

NOTAS ECONÓMICAS

NÚMERO 6/Dezembro'95/ PREÇO 1.500\$00/ISSN:0872-4733

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Whose Lifestyle is it Anyway? Alternative economic approaches to the study of consumption

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resumo

résumé / abstract

Este artigo assenta no princípio de que para se compreender o comportamento do consumidor é preciso aceitar que os/as pessoas não são autónomas, mas interdependentes.

O autor começa por abordar a questão de uma forma muito teórica e tributária de Marx. Analisa o que designa por relações sociais de consumo, distinguindo entre consumo simples, complexo e generalizado.

A análise concentra-se, em seguida, nos esforços que ultimamente os economistas têm feito para reconhecer e ponderar a interdependência do comportamento do consumidor, acabando o autor por apresentar uma proposta de modificação do modelo de Lancaster, ao mesmo tempo que introduz o conceito de “efeitos estilo de vida”.

Finalmente, segue-se uma abordagem mais corrente que utiliza dados empíricos sobre o consumo de cerveja no Botswana para mostrar a forma como geralmente os economistas analisam o comportamento do consumidor.

Cet article se fonde sur l'idée que pour comprendre le comportement du consommateur, il est nécessaire de supposer que les individus ne sont pas autonomes mais interdépendants. L'auteur commence par une approche très théorique, provenant d'une extension des travaux de Marx. Il examine ce qu'il nomme les relations sociales de consommation, et distingue la consommation simple, la consommation complexe et la consommation généralisée.

Il étudie ensuite les tentatives récemment menées par divers économistes pour reconnaître et prendre en compte le phénomène d'interdépendance dans le comportement du consommateur et propose une modification du modèle de Lancaster en introduisant le concept d'"effets style de vie". Dans un troisième temps, une approche plus standard est adoptée et des données empiriques sur la consommation de la bière au Botswana sont utilisées pour figurer la manière dont, normalement, les économistes étudient le comportement du consommateur.

This paper is based on the view that in order to understand consumer behaviour it is necessary to assume that individuals are not autonomous but interdependent.

The author begins with a very theoretical approach, derived by extension from Marx. He examines what he calls the social relations of consumption, and distinguishes between simple consumption, complex consumption and generalised consumption.

Next he examines attempts made by economists in recent years to recognise and take account of interdependence in consumer behaviour, and proposes a modification to the model of Lancaster, introducing the concept of "lifestyle effects".

Thirdly, a more standard approach is adopted, and actual empirical data on beer consumption in Botswana are used to indicate how economists normally study consumer behaviour.





1. Introduction

This paper falls into three main parts. All three are based on the view that the standard textbook economic theory of consumer behaviour is wholly inadequate. More specifically, that to understand consumption it is necessary to abandon the assumption that individuals are autonomous and replace this with the assumption that consumer behaviour is interdependent.

An important merit of economics is, in my view, its theoretical rigour. This is usually expressed through the use of formal models, generally mathematical. Economics also, very often, provides models which may be expressed in quantitative form, and empirically tested.

But theoretical rigour and empirical testability come at a price. The price of theoretical rigour may be models which are greatly at odds with our knowledge of the real world. And the need for empirical testability (coupled with limited statistical data) may limit our models to the simple or even simplistic.

There is, therefore, an unavoidable trade-off. The question is how one chooses to make this trade-off. Should one use models which fit well with our own, perhaps erroneous, conceptions of the world, which cannot be rigorously tested, or perhaps even expressed? Should one use models which are very rigorous, and lead us to interesting and original results, although based on assumptions which are excessively simple — or even quite evidently wrong? Or should one use models which are not only rigorous but also empirically testable, which tell us little if anything we do not already know?

These are some of the dilemmas facing the economist, and especially so in the study of consumption. In this paper, I explore three alternative positions; beginning very far away from standard economic approaches, and moving gradually nearer to the mainstream. In the course of this I hope not only to say something about the economics of consumer behaviour but also about economic methodology.

