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Contrary to the free market envisioned by classical and neoclassical economists, one in which the consumers rule supreme and producers compete to satisfy preexisting consumer wants, modern-day capitalism is conspicuously characterized by the supreme rule of large corporations. Thriving on tenacious advertising and mass manipulation, corporations provide products that do not correspond to authentic human desires and instead produce goods that satisfy wants that the corporations themselves have created. Moreover, while the plethora of products provided by corporations has unequivocally increased the range of experiences available and has heightened human beings’ standard of living, this mammoth material multiplication has failed to increase personal happiness. Appeals to “protect consumer sovereignty” by prohibiting regulation of industry fail to acknowledge the extent to which human beings are malleable, our free choice curtailed, in our world in which advertising and consumer culture are omnipotent.

In *The Myth of Consumer Sovereignty*, economist John Kenneth Galbraith accurately observes that “nothing has been more important in accepted economic belief than the notion that economic life is ultimately guided by the sovereign consumer.”[1] To classical and neoclassical economists, the functioning of the market is straightforward—consumers have wants, and producers emerge and compete with each other in order to satisfy those wants. Moreover, this type of competition among producers is advantageous for consumers; it forces the successful producer to provide the best possible products at the lowest possible prices, gives the consumers the reins to choose what to consume and, by extension, ensures that only safe, affordable

[1] John K. Galbraith, "Myth of Consumer Sovereignty," in *The Essential Galbraith* (New York: Houghton Mifflin, 1958), 31.

products survive in the marketplace.[2] However, modern reality is far from the idyllic world in which sovereign consumers' demand stimulates production. Large corporations actively seek to "capture the consumer through producer manipulation."[3] According to sociologist Juliet Schor, advertisers use "toxic" tactics, such as marketing products to children "from the time they leave the womb" in order to permanently instill logos and brand names into their consciousness and make the consumption of certain goods essential to their emerging sense of self.[4] In this way, producers' abundant advertising does not merely cater to consumers' preexisting wants—it, in the words of Galbraith, "actively creates the wants production seeks to satisfy."[5] The intimate relationship between production and wants, Galbraith continues, "cannot be reconciled with the notion of independently determined desires," for the main function of production is "to create desires—to bring into being wants that did not previously exist."[6] In societies where consumer culture dominates, supply creates its own demand.

In a world where production only fills a void that itself has created, consumer sovereignty cannot exist as the autonomous force driving consumption. Thus, it cannot be assumed that heightened production or consumption will lead to an increased level of utility, for "the higher level of production merely [represents] a higher level of want creation necessitating a higher level of want satisfaction."[7] Indeed, empirical evidence supports Galbraith's conjecture—between 1946 and 1970, the proportion of people who consider themselves "very happy", "fairly happy", or "not too happy "remained consistent in the U.S. despite the incredible 62% rise of

[2] Milton Friedman, *Free To Choose, Volume 7: Who Protects the Consumer?* 1980. Film.
[3] Galbraith, "Myth of Consumer Sovereignty," 31.
[4] Juliet B. Schor, interview by Jennifer Ludden, *All Things Considered*. NPR, Boston, September 4, 2004. Schor reports the shocking fact that "brand identifications are being solidified in children by the time they are 18 months old."
[5] Galbraith, "Myth of Consumer Sovereignty", 35.
[6] Ibid., 34.
[7] Ibid., 37.

real per capita income during the period studied."[8] The paramount principle of economics—mainly, that "the higher one's income, the more one can spend, and the more one can spend, the more satisfied one should be"[9]—cannot explain why "our economic welfare is forever rising yet we are no happier as a result."[10]

One possible and straightforward explanation of the perplexing phenomenon is addiction and habituation; many comforts "are satisfying at first, but soon become routine and taken for granted."[11] Once consumption and accumulation are engrained in one's consciousness, it becomes "indispensible to accumulate, to acquire more property" because the possession of wealth is central to one's identity and, in the invidious eyes of the community, "assumes a character of an independent and definitive basis of esteem."[12] Moreover, people accumulate in order to "avoid the pain and frustration of giving up a consumption habit to which one has grown accustomed."[13] The only way that one can maintain his/her standing in the community is through conspicuous consumption, which creates colossal waste since conspicuous expenditures "do not serve human life or human wellbeing on a whole."[14] Relative success, measured through the comparison of conspicuous expenditures, becomes the common goal driving action, and a self-perpetuating paradigm which does not allow for satisfaction; there is always a more affluent person higher up on the ladder of material abundance, always another want to be satisfied,

