

Just Comment

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Consumerism and the Silly Season

It seems Australians now want and expect more. A recent survey by the Australia Institute found that nearly half of the richest 20% of households claimed they did not have enough money to buy everything they really needed (Hamilton 2003), despite enjoying the highest material living standards in history.

This is less surprising when you consider just how much money is spent convincing us to consume.

Consumerism is a phenomenon that is so deeply ingrained in our social, political and economic structures; it has become an acceptable and unquestioned way to live. Since the late 1990's, the improvement of economies in the US and Australia have led to a surge in consumerism. Spending money on an infinite variety of products and services is viewed as one way to happiness. Yet many complain about being less content, despite the rise in consumer spending. What's more, we are producing and consuming at such a rate that resources are being depleted and cannot be replaced. Considering the environmental and social costs it's worthwhile considering why so many of us find fulfilment in consumerism.

Material items which were once considered 'wants' are now viewed as 'needs'. Luxury items such as sports cars, larger homes and the latest entertainment technology are more frequently considered essential items. But as more people buy them they become part of everyday life and it becomes more necessary to own them. For example, most people are now expected to own a

mobile phone, making this a 'necessity' when only ten years ago mobiles were virtually unheard of. The expectations of what the average Australian family requires to live comfortably, is grossly inflated, and the difficulties in achieving this makes many people feel poor (Hamilton, 2003).

The Debt Crisis

Buying all these new products has become easier as credit has become more accessible. Financial deregulation has made it much easier to borrow money, both on credit cards, and in the form of loans. As a result, household debt has skyrocketed. In the past five years household debt has grown by almost 15% a year. We now collectively owe more money than we earn in a year. The fastest growing components of debt are credit card debt and loans to buy investment properties – both have grown by more than 20% a year over the past five years (RBA 2003).

The extent of household debt has begun to raise real economic concerns. Competition can lead some financial institutions to lend money to people who really can't afford it. If the economy was to slow down, or interest rates were to rise, this could force many people to default on loans producing financial hardship, and possibly cause some financial institutions to go bankrupt.

Consumer spending is fundamental to a market philosophy and promoted by many governments, while the social and environmental costs are downplayed. In the US, more money is spent on advertising, than on higher education – a sad reflection on our society's priorities (McFague, 2000).



As household debt climbs, our economy becomes more vulnerable, but if we stop spending, then the economy slows down.

Work 'till you Drop

As we spend more and borrow more, so we are forced to work longer hours in order to pay off our debts and afford our purchases. The cost of housing, particularly in Sydney and Melbourne, has seen housing debt (mortgages) reach record levels. This is made worse by the fact that the size of our houses is growing, despite the size of our families shrinking. Our houses have doubled in size over the past 50 years.

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force now works in excess of 48 hours a week, something that would be unlawful in Europe. Two million Australians work on average more than 50 hours a week (*Marles 2002*).

Yet, the evidence suggests that we would be better off working fewer hours and taking a cut in pay. Studies of happiness have shown that while an increase in income makes us happy initially, after a relatively short period of time we go back to being just as unhappy as we were before. What has a longer effect is having more time off – this can make us permanently happier, while having less time (either because we are working a job we don't like or are stuck in traffic) can make us permanently more depressed (*Martin 2004*). If all of us were to buy smaller houses and less expensive goods, we could work less, live closer together and spend less time in traffic.

Environmental Crisis

More consumption also means more impact on the environment. Every year people in first world countries like Australia throw away 200 billion cans, bottles, plastic cartons and paper cups, with 1.5 billion thrown away in Australia (*Trainer*).

The gathering of resources to make luxury items involves the depletion of natural areas, the damage to landscapes, erosion, extensive air and water pollution (*Beder, 1993*). The manufacturing and transportation of consumer goods also uses unsustainable methods.

A high level of debt in poorer countries has made them increasingly dependent on earning foreign currency by increasing exports. Thus, land once used by indigenous people to feed themselves is sold to large multi-national corporations to set up mines or to produce export crops for the consumers of the richer western world (*Ferguson 2004*).

Breaking the cycle

Despite the pressures of a consumerist society, there are ways to break the cycle, and many of them just mean thinking more about how we consume. The Australia Institute has discovered that an increasing number of Australians are 'downsizing'.

They commissioned a Newspoll survey which found that over the past 10 years 23 per cent of Australians aged 30 to 59 decided to voluntarily earn less money. This does not include early retirees, those returning to study and women resigning to have babies. These people decided that they preferred more time and less stress to more money (*Hamilton 2003*).

A number of employers are starting to respond. Some offer family friendly work hours. The NSW Department of Education and Training allows teachers to take a 20% pay cut in exchange for having a year off every five years (*Hamilton 2003*). When the effects of tax are taken into account, the drop in pay might only be 10%. Others have downsized by changing jobs, moving from a high stress workplace to a more relaxed or part-time job.

Ethical Consumption

Australia has lagged behind efforts in Europe to develop ethical consumption, but there are still a number of ways to buy better.

The Fair Wear Campaign has developed the 'NoSweatShop' label. This certifies that the product does not involve sweatshop labour, and is made according to proper labour standards. Currently only a few companies have been accredited; the army uniforms maker Australian Defence Force Apparel; Poppetts (owner of the Beare & Ley school uniform label); Qualitops; and the small Victorian retail-

er Hunter Gatherer, owned by the Brotherhood of St Lawrence. Fair Wear have also begun an Ethical Retailers Code of Conduct, committing retailers to do more to ensure their goods are produced ethically, which Cole Myer has recently signed up to (*Choice 2002*).

Another initiative is the Fairtrade Labelling Organizations International effort to provide ethical goods in mainstream retailers. Products labelled Fairtrade are produced in developing countries by workers paid just wages and employ environmentally sustainable practices, meaning they have less impact on nature. At the moment the only Australian organizers accredited are Oxfam/Community Aid Abroad Trading and Trading Partners (*Choice 2002*). But more consumer interest could lead other organizations to look into ethical trading.

Just Action

- Buy Christmas presents that are Fairtrade or Fair Wear. Even better – make your own presents.
- Think about what you buy, and do some research on the products you purchase. Try to buy products that are made to last, and that are friendly to the environment (such as having a good energy or water rating, or organic food). Consider buying second hand goods rather than the latest model.
- When you go shopping, ask the store about Fair Wear and Fairtrade and encourage them to sign on.
- The following websites have interesting views on consumerism and its effects on society
 - www.tai.org.au/ (The Australia Institute)
 - www.verdant.net/choices.htm
 - www.abs.gov.au/ (Australian Bureau of Statistics – go to 'Measures of Australia's Progress' for interesting research on the nations well being beyond the GDP and economic progress)

All references are on the website www.erc.org.au • Thanks to Anne Mooney for work on this edition



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