

## CITIZENS AS CUSTOMERS

### *Considerations on the New Politics of Consumption*

**F**OUR DECADES AGO, in a landmark *Public Interest* article titled ‘Public Goods and Private Status’, Joseph Monsen and Anthony Downs took up the question of why American society was, in the phrase coined by John Kenneth Galbraith, ‘privately rich but publicly poor’.<sup>1</sup> The authors were not convinced by what they took to be the received explanation at the time: the ‘clever and nefarious advertising techniques’ used by large corporations to manipulate consumers, so that they would ‘buy private goods and services they do not relatively need or want’. Instead, Monsen and Downs suggested ‘a more fundamental factor’ was at work, accounting for the differential allocation of goods between the public and private sectors: a ‘desire’ on the part of consumers ‘for emulation and differentiation’, driving them ‘to create visible distinctions between large groups and classes, and, within such groups, more subtle distinctions of individuality’. Drawing on Veblen’s notion of conspicuous consumption in *The Theory of the Leisure Class*, as well as 1960s explanations of status-seeking consumer behaviour in American society, Monsen and Downs described this desire as ‘an intrinsic part of man’s character, evident to at least some degrees in all societies, past and present’—‘so fundamental that it can be considered a “law” of human nature.’

Why should this ‘law of consumer differentiation’, conceived as something close to an anthropological constant, affect the relative allocation of resources between the private and the public spheres of a modern political economy? The central point of Monsen and Downs’s argument is that what they call ‘government goods’—those produced or distributed

by public authorities—are ‘designed with an eye to uniformity’. The standardization of army rifles is the most evident case in point:

Such goods are easier to produce and administer by the bureaucracy, and they accord with the ideal of equality which underlies the distribution of government goods. But by that very nature, such goods cannot be used easily for status differentiation which is a major function of most goods in advanced industrial societies.

In what follows, I shall make use of Monsen and Downs’s productive distinction between these two modes of provision, with inherent capacities favouring different kinds of goods: one mode is public and collective, administered by state authorities; the other is private and individual, mediated by commercial markets. But rather than comparing the two modes synchronically, or examining them within the eternal property space of economic anthropology, I will take a longitudinal view on the development of their mutual relationship. Moreover, instead of anchoring product diversification in a timeless human disposition towards status-seeking, I will relate it to a particular mode of utility maximization favoured in the transition from a need-supplying to a want-supplying economy, from sellers’ to buyers’ markets, and from poor to saturated to affluent societies, which was getting underway around the time (1971) that Monsen and Downs’s article appeared. In this sense, I will suggest a return to the ‘institutionalist’ explanation for the starvation of the public sphere, which Monsen and Downs rejected in favour of their human-nature theory.

### I. CUSTOMIZED COMMODITIES

The late 1960s and early 70s were, we now know, a watershed in the history of post-war democratic capitalism. It has become customary to speak of the crisis and eventual collapse of a more-or-less coherent, international production and consumption regime which, having sustained unprecedented economic growth during the *trente glorieuses*, began to be referred to summarily as Fordism. Today what is most often remembered about its demise may be the worldwide wave of labour militancy at the end of the 1960s, and with it the refusal of growing sections of the working class to subject themselves to the discipline of Taylorist

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<sup>1</sup> R. Joseph Monsen and Anthony Downs, ‘Public Goods and Private Status’, *The Public Interest*, vol. 23, Spring 1971, pp. 64–77.

factories, together with claims for shorter hours, better pay and politically guaranteed rights of citizenship in employment.

It was not just labour markets, however, that turned into a bottleneck for the progress of capitalist accumulation. Quite similar developments took place in product markets, and in fact changes in the two were intricately related. Fordism had entailed the mass production of standardized goods for societies in a secular transition from rural to urban and industrial ways of life, in which people spent their rising incomes on consumer durables like cars and refrigerators, which they were able to acquire for the first time in their families' lives. Needs were still obvious, scarcity was a fact, and what people demanded and could afford were products that were both cheap and reliable, with robust and mature technology offered at low prices, made possible by extensive economies of scale. Product markets, consequently, were governed by large oligopolistic firms which benefited from steadily growing demand, often at a rate that made it difficult for production to keep up. In fact for Fordist mass producers, selling was much less of a problem than producing; customers were used to long delivery dates and waited patiently for firms to supply them once their allotted time had come.