2. Whose lifestyle is it anyway? The social relations of consumption

I begin with a very theoretical approach, which I derive by extension from Marx.

My starting point in this section is that consumption behaviour mediates social relations of great significance in modern-day society. I shall seek to elaborate on this view by reference to Marx's analysis of production.

Although Marx's strength as an economist was, in my view, his critique of the economic categories — based on his recognition that economics necessarily deals with social relations — his theory of consumption is almost as impoverished as that of neo-Classical economists. Even Rubin (1982), one of the foremost commentators on Marx, who lays great stress on the social — in relation to production — does not extend this to the realm of consumption and need. Rosdolsky (1980) and, to an even greater extent, Heller (1974) have argued that need plays an important part in Marx's theory. But my own view remains that Marx perceived consumption as a social relation only insofar as it related to production; thus, it is production which is, to use Marx's terminology, the dominant moment. My position is in this respect quite similar to that of Baudrillard (1981) who criticises Marx's Robinson Crusoe model of man as consumer (McNeill, 1988).

We may, however, draw certain useful parallels between production and consumption; and hence derive some benefit from Marx's analysis. To demonstrate this I express the argument in a simplified and formalised manner:

Production: We may distinguish, following Marx — but taking some liberties with his terminology — between three types of production:

Simple production: This comprises a relation between a person and a thing. A person takes raw

material and shapes it into something of use for himself: for example, a piece of wood is made into an eating bowl. In principle this act of production is quite independent of anyone else. And the resulting value is use-value.

Complex production (production for exchange). This comprises a relation between at least two persons and two things. Each person produces, and they exchange. In principle this does not require more people, or established norms of behaviour. The resulting value in this case is exchange value. (I have not here made the important distinction whether or not the intention to exchange precedes the decision to produce. Although a critical part of Marx's theory, this is not of significance for my present argument).

Generalised production. Here the relations are far more complex; involving numerous people and numerous things. Paradoxically, although social relations are here most fully developed, they are also disguised. Through the process of fetishisation, "a social relation between persons assumes the fantastic form of a relation between things" (Marx, 1954: 77). Here the producer is wholly separate from the person who purchases the product. The "producer", indeed, is not an individual artisan but a capitalist who purchases labour power. The individual labourer is alienated both from the product and from his labour. Labour becomes abstract. Value is exchange value — as determined by the market.

I turn now to consumption, and argue along parallel lines.

Simple consumption: comprises a relation between a person and a thing. The person simply desires the object, quite independently of other people: the Robinson Crusoe model.

"Complex" consumption: comprises a relation between at least two people and at least two things. One person desires a thing because another person does (or does not). The first individual relates via the thing, whether by emulation or distinction, to the second person.

Generalised consumption: here the consumer purchases a thing (or a set of things) because they are associated not with a specific person but with a lifestyle. Whether or not there is a person who embodies that lifestyle, and whether or not the person knows him or her — is not significant. In this sense the lifestyle is "abstract". Further, I would suggest, the consumer is in a sense thereby alienated both from the thing consumed and from other people.

Although I think it has some merit, I will not seek to pursue this model further here. Its main relevance for the present paper is, I shall argue, that it also parallels three alternative models of consumption of mainstream economics.

In the case of production the argument is based on what Engels has referred to as Marx's "logico-historical" method. That is to say, each of the three types of production not only exists logically but also existed historically. This is of course an attractive though dangerous approach.

If one turns from production to consumption one might well doubt whether "simple consumption" has ever been a historical reality. But it has proved an invaluable logical category for neo-classical economists, for this is the assumption on which standard economic theory is based.

As I shall show in the following section, although standard economics normally takes simple consumption as its model, some attempts are now being made to model what I have here called complex consumption. This is an example of a more general phenomenon — of economists seeking to take account of social relations by moving cautiously forward from the individual, through social interactions — initially of a binary character, but thereafter perhaps more complex. This may well involve the use of game theory.

