. Becker claims that “families in all societies, including modern market-oriented societies, have been responsible for . . . – half or more [of all economic activity] – for they have produced much of the consumption, education, health, and other human capital of the members.”<sup>74</sup> Other, more formal, estimates of household production (for the United States, the United Kingdom, and Australia) place it at 40–25 percent of national income.<sup>75</sup> The quality of these

<sup>73</sup> For an influential effort to sidestep this problem, see Paul A. Samuelson, “Social Indifference Curves,” *Quarterly Journal of Economics* 70 (1956): 1–22. Samuelson considered the family to constitute “a realm of altruism.” His definition of paternalism was that an individual’s utility depended on others’ conforming to his/her preferences. In contrast, the altruist includes the utility of other members (as *they* define it) in his or her own. Gary Becker explores this topic in “A Theory of Social Interactions,” *Journal of Political Economy* 82 (1974): 1063–93.

<sup>74</sup> Gary Becker, *A Treatise on the Family* (Cambridge, Mass.: Harvard University Press, 1981), p. 303.

<sup>75</sup> Eisner, *Total Incomes System of Accounts*, p. 73; Avner Offer, *The Challenge of Affluence. Self-Control and Well-Being in the United States and Britain Since 1950* (Oxford: Oxford University Press, 2006), p. 85.

redistribution decisions also determines the extent to which total utility (full income), as defined by each member, exceeds the monetary cost of the inputs – that is, the quality of these decisions determines the value of the household as a common economic enterprise in the eyes of its members. If individual preferences are similar, as Becker assumes, redistributive decisions are not the most important determinant of the household's success. Rather, the efficiency in transforming goods into Z-commodities, which Becker regards to be highly heterogeneous across households, is more important. But the more individual family member tastes differ, the more challenging is the decision-making process within the household, and the more those decisions will affect total utility.

*Consumption bundles.* At the heart of both Lancaster's and Becker's models is the distinction between the goods we buy and the Z-commodities that we consume and that give utility. There is no longer a stable, one-to-one relationship between the purchase of a good and the derivation of utility. Goods in combination may possess characteristics different from those pertaining to the same goods consumed separately. These "indivisibilities" in consumption can be obvious, if not trivial. Tea and teacups, for example, is a "consumption bundle" that readily comes to mind. But these bundles can also be much more complex and much more powerful. To stay with tea for a moment, its combination with sugar is anything but obvious. This is not how tea was consumed in China, nor was coffee drunk with sugar in its Arabian places of origin. The contemplation of this bundling innovation filled Sidney Mintz, the anthropologist of sugar, with awe:

The first sweetened cup of hot tea to be drunk by an English worker was a significant historical event, because it prefigured the transformation of an entire society, a total remaking of its economic and social basis. We must struggle to understand fully the consequences of that and kindred events, for upon them was erected an entirely different conception of the relationship between producers and consumers, of the meaning of work, of the definition of self, of the nature of things.<sup>76</sup>

Mintz believes that this act, if we could observe it, would place us at the point of origin of modern life, something akin to observing Adam's eating of the apple. He asks his reader to believe that all the things that flowed from this act (a mass change of consumer behavior, consumerism, slave-based plantation economies, colonialism, capitalism) were truly *consequences* of a fatal, inherent taste of "an" – more likely he means

<sup>76</sup> Sidney W. Mintz, *Sweetness and Power. The Place of Sugar in Modern History* (New York: Viking Press, 1985), p. 214.

the – “English worker.”<sup>77</sup> The approach to consumer tastes I have presented here seeks to contextualize and thereby endogenize the process of consumer capital formation – to treat consumption innovations as flowing from accumulated experience and knowledge rather than appearing as an exogenously determined event. Nonetheless, Mintz is surely correct to call attention to the far-reaching ramifications of consumer clusters.

The custom of taking tea and coffee with sugar appears to have taken form in northwestern Europe between 1685 and 1700, but the development of consumption clusters did not stop there.<sup>78</sup> Tea and coffee were combined with wheat bread to form a breakfast economical of household labor that, in the early–eighteenth-century Netherlands, not only replaced morning meals of porridge or pancakes and beer but reorganized the daily meal system as a whole from a two-meal to a three-meal regime. Across the North Sea, Woodruff Smith describes how “The British ritual called ‘tea’ was one of two major meals invented or radically revised in the late seventeenth and early eighteenth centuries that centered around the consumption of overseas imports and that possessed important social and cultural meanings for its participants. The other was breakfast, in the form in which it came down to the twentieth century.”<sup>79</sup>

Consumer clusters can also emerge when goods are linked in more subtle ways, by the consumer’s sense of fitness, itself the product of an

<sup>77</sup> Before concluding that the appeal of sugar is natural and irresistible, consider Sandgruber’s account of its diffusion in Austria: “One must conclude that before 1800 the great majority of Austrian inhabitants made no use of it [sugar] at all. The growth of consumption is overwhelmingly accounted for by the kitchens of the highest classes (*der Oberschichtenküche*), where in the eighteenth century sugar was much appreciated and profoundly influenced dishes and recipes.” Sandgruber, *Die Ängste der Konsumgesellschaft*, p. 208. Here, in central Europe, sugar’s appeal appears to have originated at court and long remained associated with refined dishes rather than the workingman’s refreshment. Sandgruber again: “Court society [*höfische Gesellschaft*] created the new hot drinks, coffee, tea, and cacao, which, in contrast to their places of origin, were sweetened, and which now seems so obvious to us.” Sandgruber, “Leben und Lebensstandard im Zeitalter des Barock,” p. 179.

<sup>78</sup> Woodruff Smith describes Mintz’s moment of creation rather more matter-of-factly: “Although tea and coffee were undoubtedly taken with sugar in the Netherlands and England by some of the more gastronomically adventurous before about 1685, there is no sign of a general fashion for doing so. By 1710 at the latest, however, there are clear indications of the prevalence of the practice in Britain, and by the 1720s and 1730s, it had become quite general in other countries as well. The years between about 1685 and just after 1700, therefore, appear to be the key period. Probably not coincidentally, the period immediately after 1700 also saw immense increases in the importance of tea, coffee, and sugar in Europe.” Smith, *Consumption*, pp. 122–3.

<sup>79</sup> *Ibid.*, p. 172.



accumulating “consumer capital.” This is sometimes called the “Diderot Effect” after Dennis Diderot’s account of his experience as a consumer in his essay “Regrets on Parting with my Old Dressing Gown.”<sup>80</sup> Soon after the *philosophe* had replaced his old dressing gown with a splendid new one, he looked about his study and found it somehow deficient. His desk appeared shabby as he sat before it in his new gown, and after he replaced it with a grand new one, the wall tapestry appeared rather threadbare. New draperies were ordered, and, in this way, soon everything in the study was replaced with new things. The cluttered space that had satisfied Diderot a week before had been transformed into an elegant but rather sterile chamber. Diderot had not set out to remodel his study, but a sense of style and coherence had led him to this result nonetheless.

Diderot expressed regret over his new ensemble, but the larger point is that new commodities by themselves do not possess the utility that they come to acquire once they are bundled with others. Moreover, when bundled, consumer goods can acquire nontangible qualities that affect their utility to the consumer. Goods embedded within “worlds of goods” acquire, or acquire more strongly, the marking functions that supply social distinction, and they provide a means of communicating meaning and cementing reciprocal relations with others. These staples of the anthropological approach to consumption connect directly with the economic model introduced here. The economists Lancaster and Becker could readily subscribe to the celebrated dictum of the anthropologists Douglas and Isherwood that “all goods carry meaning, but none by itself.”<sup>81</sup>

As noted earlier, the processes of discovery whereby consumers seek comfort and pleasure should not be thought of simply as a matter of acquiring new goods. Rather, novelty consists in the discovery of new

<sup>80</sup> Dennis Diderot, “Regrets on Parting with my Old Dressing Gown,” in *Rameau’s Nephew and Other Works by Dennis Diderot*, trans. Jacques Barzun (New York: Bobbs-Merrill, 1964), pp. 309–17.

<sup>81</sup> Mary Douglas and Baron Isherwood, *The World of Goods* (New York: W. W. Norton, 1979), p. 72. Despite this affinity, anthropologists appear to regard Douglas and Isherwood’s claims as a direct challenge to the “ludicrous assumptions” of economic. The quote is from Daniel Miller, “Consumption Studies in Anthropology,” in Miller, ed., *Acknowledging Consumption*, pp. 266–7. Douglas and Isherwood, for their part, discuss economists, including Lancaster, with an unbecoming condescension. “Lancaster,” they conclude dismissively, “is no more able than anyone else to explain which properties of today’s luxuries will make some of them, but not others, become tomorrow’s necessities” (p. 111). They then proceed confidently to predict from their own anthropological theory “that a rise in real income will tend to be accompanied by an increase in the frequency of large-scale private social events” (p. 112). Predicted in 1979, it did not take long before it could be proved wrong.

complementarities. “New complementarities and the definition of use systems determine the success of new items of consumption and their diffusion paths.”<sup>82</sup> The complementarities, or consumption bundles, can range from simple technical indivisibilities to complex lifestyles.<sup>83</sup> It follows that the more consequential changes in consumer demand do not simply involve smooth, continuous marginal changes in response to relative prices and incomes but require discontinuous moves to achieve new consumption complexes.

Figures 1.1a, b, and c are sketches that illustrate this point. Figure 1.1a represents continuous, marginal change: Consumption rises (measured in consumption bundles of increasing quantity and quality; hence the vertical axis is labeled “lifestyle”) monotonically with household income (measured on the horizontal axis). Material culture is strongly correlated with income level. It evolves marginally and continuously, following some predictable hierarchy of utility. Figure 1.1b preserves continuous, marginal change but introduces the notion that consumer choice increases as incomes rise and that consumers will differentiate themselves – that they will purchase social distinction.<sup>84</sup> With a given income, some will become “modernizers” while other consciously “traditionalize” their consumption patterns. Others will differentiate themselves along urban – rural or cosmopolitan – provincial continua. This process of distinction seeking together with the variable consumer efficiency of households will cause consumers with the same income to distribute themselves among a range of “tastes” while consumers with differing incomes may seek to mimic a specific style of life. If income alone determines one’s material culture in Figure 1.1a, income and taste combine to determine one’s position in Figure 1.1b.

Finally, Figure 1.1c illustrates a material world where consumption does not change only marginally and continuously but often takes a discontinuous form, requiring leaps to new consumption clusters. Each cluster

<sup>82</sup> Davide Gualerzi, “Economic Change, Choice and Innovation in Consumption,” in Bianchi, ed., *The Active Consumer*, p. 56.

<sup>83</sup> *Lifestyle* is not a clearly defined term, but it is used here to signify the material embodiment of a sense of identity. “Lifestyle is both a result and a guiding star of the pursuit of identity and of the invention of consumption practices within an evolving system of commodities.” Gualerzi, “Economic Change, Choice, and Innovation in Consumption,” p. 55. See also Peter E. Earl, *Lifestyle Economics* (New York: St. Martin’s Press, 1986).

<sup>84</sup> Thera Wijsenbeek-Olthuis describes the process of taste differentiation in eighteenth-century Delft. *Achter de gevels van Delft. Bezit en bestaan van rijk en arm in een periode van achteruitgang (1700–1800)* (Hilversum: Verloren, 1987). See also Anton Schuurman, *Materiele cultuur en levensstijl* (Wageningen: A. A. G. Bijdragen 30, 1989).

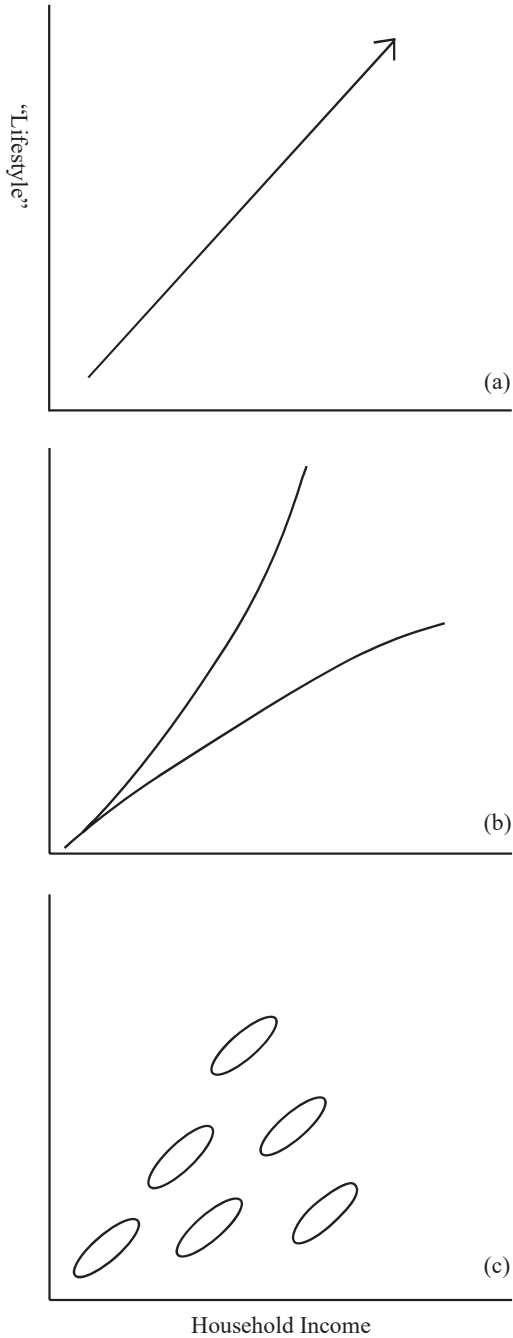


FIGURE 1.1a, b, c. Three models of the relationship between household income and consumer choice.

constitutes a kind of equilibrium: a pool of local attraction, in which consumption elements reinforce one another and coexist with the productive activities of the household. Movement *within* the cluster is continuous, as in Figures 1.1a and 1.1b, but movement *between* clusters is a different matter. One does not drift into a new cluster by inadvertence; the change requires an element of strategy, typically effected at the household level.