Interviewing German managers with first-hand experience of the watershed years, I sometimes heard them speak nostalgically of the *Zuteilungswirtschaft*, or 'allocation economy', of the 1950s and 60s: all you had to do was produce one standard product and then allocate it among a deeply deferential clientele, happy to be served whenever it fitted into the firm's production schedule. (Another German term would be *Versorgungswirtschaft*, which might be translated as 'provision economy'.) Given the structure of competition and their desire for low prices, customers did not expect to have much choice; Henry Ford's dictum about his T2 model, that 'you can have it any colour you like as long as it's black', still applied *grosso modo* to the relationship between producers and consumers in the sellers' markets of post-war Fordism. I even heard managers suggest that the differences between the organized capitalism of the post-war years in the West and the state socialism of the East were not as dramatic as one might have believed at the time: only that delivery periods were even longer in the East. Nor was there much difference between the private and the state sector: applying to the Post Office for a telephone was quite similar to applying to VW for a new car; in both cases there was a waiting period of half a year or more. In Western Europe, the

first wave of motorization was in fact supplied by state-owned or heavily state-supported companies: vw in Germany, Renault in France, British Leyland in Britain, FIAT in Italy.

By 1971 there were clear signs that the—in hindsight, idyllic—world of post-war Fordism was coming to an end. As workers began to rebel, demanding an increasing share of profits after two decades of uninterrupted growth and full employment, customers were also becoming more difficult. Throughout the West, markets for mass-produced, standardized consumer durables were showing signs of saturation. Basic needs had by and large been covered; if the washing machine was still washing, why buy a new one? Replacement purchases, however, could not sustain comparable rates of growth. The emerging crisis manifested itself most visibly among the prototypical mass producers of the Fordist age, the automobile industry, whose manufacturing capacity had grown inordinately, but which now found itself squeezed between increasing worker resistance to its Taylorist factory regime and growing consumer indifference to its mass-market product regime. In the early 1970s sales of the vw Beetle suddenly plummeted and Volkswagen as a company entered into a crisis so deep that many took it as the beginning of its end.<sup>2</sup> ‘Limits to growth’ became a central topic of public discourse, with capitalist firms and democratic governments embarking on a desperate search for a new formula to overcome what threatened to be a fundamental crisis of capitalist political economy.

Today we can see how that crisis resulted in a wave of profound restructuring of both production processes and product lines. Worker militancy was vanquished, not least through a secular expansion of the available labour supply, first by the mass entry of women into paid employment, and then by the internationalization of production systems. More important for our context were the strategies that firms deployed in their attempt to overcome the crisis of the product markets. While some on the left were still hoping for an end to both ‘alienated labour’ and the ‘tyranny of consumption’, capitalist firms were busy re-engineering their products and processes, with the help of new micro-electronic technologies capable of dramatically shortening production cycles; making manufacturing machinery less dedicated, thereby lowering the

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<sup>2</sup> See Streeck, *Industrial Relations in West Germany: The Case of the Car Industry*, New York 1984.

break-even point for their products; and rendering much manual labour dispensable, or at least enabling firms to relocate to other parts of the world where it was cheaper and more deferential.

In short, capital's answer to the secular stagnation of markets for standardized goods at the end of the Fordist era included making goods less standardized. The re-engineering of product ranges now went far beyond the yearly changes in hubcaps and tail fins that American automakers had invented to accelerate product obsolescence (which in the late 60s provided Monsen and Downs with the evidence for their 'law of consumer differentiation'). By the 1980s, accelerated product design and more flexible production equipment and labour made it possible to customize the commodities of the Fordist world to an unprecedented extent, subdividing the large and uniform product runs of industrial mass production into ever-smaller series of differentiated sub-products, in an effort to get closer to the idiosyncratic preferences of ever-smaller groups of potential customers.<sup>3</sup> As mass production gave way to something like large-scale boutique production, customers were increasingly spared the compromises they had had to make when purchasing the standardized goods of old—where there always remained a gap between what different buyers might ideally have liked and the one-size-must-fit-all product that producers were able to provide. Product differentiation matched manufactured goods—and, increasingly, services—more closely to individual consumers' particular utility functions. At the same time, it enabled and encouraged consumers to refine that function, by developing or paying more attention to their individual wants, on top of the common needs served by standardized products.

What made the customization of product ranges economically attractive, and eventually helped capitalist economies move on from the stagnation of the 1970s, was the degree to which it increased the value-added of industrial production: the closer products came to the specific preferences of consumers, the more consumers turned out to be willing to pay—and, indeed, the harder they were prepared to work and the

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<sup>3</sup> This was described at the time as a transition from mass production to 'flexible specialization' (see Michael Piore and Charles Sabel, *The Second Industrial Divide: Possibilities for Prosperity*, New York 1984) or 'diversified quality production': see Streeck, 'On the Institutional Conditions of Diversified Quality Production' in Egon Matzner and Wolfgang Streeck, eds, *Beyond Keynesianism: The Socio-Economics of Production and Employment*, London 1991, pp. 21–61.

more they were prepared to borrow for the purchasing power needed to participate in the new paradigm of economic growth, with the transition it involved from saturated to affluent markets. With the advance of the micro-electronic revolution, the range of available car models multiplied to such an extent that customers could be invited to design their new car themselves, by specifying their individual preferences. By the 1980s, no two cars built on the same day at the Volkswagen plant in Wolfsburg were completely identical. In the process, and not by accident, cars became both more complex and more expensive, with industry profits recovering where the new product strategy had been successfully implemented.