Ironically, a full leap to the macro-level, with less concern for micro-macro linkages, might prove easier; to leap straight to the third — generalised consumption. Indeed, as I shall suggest later, economists may in one sense already have made this leap, though not in any explicit or rigorous way.





3. Alternative economic theories of consumer behaviour

The conventional economic theory of consumer behaviour focusses solely on incomes and prices as determining factors. It provides a good example of both the strengths and weaknesses of the neo-classical approach. It is clear and rigorous, and yields results which are powerful within the confines imposed. But beyond these confines it has nothing to offer. Its weaknesses are widely acknowledged by economists, and these weaknesses have perhaps been most explicitly stated by the two — Becker and Lancaster — who have made the most substantial contributions to the theory of consumer behaviour in recent decades.

The main problem is that much of consumer behaviour is relegated to the residual category “tastes”, which economists have normally regarded as outside their field of expertise. But this is disturbing, since, as Becker notes, economists “have no useful theory of the formation of tastes, nor can they rely on a well-developed theory of tastes from any other discipline in the social sciences, since none exists” (Becker, 1976: 133).

I begin by briefly assessing the work of Becker and Lancaster, before turning to more recent, but less well-known contributions to the field. Becker’s approach to consumer behaviour was to treat the household as a production unit, with time as one of the scarce resources to be allocated (Becker, 1976). This produced interesting results, with some empirical validity, but did not contribute to our understanding of tastes. One might justifiably claim that Becker has tested the outer boundaries of the standard neo-classical approach — or even gone beyond them — in the sense that he has reduced the extent of that which is to be explained by the residual category of tastes to an absolute minimum.

Yet by contrast with many economists, Becker is quite open to the idea that consumption behaviour is not autonomous. Thus, in *A Theory of Social Interactions*, he deplores the fact that “As greater rigor permeated the theory of consumer demand, variables like distinction, a good name, or benevolence were pushed further and further out of sight” (1974: 254). And in another work he again stresses the importance of distinction, quoting with favour Nassau Senior:

“the desire for distinction [...] may be pronounced to be the most powerful of all human passions” (Senior, 1938: 12. Quoted in Becker, 1976).

A very different approach was developed by Lancaster who, in two seminal articles (Lancaster, 1991) introduced a “new consumer theory” which focussed on the characteristics of goods rather than the goods as such. This is a considerable improvement over earlier theory, and is far more able, for example, to incorporate the introduction of new goods. It does not, however, include interdependence between consumers; and conventional economic theory — with or without Lancaster — continues to assume that consumer behaviour is autonomous: consumers maximise their utility functions subject to a budget constraint. (I exclude here the rather modest innovation of including, in an individual’s utility function, consumption by other family members). But there are signs of an increasing openness among economists to a rather radical revision of the basic postulates of neo-classical theory, as confirmed by what may be regarded as the standard work on the economics of consumer behaviour:

“Although we have said little about what determines preferences there is nothing in utility theory used as descriptive device that precludes interactions between the behaviour and tastes of different consumers. On the contrary, it seems unrealistic to suppose that preferences are exogenous, God-given, and unchangeable. Rather they are socially inherited and conditioned and are governed by the conventions of technology and social institutions” (Deaton and Muellbauer, 1980: 330).

The way is open, apparently, yet the standard assumption of autonomous behaviour remains substantially unchanged.

A few economists — some well-established in the discipline, such as Tobin (1975) — have acknowledged that consumer behaviour is far from autonomous. But the resistance of most

economists to such views is clear from the fact that they continue to be ignored in the standard consumer model — even despite some statistical evidence that consumer preferences are indeed interdependent. This inevitably prevents economists from developing any understanding of changing tastes, which, “far from being relegated to an anonymous supporting role, ought to be centre stage in the analysis of consumer behaviour” (Baxter, 1988: 125).