Ordinarily, consumer preferences are stable, in the sense that the tastes of individuals do not vary randomly, impulsively, or wantonly. Consumption remains within a cluster according to household incomes and relative prices. Of course, individuals can differ in their tastes in inexplicable ways. That is, they can differ in ways that may not be worth explaining, hence the economists' affection for the Latin aphorism *de gustibus non est disputandum*.<sup>85</sup> There is no point arguing about tastes. This, as we have noted, is what led Pareto and economists in general to divert their gaze from anything standing behind the "naked fact" of consumption. But there *are* changes in preferences that, as Albert Hirschman put it, are "non-wanton." These are changes about which we *do* argue – with others and with ourselves. These are tastes that turn into values that express our identity.<sup>86</sup> And it is values (when one asks "How should we live?") that are at stake when the discrete moves illustrated in Figure 1.1c are contemplated.

To summarize the argument thus far, individuals consume primarily in the context of households, and households, much like firms that combine inputs to produce goods according to a production function, combine purchased goods and household labor to produce the ultimately consumed Z-commodities according to available consumption technologies. How do households decide what their members will consume? Unlike firms, no profit motive guides and evaluates this process, but this does not mean that consumer behavior is unfathomable and arbitrary. Nor does it mean it is wholly determined by forces external to the household or to the economy as a whole. Consumer experience creates "consumption capital," and this, in turn, is influenced by household decisions, for household specialization in production gives access to enhanced choice in consumption. Decisions to alter household productive activities can be responses to new market

<sup>85</sup> Gary Becker and George Stigler, "De Gustibus non est Disputandum," *American Economic Review* 67 (1977): 76–90.

<sup>86</sup> Albert Hirschman, *Rival Views of Market Society and Other Recent Essays* (New York: Viking, 1986), p. 145; James, *Consumption and Development*, p. 1.

opportunities, but they can also respond to the new aspirations of the “active searching consumer” introduced above, whose acts of discovery become consequential when discrete elements of consumption, which, taken individually, may be no more than foolish mimicry or a routine response to transitory market phenomena, are codified into consumption clusters to achieve a reformulation of lifestyle.

### Appendix: Five Consumer Revolutions

For Renaissance origins, see Lisa Jardine, *Worldly Goods. A New History of the Renaissance* (London: Macmillan, 1996); Evelyn Welsh, *Shopping in the Renaissance* (New Haven, Conn.: Yale University Press, 2005); Chandra Mukerji, *From Graven Images. Patterns of Modern Materialism* (New York: Columbia University Press, 1983). Mukerji locates the beginning of “hedonistic consumerism” in the fifteenth and sixteenth centuries. “[It] developed as an artifact of expanding trade when the meaning and value of goods became problematic with the arrival of new goods in European markets” (p. 256). She also emphasizes the role of print culture in shaping a broad, international pattern of taste that could support large-scale production (pp. 77–8).

The “era of the Baroque” (sixteenth to eighteenth centuries) is the preferred point of origin for consumer society in the work of Roman Sandgruber: *Die Anfänge der Konsumgesellschaft* (Vienna: Verlag für Geschichte und Politik, 1982); “Leben und Lebensstandard im Zeitalter des Barock – Quellen und Ergebnisse,” in Othmar Pickl and Helmuth Feigl, eds., *Methoden und Probleme der Alltagsforschung im Zeitalter des Barock* (Vienna, Österreichischen Akademie der Wissenschaften, 1992), pp. 171–89. Sandgruber concludes: “Die Konsumgesellschaft beginnt im Barockzeitalter. Dass die Konsumgewohnheiten wie die gesamte Alltagskultur und Zivilisation vom 16. bis zum 18. Jahrhundert so sehr in Bewegung geraten waren, ist insgesamt auf eine Gesellschaftsordnung zurückzuführen, in der consumptive Schichten wie nie zuvor und nach her den Ton angaben und im dauernden Drang der höflichen Gesellschaft nach ständischer Abgrenzung immer neue Zivilisationsnormen und -formen des demonstrativen Konsums kreieren mussten. Die Technik der Konsumption hat sich seit dem Barock nicht mehr wesentlich geändert: Was sich in der Industrialisierung änderte, war vornehmlich die Technik der Produktion” (p. 187).

For eighteenth-century origins, see Neil McKendrick, John Brewer, and J. H. Plumb, *The Birth of a Consumer Society. The Commercialization*

of *Eighteenth-Century England* (Bloomington: Indiana University Press, 1982); Colin Campbell, *The Romantic Ethic and the Spirit of Modern Consumerism* (Oxford: Basil Blackwell, 1987); Carole Shammas, *The Pre-Industrial Consumer in England and America* (Oxford: Oxford University Press, 1990); T. H. Breen, *The Marketplace of Revolution. How Consumer Politics Shaped American Independence* (Oxford: Oxford University Press, 2004); Daniel Roche, *A History of Everyday Things. The Birth of Consumption in France, 1600–1800* (Cambridge: Cambridge University Press, 2000); Maxine Berg, *Luxury and Pleasure in Eighteenth-Century Britain* (Oxford: Oxford University Press, 2005).

For late–nineteenth and early–twentieth-century origins, see Michael Miller, *The Bon Marché. Bourgeois Culture and the Department Store, 1869–1920* (Princeton, N.J.: Princeton University Press, 1981); Rosalind Williams, *Dream Worlds. Mass Consumption in Late Nineteenth Century France* (Berkeley and Los Angeles: University of California Press, 1982); John Benson, *The Rise of Consumer Society in Britain, 1880–1980* (New York: Longman, 1994); Richard Wightman Fox and Jackson Lears, eds., *The Culture of Consumption. Critical Essays in American History, 1880–1980* (New York: Pantheon Books, 1983); Daniel Horowitz, *The Morality of Spending. Attitudes Toward the Consumer Society in America, 1875–1940* (Baltimore: The Johns Hopkins University Press, 1985). Fox states that “the 1920s and 1930s were the critical decades in the consolidation of modern American consumer society” (p. 103), while Lears views consumerism as a force released by the evolution of Protestantism into a secularized “flaccid creed, without force or bite or moral weight.” Horowitz asserts that consumer society emerged as the religious, ethical and communal values and institutions (of traditional society) that restrained individualism and materialism eroded at the end of the nineteenth century, and “a shift started from self-control to self-realization, from the work of the producer, based on the values of self-denial and achievement, to a consumer culture that emphasized immediate satisfaction and the fulfillment of the self through gratification and indulgence” (pp. xxi, xxvii).

For twentieth-century origins, see S. Strasser, C. McGovern, and M. Judt, eds., *Getting and Spending. European and American Consumer Societies in the Twentieth Century* (Cambridge: Cambridge University Press, 1998); Lizbeth Cohen, “Citizens and Consumers in the United States in the Century of Mass Consumption,” in Martin Daunton and Matthew Hilton, eds., *The Politics of Consumption* (Oxford and New York: Berg, 2001), pp. 203–21; Gary Cross, *Time and Money. The Making of Consumer Culture* (London: Routledge, 1993); Roland Marchand,

*Advertising the American Dream. Making Way for Modernity, 1920–1940* (Berkeley: University of California Press, 1985).

Of particular importance to twentieth-century studies of consumer society are works of the Frankfurt School of critical theory. See Jurgen Habermas, “Konsumkritik,” *Frankfurter Hefte* 12 (1957): 641–5; Max Horkheimer and Theodor Adorno, *Dialectic of Enlightenment* ([1944] London: Allen Lane, 1973), esp. “The Culture Industry. Enlightenment as Mass Deception,” pp. 120–67; Herbert Marcuse, *One-Dimensional Man* (Boston: Beacon Press, 1964); Herbert Marcuse, *Eros and Civilization. A Philosophical Inquiry into Freud* ([1955] New York: Vintage Books, 1962). For an introduction to this literature, see Martin Jay, *The Dialectical Imagination. A History of the Frankfurt School and the Institute of Social Research, 1923–1950* (Boston: Little, Brown and Co., 1973). These thinkers saw consumer society as the product of alienation, a condition rendering individuals incapable of distinguishing use-value from exchange-value, objective needs from subjective wants.

## The Origins of the Industrious Revolution

I move now from a theoretical account of how consumer demand can change to a brief and schematic historical account of how an industrious revolution could emerge from a society in which most manifestations of consumer demand had long been socially restricted and morally suspect.

### From Prodigality and Profusion to a Consumer Society

*The leisure-rich society.* The ideal of most Western societies from Greek republican ideology to the aristocratic cultures of the early modern era was to have abundant leisure. Leisure is itself a tricky concept with at least three distinct dimensions: (1) “consumption time” – the time needed to actually use the goods and services we have acquired; (2) “cultural time” – the time devoted to the cultivation of mind and spirit, and to governance and charity; (3) “free time” – passive idleness, which, to the extent that it achieves the physical recuperation necessary for active labor, is not properly leisure at all.<sup>1</sup> Modern leisure is very much focused on the first dimension, “consumption time,” but this was not the case in the leisure-rich societies of the past. In the terms of the household consumption model (introduced in Chapter 1), the desired Z-commodities of a leisure-rich society were achieved with relatively few goods (x) and much time, the time being chiefly “cultural time.” The ideal was to be freed from manual work, a prerequisite for the autonomy of action that allowed one to pursue the cultivation of virtue. The problem with this ideal was that it always required the subordination of large classes of people – slaves, serfs, and nearly all women (categories of persons deemed incapable of benefiting from cultural time) – in order to support the leisure of the

<sup>1</sup> Linder, *The Harried Leisure Class*.



few.<sup>2</sup> These subordinated groups may also have had substantial leisure, but this was a product not of prosperity but of the absence of incentive in a coercive economy. Adam Smith's observation that "It is better, says the proverb, to play for nothing, than work for nothing" captures well the dilemma faced by workers in such societies, as did the *bon mot* of Europe's former socialist societies that "they pretend to pay us, and we pretend to work."<sup>3</sup>

Could the leisure-rich but oppressive societies of the past have been modernized in such a way that, as workers became more productive, society could have transformed itself from one supporting an elite leisure class to one capable of creating the conditions in which everyone could become at least a part-time Greek philosopher – or a worker-citizen rather than a worker-consumer? This, in a nutshell, is the question that haunts the cultural critics of the consumer societies that developed in the twentieth century. How is it that workers appear to prefer more money (and, hence, more labor) to more free time, and more consumption time to more cultural time?

The Frankfurt School of social critics, viewing with jaundiced eyes a triumphant post-World War II American capitalism and the materialist frenzy of western Europe's reconstruction, theorized that the meaningless work of industrial capitalism led to alienation, a condition that rendered the masses incapable of distinguishing use value from exchange value, objective needs from subjective wants. The corporate mass-production economy exploited this weakness to satisfy its own need for a mass-consumption society. In this environment, advertising sped the creation of what Max Weber had feared, the *Genussmensch ohne Herz* (heartless hedonist) – what Herbert Marcuse, a member of the Frankfurt School, famously labeled the "one-dimensional man." The alienated worker, once wrenched by capitalism from a traditional culture, loses all self-control and develops a voracious appetite for goods and an insatiable need for fantasy, distraction, and ostentatious display.

Perhaps even more broadly influential than the critical theory of the Frankfurt School was the political economy of John Kenneth Galbraith, whose *Affluent Society* of 1958 diagnosed American society as one that overemphasized the production of private consumption, thereby leading

<sup>2</sup> J. G. A. Pocock, "The Mobility of Property and the Rise of Eighteenth-Century Sociology," in *Ibid.*, *Virtue, Commerce and Society* (Cambridge: Cambridge University Press, 1985), pp. 103–25.