The customization of commodities that aimed to overcome the stagnation of capital accumulation at the end of the Fordist period was part and parcel of a powerful wave of commercialization of the capitalist societies of the time. Product diversification attends to the wants of consumers which, under mass production, had remained commercially untapped; now they could be activated and made profitable. I will not go into the important question of whether this process was consumer or producer-driven—the issue over which Mosen and Downs, opting for the primacy of demand over supply, saw themselves at odds with critics of private business like John Kenneth Galbraith. An examination of modern marketing, a crucial development of the period, suggests that both may in part be true. Marketing discovers, but typically also *develops* consumer preferences; it asks consumers what they would like, but it also proposes to them things they might be prepared to like, including things they never imagined could have existed. Good marketing, in this sense, co-opts consumers as co-designers, in an effort to haul more of their as-yet commercially idle wants, or potential wants, into market relations. It is true that this turns the seller's markets of Fordism into buyer's markets, empowering consumers in ways inconceivable just a few years earlier, and making life much more difficult for producers. But it also amounts to a giant step forward in the secular invasion of social life by 'market forces' under capitalism, a process that Rosa Luxemburg metaphorically characterized as *Landnahme*, or land-grabbing, in *The Accumulation of Capital*. In any case, paying more attention to the customer strongly suggested itself to profit-dependent firms as a way out of stagnation when markets had become saturated and, it seemed to some, when material incentives among the working

classes to exert themselves for economic growth appeared on the brink of being critically weakened.<sup>4</sup>

## II. SOCIATION BY CONSUMPTION

It is important to bear in mind the sheer extent of the commercialization of social life that aimed to save capitalism from the spectre of saturated markets after the watershed years. In effect, what firms learned in the 1970s was to put the individualization of both customers and products at the service of commercial expansion. Diversified consumption entailed hitherto unknown opportunities for the individualized expression of social identities. The 1970s and 1980s were also a time when traditional families and communities were rapidly losing authority, offering markets the opportunity to fill a fast-growing social vacuum, which contemporary liberation theorists had mistaken for the beginning of a new age of autonomy and emancipation. The possibilities for diversified consumption and the rise of niche markets, with the accelerated obsolescence they inflicted on first-generation consumer durables, also helped to motivate renewed work discipline, among both traditional workers and the newcomers to paid employment, not least the women.

Commercialized diversification—the movement of markets and commercial relations from the satisfaction of needs to the servicing of wants—extended far beyond automobiles. Other growth industries after the end of Fordism included luxury goods, from perfumes to watches to fashion, all following the same pattern of increased product differentiation and accelerated product turnover, promoted by ever-more highly targeted marketing. A prototypical example was the range of Swatch

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<sup>4</sup>So at least it appeared to many 'critical theorists' in the 1970s. An early formulation was Claus Offe's 1967 dissertation, published as *Leistungsprinzip und industrielle Arbeit*, Frankfurt am Main 1970, which envisaged a secular withering away of the motivation for waged labour, caused however not by saturated demand but by changes in the organization of production. Offe anticipated growing pressure for life chances to be allocated on the basis of social rights, rather than on grounds of 'competitively demonstrated individual performance' (p. 166). The irresistible attractions of a redesigned range of highly diversified commodities may well have helped to sustain, indeed extend, competitive-possessive individualism and the legitimacy of differential rewards for differential performance.

watches, a marketing creation *par excellence* which first appeared in 1983, as Asian manufacturers began replacing mechanical clockwork with quartz-based microprocessors. Mass production did not disappear but became much more sophisticated, characteristically developing a market niche of its own, and thus becoming another instance of niche production. Alongside McDonald's, which itself eventually moved towards something like product diversification, local and regional cuisines were rediscovered, and *haute cuisine* expanded as never before. Wine production followed automobile production almost step-by-step in the 1980s, as vintners gave up on generic blends of different grapes from various locations and returned to producing a range of diverse products, each with identifiably individual character and origin.