One important attempt to break away from this tradition is to be found in *The World Of Goods* where an anthropologist and an economist try to build a theory of consumption on the view that “Man is a social being. We can never explain demand by looking only at the physical properties of goods. Man needs goods for communicating with others and for making sense of what is going on around him” (Douglas and Isherwood, 1980: 95). These ideas appears to have found acceptance by a few economists. For example, Heap, in *Rationality in Economics*, argues that we use goods and services “communicatively” (Heap, 1989: 160). And Deaton and Muellbauer acknowledge the same point:

“Individuals need to define themselves vis-a-vis others and to communicate these definitions so that they are treated as they would wish; a consumption life-style is thus part of this definition of identity. Since belonging to certain social groups and not belonging to others is part of their sense of identity, it is inevitable that, to some extent, households will pattern their consumption and market behaviour on that of other households” (Deaton and Muellbauer, 1980: 330).

In summary, economists must acknowledge that there is a strong *a priori* case for assuming that preferences are interdependent. And casual empiricism (not to mention a good deal of qualitative evidence which is acceptable to other social sciences) clearly supports the same proposition. But is there supporting evidence of the kind which economists are accustomed to: empirical, statistical? And is it possible to model interdependent consumption behaviour with the standard tools of economic analysis? Some attempts have recently been made to test theories of interdependent demand. See, for example, Bassmann, Molina and Slottje (1988), Karni and Schmeidler (1990). Perhaps the most valuable work has been done by Kapteyn, e.g. Alessie and Kapteyn (1991). See Grunfeld, (1994), for a useful overview.

In summary, it may be difficult to provide statistical evidence, to the satisfaction of the economist, to demonstrate that consumer behaviour is indeed interdependent. In order to do so, economic researchers have proposed focussing more on the individual or on the reference group. Although I believe it would be interesting to pursue the sort of empirical work referred to here, I very much doubt whether one can “prove” empirically that man is autonomous or not. I would be satisfied with the finding that empirical evidence does not refute such a hypothesis. My own view is that for further progress to be made it will be necessary to delve deeper into the foundations of economic theory, and modify the assumption of autonomous economic man, and hence develop alternative models of behaviour. In this enterprise, economists may usefully collaborate with other social scientists, to whom the idea of interdependence is fundamental.

Some steps have been taken, however, towards creating models specifically related to consumption behaviour (although no attempt is made by these various authors to apply their models to empirical data). Pollack proposes a simple model, “built on the assumption that each individual is concerned only with the consumption of the man one rung above him in the hierarchy” (Pollack, 1976: 312). He also suggests “a ‘two-class’ model of interdependent preferences in which the members of the lower class (L) emulate the consumption standards of the upper class (U) is another version of the hierarchy model” (loc. cit.).

DiMaggio, in a recent work, notes how the perspectives of economists “clash with the findings of research by sociologists and cultural anthropologists, who stress that tastes reflect relationships among people [...] that ego’s preference for a certain good is a function of the probability that certain others have purchased or are likely to acquire it [...]” (DiMaggio, 1990: 125). He sets out what he describes as “notes for models” based on this claim, distinguishing between two types of interdependence. Vertical interdependence is where “consumers’ ‘taste’ for a good is a positive





function of the number of persons hierarchically superior and a negative function of the number of persons hierarchically inferior to themselves who are believed to possess it. Horizontal interdependence is where ego's taste for goods "is a positive function of how others in the same status group evaluate them and is unaffected by the evaluations of other groups" (Di Maggio, 1990:126).

A rather more developed model is presented in another paper which analyzes interpersonal effects of two kinds.

"In the first, 'bandwagon effects' (cf. Liebenstein 1976), the correlation between one's purchases and those of others is directly enhanced by the number of others consuming it. [...] The opposite of a bandwagon effect occurs if the correlation between one's consumption and that of others is negative" (Granovetter and Soong, 1986: 84).