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[8] Tibor Scitovsky. "Income and Happiness," *The Joyless Economy* (Oxford: Oxford University Press, 1976),135.
[9] Ibid., 134.
[10] Ibid., 135.
[11] Ibid., 137.
[12] Thorstein Veblen, *The Theory of the Leisure Class* (1899). Retrieved on 2/2/12 from <http://socserv.mcmaster.ca/econ/ugcm/3ll3/veblen/leisure/index.html>.
[13] Galbraith, "Myth of Consumer Sovereignty," 137. Galbraith appears to be referencing the psychological principle that reports the fact that people fear loss more than they delight in gain, a phenomenon empirically confirmed and popularized by psychologists Daniel Kahneman and Amos Tversky in their famous *Choices, Values, and Frames*, first published in 1983.
[14] Veblen, *The Theory of the Leisure Class*, 81.

always the need for more production, and always more to be conspicuously consumed.[15] Consumption may be infinite, but so is dissatisfaction.

In his jeremiad, *Free To Choose*, Milton Friedman claims that, by establishing consumer protection agencies and regulating certain industries, "the government has been muscling in between buyers and sellers and disrupting the functioning of the market."[16] Milton reprimands the Consumer Product Safety Commission for "making products more expensive and reducing the quantity available" and claims that the commission trespasses on the hallowed ground of consumer sovereignty by "taking away our freedom to choose [what we consume]."[17] Friedman also chastises the FDA, which he feels "operates so as to discourage the development and prevent the marketing of new and successful drugs."[18] Friedman's libertarian language is candid; "it's time for all of us to stop being fooled by the bureaucrats who try to protect us because we cannot protect ourselves."[19]

While Friedman's assertion that freedom from any government involvement is an unalienable human right is dubious at best, his declaration that "consumers don't need to be hemmed in by regulations" and are "protected by the market itself" because the "self-interest of the producer leads him to provide [inexpensive yet safe] products in order to keep the customer satisfied"[20] is both blatantly untrue and egregiously irresponsible. First of all, the market does not account for externalities, such as toxins released into the air or the ocean, or nuclear waste. Without government regulation of pollution, it is unlikely that producers would be willing to manufacture goods in an environmentally safe manner; to do so they would have to sustain the

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[15] After identifying and articulating this interminable chain of conspicuous consumer consumption, Galbraith's cynically proposes that the hamster wheel be the new model for the "good society" (37). However, his metaphor reflects reality too much to be cast aside as sardonic humor.
[16] Milton Friedman. *Free To Choose, Volume 7: Who Protects the Consumer?* 1980. Film.
[17] Ibid.
[18] Ibid.
[19] Ibid.
[20] Ibid.

high cost of switching to sustainable production methods, and, moreover, consumers are an amorphous blob and rarely are unified enough to oppose the corporations. Furthermore, consumer consciousness is shortsighted; even when people have a vague, abstract notion of the deleterious long-term effects of something, they often choose to continue doing the harmful action or consuming the harmful substance until they reach the point of permanent physical, emotional, cognitive, or environmental impairment. Government regulation is necessary to prevent, or at least mitigate, the frequency of these failures of judgment that lead to negative social outcomes.

While Friedman's appalling assertion that all government regulation is categorically corrupt fails to consider externalities and consumer myopia, its most alarming defect is its lack of appreciation for the extent to which our supposed "wants" are sculpted by advertising and consumer culture. Friedman's contention that, in the "free" market, "no one forces you—you're free to do whatever you choose to"[21] is simply a fallacy which can only be made by someone who either is unaware of, or chooses to ignore, human psychology. Humans are profoundly susceptible to manipulation by those we perceive as being figures of authority,[22] such as "experts" encouraging us to buy a certain product. Humans do not enter the marketplace seeking to satisfy authentic wants; one's sense of self does not develop in a glass bubble insulated from the culture in which he/she is reared. No one is, or ever possibly could be, immune to enculturation. However, by outlawing advertising that targets children, implementing regulations to curtail cultural hijacking by corporations, and taking other steps to prevent the corporate world

[21] Ibid.
[22] Conducted at Yale University in 1963, the Milgram Experiment was designed to test people's obedience to authority. The study consisted of a "doctor" (who was really an actor), and a participant, who was ordered by the doctor to increase the voltage of a shock being administered to a "criminal" (also an actor) strapped to a chair in a nearby room. Despite the increasingly desperate cries of distress that came from the "criminal" each time the participant increased the strength of the shocks he/she was administering, due to pressure from the doctor/authority figure, 66% of the participants actually administered shocks that they knew would be fatal to the "criminal." This study has been repeated multiple times, and consistently yields identical results.

from usurping our sense of self worth, we may be able to convince ourselves that there is more to life than conspicuous consumption.

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