The scale of the general turn toward commercialization is perhaps best illustrated by the world of sport. Well into the 1970s, the Olympic Games were the protected domain of so-called 'amateurs', who were not supposed to make any money at all on what was officially considered to be no more than their personal obsession or, as the case may have been, their patriotic duty. In a very short time, however, what used to be 'the Olympic movement' turned into a giant money-making machine, both for the athletes and for numerous corporate sponsors, the advertising industry, the media and a vast complex of other firms producing a range of consumer goods related to physical exercise or the body in general. Moreover, looking at how sport was transformed in the transition to affluence, one cannot but be struck by the stark difference between the austere ethos of strict discipline and self-control, rewarded by nothing than the honour of being allowed to participate, and the atmosphere of hedonistic entertainment with a strong smell of money that surrounds today's sporting events. The quasi-battlefields of the past became sites for professionally staged open-air parties, offering fans and athletes ample opportunity for celebratory self-presentation and for demonstrating their unlimited capacity to have fun. Fashion has come to play an essential part in this, for athletes as well as spectators. The transformation of sport as a social institution—from an ethos of asceticism to one of consumerist narcissism, in less than three decades—can be symbolized by the simultaneous rise of the two German firms, Adidas and Puma, from local producers of no more than two or three styles of football and running shoes, to multi-billion-dollar global companies that essentially make their money from fashion products, ranging from hundreds of



permanently changing models of running shoes to, of all things, perfumes, both masculine and feminine.<sup>5</sup>

I would suggest that commercialization has created opportunities, and apparently quite attractive ones, for a new type of what Simmel called *Vergesellschaftung*, or sociation—that is, a way for individuals to link up to others and thereby define their place in the world. The vast variety of alternative possibilities of consumption in affluent post-Fordist markets provides a mechanism that allows people to conceive of an act of purchase—concluding, as it often does, a lengthy period of introspective exploration of one’s very personal preferences—as an act of self-identification and self-presentation, one that sets the individual apart from some social groups while uniting him or her with others. Compared to more traditional modes of social integration, *Vergesellschaftung* by consumer choice appears more voluntary, resulting in social bonds and identities that are less restrictive—indeed, entirely free from obligations, apart from what Marx and Engels called *bare Zahlung*, or naked cash. This is because in a mature affluent market, buying something involves no more than picking what you like best (and can afford) from what is in principle an infinite menu of alternatives awaiting your decision, with no need to negotiate or compromise as one had to in traditional social relations. In fact the only other actors that one encounters operating in a social structure of advanced consumption are firms whose marketing departments specialize in guessing your every want and striving to satisfy them, regardless of how idiosyncratic they may be. Such firms never argue with customers; they listen and comply, and indeed make every effort to know what their customers desire long before they themselves know.

Sociation by consumption, then, is monological rather than dialogical in nature, voluntary rather than obligatory, individual rather than collective. It is from this perspective that it seems productive to speak of a particular *politics* of consumption, associated with the affluent societies of today. In mature post-Fordist markets, where alternatives are in

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<sup>5</sup>Critical writing on sport has long emphasized its function as a model for the world of work, characterized by competition, differential rewards and measured time. The changes of the past decades have included much wider participation by women and untiring efforts by event designers to convince spectators that strenuous exertion need not prevent one from looking sexy and having fun.

almost infinite supply, it is easy to exit from collective identities that have been established by purchase, without a need for certification by 'significant others'. Obviously this condition is widely experienced as one of liberation, compared not just to having to buy standardized mass products but also to the constraining nature of traditional communities, like families, neighbourhoods or nations, and the collective identities they furnish. In fact even fashion is today far less binding—one might also say less oppressive—than it used to be under the uniform-production regime. There are now numerous co-existing sub-fashions, as it were, in music just as in clothes, most of them lasting only a few months before they pass away, in rapid rotation.

Since communities of consumption are much easier to abandon than traditional 'real' communities, social identities become structured by weaker and looser ties, allowing individuals to surf from one identity to the next, free from any pressure to explain themselves. Diversified markets offer something for everybody, while internationalization increases the variety of available commodities and sharpens the contrast between the local communities of the past and the borderless societies of temporary co-consumers, chosen by a purchase—or just by clicking a 'Like' button—and deserted at pleasure. Sociation by social media—Twitter, Facebook and the like—represents an extension of this trend, not least in that it offers these companies a further set of tools for highly individualized marketing. Firms, politicians and celebrities of every sort have quickly learned to use social media to customize imagined communities of 'followers', ready to receive pseudo-personal messages at any time of the day. In politics, the hope is to deploy the new technology to compensate for the increasing atrophy of traditional party organizations. At the same time, it represents a further personalization of politics; the time is coming when Angela Merkel will instantly inform her 'followers' how much she enjoyed the opera performance she has just attended.

### III. MARKETIZED PUBLIC SPHERE

The unprecedented commercialization of social life that aimed to rescue capitalism from its late-Fordist stagnation profoundly affected the relations between collective state and individual market provision in what used to be the 'mixed economies' of the post-war era. Even more consequentially, it transformed the relationship between citizens and states

in what remains of the public sphere—and thereby, I will argue, the nature of politics as such. One result of states existing alongside the new, dynamic markets for advanced consumption goods was to aid pressures from investment capital for the privatization of several hitherto publicly provided services, among them telecommunications, radio broadcasting and television, which increasingly came to be perceived in their traditional format as old-fashioned, utilitarian, boring, and unresponsive to users-turned-consumers. When technological progress made possible the same multiplication and diversification of products as in the manufacturing industry, governments worldwide accepted and promoted the claim that only private firms would be able to satisfy the rising expectations of more exacting consumers for increased attention to their emerging wants, in particular for more customized products.