I have, in another paper, examined another possible direction, taking as a starting point the model of consumer behaviour proposed by Lancaster (McNeill, 1992). Here I use the term "lifestyle effects" where there is a correlation (whether positive or negative) between one person's consumption and that of others which is attributable to a desire (conscious or unconscious) to associate or dissociate oneself from one or more reference groups. The term therefore covers "bandwagon" and "snob" effects narrowly defined, i.e. excluding other possible factors inducing such correlation, such as the three just listed. (It also, incidentally, avoids the negative connotations of the words "snob" and "bandwagon").

The argument, in brief, runs as follows. (Lancaster's model is paraphrased in inverted commas, followed by my own comments).

1. "Consumers are interested in the characteristics of goods, rather than goods as such". Yes; but one important characteristic of a good is who else buys it (i.e. who it is associated with, what "lifestyle" it links with).
2. "The relationship between goods and the characteristics they contain is determined by the consumption technology". Yes; but, following from point 1, the "objective" relationship between goods and characteristics can change over time without any physical change in the good (because those who consume the good change).
3. "Whereas preferences are over characteristics, budget constraints are over goods". Yes; this is unaffected.
4. "Individual preferences determine the relative weights given to the various characteristics in making choices". Yes; and the extent to which individuals conform is reflected in the weight which they attach to who else buys it (as opposed to its other characteristics).

To take a very simple example, consider the purchase of a glass of sherry in a bar. Suppose there are only two types of sherry (sweet and dry) and two reference groups (low class and high class); and that low-class people drink sweet sherry while high-class people drink dry sherry. A consumer choosing what sherry to buy would then take account of two preferences:

1. A preference (assumed, for the moment, to be innate) for either sweet or dry drinks.
2. A desire to identify with high class, or low class, consumption habits.

What can the model tell us about consumer behaviour? The consumer, behaving rationally but not autonomously, will seek to satisfy both these two preferences to the extent possible. (To simplify the case still further, assume that the price of both types of sherry is the same).

If the consumer identifies with low-class and prefers sweet drinks the outcome is clear: sweet sherry.

If the consumer identifies with high-class and prefers dry drinks the outcome is clear: dry sherry.

In either of the "mixed" situations, however, the consumer's behaviour will be determined by the

relative strengths of the two competing influences. A consumer who identifies with the high-class but prefers sweet drinks may, for example, choose a dry sherry rather than risk being “out of line”.

The merit of such a simple case is that it brings out some of the key aspects of the proposed model of consumer behaviour. For example, suppose people tend to shift from sweet to dry sherry as they grow older. Is this a sign of changing (innate) tastes, a changing reference group, a change in the relative weight attached to the two determining influences, a change in the behaviour pattern of one (or both) of the reference groups? And what would happen if lower classes increasingly drank dry sherry? To what extent should the response of members of the upper class to this situation be understood as individual responses, or group responses?

We are already into deep waters, at least for economists. But the study of such behaviour is quite standard for other social scientists, even if they do not normally approach it in this way. The need is increasingly being recognised by economists, in various fields, to learn from other disciplines. See, for example, Akerlof (1980). But are the costs of such a trade-off too high? Will economists have to sacrifice too much of the rigour and empirical testability of their established models?

4. Modernisation and Beer Consumption in Botswana

Although the model just outlined may seem rather modest viewed as sociological theory, even this is probably beyond the power of economics, if one expects a model to be empirically testable. In this section, therefore, I adopt a more standard approach, using actual empirical data, of how economists study consumer behaviour.

I use as a case study the consumption of beer in Botswana. Both the place and the consumer item are of special interest. Botswana is a country which has experienced extraordinarily rapid social change in recent years. And not only is beer a major item of household expenditure (over 10% of total), but patterns of beer consumption are also especially revealing, as I shall show. To put it simply, this is an example of tastes changing quite dramatically both with income level and over time.