<sup>3</sup> Adam Smith, *The Wealth of Nations*, Book II, Ch. III, p. 356.

to too little spending on public goods and services and too little leisure.<sup>4</sup> Increased affluence, Galbraith reasoned, should be reducing the appeal of ever more private consumption (assuming a declining marginal utility of consumption). Galbraith, in effect, proclaimed the United States of 1958 to have reached the point predicted for twenty-first-century Britain by John Maynard Keynes in his 1930 essay “Economic Possibilities for Our Grandchildren.” In that essay Keynes looked a century into the future, when, he reasoned, an average rate of growth of 2.0 percent per annum will have generated an eight-fold increase in real per capita income. Such a fabulous increase in material prosperity would lead people to refocus their efforts to non-economic pursuits, to more leisure, less stress, and less competitiveness.<sup>5</sup> Yet, in Galbraith’s United States there was no sign of this trend; to the contrary, consumer wants seemed to be growing at least as fast as the means to satisfy them. Galbraith – as many others before and after him – was confident he knew the identity of the culprit responsible for subverting the natural tendency toward satiation: advertising in the service of capitalist producers.

Whether the appeal is to the alienated *Genussmench*, or to the manipulative powers of advertising, these critiques see modern consumer behavior as historically aberrant and destructive of personality and culture alike. Only a century ago, according to Juliet Schor, a healthy demand for leisure time sustained a vibrant public culture; today too much work has atrophied our “leisure skills” and all we can imagine is more work and more consumption. Schor calls for government intervention to change the direction of society – to achieve a breakout from “capitalism’s squirrel cage” – by providing “affordable, non-commodity-related leisure activities.”<sup>6</sup> Even in 1930, Keynes worried that few of his contemporaries had sufficiently cultivated the art of life to know how to make effective use of the coming abundance of leisure. Today the problem of chronic consumption – unsustainable, unedifying, unsatisfying consumption – appears hopeless.

<sup>4</sup> John Kenneth Galbraith, *The Affluent Society* (Boston: Houghton Mifflin, 1958).

<sup>5</sup> John Maynard Keynes, “Economic Possibilities for Our Grandchildren,” in *Essays in Persuasion* ([1931] New York: W. W. Norton, 1961), pp. 358–73. With the economic problem (scarcity) no longer a dominant force in society, Keynes predicted, economists would cease to be particularly important. Their work “should be a matter for specialists – like dentistry” (p. 373).

<sup>6</sup> Juliet Schor, *The Overworked American* (New York: Basic Books, 1992). Another call to action is found in Gary Cross, *Time and Money. The Making of Consumer Culture* (London: Routledge, 1993).

The industrious revolution concept holds that the basic premises of these jeremiads are flawed. First, the fatal turn away from a leisure-based society (leisure in the classical sense) began earlier, in the seventeenth century. By the time the Frankfurt School and the disillusioned intellectuals of the late twentieth century fixed their horrified gazes on the consumer choices of ordinary people, the die had long since been cast. Man as a “desiring subject” whose subjectivity is shaped by “‘desire’ as a fundamental aspect of the self” is not a product of modern industrial capitalism; his origins are to be found earlier, as I shall seek to demonstrate.<sup>7</sup> Second, there is a basic contradiction between the goal of universal cultural leisure and a highly productive economy. The leisure-rich society, what Plato described as the “simple society,” was founded upon the autonomy of the human personality, and the achievement of this condition required substantial economic autarky.<sup>8</sup> The price of autarky is low productivity, and, hence, a subordinate population to provide the few with the leisure to cultivate a reasoning, autonomous intellect. The alternative is to secure a higher level of economic well-being via specialization and the division of labor. But any such move – essential to greater human productivity – simultaneously undermines the autonomous, unalienated personality in favor of something new. This concession, or tradeoff, is not a trivial one – it goes to the heart of the classical republican concept of the free man of virtue.<sup>9</sup> So, a big question looms: Could this “something new,” this replacement of the unalienated free man of virtue, possibly be something better? Was the turn to consumer society lamented by cultural critics not only a much earlier achievement than they realize, but not even a lamentable one?

<sup>7</sup> For a sociological critique of the “desiring subject” as a product of the “needs” of modern capitalism, see John Levi Martin, “The Myth of the Consumption-Oriented Economy and the Rise of the Desiring Subject,” *Theory and Society* 28 (1999): 425.

<sup>8</sup> Ronald Fletcher, *The Shaking of the Foundations. Family and Society* (London: Routledge, 1988), pp. 204–5.

<sup>9</sup> I write “free *man* of virtue” because republican thought located the weakness of human beings in their desires – the envy, vanity, and lust that led to irrational actions. It associated these weaknesses especially with women, youth, slaves, and servants. Restricting the freedoms of such people in the support of autonomous males simultaneously solved the economic problem of securing republican autonomy for those possessing reason and the moral problem of checking the desires of weak humanity for goods they do not need. Discussion of Aristotelian republican thought as they apply to luxury are available in John Sekora, *Luxury. The Concept in Western Thought, Eden to Smollet* (Baltimore: Johns Hopkins University Press, 1977); J. G. A. Pocock, *The Machiavellian Moment. Florentine Political Thought and the Atlantic Republican Tradition* (Princeton, N.J.: Princeton University Press, 1975).

*Old luxury and new luxury.* To be sure, the leisure-rich society had known consumerism; they called it “luxury.” When desires brushed aside ideals and appetites displaced sentiments, the “simple society” of Plato was transformed into the “inflamed society.”<sup>10</sup> The resulting consumption, extravagant and unrestrained, was associated in Christian culture with nearly all of the seven deadly sins. The material goods that embodied high culture and refinement and signified the right to rule in aristocratic societies could easily be diverted to personal excess, not only submerging a healthy personality in debauchery but also undermining the stability of society as a whole. Thomas Mun expressed his concern for the fate of a luxury-prone Restoration England as follows:<sup>11</sup>

The general leprosie of our piping, potting, feasting, fashion, and the mis-spending of our time in idleness and pleasure . . . hath made us effeminate in our bodies, weak in our knowledge, poor in our treasure, declined in our valour, unfortunate in our enterprises, and condemned by our enemies.

This critique of luxury, drawing upon both the Christian and Classical traditions, was as durable as it was venerable, and it continued to dominate Western thought into the eighteenth century. Indeed, in a secularized form, it continues to influence us to the present day. Simply put, luxury is the enemy of virtue.

In the course of the seventeenth century a New Luxury emerged in a sufficiently developed form to present an alternative to the Old Luxury that had lived in symbiotic tension with the leisure-rich society for many centuries. Rather than being defined by royal courts, the New Luxury was generated by urban society. Rather than presenting a coherent style and hegemonic cultural message, it consisted of heterogeneous elements. The Old Luxury, striving for grandeur or exquisite refinement, could be emulated only by distinctly inferior adaptations. The New Luxury, striving more for comfort and pleasure, lent itself to multiplication and diffusion. Sensuality and the indulgence of one’s natural instincts characterized the Old Luxury, making it the prerogative of elites sufficiently privileged to claim exemption from the moral strictures to which others remained subject.

In contrast to all this, the concept of “taste” adhered to the New Luxury, and “taste represented a refinement of sensibility . . . [which] was

<sup>10</sup> Fletcher, *Shaking of the Foundations*, pp. 204–5.

<sup>11</sup> Thomas Mun, *England’s Treasure by Forraign Trade or the Balance of Our Forraign Trade in the Rule of our Treasure* (London: n.p., 1664), pp. 180–1.

something for which essentially everyone had the capacity. . . . It was theoretically possible for anyone, regardless of social standing, to display taste." Taste does not eschew luxury but tames it, requiring that luxury be aesthetically restrained. "The rules of taste," as Woodruff Smith puts it, "provide a set of limits to exuberance and sensuality."<sup>12</sup>

Where the Old Luxury served primarily as a marker, a means of discriminating among people, times, and places, the New Luxury served more to communicate cultural meaning, permitting reciprocal relations – a kind of sociability – among participants in consumption. A consumer society characterized by the breeding and practice that shapes taste (Becker's accumulation of consumption capital) supplied the basis for a sociable society, which, in turn, allowed for open, civilized communication among citizens. Far from being the enemy of virtue, such consumption – the New Luxury – could claim to establish the very foundation of virtue in society.

Finally, while the Old Luxury could be viewed only as a drain on the economy and a threat to the economic well-being of those who indulged in it, the New Luxury paired what David Hume called a "refinement in the gratification of the senses" with incentives to the expansion of commerce:

If we consult history, we shall find that in most nations foreign trade has preceded any refinement in home manufactures, and given birth to domestic luxury. . . . Thus men become acquainted with the *pleasures* of luxury, and the *profits* of commerce; and their *delicacy* and *industry* being once awakened, carry them on to further improvements in every branch of domestic as well as foreign trade; and this perhaps is the chief advantage which arises from a commerce with strangers.<sup>13</sup>

Luxury consumption and economic development could now be paired rather than set against each other. Thus, within two or three generations beginning in the late seventeenth century, luxury was transformed, first in material reality and then in theory, as its new forms came to be understood as the very foundation of virtue rather than as virtue's mortal enemy.<sup>14</sup>

<sup>12</sup> Smith, *Consumption*, pp. 81–2.

<sup>13</sup> David Hume, *Essays, Moral, Political and Literary* ([1752] London: Longmans, 1989), Part II. "Of Commerce," pp. 259–75; "Of Refinement in the Arts," pp. 275–89; quotation, p. 270.

<sup>14</sup> Perhaps the final stage of the diffusion of this insight is found in the second edition of T. R. Malthus's *Essay on the Principles of Population* (London, 1803). Only then, in an extensive revision of his "First Essay" of 1798, does he come to link "moral restraint" explicitly with the beneficent influences of the desire to consume. "[D]esires for comfort and convenience were crucial to the 'moral restraint' that allowed sufficient control over the principle of population to maintain happiness in a society: 'throughout a very large class of people [in Britain], a decided taste for the conveniences and comforts of life, a strong desire of bettering their condition, that master-spring of public prosperity, and, in

*Emulation versus innovation.* Luxury is sometimes called “timeless,” calling to mind the stable social and political hierarchies at whose pinnacles rarified elites were the exclusive practitioners of luxury consumption. When luxury is given motion, it comes to be governed by fashion. This motion is widely held to be the product of emulative behavior. Georg Simmel’s theory of fashion starts by assuming humanity’s universally imitative character. The combination of inequality and social mobility introduced by capitalist society provokes groups excluded from the elite to aspire to appropriate a part of their status by emulating elite material culture. This emulation forces the elites to continuous innovation in order to rejuvenate the capacity of their material goods to serve as public symbols of status and to maintain social distinctions. Thus does fashion become an integral part of modern society: “once set in motion the windmill of fashion rolls as if it were self-activating.”<sup>15</sup>

There are defenses against emulative behavior. It can be outlawed – and was, repeatedly – by sumptuary legislation, and it can be made difficult and costly by embracing designs and materials that do not lend themselves to cheap imitation. Indeed, the Old Luxury sought these protections assiduously.<sup>16</sup> But the New Luxury, as we have noted, possessed the intrinsic capacity to be adapted to the circumstances of progressively larger, and lower, social circles. By establishing more broadly shared material cultures (homogenization), and by developing markets for the distribution of fashions (commercialization), the New Luxury aided the diffusion of new goods. But, whether luxury is old or new, a fundamental problem remains: Where do new consumer aspirations come from? Do they originate with the elites – the only creative consumers – and diffuse via emulation to lower social strata, or do consumption practices emerge from

consequence, a most laudable spirit of industry and foresight, are observed to prevail.”

This has ever since been a foundation of theories of the fertility transition. Quoted in John Crowley, “From Luxury to Comfort and Back Again. Landscape Architecture and the Cottage in Britain and America,” in Berg and Eger, eds., *Luxury of the Eighteenth Century*, p. 146.

<sup>15</sup> Georg Simmel, “Fashion,” *International Quarterly* 10 (1904): 130–55. Simmel’s and other theories of emulation and fashion are discussed in Alan Hunt, *Governance of the Consuming Passions. A History of Sumptuary Law* (New York: St. Martin’s Press, 1996). Quotation from Hunt, p. 49.

<sup>16</sup> Hunt, *Governance of the Consuming Passions*. Hunt surveys the enactment of sumptuary laws throughout Europe, noting a sixteenth-century peak in legislation. By 1604, England repeals its sumptuary laws, while the Netherlands had never had them. Other countries continue, or even intensify, their efforts to control the inappropriate diffusion of fashion until the eighteenth century when such laws everywhere fell into abeyance.

the self-motivated initiatives of multiple social groups, each with its own objectives?

The concept of emulation is fundamental to most historical writings on consumer revolutions. At its heart is the belief that creative consumers are confined to an elite stratum. For society at large the issue is how and why the lower strata emulate elite example.