In subsequent years it was in the newly privatized sectors of telecommunications and television that commercialization progressed more than anywhere else. Not by chance, it was here that some of the largest fortunes of the late twentieth century were made, in particular by mass-entertainment entrepreneurs like Murdoch and Berlusconi. In Germany there had been no more than two national television channels well into the 1970s, both public, with extensive public-interest reporting and a legally enshrined educational mission, resulting in frequent broadcasts of plays by Goethe, Shakespeare and Brecht, as well as live transmissions of Bundestag debates. Today, by comparison, there are cities in Germany where one can receive over a hundred TV channels, many from abroad, with the two public channels now confined to an aging minority audience—regardless of the fact that they have radically changed their programme structure to emulate the more entertaining, and more successful, private channels. In varying form, the same development took place in all other European countries, with commercialization also resulting in the shift of high-ratings programmes to pay-TV, as in Britain. Something similar may even be observed in the United States where the national networks are now relegated to a small niche in a highly fragmented media market, almost entirely geared toward entertainment.

Telecommunications changed in much the same way. In the German case, the national telephone system was run by the Post Office until the late 1980s and its profits were actually used to subsidize the postal service. The spirit in which the system operated may be illustrated by the fact that public phone booths used to carry a sign saying, *Fasse Dich kurz*,

or 'Keep It Short', urging citizens not to misuse their privileged access to the state's precious telephone lines for idle chatter. By comparison, a few years ago one of the many booming private phone companies, with their innumerable service plans customized to suit every conceivable group of consumers, ran advertisements showing young people talking on their mobile phones under the slogan, perhaps a conscious allusion to its precursor from the commercial stone age, *Quatsch Dich leer*—'gabble yourself out' would be an approximate translation.

A third example of the ways in which new patterns of consumption in the private sector encouraged the privatization of existing public services is that of swimming pools. In the post-war period, almost every local community had a public pool. They were simple, even austere, but nevertheless well-used, due to a general belief that they were good for people's health, and that children had a duty to learn how to swim, both to build character and to be able to rescue others from drowning. In the 1970s, however, attendance declined and *Stadtbäder* underwent a financial crisis. At the same time, private pools, often called *Spaßbäder*, 'fun baths', began to flourish. They had hot whirlpools, saunas, restaurants, artificial beaches, even shopping malls. Entrance fees were much higher than in the declining *Stadtbäder*, but then there was much more fun to be had. With time, more and more communities closed their public pools, or sold them to private businesses that promised to rebuild them and run them as *Spaßbäder*. Where pools remained public, and communities had enough money to pay for the investment, they were redesigned in the spirit of the private competition, and subsequently often recovered. Generally, however, here as elsewhere the view began to prevail, not least among political leaders, that only the private sector was capable of properly attending to the changing needs of a richer and more demanding clientele, and that the best thing the state could do under the circumstances was to step out of the way, shut down its primitive-utilitarian facilities and invite private business in to provide colour, fun and, above all, freedom of choice.

In many ways, then, it became received political wisdom during the 1980s and 90s that the difference between public and private provision was that the state dictates to people what they are supposed to need—which will always in effect be the same for everybody—whereas private markets cater to what people really want, as individuals. While this was

a strong motivation for privatization, it also radiated into core areas of government activity which, for whatever reason, could not be outsourced to the market. At a certain point, governments began to acknowledge the supposedly inherent superiority of the private over the public sector by encouraging citizens to perceive themselves, in their relations with state bureaucracies, as *customers*. Correspondingly, state officials in contact with the public were taught to act, no longer as representatives of the law, of legitimate public authority or of the general will, but on the pretence that they were providers of services in a competitive marketplace, driven simultaneously by the desires of their customers and the pressures of competition. It was in this spirit that in Germany, in the course of the Schröder reforms, the *Arbeitsamt* of old—the Labour Office—was renamed the *Arbeitsagentur*, an ‘agency’ that had to learn to speak of the unemployed as its customers. The model for this, of course, was New Labour’s ‘Third Way’, which had much to say about alleged or actual inefficiencies of state-provided services, manifest among other things in their alleged lack of attention to clients’ ‘real needs’. The keystone of this development was the introduction of the ‘new public management’ paradigm, whereby barrages of minutely specified quantitative performance indicators are supposed to substitute for the corrective feedback from an unfortunately not-yet-existent commercial market.