In Botswana people drink three different kinds of beer: bojalwa (home-brewed sorghum beer), chibuku (factory-brewed sorghum beer) and lager (brewed in factories in Botswana, or imported from South Africa). The latter two types of beer have effectively been available only in the last 20 — 30 years. Consumption of these has increased rapidly over this period, and today, in income terms, there are clear variations in consumption. To over-simplify: the poor drink mainly bojalwa, medium-income people drink more chibuku, while the rich drink lager.

With respect to both the historical change and the pattern of consumption today one may ask the simple question: why? The simple answer offered by many in Botswana is “modernisation”. And at a superficial level this is a perfectly adequate answer. But I want to discuss in more detail what this actually means — looking at the issue predominantly from an economic perspective.

I will in the main use a definition of the term modernisation based on a simplified version of the “modernisation theory” school. This implies that all societies follow a clear linear progression of development, with poor countries mimicking rich countries — only at a later date. I will, in fact, adopt a very extreme application of this theory, in relation to beer consumption: namely that the only thing that changes over time is income, and the way in which individuals and society as a whole responds to income increases is uniform. (In effect, this implies that the income elasticity of demand for different types of beer measured cross-sectionally is identical to the income elasticity of demand measured longitudinally).

At the beginning of this century, the people of Botswana drank bojalwa — a beer made from fermented sorghum. It was made at home, by women, in quantities which were sufficient for a large number of people. It was drunk especially by adult men, and, to a lesser extent, older women. It was not sold, but was drunk primarily on ceremonial occasions, and for communal work parties. As in neighbouring countries of Africa, it had strong ritual significance.





Since that time many changes have taken place in Botswana which have contributed to changes in the production, distribution and consumption of bojalwa. Perhaps the most significant change has been one which originally brought these very categories into being: i.e. the commodification of bojalwa. In other words, the distinction between production, distribution and consumption was of little meaning until bojalwa was sold as a commodity.

In tracing the changing patterns of consumption, a number of important events and processes may be identified; for example:

- the migration of male Botswanan workers to the mines in South Africa, where they drank both chibuku and lager, and from which they returned with cash in their pockets;
- a shift in the home-production of beer by women, from ritual/social purposes to sale; and a shift from home-based production and sale of bojalwa to the home-based sale of chibuku;
- a very active production, distribution and marketing role by South African Breweries, which produces 100% of locally produced chibuku and lager, and accounts for over 95% of imported lager.

I do not have time here to describe all these historical factors, but in the attached table, some of the more important changes are summarised. (Where possible, I note whether they have predominantly affected the production, distribution, or consumption of beer).

One can thus provide an account of certain important historical changes that took place which are relevant to the patterns of beer consumption; an account, also, of a process of modernisation (in a broad sense of the term) — relating specifically to a single consumption item, namely beer. Commodification, urbanisation, and integration into the international market are all aspects of the process of socio-economic structural change which has typically accompanied the process of development. And these have all had an effect on beer consumption in Botswana.

To what extent does such a historical account constitute an “explanation” of what happened? It is difficult to assess whether each of these factors was significant; and probably impossible to quantify the relative significance of each factor. Economics has, I suggest, little to offer methodologically here; but economic factors — such as reduced costs of distribution within Botswana — are certainly important parts of the story.

Table 1 — Some major changes affecting beer consumption in Botswana: via production, distribution or consumption

	Production	Distribution	Consumption
commodification of bojalwa & decline of ritual, work parties etc.			
contact with Europeans and European beers (pre and post-Independence)			X
temporary migration to South African mines			X
urbanisation		X	X
local production of chibuku and lager (South African Breweries)	X	X	
import and marketing of chibuku and lager (South African Breweries)		X	X
government control (taxation, licensing)	X	X	X
improved transport (roads, trucks, etc)		X	
improved storage (refrigeration)		X	

Today, a person in Botswana may choose between these three types of beer: bojalwa, chibuku, and lager. On what basis do they make their choice? What attributes of beer (or beer drinking as

an activity — the distinction here is important) might influence their behaviour? Are these attributes associated with “being modern”?

