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THE ECONOMIC TIMES

Consumption and consumerism

5 Jul 2010, 0311 hrs IST, Rajesh Shukla,

Topics: [India](#) [consumption](#) [consumer market](#)
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Consuming globalisation announced the banner outside the venue of an international conference of NGOs involved in consumer rights and research in September 1944. Marrakesh was only three months away back then, and there was excitement over an era of 'unfettered' trade that promised to reduce the world into a mandi. Sixteen years later, an appropriate theme for such a meeting would be Consuming the 21st century. The first decade of the new millennium is behind us and it could be said that the issues that dominated the 20th century are now remote.

A brand new generation has come up since Marrakesh which, by benefit of youth, has as much inured itself to setbacks of liberalisation as it has celebrated its benefits. But where is the appetite to identify and analyse the deeper issues behind this great historical process? The exponential growth of India's consumer market under liberalisation is now a given. The Great Indian Market, an August 2005 NCAER publication, confirmed the previous half-decade's speculation in global economic think-tanks over India's potential in leveraging purchasing power parity (PPP).

We had predicted that the rapid rise in incomes would propel an even faster demand for consumer durables and expendables, and that this growth would go hand-in-hand with a surge in the number of India's great middle class. Exactly three years later, we collaborated with Future Capital Research, Mumbai, to produce a study, The next urban frontier: Twenty cities to watch, in which the role of a small group of towns and cities in shaping India's international consumer profile was statistically presented.

Consider: These cities are home to less than 10% of India's population, but between them generate more than 30% of its income. We predicted that more than half the population in top 20 cities would become truly middle class by 2016. Around the same time, the international major, McKinsey and Co, published The bird of gold: The rise of India's consumer market, forecasting that there would be more than 570 million middle class Indians by 2025 and over 290 million people would move from desperate poverty to a more sustainable life. What's more, India would become the world's fifth-biggest consumer market, seven places up since the mid-2000s.

Scholarship on consumer research is often confused with market research, whereas the 'mother' or overarching nature of investigations in all sophisticated economies has traditionally focused on developing the grooving for the stylus of government policy to work through. Since the beginning of the liberalisation process, experts of all hues have grappled with the mysterious reflexes of the Indian consumer to market trends. As a participant in the world's fastest-growing economy, the Indian consumer is often the hero and the hope for ethically-improved capitalism. His standpoint is a unique mix of issues concerned with participation and political sensitivity — restricted, of course, by inertia and moral complexities — most of which are oriented to keeping corporations and governments on their toes. Modern Indian consumer culture as the outcome of a synergy between historical forces is a recent development — it began only after 1991.

The important difference between the experience here and that in the US, where it began at least a full century earlier, is that historical forces prevented us from developing a consumer culture independent of global influences. So, the contemporary scramble among scholars to understand consumer philosophy is both a worldwide and Indian phenomenon. The result? In the words of the redoubtable Frank Trentman in his opening remarks in Crossing divides: Consumption and globalization in history, an article he contributed to the Journal of consumer culture in 2009: "Economists' understanding of consumption in different cultures in the era of globalisation has been patchy and fragmented."

The overriding tendency here is to pontificate on consumerism as a pivot of the economy while narrowing down consumption to a mere lifestyle. The little scholarship that has happened has focused almost obsessively on the relative breaks from known consumption patterns of the past as a facilitator of the close to double-digit GDP growth. But the body of research that has gone into the sociological motivations of consumption is smaller. This weakens the build up of the Indian buyer as a consumer in the highest sense of the term.

As Roberta Sassatelli writes in Virtue, responsibilities and consumer choice: Framing critical consumerism (2008), a growing variety of discourses in politics and civil society is calling into being the 'consumer' not only as an active subject, but also, and above all, as a moral and political subject. Jon Alexander, a prolific commentator on consumer issues in Britain and the US, highlighted recently on conservation-economy.org that people ought to participate to a significant extent in social groups and relationships that are beyond consumption. We should produce, and we should be citizens. Till such time as awareness of this linkage is instilled, governance would suffer from the problem of reciprocity and the problem could have backward linkages all the way up to policymaking.

India's reform agenda, which began as an effort to unshackle private enterprise, also led to the realignment of the economic structure — with agriculture playing a much smaller role in terms of contribution to the net domestic product. Trade, hospitality, transport, storage, communication and financial services emerged as major employment generators,

leading to significant growth in per-capita incomes and the purchasing power of Indian households. The chief of Morgan Stanley's Asia operations, Stephen S Roach, wrote in 2005 that India's transition to a 7% growth path in recent years is very much an outgrowth of the emerging consumerism of the world's youngest populations. The merging of the persona of consumer and citizen is an ongoing process in India. It's time the dynamics of this process is understood through empirical findings.

(The author is director of NCAER-CMCR)

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