#### IV. COLLECTIVE MINIMA

The lateral effects, so to speak, of the new ‘politics of consumption’ on what one might call the old ‘politics of the political’ have been even more consequential than the privatization of state functions. As formerly public functions were moved to the private sector and the public sphere came to be simultaneously narrowed and discredited, with the support of reformist governments, the balance between private and public channels of provision shifted in favour of the former. Inevitably the material base for the legitimacy of states as states began to shrink. The decline of political legitimacy did not, however, stop in the area of service provision. Gradually it extended into the very core of citizenship, where the traditional relationship between citizens and the state became increasingly subject to unfavourable comparison with the relationship between customers and producers in the refurbished post-Fordist markets for consumer goods.

To be more explicit: I would argue that the restructuring of consumption aimed at restoring the dynamics of capitalist accumulation after the crisis of the 1970s made possible—indeed, invited and cultivated—attitudes and expectations on the part of customers-cum-citizens that inexorably began to radiate into what remained of the public sphere. Compared to the new consumption regime, states and the goods of which they still were in charge looked increasingly shabby and dull, very much like the uniform-product markets of the Fordist age as they were becoming saturated. It had been exactly this contrast that Monsen and Downs had invoked in their clairvoyant 1971 paper to explain the disparity between public poverty and private riches. We may note in passing that Monsen and Downs were far from happy with this condition and, rather than contenting themselves with celebrating the superiority of markets over states, offered a series of suggestions as to how the balance between public and private wealth in a capitalist political economy might be improved. The strategy they proposed to governments was not to fight ‘the inherent striving for differential social status among consumers’ but to accommodate it, and even to ‘use the desire for consumer differentiation to further other public objectives’. In fact some of the remedies they suggested look conspicuously similar to what would become the public-sector reforms of the 1990s: less uniformity and more differentiation of ‘government goods’; privatization of the provision of ‘goods which need not be distributed by the government’; the use of ‘private producers of goods and services’ as ‘purveyors of government goods’; a more diversified mix of government activities, ‘such as less defence and more education and subsidized housing’; and more decentralization of government activities to local communities.<sup>6</sup>

If these proposals to restore the legitimacy of politics in competition with the attractions of private markets seem quite remarkable—not least because they are so far from the neoliberal anti-statism that reigned during the 1990s and early 2000s—they can nevertheless serve their purpose only for a limited range of government activities, while their application beyond that would in fact be counterproductive. For while the satisfaction of expectations of diversity, individuality and choice may increase the legitimacy of the delivery of certain goods and services by governments rather than by commercial firms, it may be quite subversive when it comes to the *production* of such goods, in particular

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<sup>6</sup> Monsen and Downs, ‘Public Goods and Private Status’, pp. 73–5.

where it involves duties of citizenship, including the collective deliberation of how entitlements and duties are to be weighed. Monsen and Downs identify 'public goods' with 'government goods'; their use of the terms implies that the former are not just divisible but can in principle be produced by specialized agencies separate from the individuals that consume them. Yet there are collective goods which are indivisible and must be produced, or at least decided upon, by those who benefit from them, and indeed by their collectivity: social solidarity, distributive justice and the general rights and duties that constitute citizenship. I call these *political* goods, and would maintain that not only do they need to be made attractive by other means than product diversification, but that allowing them to be judged by the same standards as modern commodities must ultimately result in a situation in which they are critically undersupplied.

More specifically, I am arguing that citizenship is by its very essence less comfortable than customership, and if measured by the same criteria must inevitably lose out. If seen in terms of customers' rights, citizenship is bound to look structurally similar to customership in the mass markets of old, as individuals must live with only some of their idiosyncratic preferences being attended to and others being compromised. Moreover, rather than just consuming political decisions, citizens in a functioning democracy are invited and indeed obliged to participate in their production. In the process, they must subject their specific, collectively unexamined 'raw' wants to critical scrutiny in some sort of public dialogue. Getting their way may demand collective rather than individual action, requiring in turn considerable investment, making for high transaction costs without guarantee that the result will be to one's personal liking. In fact the role of citizen requires a disciplined readiness to accept decisions that one had originally opposed, or that are contrary to one's interests. Results are thus only rarely optimal from an individual's perspective, so that lack of fit with what one would have preferred must be compensated by civic satisfaction about their having been achieved through a legitimate democratic procedure. Political participation in a democracy demands, in particular, a preparedness to justify and recalibrate one's choices in the light of general principles, developing preferences not in the sense of diversifying, but rather of aggregating and unifying them. Moreover, unlike customership, citizenship demands that one provide generalized support to the community as a whole, in particular by paying taxes, which may be put to as yet

undecided uses by a lawfully constituted government, as distinguished from purchases of specific goods or services paid for one at a time, at market prices.