The emulation argument has several variants. One focuses on the influence of royal and princely courts, whose development in the early modern era gave them the prestige to lead a “civilizing offensive.” Within court circles a new courteous, self-governing behavior sought to channel the energies of courtiers toward cultivating the arts and sciences, thereby redirecting consumption from people (that is, an ongoing supply of services providing sensuous luxury and offering immediate gratification) toward things (that is, cultural artifacts promising durable, continuing satisfaction). Norbert Elias described this civilizing offensive as a phenomenon far broader in its reach than material culture alone, but among the functions of court society he emphasized was its role as an instructor of the “wants of the mind” – as the instructor of tastes.<sup>17</sup>

While Elias leaves the specific agents of instruction unclear, the earlier writings of Werner Sombart, in *Luxury and Capitalism*, identified the “rule of women” in elite environments as the active agents of luxury consumption.<sup>18</sup> Sombart, of course, was not the first to think along these lines. Edward Hundert has observed that:

The association of luxury with women’s inconstancy and the social power of female desire was ancient. It served most potently as a standard resource in classical republican as well as Augustinian-inspired accounts of political decline, where “effeminacy” and the luxury it entailed were standardly considered integral features of moral and political corruption.<sup>19</sup>

<sup>17</sup> Norbert Elias, *The Civilizing Process* (Oxford: Basil Blackwell, 1978); Elias, *The Court Society* (Oxford: Basil Blackwell, 1983).

<sup>18</sup> Werner Sombart, *Luxury and Capitalism* ([1913] Ann Arbor: University of Michigan Press, 1967). Sombart’s argument may have been misogynist, but it was not without subtlety. Capitalism, he argued, found its driving force not among the women of Europe’s urban bourgeois circles but among the mistresses tempting aristocratic men into the reckless pursuit of sensuous pleasure. What brought ruin to an old class brought new opportunities to the capitalist strata.

<sup>19</sup> Edward Hundert, *The Enlightenment’s Fable. Bernard Mandeville and the Discovery of Society* (Cambridge: Cambridge University Press, 1994). This theme is elaborated in Hanna Pitkin, *Fortune Is a Woman. Gender and Politics in the Thought of Niccolò Machiavelli* (Berkeley: University of California Press, 1984).

By the eighteenth century, however, commentators came to place women's prideful desire to consume in a different, somewhat more positive light. Bernard Mandeville, ever eager to shock his readers, asserted that British prosperity itself, or, as he put it, "all the worldly Interest of the Nation" hinged on "the Deceit and vile Stratagem of Women. . . . The number of hands employ'd to gratify the Fickleness and Luxury of Women," is nothing short of "prodigious." Moreover, women "could never have come at [their capacity to purchase luxury goods] by any other means, than pinching their families, Marketting, and other ways of cheating and pilfering from their Husbands."<sup>20</sup> The compliment to women embedded in these rather sour comments is, perhaps, not evident to all modern readers. But, Mandeville's intention in all this is to illustrate his thesis that societal felicity finds its foundation in individual vice.

Later in the century, Montesquieu, in the *Persian Letters*, elaborated on the key role of women as intermediaries between the old nobility and new commercial elites. As arbiters of polite society they advanced the civilizing process, the chief mechanism being the competition among men for their favors. Satisfying their "frivolous and refined taste . . . [in Montesquieu's view] incited a general passion to work, invention and industry."<sup>21</sup> These speculations are of interest primarily for their effort to find a *primum mobile* to account for what contemporaries sensed to be a major expansion of luxury consumption. They do not pretend to account for changes below a rarified sector of society, so that one need not reject them out of hand to still regard them as inadequate to the task of accounting for the larger phenomenon of consumer demand as a whole.

Another explanation for the new power of emulation in society focuses on urban life in the early modern era, when cities, especially capital cities, grew to very large sizes. The contemplation of social life in the metropolis moved Montesquieu to propose a law: "Luxury is . . . proportionate to the size of towns and above all of the capital. . . ." Emulating one's

<sup>20</sup> Bernard Mandeville, *The Fable of the Bees* ([1723] London: Wishart & Company, 1934), I, 356; Remark T, pp. 175–6. Mandeville went on, as though anticipating an opportunity to debate Max Weber's Protestant Ethic thesis, to declare "that the Reformation has scarce been more Instrumental in rend'ring the Kingdoms and States that have embraced it, flourishing beyond other Nations, than the silly and capricious Invention of Hoop'd and Quilted Petticoats" (pp. 219–20). Mandeville insisted on seeing society as it is rather than as theorists and theologians imagined it should be. However, he felt compelled to preface this deflation of the Reformation's beneficent influences by first proclaiming: "I protest against Popery as much as ever Luther and Calvin did, or Queen Elizabeth herself."

<sup>21</sup> Tjitske Akkerman, *Women's Vices, Public Benefits. Women and Commerce in the French Enlightenment* (Amsterdam: Het Spinhuis, 1992), p. 48.



social superiors and cultivating a culture of appearances more generally, he argued, is encouraged in populous cities, because “If their number is so great that most are unknown to one another, the desire to distinguish oneself redoubles because there is more expectation of succeeding.” This led Montesquieu, ever the law giver, to declare another social regularity: “The more men there are together, the more vain they are, and the more they feel arise within them the desire to call attention to themselves by small things.”<sup>22</sup>

Obviously no advantage can be exploited by anonymity in a society that is highly segmented, nor would a culture of appearances be expected to succeed in a society in which information is openly available and nearly costless, and advancement is meritocratic. In this context, an interesting feature of many early modern European societies is that they held something of an intermediate position in these two respects. Social segmentation was not so complete as to preclude the possibility of social mobility. On the other hand, society was far from meritocratic, or market based. Many of the most desirable goods were “socially-provided private goods” – honors, marriage alliances, offices, and the like. It is precisely such “goods” that are allocated not through the market but rather through social interaction where information is incomplete.

Societies with an influential court life that were also in the process of becoming more heavily urbanized offered powerful incentives to engage in demonstrative consumption, driven by emulation, in order to signal information (false information in many cases) designed to secure these private goods.<sup>23</sup> Their enlarged public spheres invited the cultivation of what came to be known as *politesse*: refined and elegant behavior, a stylish presentation of self that was pleasing to others and that, indeed, could seem to define civilized behavior itself. To its critics, *politesse* was at heart a cynical emulation that theatricized the public sphere via an exaggerated attention to outward appearance, a dependence on the whims of fashion, and hypocrisy in human communications.<sup>24</sup>

<sup>22</sup> Montesquieu, Baron du, *The Spirit of the Laws* ([1748] New York: Hafner Publishing, 1949), Vol. I, pp. 95, 97.

<sup>23</sup> Giacomina Corneo and Oliver Jeanne, “Segmented Communication and Fashionable Behavior,” *Journal of Economic Behavior and Organization* 39 (1999): 371–85; “Conformism, Snobbism, and Conspicuous Consumption,” *Journal of Public Economics* 66 (1997): 55–71; “Demonstrative Consumption, Rivalry and Development” (unpublished paper, Jena University Workshop on “Escaping Satiation,” 11–13 Dec. 1997).

<sup>24</sup> This characterization of *politesse* is drawn from Wyger R. E. Velgema, “Ancient and Modern Virtue Compared. De Beaufort and Van Effen on Republican Citizenship,” *Eighteenth-Century Studies* 30 (1997): 437–8.

Was emulation something peculiar to monarchical societies, or to “half-modernized” social settings? The Dutch “spectatorial” writer Justus van Effen offered an implicitly affirmative answer to this question when, in a series of essays written in the 1730s, he condemned French *politesse* for all the reasons just mentioned and contrasted it with Dutch *beschaafdheid* (politeness). Commercial societies, and especially the Dutch Republic, did not force consumers to focus obsessively on outward impressions and to engage in emulative behavior. Rather, they encouraged an interior process of taste development leading to a politeness that was reasonable, virtuous, and sociable. The republican consumer “had to distrust both the authority of tradition and the whims of fashion. He could learn to do so by constantly sharpening his reason through sociability.”<sup>25</sup>

Van Effen’s portrait of the commercial/republican consumer as cultivating preferences through a learning process rather than following the cues of elite practice is of particular interest because it not only distinguishes Dutch politeness from French *politesse* but also sets the Republic (as van Effen saw it) apart from England as it has been interpreted by many modern historians. Margaret Hunt asserts that emulation is “the central explanatory concept employed by eighteenth-century social historians in the post-war period, at least where commercial people are concerned.”<sup>26</sup> Perhaps the most influential exponent of the centrality of emulation in British social history is Harold Perkins, who argues that this commercializing society did not yet possess an authentic commercial culture. Consequently, its “trading people” could formulate no other goal than to leave their origins behind and enter the aristocracy. It follows, according to Perkins, that emulation should be the “prime mover” in eighteenth-century English social and economic life.<sup>27</sup>

Not everyone follows Perkins in his assertion of the dominance of aristocracy in English life, but this does not necessarily diminish the emphasis placed on emulation, for there are yet other features of English society that are thought to have turned emulation into a powerful force for a consumer-led economic development. The argument is made most fully and most forcefully by Neil McKendrick. In his view, “the market for mass

<sup>25</sup> *Ibid.*, pp. 437–48.

<sup>26</sup> Margaret Hunt, *The Middling Sort. Commerce, Gender, and the Family in England, 1680–1780* (Berkeley: University of California Press, 1996), p. 2.

<sup>27</sup> Harold Perkins, *The Origins of Modern English Society* (London: Routledge & Kegan Paul, 1969). Perkins did not mince words: “Consumer demand was the ultimate economic key to the Industrial Revolution . . .” (p. 91). “If consumer demand, then, was the key to the Industrial Revolution, social emulation was the key to consumer demand” (p. 96).

consumer goods reached lower than [the middling groups], it reached as far as the skilled factory worker and the domestic servant class . . . ,” and this could occur because “English society provided an ideal breeding ground for those commercially intent on exploiting new consumer wants.” What made England ideal in this respect? McKendrick identifies three things: the structure of English society, by which is meant “the social competition bred by its closely packed [status] layers”; the large size and the character of its capital city, which projected desirable lifestyles to the entire country; and, finally, setting these propitious conditions for emulative consumption in motion, as it were, the domestic servant class, a vast army of women who “acted as a very important channel of communication for transmitting the latest styles and spreading a desire for new commodities” from their employers to their own social milieu.<sup>28</sup> McKendrick acknowledges that these ingredients were not new to the eighteenth century, but he argues that they formed the combustible material of consumerism that became more plentiful and was set alight in the eighteenth century with the arrival of entrepreneurs who possessed the marketing talents to activate and enlarge emulative consumption.

McKendrick’s emulation-based interpretation of consumer behavior brings together many of the set pieces of English social history to argue that the consumer revolution was a very English event. Yet, as we have seen, historians have fashioned emulation to suit the historiographical needs of central Europe (court culture) and France (*politesse*), as well as England (social mobility). Less national exclusivity may be needed to establish the proper place of emulative behavior in consumer behavior.

Another weakness of the concept resides in the assumption that consumer culture is a unitary phenomenon that spreads through society from top to bottom. In general, emulation-based arguments depend on the positing of a pre-existing society in which a refined consumer culture is restricted to a small, stable circle and is then let loose, like an accidentally released virus in a laboratory, to spread to new environments populated by urban parvenus and female servants, who transmit the virus by stages to the nether reaches of society, forever changing its behavior. Such a model denies agency to most of society and is almost wholly abstracted from the economic sphere. It has the earmarks of a *deus ex machina*. Even where it offers accurate descriptions of consumer behavior, it tends to beg the question of *why* people (appear to) emulate their betters.

<sup>28</sup> Neil McKendrick, “The Consumer Revolution in Eighteenth-Century England,” in McKendrick, Brewer, and Plumb, eds., *Birth of a Consumer Society* (Bloomington: Indiana University Press, 1982), pp. 20–2.

The industrious revolution had more profound origins than emulation alone. The new consumer behavior required important changes in daily life – in how people lived and worked within their families – and this suggests that innovation rather than emulation will have been the more important agent. Innovation in this context can best be understood by linking fashion and taste not to a higher social order but to, for lack of a better word, modernity. The desire for new goods and new fashions is part of what Herbert Blumer called “a collective groping for the proximate future.”<sup>29</sup> In short, social groups are not so much looking above as they are looking ahead.

*The first innovative consumers?* Can we turn to contemporary observers for clues about the form that consumer innovation could have taken in this period? It is a commonplace among economic historians that even perceptive contemporary observers did not have a very clear view of the productive changes of the Industrial Revolution as it unfolded before their very eyes.<sup>30</sup> The same cannot be said of the consumer changes of the industrious revolution. On the contrary, consumption was the object of a vast body of moral debate, philosophical speculation, and political-economic theorizing.

