

employees,” Talbott notes.

Ironically, even as the wider world has become more important economically and in certain other ways, public and media interest in world developments has waned. U.S. spending on “foreign affairs” (including diplomatic operations, foreign aid, military assistance, humanitarian relief, contributions

to international organizations, Voice of America, and programs to help fledgling democracies) was \$18.4 billion in fiscal 1996—half the total (after adjusting for inflation) in fiscal 1985. Since the end of the Cold War, the State Department has opened 23 new embassies and consulates in the states of the former Soviet Union, Vietnam, and elsewhere, but it has been forced to close 34 others around the world.



U.S. Consul Robert Pollard and his wife look on as the flag over the U.S. Consulate at Udorn, Thailand, is lowered for the last time, on December 8, 1995. The consulate is one of many shut down.



ECONOMICS, LABOR & BUSINESS

What Do Consumers Really Want?

A Survey of Recent Articles

A little more than two decades ago, an economist named Tibor Scitovsky challenged a basic assumption of modern economics: “that the consumer is rational . . . that whatever he does must be the best thing for him to do, given his tastes, market opportunities, and circumstances, since otherwise he would not have done it.” It was “unscientific” to make this assumption, Scitovsky argued, and sustained observation of human behavior showed that it was frequently unjustified: people often fail to choose what is best for them. They watch too much television, for instance, rather than reading great literature.

Scitovsky’s book, *The Joyless Economy* (1976), received scant recognition when it first appeared, but some now are hailing it as a prophetic masterpiece. It is among “The Hundred Most Influential Books Since World War II,” according to a survey of prominent scholars by the *Times Literary Supplement* (Oct. 6, 1995). More recently, in *Critical Review* (Fall 1996), seven sympathetic critics and Scitovsky himself revisited the book’s critique of consumer capitalism.

“Drawing on research in physiological psychology,” Scitovsky began with the human inclination to avoid discomfort and seek plea-

sure, note Jeffrey Friedman and Adam McCabe, *Critical Review's* editor and research assistant, respectively. But he contested the notion that the dynamic is so simple. "In Scitovsky's view, there are *two* sources of displeasure: not only too much stimulus—pain; but too little—boredom." Affluent societies had produced widespread *comfort*—but too much comfort resulted in ennui. By seeking excessive comfort rather than stimulation, or by turning to such fleetingly satisfying types of stimulation as TV or shopping, people made "wrong" choices and got less enjoyment than they could out of life. "The remedy," Scitovsky said, "is culture" and the stimulation provided by music, painting, literature, and history. Consumers must be educated to make wiser choices.

Friedman and McCabe note "the paternalistic implications" of Scitovsky's work. If freedom has great intrinsic value, they say, "it is difficult to see why we should be concerned with Scitovsky's, or anyone else's, empirical findings about freedom's potentially unhappy effects." Unfortunately, they add, the conviction of freedom's intrinsic value "drains any urgency from the investigation of how we *should* live; indeed, it taints such investigation as suspect, because [it] might lead to 'elitist' conclusions." Unsurprisingly, "such investigation is rare, and . . . Scitovsky's example is a lonely one."

But Amartya Sen, a professor of economics and philosophy at Harvard University, denies that Scitovsky's book is "paternalistic in spirit." Rather, he says, his diagnosis has some affinities with "[the] Socratic claim that the 'unexamined life' is not worth living. . . . If constructive stimulation is neglected in actual behavior, this is not because people have examined the alternatives and the range of choices that are in fact within their command, and have come to the considered conclusion that they really do want comfort rather than stimulation. Had that been the case, it would have been harder for Scitovsky to press stimulation on them, 'in their own best interest.'"

Juliet Schor, author of *The Overworked American* (1992) and a professor of the economics of leisure at Tilburg University, in the Netherlands, credits *The Joyless Economy* with pointing out the yawning gap between consumption and satisfaction. However, the solution, she believes, does not lie in better-educated consumers but in a movement away

from "consumerism" toward a different "system" with less private consumption and more "public goods, savings, leisure time, and environmental preservation."

Albert O. Hirschman, a professor of social science, emeritus, at the Institute for Advanced Study, Princeton, New Jersey, also faults Scitovsky for "his utter neglect" of the *public* sphere—of politics, participation in public life, and pursuit of the public interest—as a welcome source of stimulation. Sometimes, Hirschman points out, public and private stimulations can be had at the same time. In ancient Greece, for example, banquets that originated in the religious sacrifice of a bull or ox not only offered the private pleasure of food but played a part in the emergence of Athenian democracy.

Scitovsky—whose academic career included stops at Stanford University, the University of California campuses at Berkeley and Santa Cruz, and Yale University—says in *Critical Review* that the criticisms of his book's narrow focus on the private domain are justified. "I dealt only with the desire for status, the comfort of belonging, and the stimulus of conversation in pubs and cafés, but was remiss in overlooking all the pleasure and stimulation provided by many public goods and activities, ranging from beautiful landscapes and cityscapes to one's public activities and duties as a citizen." These, too, have value, yet are slighted in the usual economic calculus.

Michael Benedikt, a professor of architecture at the University of Texas at Austin, criticizes Scitovsky on another front, arguing that his "simple dichotomy" of comfort and stimulation doesn't lead very far. What's needed, he says, is a hierarchy of human needs that would allow evaluation of the true "utility" of different things. Benedikt proposes six categories, from the need for survival to the need for freedom.

But Scitovsky gets the last word. A now-glorious shortcoming of his *Joyless Economy*, he says, is that it focuses on the problems of the affluent while neglecting those of the poor. They, too—in addition to their more obvious privations—"suffer from boredom, just like the idle rich." But the boredom of the poor "is chronic, which makes it a deprivation as extreme as starvation, and with equally fatal consequences . . . violence and vandalism." Work, Scitovsky suggests, is "the main antidote to boredom for the majority of mankind," and one of our deepest human needs.