Political communities are republics that cannot by their very nature be turned into markets, or not without depriving them of some of their central qualities. Unlike the highly flexible communities of choice that emerge in societies governed by advanced patterns of consumption, political communities are basically communities of fate. At their core, they ask their members not to insist on their separate individuality but to accept a collectively shared identity, integrating the former into the latter. Compared to market relations, political relations are therefore by necessity rigid and persistent; they emphasize, and must emphasize, strong ties of duty rather than weak ties of choice. They are obligatory rather than voluntary, dialogical rather than monological, demanding sacrifices in utility and effort; and they insist on loyalty—providing, in the terms of Albert Hirschmann, opportunities for ‘voice’, while frowning upon ‘exit’.<sup>7</sup>

Politics, therefore, cannot undergo the same re-engineering that capitalist firms and product ranges underwent after the Fordist era. Rather than simply serving the idiosyncratic wants of individuals, it must subject them to public examination with the objective of aggregating them into a general will, which bundles and supersedes the many individual wills. There is a strong sense in which politics will always at its core remain structurally akin to mass production, and as a consequence compare unfavourably to the ease and freedom of choice in modern consumer markets. Political product diversification and innovation will never be able to keep pace with diversification and innovation in consumer markets. As politics is centrally about the creation and regulation of social order, its results cannot be decomposed into different individual products catering to individual tastes, just as their consumption and the participation of consumers in their production cannot ultimately be voluntary. This implies that, to the extent that modern markets for consumer goods become a general model for the optimal satisfaction of social needs, and citizens begin to expect the same kind of individualized response from public authorities that they have become used to receiving from private firms, they will inevitably be disappointed, even

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<sup>7</sup> Albert Hirschman, *Exit, Voice and Loyalty: Responses to Decline in Firms, Organizations and States*, Cambridge 1970.



and precisely where political leaders try to endear themselves by keeping silent about the difference between public and private goods. The result will be that motivation to contribute to the joint production of civic goods will dry up, which in turn will undermine the capacity of states to produce the civic goods on which the legitimacy of politics as politics depends. As the new market mode leaches laterally into the public sphere, through the generalization of expectations cultivated in the consumerism of post-Fordist affluence, the capacity of states to impose public order on what is an increasingly de-politicized market society must evaporate.<sup>8</sup>

#### V. POLITICS AS CONSUMPTION?

What are the consequences of the superior attractiveness of markets to political provision in affluent societies? For one thing, it appears that the middle classes, who command enough purchasing power to rely on commercial rather than political means to get what they want, will lose interest in the complexities of collective preference-setting and decision-making, and find the sacrifices of individual utility required by participation in traditional politics no longer worthwhile. While one might call this political apathy, it need not imply that individuals will cease to keep informed about what is going on and, for example, give up following the news. Of course quite a few have done so in recent years, and in fact large sections of the generation that has come of age in the commercialized world of the 1980s and 1990s have never adopted the habit. In Germany, hardly anyone below fifty ever watches either of the two public television channels that are still known for their relatively conventional public-interest reporting. While their ageing audiences still vote in disproportionately high numbers, for them, too, politics may be gradually turning into some form of entertainment, a spectator sport whose performers are almost habitually viewed with contempt: never since the War, it appears, have political parties and politicians been so despised by citizens as today.

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<sup>8</sup> Much of my argument on politics and markets parallels Colin Crouch's seminal analysis in *Post-Democracy*, Cambridge 2004. While Crouch emphasizes the 'push' out of the public into the commercial sphere, however, I call attention to the 'pull' exercised by a reinvigorated post-Fordist consumption model on an emaciated democratic polity. In both cases, the reorganization of political participation as consumption, and re-styling of citizens as consumers, reflects the decline of nationally constituted communities of fate in a marketized world.

Large-scale migration from politics into markets does not mean that people fail to make themselves heard through what has come to be called non-traditional or unconventional modes of political participation. In fact both the young and the affluent middle classes have grown pretty good at this, whenever they feel affected or concerned. It seems, however, that the majority of such initiatives are not for but against something—typically something started by government in the alleged collective interest of the community as a whole, and passionately rejected by parts of that community who, however, will not and cannot be held responsible for the broader consequences of their potential success. Of course, suspicions on the part of citizens that government projects are ill-conceived or even corrupt are often quite justified; but this does not change the fact that political participation of this sort is typically as de-contextualized as individual decisions on consumption or non-consumption. What is at stake for the participants is not whether a specific policy fits into an overarching collective project, but whether or not they have to ‘buy’ a public good, produced by political leaders and imposed on the citizenry by public authority. Participation of this kind is overwhelmingly negative, suggesting that citizens generally expect little from collective-political provision, and that governments have very few if any projects to offer, for whose sake people might be willing to subject themselves to majority decisions that do not entirely match their preferences.