Where can we first observe this innovative consumer behavior? It would be foolish to suppose that this question has a precise and unique answer. But the seventeenth-century Dutch Republic certainly deserves consideration as a society in which new forms of material culture spread broadly through society and transformed the practice and experience of consumption. Here, for the first time on such a scale and on so enduring a basis, we find a society in which the potential to purchase luxuries and novelties extended well beyond a small, traditional elite and where the acquired goods served to fashion material cultures that cannot be understood simply in terms of emulation.

A substantial tranche of society was now in a position to exercise *choice*. Choice gives freedom, and freedom exposes one to moral dilemmas. In the Dutch Republic these dilemmas were faced by large numbers who

<sup>29</sup> Herbert Blumer, “Fashion. From Class Differentiation to Social Selection,” *Sociological Quarterly* 10 (1969): 281.

<sup>30</sup> Douglass North, *Structure and Change in Economic History* (New York: W. W. Norton, 1981), pp. 160–2; Joel Mokyr, “Editor’s Introduction,” in Joel Mokyr, ed., *The British Industrial Revolution. An Economic Perspective* (Boulder, Colo.: Westview Press, 1998), pp. 1–127. There are also those who hold that the unfolding industrial progress of the time does not deserve the label “Industrial Revolution.” To Rondo Cameron, it is a misnomer: Rondo Cameron, *A Concise Economic History of the World* (Oxford: Oxford University Press, 1989), pp. 163–5.

earlier, and in other societies still, had their consumer choices constrained by the heavy hands of scarcity and custom, and whose extravagances were channeled narrowly into well-choreographed displays of excessive eating and drinking.

Simon Schama, in his celebrated book *Embarrassment of Riches*, draws with evident relish on the venerable arguments about the moral pitfalls that surround luxury consumption in order to conjure a society caught on the horns of a dilemma: Its own singular virtues, producing economic prosperity, lead inexorably to the vices of luxury. In making his argument, Schama appeals repeatedly to the exhortations of Calvinist preachers<sup>31</sup> and relies heavily on paintings and other visual images evoking the ancient themes of the dangers of luxury.<sup>32</sup>

An ally in Schama's project is the view held by many historians of earlier generations that the Republic's decline after the 1670s was closely associated with, if not caused by, the onset of a cultural overripeness which

<sup>31</sup> Schama writes of the "hellfire" of opposition to luxury of the Calvinist clergy and asks, "For all its rant and cant, [did] the strictures of the Calvinist church against the corruption of money [go] unheeded, except for the occasional propitiatory gesture of philanthropy?" Simon Schama, *The Embarrassment of Riches* (New York: Knopf, 1985), p. 335.

<sup>32</sup> In view of the popular understanding that Calvinism imposes on its adherents an unusual austerity – a Puritanical abstemiousness – it may appear that any society shaped by Calvinist teachings would be an unlikely candidate for cutting-edge consumer behavior. Calvinists, just as the adherents of other Christian traditions, have, over the centuries, responded variously to specific innovations in material life. But the teachings of John Calvin himself offer little support for the common association of his teachings with self-denial. Calvin's views on the material world, which he did not address *in extenso*, did not really differ from those found more generally among sixteenth-century humanists. With Erasmus, and following Aristotle, he recommended the *via media* – moderation in the use of God's gifts – rather than abstinence. In his explication of the Lord's Prayer, where Christians petition God to "Give us this day our daily bread," Calvin wrote that the petition concerns not only "all things in general that our bodies have need to use" – that is, the basic necessities of food and clothing – "but also everything God foresees to be beneficial to us..." Later, in his discourse on Christian freedom, Calvin gives evidence that the range of goods "God foresees to be beneficial to us" might be quite broad: "Let every man live in his station, whether slenderly, or moderately, or plentifully, so that all may remember God nourishes them to live, not to luxuriate." Calvin did not counsel otherworldliness; rather, his concept of Christian freedom led him to recommend something requiring rather more in the way of individual decisions: station- or income-specific moderation in appropriating "everything God foresees to be beneficial to us." John Calvin, *Institutes of the Christian Religion* (Atlanta, 1973; 1536 edition), pp. 109–10, 246.

On this same theme, the Swiss reformer Zwingli preached against the Church's traditional bans on certain foods. He appealed to Scripture to pronounce such restrictions to be inconsistent with Christian freedom. Huldreich Zwingli, "Von Erkeisen und Freiheit der Speisen. 16 April 1522," in Emil Egli and Georg Finsler, eds., *Huldreich Zwinglis sämtliche Werke*, Vol 1. *Corpus reformatorum* (Berlin, 1904), pp. 74–136.

befell a decadent generation of Dutchmen accustomed to luxury and, therefore, lacking the noble character and fortitude of their forefathers. On their watch, French fashion overwhelms Calvinist simplicity, classicism pollutes the fresh spring of Dutch artistic genius, and prosperous burgher families succumb to the blandishments of aristocratic lifestyles.

These arguments, owing far more to the contemplation of the fall of Rome than to the reality of seventeenth-century Dutch society, were once uncritically embraced by historians eager for simple explanations of a difficult subject. The weakness of these explanations is their reliance on an old discourse that no longer applies to the reality of the new practice. Rather than succumb to the seductive vision of republican society in the grips of the Old Luxury, we should set this venerable but derivative imagery aside and attempt to see the new consumer culture actually being constructed by the innumerable choices of an enlarged population newly endowed with discretionary income. In discussing their choices, the old discourse remained influential for the simple reason that it long remained the only available vocabulary, but the reality of their behavior brought into being a distinctive material culture in which the luxuries were directed toward the home more than the body, and adorned the interior – of both home and body – more than the exterior. They tended to achieve comfort more than refinement.<sup>33</sup>

This is what most struck foreign visitors to the Republic. The world-traveling Englishman Peter Mundy, after making his oft-cited remarks about the abundant presence of paintings in even the houses of butchers and bakers, blacksmiths and cobblers, went on to observe in 1640:

Such is the generall Notion, enclination and delight that these Countrie Native[s] have to Paintings Allsoe their other Furniture and Ornaments off their dwellings very Costly and Curious, Full of pleasure and home contentment, as Ritche Cupboards, Cabinetts, etts., Imagery, porcelaine, Costly Fine cages with birds etts., all these commonly in any house off indifferent quality; wonderfull Nett and cleane, as well in their houses and Furniture, service, etts., within doores, as in their streetes.<sup>34</sup>

A broadly diffused domestic comfort also impressed the Papal Nuncio to Cologne, Pallavicino. His 1676 visit to Amsterdam came as the system of radial canals around the old medieval city was nearing completion. He noted that “only a nation that does not squander its wealth on clothes

<sup>33</sup> For a stimulating discussion of the origins of domesticity, see Witold Rybczynski, *Home. A Short History of an Idea* (New York: Viking Press, 1986), p. 77.

<sup>34</sup> R. C. Temple, ed., *The Travels of Peter Mundy in Europe and Asia, 1608–1667*, Vol. IV (1639–47) (Cambridge: Hakluyt Society, 1925), pp. 70–1.

or servants could have succeeded in doing all this with so little fuss.”<sup>35</sup> “All this,” of course, was the erection of many thousands of comfortable burgher homes, restrained by a 30- to 40-foot exterior frontage from blatantly advertising the occupants’ wealth but endowed by a 190-foot depth with ample opportunity to achieve a new form of private domestic comfort.

Exotic luxuries from the four corners of the world found their way into these homes. They also contained costly products of high craftsmanship such as tapestries and furniture. These often came from the Southern Netherlands, where craft traditions of long standing were sustained by the patronage of local and Spanish courts.

What the cities of Holland themselves offered were New Luxuries. These products required real craft skills, to be sure, but the objective was not to fabricate something unique. New Luxuries were products capable of multiplication, or capable of being offered in a graded range of qualities and prices. The canal houses, just as more humble abodes, were lined with Delft tiles of varying qualities, just as their kitchens and tables made use of the orientally inspired Delft faience.<sup>36</sup> Similarly, the canal houses were filled with the work of cabinetmakers’ wardrobes and linen chests – and much else. Here again, the great pieces were the highest expression of a furniture tradition that came up from below, for even farmers had – more modest – versions of these same items.

Then we come to the paintings. Netherlandic art, as is well known, was reconstructed after the Reformation from an Old Luxury to a New Luxury as elite patronage gave way to a broad-based art market. By developing both product innovations (new themes in paintings) and process innovations (new techniques of painting), Dutch artists opened new markets, allowing by midcentury some 700 to 800 masters to be active simultaneously, producing over the course of the century many millions of paintings ranging in price from hundreds of guilders to the *dozijnwerk* – work by the dozen – that fetched a guilder or two at the fair. Indeed, if the possession of paintings in Delft can be generalized to all of Holland – the province – something like three million paintings must have hung on the walls of

<sup>35</sup> Cited in Johan Huizinga, *Dutch Civilization in the Seventeenth Century* ([1941] London: Collins, 1968), p. 62.

<sup>36</sup> In view of the great success of Dutch ceramics, it is instructive to contemplate the Dutch failure in developing a porcelain industry. No porcelain industry arose comparable to those of Meissen, Vienna, Copenhagen, Sèvres, or Worcester. The technical skills were not missing; rather, the missing element was the court associations essential to design and market what was, in essence, a new “Old Luxury.”

Holland's houses by the 1660s, nearly all of them produced within that century.<sup>37</sup>

One could go on to discuss clock and instrument making, book publishing, popular luxuries like tobacco pipes, and decorative and utilitarian silverware. In contrast to the exotic extra-European objects, or the most refined material possessions from Brabant or farther afield in Europe, the new luxuries were usually produced in the Dutch cities. Some were imitations and adaptations of foreign luxuries, such as Delftware, responding to Chinese porcelain; some were cheaper versions of European luxuries, such as Delft and Gouda's tapestries, or Amsterdam and Utrecht's silk.

Craft production everywhere in Europe depended on specific skills that could be transferred successfully only by the migration of artisans. Thus, the Republic's new crafts and industries inevitably find their origin in diffusion from abroad. Still, in their new home they developed a particular form, shaped by the nature of Dutch demand – urban, *burgerlijk*, broad-based – and by the prevailing cultural imperatives.

These imperatives could be stamped with the label Calvinist, but it might be better to invoke the concept of “Confessionalization.”<sup>38</sup> Calvinists, Lutherans, Catholics – all Christian denominations – were concerned in the era of the Dutch Golden Age to consolidate their projects of religious revitalization, to penetrate to the broad base of society with programs of education, institutionalization, and, of course, conversion of souls. While an awakened desire for God's grace should not be made one with a new desire for a more refined manner of living, or genteel grace, the *practice* by which the construction of both types of desire was cultivated interacted with each other. The inward religious project assumed material forms (church architecture, bibles, books, and, in Counter-Reformation

<sup>37</sup> Jan de Vries, “Art History,” in de Vries and Freedberg, eds., *Art in History, History in Art*, pp. 249–82; Ad van der Woude, “The Volume and Value of Paintings in Holland at the Time of the Dutch Republic,” in de Vries and Freedberg, eds., *Art in History, History in Art*, pp. 285–330. Seventeenth-century Dutch paintings were not only qualitatively excellent, they were also quantitatively overwhelming. The number of active, professional painters per capita was strikingly high both in comparison to earlier and later times in the Netherlands, but also in comparison to other European countries in any time period. Van der Woude estimated that the annual value of Dutch paintings in the seventeenth century equaled half the value of all cheese marketed annually in North Holland, the center of commercial cheese production (p. 302).

<sup>38</sup> On this concept, see Heinz Schilling, “Confessionalization in the Empire,” in Heinz Schilling, ed., *Religion, Political Culture, and the Emergence of Early Modern Society* (Leiden: E. J. Brill, 1992), pp. 205–46; Philip S. Gorski, *The Disciplinary Revolution. Calvinism and the Rise of the State in Early Modern Europe* (Chicago: University of Chicago Press, 2003).



Catholicism, objects of veneration for the home) while the outward projection of more elevated or refined daily life depended on the development of a suitable material culture.<sup>39</sup>

The Confessionalizing projects left deep marks on the design of everyday articles, on accessible luxuries, on interior decoration, and on clothing. This movement was European and North American in scope rather than specifically Dutch, but it resonated with Holland's social and economic structures more fully and more creatively than elsewhere, which caused the output of Dutch ceramics, paintings, prints, maps, books, furniture, silver, glass, and the dyeing and printing of textiles to be seen as particularly well suited to the temper and purpose of the Confessional era.<sup>40</sup> The integrating rather than differentiating impact of these New Luxuries – their socializing rather than status-differentiating function – is revealed in the broader study of material culture. By the late seventeenth century the striking feature of Dutch material culture is its uniformity. The basic forms of expressing status and achieving comfort were remarkably similar between city and country, and between rich and poor. It was the cost and specific quality rather than the types of objects and their general form that differed.<sup>41</sup>

From the perspective of the outsider, Dutch society seemed to eschew luxury altogether, for the Old Luxury was thin on the ground and hidden from view. A New Luxury, one we might call modern, or proto-modern, was in fact taking shape, but it could not easily be “read” by the cultural

<sup>39</sup> These arguments are developed, with application to Puritan New England, in Mark A. Peterson, “Puritanism and Refinement in Early New England. Reflections on Communion Silver,” *William and Mary Quarterly* 58 (2001): 307–46. In his discussion of the growing Puritan demand for silver communion vessels, Peterson takes pains to avoid conflating Puritanism and gentility, but concludes: “[I]f we understand Puritanism as a culture that replicated itself by cultivating in believers a demand for certain experiences, a demand that could only be satisfied (and then only partially and temporarily) through access to sophisticated cultural products, of which communion silver was one, then we can begin to see how Puritanism created patterns of thought and feeling that flowed as easily into the genteel forms of a culture of consumption as they did into the frugal and disciplined norms of the ‘spirit of capitalism’” (pp. 343–4).