In Table 2 I list a number of attributes associated with the three types of beer. And I make some informed comments on whether or not these are likely to be associated with “being modern”. In each case I begin with bojalwa, and take this as the reference point (i.e. “associated with being modern” means relative to bojalwa. If there is no difference this is marked as “..”).

I emphasise that the third column in the Table is based on my own, rather superficial impressions, and on very limited information. But empirical data are, in this case, difficult to come by. Those responsible for marketing chibuku and lager in Botswana presumably have some information, which they use as a basis for their campaigns. And it should be possible to undertake an attitude survey which, for example using principal components analysis, could both identify key attributes and give some indication of their relative significance. (This approach would be consistent with the model of consumer behaviour proposed by Lancaster. But, as already noted, one of the drawbacks of Lancaster’s approach is precisely that it is difficult to test empirically).

As before, I ask to what extent this approach can be said to “explain” beer consumption patterns today? For example, can we simply claim that all try to be modern, and that those who can afford to do so, buy the most modern type of beer?

This would at least be consistent with the fact that as income levels rise, so the pattern of beer consumption changes: with demand for bojalwa steadily falling, the demand for chibuku first rising and then falling, and the demand for lager steadily rising.

Table 2 — Some Attributes of Bojalwa, Chibuku and Lager

Attribute	bojalwa chibuku lager	Associated with being modern?
taste	bitter/rough	
	bitter/rough	..
	bitter/smooth	no?
alcohol content	very low	
	very low	..
	low	maybe
nutritional value	high	
	high	..
	low	maybe?
cleanliness	not guaranteed	
	guaranteed	yes
	guaranteed	yes
packaging	none (gourd)	
	cardboard	yes
	aluminium can	yes
drinking place	shebeen	
	public space, etc.	yes?
	beer hall	yes
cost	low	
	medium	yes
	high	yes
“image”	traditional/low income	
	modern/medium income	
	modern/rich	





And this pattern of consumption is consistent with a simple textbook theory of consumer demand. All goods are desired ("goods are good" and more is better). People maximise consumption subject to a budget constraint (i.e. if income rises, one expects, *ceteris paribus*, that consumption will rise — without explaining why). But there is a quality difference between the three different types of beer, so that the higher quality replaces the lower, if people can afford it.

(In the basic economic theory of consumer behaviour, there are two other determinants of demand: price and tastes. I shall, in this presentation, ignore price as a variable. Relative prices of the three types of beer have, in fact, not changed very much in recent years. The prices do vary between rural and urban areas, but far less than one might expect, thanks to the marketing and distribution policy of the breweries. And at least in this case, I am suggesting, "of higher quality" is synonymous with "perceived as more modern". Such a claim would fit with the modernisation paradigm in its extreme form. The future is already laid out for all but those very few who are in the vanguard.

But clearly there are other variables — not just income — which are significant. Is it possible to separate out the effect of income changes from these other changes? And more specifically, the effect of urbanisation?

This was a question which we tried to address, using a standard method of economic analysis. This involved correlating household expenditure on beer with a selection of socio-economic variables. In this case we took:

Age

Sex

Education

Residence (urban/rural)

These are well-established variables, tested in innumerable studies of consumer behaviour. It is also worth adding that in the case of beer consumption in Botswana there a very detailed sociological study has been carried out (Molamu and Manyeneng, 1988). The only other variables that they found significant were religion and occupation. Religion is almost certainly very significant, but the answers they received in their survey were not satisfactory; and information on religion is not included in the household survey (or, indeed, the census). Occupation may also be a significant variable, but it is closely linked to income level and education.