As individual market choice trumps collective political choice, politics must become de-contextualized. Rather than related to a potentially coherent vision of how society as a whole is or wants to be organized, individual political decisions are bought or rejected by citizens, one at a time. In some ways this looks like what used to be called, decades ago, the ‘end of ideology’. In the 1960s, however, in a much more organized and deferential society, ‘pragmatic’ elites were able to deal with ‘the issues’ ‘on their merits’. In the fragmented societies of today, by comparison, the absence of a coherent and enforceable ‘ideological’ context for policy decisions makes for an omnipresence of sectional resistance to whatever decisions are under consideration. There is an obvious connection here with the widespread loss of status of political parties, which used to be the privileged intermediary organizations that took charge of aggregating the diverse demands of different sectors of society into more or less coherent platforms. In many countries, such programmes have lost their significance for parties and voters alike—or, as in the US, have become opportunistically compiled lists of themes and promises,

controlled by pollsters rather than party members and put together shortly before an election, only to be dispensed with immediately after.

The disjointedness of contemporary politics, with its striking similarity to the randomness and collective irresponsibility of private consumption, fits well with the fact that young people in particular seem more disinclined than ever to join a political party, and thereby identify with an entire political programme, including sections that they individually do not like but would have to accept for the sake of programmatic coherence and party unity. Again, this is not to say that parties cannot win young people at all. Experience in a country like Germany, however, with a reasonably strong tradition of party membership, suggests that this is most successful where participation is only on an issue-by-issue basis and in particular does not require formal acceptance of general duties, not to mention party discipline. (This, of course, disregards those who join a party in pursuit of a political career.) The door with the EXIT sign must always be visible and open.

The limited and easy-to-terminate individual commitments characteristic of single-issue politics are structurally not too different from the purchase of a specific automobile or mobile phone; if they cease to excite you, you can abandon them with no bad feelings and switch to a different model, or to something else altogether. Acts of political participation thus become like acts of consumption, or of hedonistic individual utility maximization. Generalized loyalty is not asked for; if it were, nobody might show up. Political participation as the duty of a citizen gives way, in affluent consumer cultures, to political participation as fun: one personal preference like any other, rather than a collective obligation. Not that political systems have not tried to emulate markets. Expenditure on market research and advertisements seems to have exploded as voter volatility has risen in parallel with the volatility of customers. Product innovation, however, is still rare in politics, and product differentiation is difficult. Note, however, the growing number of niche parties in many countries, like the 'Piraten', and the associated general decline of the old *Volksparteien*, the 'Fordist' catch-all mass producers of political consent, which seems to be quite analogous to the secular fragmentation of commercial markets.

Another consequence of the penetration of modern habits of consumption into the public sphere is that what is publicly perceived of politics

is increasingly reduced to self-centred power games, scandals and the egotistic antics of its remaining personnel. Of course, being experienced as hopelessly inferior to commercial markets when it comes to attending to people's interests, politics may be bound to look increasingly self-referential in the eyes of citizens. It may be forced to mutate in this direction, given the fixation of its audience on what is left when serious matters have been relegated to market forces: that is, political personalities, their style and appearance. After a certain amount of time, it may no longer be possible to stop the rot: expectations of what politics can do may have eroded too far, and the civic skills and organizational structures needed to develop effective public demand may have atrophied beyond redemption, while the political personnel themselves may have adapted entirely to specializing in the management of appearances rather than the representation of some version, however biased, of the public interest.

As the middle classes and the post-Fordist generations shift their expectations for the good life away from public toward private consumption, those who, for lack of purchasing power, remain dependent on public provision are also affected. The attrition of the public sphere deprives them of their only effective means for making themselves heard, devaluing the political currency by which they might otherwise compensate for their lack of commercial currency. While those at the bottom of society have no place in commercial markets and their regime of resource allocation, they might extract benefits from potential allies more powerful than themselves in political coalitions in need of their support. Moreover, improving their lives might figure importantly in collective political visions of a good society, whereas markets can always do without them. In fact the poor suffer in several ways from the de-politicization of want satisfaction in affluent societies. Not only do the potentially reform-minded middle classes cease to take much interest or to place much confidence in collective projects: as they provide for themselves individually in the market, they become more resistant to paying taxes. Indeed with the declining social relevance of, and respect for, politics, tax resistance has increased almost everywhere, even in Scandinavia, and levels of taxation have fallen in almost all rich democracies.

Left to themselves, faced with a political system starved of both legitimacy and material resources, and as a result reduced to what has come to be called politainment, the lower classes follow the lead of the younger

generation and refrain in growing numbers from voting, refusing even symbolically to participate in what might in principle be their last recourse in pursuit of a better life. Increasingly the picture in Western Europe is beginning to resemble that in the United States. The transformation of democracy under neoliberalism may also remind one of Albert Hirschman's observation about the Nigerian state railways: as the affluent lose interest in collective provision and instead turn to more expensive but, for them, affordable private alternatives, their exit from public in favour of private services accelerates the deterioration of the former and discourages their use even among those who depend upon them because they cannot afford the private alternatives.<sup>9</sup>

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<sup>9</sup> Hirschman, *Exit, Voice and Loyalty*, pp. 44ff.