<sup>40</sup> For an argument that a new economy of accessible quality and comfort in the seventeenth and eighteenth centuries helped create the conditions for modern technological progress, see John U. Nef, *Cultural Foundations of Industrial Civilization* (Cambridge: Cambridge University Press, 1958). “With the help of a new artistic craftsmanship, a style of living spread through Europe that led all Europeans to want to share, at least to some extent, in that *douceur de vivre*, accompanied by high *standards* of virtue in actual living, which a very considerable few were coming to possess for the first time in history” (p. 138).

<sup>41</sup> Van Koolbergen, “De materiële cultuur van Weesp en Weesperkarspel,” pp. 45–50; Jan de Vries, “Peasant demand patterns and economic development,” pp. 234–6.

outsider. Nor did the Dutch themselves offer much interpretive assistance. Late-seventeenth-century Dutch Republican theory, about which more will be said below, initiated what would become important arguments in the rethinking of consumer behavior, but this did not lead immediately to a broad debate that sharpened self-understanding of the new reality. Perhaps the new commercial society was simply too self-evident, and the opponents with whom battle had to be waged were too weak: There was no landed political elite to rail against imported luxuries; no influential court from which to wrest the power to define fashion; no Episcopal hierarchy with the power to add bite to the Reformed Church's anti-luxury bark.

I have argued here that a New Luxury, and a new pattern of consumer behavior, first emerged in seventeenth-century Holland, although even there the practice of a new consumerism was more often than not misunderstood by contemporary observers, and by later historians, who could interpret it only as a Calvinist frugality standing in tension with the Old Luxury traditions.<sup>42</sup> Only in later decades, beginning in England after 1688, would the New Luxury be adequately theorized, and would moral philosophers gradually come to accept a society of consumers as a suitable basis on which to build a stable social order. But in this as in so many things, theory followed practice. "Commercial moderns had, largely unknowingly, traversed an unbridgeable gulf, separating themselves irrevocably from an antique or Christian ethic of private restraint."<sup>43</sup> The task of explaining what had taken place still remained. And, one might add, *remains* still today, for much of contemporary social criticism continues to be influenced by secularized versions of the Old Luxury discourse already obsolete at the time of the Glorious Revolution.

### Desire Tempered by Commerce: Theorizing the New Luxury

The achievement of a new and more positive interpretation of consumer demand, and of its place in a stable and moral society, turned around a new understanding of how the human personality is shaped in its social context. The intellectual origins of this new understanding must be sought in an unlikely quarter, the theologies of Calvinists and, especially, of their Augustinian cousins the Jansenists. Both shared the view that man is

<sup>42</sup> Jan de Vries, "Luxury in the Dutch Republic in Theory and Practice," in Berg and Eger, eds., *Luxury in the Eighteenth Century*, pp. 41–56.

<sup>43</sup> Edward Hundert, "Mandeville, Rousseau and the Political Economy of Fantasy," in Berg and Eger, eds., *Luxury in the Eighteenth Century*, p. 33. Hundert does not suggest, as I do here, that these "commercial moderns" were Dutch.

driven by passions (such as avarice, pride, envy, and lust) reflecting a deep sinfulness, the legacy of the Fall. Jansenists of the seventeenth-century “Port-Royal” school (such as Blaise Pascal and Pierre Nicole, but also the Huguenot Pierre Bayle) went on to assert that these passions notwithstanding, God’s providence made it possible for fruitful social relations to emerge from the patently anti-social passions of self-interest and self-love, or *amour-propre*. This was possible because *amour-propre* incorporated the desire for the recognition (*regard*) of others. Persons acutely sensitive to *regard* learn to “mirror [their] needs through the eyes of others, the effect being the release of an endless spiral of needs.”<sup>44</sup> Moreover, it was precisely in commercial societies where this providential aspect of *amour-propre* was most emphasized, because there *regard* was especially instrumental in the pursuit of one’s self-interest. As a consequence of this line of thought, self-love was no longer despised “as a pre-social passion of natural man” that needed to be suppressed by moral instruction. It could now be seen for the first time in an historical and social context, as incorporating a useful, constructive passion “which emerged at a certain stage in the development of society.”<sup>45</sup>

Perhaps the earliest application of this moral reasoning is found in seventeenth-century Dutch Republican theory, especially as developed by Johan and Pieter de la Court. The de la Courts distinguished what they called Monarchical from Republican luxury.<sup>46</sup> All persons, they reasoned, seek their own interest, motivated by the passion of *amour-propre*. But, in monarchies this passion is unbridled, uninspected, and unresisted, leading inevitably to the excesses and decadence of the Old Luxury. In republics (and, they insisted, *only* in republics) the human passions are subject to self-examination and social examination, and therefore they are governed and directed toward virtuous, moderate consumption and frugality.<sup>47</sup> Thus, in a republican commercial society the passion of self-love

<sup>44</sup> Akkerman, *Women’s Vices, Public Benefits*, p. 23.

<sup>45</sup> Akkerman, *Women’s Vices, Public Benefits*, pp. 15–16. On the influence of the Port Royal School, see also Hundert, *The Enlightenment’s Fable*.

<sup>46</sup> Johan and Pieter de la Court, *Politieke Discoursen*, 2 vols. (Amsterdam, 1662); Anonymous, but attributed to the de la Courts, *Zinryken Fabulen* (Amsterdam, 1685), translated as *Fables Moral and Political, With Large Explications*, 2 vols. (London: 1703). This last work is discussed in Hundert, *The Enlightenment’s Fable*, pp. 24–7.

<sup>47</sup> H. W. Blom, “Political Science in the Golden Age. Criticism, History and Theory in Dutch Seventeenth-Century Political Thought,” *The Netherlands Journal of Sociology* 15 (1979): 47–71. Pieter de la Court held that the passions are much stronger than reason; he concluded from this that the best government is not one that seeks to impose its “reason” on the passions of the people but one “in which the well-being and ill of government goes hand in hand with the well-being and ill of the subjects. Such a government is a republic,

encounters countervailing forces that channel it toward the achievement of the societal good.

Had the Dutch Republic and northwestern Europe more generally entered that “developmental stage” foreseen by the de la Courts, Pierre Bayle, and the Port Royal thinkers in the second half of the seventeenth century? Beginning in the 1690s a long list of observers and philosophers struggled to explain a social and economic transformation occurring before their eyes, one that had as yet no theoretical underpinnings or even settled vocabulary. Despite these disabilities, a new literature of economic commentary emerged making numerous references to the curious power of the force of desire. An early example is provided by Nicholas Barbon, who in his *Discourse of Trade* of 1690 distinguished two categories of human wants: those of the body (by which he meant basic needs) and those of the mind.

Wares that have their value from supplying the Wants of the Mind are all such things that can satisfy Desire; Desire implies Want: it is the Appetite of the Soul. . . . The Wants of the Mind are infinite, Man naturally Aspires and as his Mind is elevated, his Wants increase with his Wishes. . . .<sup>48</sup>

Barbon recognized man to be naturally desirous, but he also suggested that the direction in which this desirousness is channeled depended on a training of the mind – which calls to mind the role of “consumption capital” in the theory of Gary Becker. That is, when Barbon asserts that “the wants of the mind are infinite” he does not intend to endorse gargantuan appetites and an endless indulgence in sensual pleasure. He pairs desire with the “elevation of the mind.” This leads us, as it led Europeans of the late seventeenth century, to the concept of taste. We have already considered the importance of this concept, which establishes consumption on a foundation of knowledge and information rather than on one of wealth and power.<sup>49</sup>

where each looks after himself, everybody is looked after and nobody is neglected. This is the natural freedom of which the rulers should never rob their subjects” (*Welfare of the City of Leiden*, p. 44).

<sup>48</sup> Nicholas Barbon, *Discourse on Trade* (London, 1690), p. 14.

<sup>49</sup> An example of what is intended here is provided in Jennifer M. Jones, “Repackaging Rousseau. Femininity, and Fashion in Old Regime France,” *French Historical Studies* 18 (1994), p. 947. Jones “shows how Parisian merchants, with the help of the press, promoted commerce by abandoning luxury and adopting taste as the fundamental criterion of fashion. They made fashion a function of knowledge rather than wealth, and gave power to those who carried the authority of taste.” See also Dena Goodman, “Furnishing Discourses. Readings of a Writing Desk in Eighteenth-Century France,” in Berg and Eger, eds., *Luxury in the Eighteenth Century*, p. 77.

By drawing upon the Jansenist development of the concept of self-love, and adding the tempering powers of a commercial society to restrain *amour-propre* with *regard*, the intellectual means were at hand to fashion a moral justification of a commercial society in general, and a consumer culture in particular. This comforting, if not complacent, line of thought was consolidated by Montesquieu when, in the 1750s, he defended the pursuit of wealth by insisting that it led not to *la dolce vita* – the corrupting, unstable indulgence of vice – but to *doux commerce*, a powerful civilizing agent that polished and softened manners because of the heightened importance of reputation in a commercial society.<sup>50</sup>

Well before then, this line of continental thought was introduced to England (in a secularized and sensational form) by Bernard Mandeville, a Dutchman who had become familiar with this tradition before moving to England in his early twenties.<sup>51</sup> But in his hands, the comforting assurances that consumer desire and morality may yet be reconciled are brusquely cast aside. In the preface to his scandalous success *The Fable of the Bees* he states his purpose plainly:

The main design of the Fable . . . is to show the impossibility of enjoying all the most elegant comforts of life that are to be met with in an industrious, wealthy and powerful nation, and at the same time be blessed with all the virtue and innocence that can be wished for in a Golden Age.<sup>52</sup>

<sup>50</sup> Montesquieu, *The Spirit of the Laws*. “Commerce is a cure for the most destructive prejudices; for it is almost a general rule that wherever we find agreeable manners, there commerce flourishes; and that wherever there is commerce, there we meet with agreeable manners” (I: 316). For a spirited treatment of the pre-Smithian economic literature, see Albert Hirschman, *The Passions and the Interests* (Princeton, N.J.: Princeton University Press, 1977).

<sup>51</sup> Bernard Mandeville was born Barend de Mandeville in Rotterdam. His time as a student at the city’s Illustrious School coincided with that of Pierre Bayle as a teacher. John Robertson surmises that “In view of the radically Baylean character of Mandeville’s essays, it is likely that Bayle had been his teacher at Rotterdam.” John Robertson, *The Case for Enlightenment* (Cambridge: Cambridge University Press, 2005), p. 261.

Mandeville left the Netherlands soon after earning his doctorate in medicine at Leiden in 1691. He and his family had been implicated in the “Costerman Riot” of 1690, an anti-tax riot in Rotterdam. The Mandevilles appear to have authored and distributed a satirical poem directed at Rotterdam’s *schout*, or bailiff, a figure in bad popular odor because of his insistence on applying the death penalty to Cornelis Costerman, a town militia member, who stood accused of fatally stabbing a tax collector for detaining a group in possession of a cask of wine on which no excise had been paid. Bernard Mandeville’s career, even his liberty, was under a cloud, and he decided to leave the country, eventually settling in England. For more on this interesting pre-history of the author of *Fable of the Bees*, see Rudolf Dekker, “‘Private Vices, Public Virtues’ Revisited. The Dutch Background of Bernard Mandeville,” *History of European Ideas* 14 (1992): 481–98.

<sup>52</sup> Mandeville, *The Fable of the Bees*, p. 24.

Societies had to choose between temporal happiness and virtue, and for Mandeville there was no doubt that the “civilized societies” with which he was familiar had already, and decisively, made their choice. His task was to strip away the veil of moralizing that hid the reality of these societies from the view of his contemporaries.