In Botswana, we were fortunate enough to be given access to the primary data from the Household Expenditure Survey of 1986/7. This allowed us (or more precisely my Research Assistant) to carry out a statistical analysis of the relationship between these variables and the consumption of different types of beer, at the household level (Wiig, 1994).

The main conclusions with regard to the amount and type of beer consumed, which were much as one might expect, may be summarised.

- sex is very significant (e.g. those households with more males drink more beer)
- education is fairly significant (e.g. those households with more educated people drink more lager and less bojalwa)
- residence is important (e.g. those in urban areas drink more lager and less bojalwa)
- age is important (e.g. those households with a high proportion of children drink less).

In statistical terms, this may (to express the matter simply) be expressed as follows. Consumption of beer in a household is a function of (apart from the number of people in household):

- proportion who are males

- level of education
- residence (urban or rural)
- proportion who are adult

and income (as a separate explanatory variable, i.e. quite apart from its being related to education level and urbanisation). I should add, in parentheses, that it turned out that the data were not nearly as reliable as we had thought. But that is another story.

This analysis provides us with some correlations, which imply causal links. But do these constitute an “explanation” of beer consumption patterns? Only, I suggest, if there is an underlying explanatory model of consumer behaviour. And in this case there is indeed such a model — although one which becomes less well-defined when one tries to observe it closely. The correlations just described are, one might say, unsurprising: and this is, I suggest, precisely because they are in line with a rather vague theory of modernisation: which involves, for example, increased education and changing sex roles. And urbanisation may be especially important here.

Focussing specifically on this last issue, it is interesting to note that location (urban/rural) was an especially important factor as regards beer consumption. And this fits well with modernisation theory. (The fact that urban residence is correlated with higher incomes and better education is, of course, already taken into account by multiple regression analysis. More problematic is the issue of production and distribution: in other words, to what extent are different consumption patterns in urban as opposed to rural areas simply a reflection of availability? As I have noted above, the answer is: much less than one might expect, due to the remarkable marketing methods of South African Breweries. But without better data I cannot exclude the possibility that this is a key factor).

To express it simply, local inhabitants with traditional drinking habits are gradually exposed to the modern (i.e. Western) world, and gradually emulate their consumption patterns. The town is the meeting point between the traditional and the modern, and it is here that the new patterns of consumption are first manifested.

This, I suggest, is the implicit idea that we have when we say that the results of the analysis (and more specifically the differences between urban and rural patterns of consumption) are not surprising.

Here we have what the economist McCloskey (1992) calls a story. We may call it “the modernisation story”. According to McCloskey, such stories combine and interact with metaphors. And it is these that economists work with. Normally, the metaphor takes the form of a model, which may be quite formalised and statistically testable. In this case, I suggest, this is far from the case. One can establish correlations between consumption patterns and factors such as income level, sex or residence. But this does not constitute a model of behaviour change. For this we must perhaps choose between either “the modernisation story” in a simple and vague form, which is not amenable to quantification; or a very rigid version, in which, as noted earlier, modernisation is simply a process of adapting to changing income levels — each of which implies specific behaviour patterns.

5. Conclusion

In this paper I have considered three rather different ways of approaching the issue of consumer behaviour. I have sought to indicate what economists may be able to contribute, in terms of perspective and methodology. I have also indicated some of the weaknesses in the economic approach. Here I would repeat my central point, that there is a trade-off: between precision and rigorous empirical testability on the one hand, and richness and sophistication on the other; between rigour in terms of analysis, and rigour in terms of adequately reflecting complex data and causal processes. The study of consumption is, I suggest, a fruitful field for exploring the middle ground between these two extremes. As I indicated earlier, exploring this middle ground may also



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involve exploring the links between macro and micro phenomena and levels of analysis. Modernisation theory — or what might better be called the modernisation story — is, I have suggested, a macro level theory. One of the questions which this paper raises is whether and how this can be applied at the micro level.

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