The starting point of Mandeville’s *Fable of the Bees* appears to be the *Fables, Moral and Political* of the de la Courts. First published in Dutch in 1685, the English version appeared in 1703, two years before Mandeville composed and published the doggerel poem, which first appeared as *The Grumbling Hive*, and formed the basis of *The Fable of the Bees*.<sup>53</sup> The de la Courts had used various creatures – ants, flies, bees – to advance their argument that in “well constituted and free republics” men will acquire a “well-grounded self love.”<sup>54</sup> They criticized bees for their fatal lack of self-control. Mandeville saw no merit in this argument<sup>55</sup> and appropriated the beehive as a metaphor to describe human society as it is rather than as the fog of moralizing philosophers and theologians would have it be. The beehive, long a symbol of the orderliness of absolute monarchies, became in Mandeville’s hands “a symbol of morally unbridled economic activity.”<sup>56</sup> In the *Fable*, the bees are driven by every vice known to man. Yet their avarice, prodigality, luxury, envy, vanity, and gluttony lead not to social decay and disorder but to prosperity. As Mandeville famously and scandalously summarized in his poem:

Thus every part was full of vice,  
Yet the whole mass a paradise;

Activated individually by pride and greed, people collectively nonetheless serve the public good. Their social usefulness is not enhanced by forces of reform, restraint, and moderation. Up to a point, there is a similarity with the de la Courts’ argument, but where the earlier use of *amour-propre* saw personal behavior being tempered by social interaction, Mandeville saw untempered, self-interested behavior nonetheless leading to a

<sup>53</sup> Mandeville’s famous poem appeared in 1705 as *The Grumbling Hive*. It was republished, but now with the addition of remarks on the text and extended essays, as *The Fable of the Bees* in 1714. The *Fable* did not attract broad attention until it was published in a second, enlarged edition in 1723.

<sup>54</sup> *Fables, Moral and Political*, quoted in Hundert, *Enlightenment’s Fable*, p. 24.

<sup>55</sup> Mandeville’s flight from the Dutch Republic certainly gave him reason to view with skepticism the complacent assumptions of republican virtue asserted by the de la Courts.

<sup>56</sup> Hundert, *Enlightenment Fable*, pp. 28–9. One wonders if the founders of Holland’s leading department store, and a formidable temple of consumption, had Mandeville in mind when they named their concern *De Bijenkorf* (The Beehive).

beneficial outcome. Economic prosperity depended upon emulation and a continual striving to out-do one another. Mandeville insisted that no valid distinction could be made between good and bad, moderate or excessive consumption: “The prodigal is a blessing to the whole society, and injures nobody but himself.”<sup>57</sup> Or, as the poem puts it:

Such were the blessings of that state;  
Their crimes conspir’d to make them great:

To his readers, still imagining naïvely that their identities were defined primarily by their moral and political personalities rather than by their corporal desires, his message could only shock and scandalize. After generations of Protestant efforts to sacralize everyday life, Mandeville’s poem asserted that profane commercial life is, in effect, all there is. He might as well have said: “we are all [just] consumers now.”<sup>58</sup>

While Mandeville introduced *amour-propre* to the British luxury discourse, he reduced it to a selfishness ready to countenance any vice, which he accepted as a naked fact of commercial society and the basis of economic prosperity. As John Robertson notes, “Mandeville did not believe that sociability came naturally to man.” Rather, he shared with Bayle the conviction that men live their lives in defiance of their moral principles, and he shares with the Jansenists a “keen sense of man’s capacity for hypocrisy in pursuit of the satisfaction of the ends of self love, and of the manifold, unintended ways in which hypocrisy none the less enables men to live together in society.”<sup>59</sup>

The tempering influence of *regard*, the opinion of others, was to Mandeville nothing more than another vice: the cynical use of social relations to advance one’s self-interest through deceit.<sup>60</sup> Sociability, in sum, was

<sup>57</sup> *Fable*, I, p. 116.

<sup>58</sup> Echoing President Richard Nixon’s remark (made as Keynesian economics was about to go into eclipse) that “We are all Keynesians now,” as well as Edward Hundert’s conclusion that, Mandeville’s scandalous phrasing notwithstanding, “we are all Mandevillians now.” Hundert, “Mandeville, Rousseau and the Political Economy of Fantasy,” p. 37.

<sup>59</sup> Robertson, p. 270.

<sup>60</sup> It is interesting to compare two divergent interpretations of how *regard* acts to temper the passion of self-interest. The strand we have followed from the de la Court’s through Montesquieu emphasizes the politeness (reasonable, sociable behavior) that had room to grow precisely in the public sphere created by a commercial, consumer-oriented society. The strand that begins with Mandeville and extends to Rousseau interprets the self-interest of individuals as turning sociability into another weapon in the arsenal of self-interest. Instead of politeness, one finds *politesse* (a stylish presentation of self that is pleasing to others). This distinction was developed by Justus van Effen to contrast the reasonable republican consumer and citizen from the devious consumers of monarchical

simply “a process of learning over time, in which man reasons by experience, *a posteriori*. . . . Such learning advances by slow degrees and is slowest among those who live in remote parts, nearer the state of nature; it is most extensive among those who live in or near ‘great cities or considerable towns.’”<sup>61</sup>

Later in the century, Jean Jacques Rousseau accepted Mandeville’s stripped-down definition of *amour-propre*, but he used it to condemn commercial society and its attendant consumerism. He objected to Mandeville’s message, seeing it as “The unembarrassed expression of modernity’s immoral voice, proclaiming that luxury is the ‘paradox so worthy of our time’, in which ‘a man is worth no more to the state than the value of his domestic consumption.’”<sup>62</sup>

Rousseau’s physiocratic understanding of economic life denied any possibility of growth: The prosperity of the rich only deepened the poverty of the poor; the consumer demand that enlivened manufactures only depressed agriculture, and so on. More profoundly, he saw that the use of consumer luxuries to craft one’s outward, public identity was not the end of the matter; consumer luxuries also had “the symbolic power to shape the self-understanding of the private man behind the public mask.”<sup>63</sup> Thus, unlike Mandeville, he saw no public benefits arising from the pursuit of private vice; he himself took to wearing the rustic garb of the Corsican peasant (which quickly became the fashion in Paris) and advocated government regulation of consumer behavior where voluntary rejection of the world of luxury goods did not suffice.<sup>64</sup>

Defenses of consumption more intellectually coherent than Mandeville’s came after him – and in direct response to his challenge – especially from David Hume, who offered a more nuanced concept of *amour-propre*, presenting human beings as complex entities seeking to satisfy contradictory impulses, or passions. A commercial society driven by the pursuit of wealth and consumption offered, in Hume’s view, the best environment in which to direct these passions away from war, violence, and wretched excess by harnessing them via competition (requiring interdependence

and aristocratic societies. Velgema, “Ancient and Modern Virtue Compared,” pp. 437–48.

<sup>61</sup> Robertson, pp. 272–3. The interior quotation is from *Fable*, part II, pp. 189–90.

<sup>62</sup> Hundert, “Mandeville, Rousseau and the Political Economy of Fantasy,” p. 34. The internal quotations are from Rousseau’s *Discourse on the Arts and Sciences*.

<sup>63</sup> *Ibid.*, p. 37.

<sup>64</sup> Donald Winch, *Riches and Poverty. An Intellectual History of Political Economy in Britain, 1750–1834* (Cambridge: Cambridge University Press, 1996), pp. 62–77.



and sociability) and material desire. He acknowledged the shortcomings of such a society but did not flinch from recommending it as, on balance, preferable to the characteristic failings of alternative social orders. Thus, “luxury, when excessive, is the source of many ills; but is in general preferable to sloth and idleness, which would commonly succeed in its place.”<sup>65</sup> He contrasts an industrious society, activated by natural appetites that spur industry, with societies of idleness and ease, in which unnatural appetites flourish. Here, again, our distinction between Old and New Luxury comes into view. Hume’s sensibility to this distinction allowed him to move beyond Mandeville’s simple linkage of all virtue with self-denial and all vice with indulgence of the passions via a more complex understanding of the passions. Instead, “Luxury did not undermine, it refined manners, improved knowledge, and increased sociability.”<sup>66</sup> In sum, while Hume agreed with Mandeville that luxury was a beneficial feature of a commercial society, he denied that this benefit was founded on vice. For Hume, the desires arising from active, industrious persons not only serve their passions but, more important, shape future output through the refinement in production techniques and designs, which, in turn, go on to stimulate the arts and sciences more generally. “Industry, knowledge and humanity,” he concludes, “are linked together by an indissoluble chain.”<sup>67</sup>

Running through all this literature is the language of arousal, of an inner awakening of desire that emerges as a distinctive “consumption capital” is assembled in the context of a commercial society. These accumulating experiences, the exposure to urban life and access to imported goods, cause men to “feel arise within them the desire to call attention to themselves by small things” (Montesquieu); cause “his desires [to be] enlarged” (Barbon); “[arouse] in them a desire of a more splendid way of life” (Hume). The refinement and elevation of tastes that these authors speak of is often interpreted by intellectual historians in aesthetic terms, but I believe the primary intention is to refer to something more basic that was shaping consumer behavior – the New versus the Old Luxuries – that had been developing since at least the mid-seventeenth century.

By the third quarter of the eighteenth century, a fully developed theoretical understanding had emerged to account for the new consumer behavior. Sir James Steuart described the new place of consumption in society by

<sup>65</sup> Hume, “On Commerce,” *Essays*, pp. 287–99.

<sup>66</sup> Robertson, p. 294.

<sup>67</sup> Hume, “On Refinement in the Arts,” *Essays*, pp. 299–309.

distinguishing between “ancient luxury,” which was quite arbitrary, and “modern luxury,” which is “systematical.” The former is unlimited, based on plunder and oppression, and is negligent of production. “Drunkenness and a multitude of useless servants were the luxury of former times.” The new luxury, on the other hand, can exist only in an orderly, well-governed society, where it advances economic prosperity.<sup>68</sup> Montesquieu in the *Persian Letters* had distinguished the arbitrary, depleting luxury consumption of Persia from what we ironically must call “Parisian luxury”: a luxury that furthers a work ethic as it stimulates innovation among producers.

Montesquieu’s remarks alert us to the fact that many participants in the “luxury debate” of the eighteenth century also made a connection between consumption and production. Luxury consumption took a novel and more beneficial direction, as we have just seen, and in so doing it also activated the motivation to increase one’s income and, hence, to increase production. Sir Dudley North, writing in 1691, followed Barbon in distinguishing between necessities and those goods satisfying “the exorbitant appetites of men.” However, he placed his emphasis on how the non-essentials that satisfied these appetites were “the main spur to trade, or rather to industry and ingenuity.” The prospect of acquiring such goods “disposes [people] to work, when nothing else will incline them to it; for did men content themselves with bare necessities, we should have a poor world.”<sup>69</sup>

Mandeville, who scandalously sang the praises of a vice-fueled consumerism as the underwriter of societal well-being, doubted that manual workers possessed the requisite “exorbitant appetites” to participate in the new social order. His moral iconoclasm notwithstanding, he was unable to free himself from the conventional economic wisdom that low wages are the surest spur to industry among the common people, who lack a sufficiently developed sense of pride and avarice. In this he soon was contradicted by Daniel Defoe and a long list of “high wage” advocates who supposed the passions at issue to be universal.<sup>70</sup>

<sup>68</sup> Sir James Steuart, *An Inquiry into the Principles of Political Economy* (London, 1767), Ch. 22, p. 325; Ch. 17, p. 281.

<sup>69</sup> Sir Dudley North, *Discourses upon Trade* (1691), p. 27.

<sup>70</sup> Daniel Defoe, in his *Compleat English Tradesman*, 2 vols. (London, 1726–7), echoed Mandeville in his appreciation of the beneficial effects of vice: “If a due calculation were made of all the several trades besides labouring, manufacturing, and handicraft business, which are supported in this nation merely by the sins of the people, as I may call them, I mean the sumptuary trades, the ribbons, the perfumes, the silks, the cambricks, the muslins, and all the numberless gayeties of dress; as also by the gluttony, the drunkenness, and other exorbitances of life, it might remain a question, whether the necessary or the

The high-wage advocates could refute Mandeville (and nearly all his contemporaries) on this point because they distinguished more clearly than Mandeville ever did between, on the one hand, the Old Luxury of the rich and the debauchery of the poor, and, on the other, the beneficial arousal to industrious behavior that could be expected from all classes when the trained, or awakened, consumer possessed the means to aspire to a broadened range of goods. David Hume shared Defoe's position when he proclaimed that "Everything in the world is purchased by labour; and our passions are the only causes of labour." Which is to say that the motivation for productive labor is the satisfaction of the passions – that is, desired consumer goods. In the absence of a "desiring subject," employers must resort to force. But, Hume continued, "it is a violent method and in most cases impracticable, to oblige the labourer to toil in order to raise from the land more than what subsists himself and his family. Furnish him with manufactures and commodities and he will do it himself."<sup>71</sup> Thus did Hume contrast an old, pre-commercial world governed by pain and aversion with a new one shaped by pleasure and desire and, hence, the self-initiated exertions to satisfy them.<sup>72</sup> Steuart, who was also impressed by the great power of the "little objects of ambition" to motivate ordinary persons,<sup>73</sup> presented this same contrast in less positive terms: In former times "men were . . . forced to labour because they were slaves to others; men are now forced to labour because they are slaves to their own wants."<sup>74</sup>

They were slaves to a particular set of wants, however, which did not bring personal and societal ruin but instead secured a higher good. Bishop

unnecessary were the greatest blessing to trade; and whether reforming our vices wou'd not ruin the nation" (Vol. II, p. 101). The appraisals of Mandeville and Defoe differ chiefly in this: Mandeville focused his attention on the exorbitances of the well to do, while Defoe was precocious in his capacity to celebrate the exorbitances of the poor and middling sort.

<sup>71</sup> Hume, "On Commerce," *Essays*, p. 294.

<sup>72</sup> An anonymous author expressed this same sentiment succinctly in 1771: "It is . . . more a *turn of mind* than multiplied necessities that induce men to become industrious, which will be better excited by encouragement than compulsion" (my emphasis). Anon., *Considerations on Policy, Commerce and Circumstances of the Kingdom* (London, 1771).

<sup>73</sup> Steuart, *Inquiry* Book II, Ch. 21, p. 315. "The difference between the highest class and the lowest, I do not apprehend to be very great. A small quantity added to what is barely sufficient, makes enough: but this small quantity is the most difficult to acquire, and this is the most powerful spur to industry. The moment a person begins to live by his industry, let his livelihood be ever so poor, he immediately forms little objects of ambition [and] compares his situation with that of his fellows who are a degree above him. . . ."

<sup>74</sup> Steuart, *Inquiry*, Book I, Ch. 7, p. 40.

George Berkeley gave evidence of understanding this point as he pondered the poverty of Ireland from his Episcopal seat at Cloyne. In his *Querist* of 1735 he asked “Whether the Irish landowners might not be more useful to society if they spent more of their income on grander houses rather than more splendid clothing?”<sup>75</sup> The New Luxury would be more beneficial to society as a whole than expenditure on the old. With reference to the Irish peasant, he asked “Whether the creation of wants be the likeliest way to produce industry in a people, and whether if our peasants were accustomed to eat beef and wear shoes, they would not be more industrious?”

Berkeley’s concern was not with equipping the peasants with the food and clothing necessary for sustained work but with the role of consumer goods as the agent of an arousal that would motivate a greater work effort.<sup>76</sup>

The century-long debate on luxury traced out thus far can be said to culminate in the work of Adam Smith. Until then, efforts to inject the active consumer into the prevailing static models of economic life led only to partial accounts of “the recirculation of wealth through consumption and employment.”<sup>77</sup> Could an economy fueled by consumer demand truly be stable and just? Until Smith, no one had decisively answered Mandeville’s charge that commercial society rested on a foundation of vice – of self-interest, vanity, and pride. What was to prevent such a society from meeting the same unhappy fate that had befallen all earlier societies that had given themselves over to luxury?

Smith’s efforts to “detoxify the pursuit of wealth” focused, for our purposes, on two issues: the proper understanding of human motivation (the passions) and the proper understanding of the social consequences of consumption. The first brings us back to *amour-propre*, where Smith agrees with Mandeville that social benefits do, indeed, flow from the human passion to advance one’s individual interests. But, building on Hume, Smith goes on to advance an *amour-propre* that includes a capacity for mutual sympathy, the interests one has in advancing the fortunes of others. Smith’s *Theory of Moral Sentiments* begins with an anti-Mandevillian claim:

<sup>75</sup> George Berkeley, *The Querist*, 3 vols. (Dublin, 1735), I: 20.

<sup>76</sup> The frequent eighteenth-century references to desire and arousal reveal the close association in this era between what are today the disciplines of psychology and economics. They diverged thereafter, although today a new “behavioral economics” is exploring this terrain anew.

<sup>77</sup> Winch, *Riches and Poverty*, p. 89.

How selfish soever man may be supposed, there are evidently some principles in his nature, which interest him in the fortunes of others, and render their happiness necessary to him, though he derives nothing from it except the pleasure of seeing it.<sup>78</sup>

The mutual sympathy Smith invokes is stronger than, and goes beyond, the passion to receive the recognition of others that had long served the arguments of commercial society's defenders. Ever since, the incorporation of the utility of others as part of the utility of an individual (for example, the utility of family members as contributing to the utility of the father or mother) has been acknowledged as a necessary dimension of individual utility, even when it has been set aside as difficult to model.

Smith's second task was to tackle a critical – but in the eighteenth century usually neglected – problem in the study of individual behavior, that of “intertemporality.” This refers to the fact that economic actors not only face the question of how to distribute their resources to achieve the highest utility *now* but must also consider how to distribute their resources *over time* to maximize utility over a longer time period – their lifetime and those of their posterity. This more complicated calculus influences not only *when* one consumes, but *what* one consumes, because delayed gratification can lead to the purchase of different – often costlier and more durable – goods. And, obviously, it affects the division of income between consumption and saving, which, as investment, affects the capacity for future consumption.<sup>79</sup>

When Mandeville pronounced “the prodigal” to be “a public benefactor” and “a blessing to the whole society [who] injures no body but himself,” he implicitly denied any importance to intertemporal substitution.<sup>80</sup> He saw the economy as existing, self-contained, in a moment of

<sup>78</sup> Smith, *Theory of Moral Sentiments*, p. 9. Smith follows Hume in insisting that sympathy for others, and not merely a self-interested *regard*, is a natural instinct. Although, Hume conceded, it is “rare to meet with one, who loves any single person better than himself,” it is equally “rare to meet with one, in whom all the kind affections, taken together, do not over-balance all the selfish.” A *Treatise of Human Nature*, ed. L. A. Selby-Bigge; second ed., revised by P. H. Nidditch (Oxford: Oxford University Press, 1978), p. 487.

<sup>79</sup> “Modern consumption theory assumes that rational consumers . . . make choices that are well informed, far-sighted, and prudent . . . Consumers reveal their preferences by means of market choices, and market choices correspond to their well-being. . . . Taking account of the expected value of lifetime wealth, they maximize welfare by smoothing consumption over the life cycle.” Offer, *The Challenge of Affluence*, p. 40. But, Offer asks, what becomes of these assumptions if individuals' decisions tend, systematically, to be time-inconsistent, or “myopic” – persistently undervaluing future relative to present desires? Offer's book investigates this dilemma of contemporary society.

<sup>80</sup> Mandeville, *Fable*, I, p. 116.

time. Later commentators, if they considered this problem at all, shared Hume's view that people are naturally disposed to sacrifice their long-term to their short-term objectives and need to be restrained to achieve the proper balance.<sup>81</sup> The pursuit of the Old Luxury was clearly oblivious to arguments for deferred gratification, but the passions associated with *amour-propre* do not necessarily weaken this inclination. Consequently, Mandeville could see frugality as nothing more than "a mean starving virtue," what Winch characterizes as "a conditioned response to necessity."<sup>82</sup>

Smith takes Mandeville head on, proclaiming "every frugal man a public benefactor."<sup>83</sup> His reasoning is motivated not by a desire to suppress consumption and frustrate the infinite wants of the mind. Rather, with Smith the passion of self-interest becomes the desire for self-betterment, in which "abstention from present enjoyment rather than extravagance" played a strategic part in the long-term pursuit of consumer desire. In other words, the foundation of a well-ordered society is "prudence," which in his *Theory of Moral Sentiments* Smith defined as the union of reason, "by which we are capable of discerning the remote consequences of all our actions," and self-command, the ability "to abstain from present pleasure or to endure present pain in order to obtain a greater pleasure or to avoid a greater pain in some future time."<sup>84</sup> Prudence simultaneously sustains savings and investment, the source of future economic growth, and secures an optimal consumption across the lifespan and the generations. Thus, measured self-denial today is entirely consistent with Smith's assertion in *The Wealth of Nations* that "consumption is the sole end and purpose of all production."<sup>85</sup> In this way Smith demonstrates, as Winch puts it, "that contrary to Mandeville's vision, commercial society was constructed on more than mere whimsy and vanity," that a commercial society driven by consumer demand could escape the cycle of luxury and decay and offer a stable future based on moral choice.<sup>86</sup>

<sup>81</sup> Hume, *Treatise*, Book III, Part ii, section vii. "There is no quality in human nature, which causes more fatal errors in our conduct, than that which leads us to prefer whatever is present to the distant and remote."

<sup>82</sup> Mandeville, *Fable*, I, p. 104. Winch, *Riches and Poverty*, p. 78. On Dutch frugality (i.e., high savings rate), Mandeville wrote: "The Dutch generally endeavor to promote as much frugality among their subjects as it is possible, not because it is a virtue, but because it is, generally speaking, their interest." *Fable*, Remark Q, p. 96.

<sup>83</sup> Smith, *Wealth of Nations*, Vol. 1, Book II, Ch. iii, pp. 351-71.

<sup>84</sup> Smith, *Theory of Moral Sentiments*, Part IV, Chapter ii, p. 189.

<sup>85</sup> Smith, *Wealth of Nations*, Vol. II, Book IV, Chapter viii, p. 179.

<sup>86</sup> Winch, *Riches and Poverty*, pp. 89, 126.

**Summary: The Industrious Revolution,  
the Division of Labor, and Economic Growth**

My historical argument in a nutshell is this: In the “long eighteenth century,” both consumer demand and the supply of market-oriented labor grew by means of reallocations of the productive resources of households. This reallocation of resources stands at the heart of the division of labor that Adam Smith held to be the driving force in economic improvement. In this era the division of labor cannot be understood simply, or even primarily, as a matter of the organization of work at the firm level (i.e., Adam Smith’s pin factory), or as a macroeconomic phenomenon that increased the range of intermediate inputs. Rather, it was achieved primarily at the level of the household, where it can be identified as a *simultaneous* rise in the percentage of household production sold to others and a rise in the percentage of household consumption purchased from others.

The available paths open to households seeking to become more market dependent in this period included (1) agricultural specialization, (2) proto-industrial production, (3) wage labor, and (4) commercial service, all of which are the subject of the following chapter. As some or all family members engaged in such market-oriented activities, the household economy became more specialized, drawing its total economic support from a narrowed range of activities. Via specialization and learning-by-doing, it could expect to achieve higher levels of productivity in these activities. At the same time, it became more dependent on the market for goods and services necessary to achieve its consumption goals. That is, its consumption technologies had to depend more on purchased goods and less on household labor. The household could hope to benefit from the greater productivity with which these goods could be supplied by other specialists, but against these future and hoped-for benefits the household-as-consumer faced *immediately* the high transaction costs that attached to securing a diverse consumption packet via the market.<sup>87</sup>

Described in this way, the economy’s ability to secure “increasing returns from a progressive division of labor”<sup>88</sup> depends on the solution of a major coordination problem. A multitude of households must choose a level of specialization in production the outcome of which will help determine the speed with which the transaction costs of market consumption

<sup>87</sup> Xiaokai Yang and Jeff Borland, “A Microeconomic Mechanism for Economic Growth,” *Journal of Political Economy* 99 (1991): 460–82.

<sup>88</sup> Allyn Young, “Increasing Returns and Economic Progress,” *The Economic Journal* 38 (1928): 527–42.

will decline. Thus, as Allyn Young famously remarked, not only does “the division of labor depend on the extent of the market, but the extent of the market also depends on the division of labor.”<sup>89</sup>

The advantages of specialization surely were well known long before being put to words so memorably by Adam Smith. Yet, the coordination problem standing between the “universal poverty” where “every man provides everything for himself” and the “opulence” where “the joint labour of a great multitude of workmen” comes together to produce “the woolen coat . . . which covers the day-labourer” was rarely solved satisfactorily.<sup>90</sup> Most households remained only marginally involved in market production, and as consumers they faced markets that were both limited and costly.

It is the argument of this study that significant parts of western Europe (and colonial North America) substantially overcame this coordination problem in the course of the long eighteenth century. We observe the process as simultaneous household-level decisions about production and consumption. But it was consumption – via the creation of a common experience shared by ever-larger circles of the population – that offered the visible signals to enable the requisite coordination to take place. Consumer demand could play this economic role because of the transformation of its social and cultural roles. Contemporaries invoked providential restraints on natural passions, urban life and trade, and the social power of women to account for the emergence of new patterns of consumer behavior, which will be investigated in more detail in Chapter 4. This complex of changes in household behavior constituted an “industrious revolution,” a consumption-driven commercial phenomenon that preceded and prepared the way for the Industrial Revolution, which was driven by technology and changes in organization.

<sup>89</sup> The problem at issue here is akin to that faced by eastern European economies as they began the “transition” from socialism to capitalism. A Polish economist described the problem this way: “We are about to jump from the diving board in the full confidence that by the time we enter the pool it will have filled up with water.”

<sup>90</sup> Smith, *The Wealth of Nations*, Vol. 1, Book I, Ch. i, p. 15. Smith describes with these words the difference between the first and fourth (and final) stages of economic life: hunting, herding, farming, and commerce.