

## **From Consumerism to Wellbeing: Towards a Cultural Transition?**

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### **Introduction**

Since the end of the Second World War the USA experienced enormous economic growth and rise in wealth. It has also transformed itself into a society where the national economy depends to a large extent on private consumption; and where mass acquisition and use of material goods is a dominant lifestyle, a centerpiece of social practices, leisure time, cultural rituals and celebrations. We refer to it as a consumer society.

The ecological costs of this transformation have been high. While technological improvements in resource efficiency slowed down the relentless growth in demand for materials, water and energy, they have not kept up with the growing demand, much less attain radical *reductions* in demand. It is becoming increasingly apparent that technology alone will not solve the unsustainability problem. We need to reconsider the entire system of mass consumption as the organizing principle of the economy, culture, political process, and societal institutions. In this paper, we seek to consider how such a change might take place through bottom-up social forces, focusing on the link between consumption and wellbeing. We do not explicitly discuss in this paper how government policies might endorse such changes, yet we acknowledge that such government support is necessary for their long term success. In particular, we ask the following questions: Can the very meaning of wellbeing be *framed* in a new way, one that is radically less dependent on mass consumption and materialism? What factors might play a role in such a cultural shift? Who might lead the transition? Is there evidence for such a shift taking place?

### **Constructing the consumer society**

Scholars and historians of the modern consumer society commonly place its advent in the first two decades of the twentieth century (in this article we draw on several sources selected from a huge body of literature on that topic: Garon 2012; Ewens 1998; Cohen 2004; and Botsman and Rogers 2010). By the 1930s both the government and labor unions, in addition to private business, actively supported the consumerist lifestyles of the population as the engine of economic growth, full employment, and improved living conditions. The creation of Social Security in 1935 facilitated the transition to mass consumption by relieving Americans from the need to save for old age. The US entry into the Second World War briefly slowed down this trend as the government conducted vigorous campaign to promote frugality and family savings in support of the war effort. Thrift and belt-tightening were considered to be patriotic acts. Similar campaigns took place in Europe and Japan, but, as Garon (2012) notes, only in the US it came with a promise of a future payback in the form of purchasing power: “*save now, spend later after the war is over*”.

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The governing elites meant to deliver on that war-time promise. During the 1940s and 50s the massive project of creating a consumer society took off in the earnest through the coordinated efforts of business, labor unions and federal government. Contemporary historians and sociologists have extensively recounted the corporate strategies – then and now -- to grow consumer demand through aggressive marketing and advertising, tailored to various social, gender and age groups, including young children (Cohen 2004; Schor 1992, 1998 and 2004). The concepts of “wellbeing” and the “American Dream” were tactically conflated in peoples’ minds by the popular media, and through a powerful image: a happy family, a lawn-trimmed single family suburban house, scores of furnishings and appliances, and a car or two behind the garage doors. The labor unions, preoccupied with increasing the purchasing power of its members, were willing partners to corporate America. The 1944 GI Bill helped returning war veterans to get free college education, and down payments and government-guaranteed loans for purchasing homes and other goods.

The results were astonishing. National output of goods and services doubled between 1946 and 1956, and doubled again by 1970, with private consumption expenditures settling at about two thirds of the GDP (today it is 70% of GDP). By 1960, 62% of Americans owned their homes, compared to 44% in 1940, and suburban residents of single family homes outnumbered both urban and rural dwellers (Cohen 2004, p.126). The private suburban shopping mall became the public space -- stratified by race and income -- replacing the previously more egalitarian public spaces of city streets, cafes, and places of commerce. Performance of the housing construction sector became an official indicator of the national economic wellbeing, the practice that continues to this day. At the peak of the cold war, American lifestyles served as an important symbol of the superiority of the capitalist system over the soviet-style socialism.

Maintaining this growth rate and the expectations it bred among middle class Americans required that the want-buy-earn-want cycle had to move at ever accelerating pace. And so it did. The size of an average new American home increased from about 950 square feet in 1950 to about 2400 square feet in 2010 (Calwell 2010); the cycle of fashion decreased over time, and the built-in obsolescence in appliances and other goods are but some of the current manifestations of that process. The growing income inequality since the mid-1970s added fuel to the consumerist engine by displaying on television the lives of the well-to-do, and by turning them into a “reference group” for an average American. By the 1980s, when the middle class salaries began to stagnate and the temporary boost to family income by women entering the workforce began to wear off, the American family began to support its consumerist lifestyles through ever increasing personal debt (Garon 2012; Schor 1992; Schor 1998; Schor 2004). The 2008 financial collapse exposed the magnitude of that bubble.

### **The limits and downsides of the consumerist project**

Has the mass-consumption-based American Dream delivered on the promise of material comforts, autonomy, equity, democracy, and wellbeing of the middle class Americans? The consumerist economy has certainly created great national wealth and lifted many boats. Today’s American family lives in better housing with more amenities than in the 1940s and 50s, and even poor families have basic electric appliances and cars. But the distribution of this wealth is hugely unequal; and the primary justification for public policies intended to facilitate mass consumption – that it would create employment and economic security for all – turned out to be false. For the middle class families supported by two salaries the consumerist lifestyles brought declining leisure time and constant anxiety about the ability to keep up (Schor 1992; 1998). And, partly as a result of the concentration of wealth and power in the private hands of a small elite, the very democracy is on trial.

Using a composite of sixteen indicators of social health, Miringoff and Opdycke (2007) show that since 1970 the US society has been losing ground. This is consistent with the findings of Wilkinson and Pickett (2009) who used a composite index of nine indicators of public health and social problems to show that in wealthy developed economies a further increase in wealth does not improve general wellbeing. On the other hand, they found a strong correlation between income inequality and social problems, with the US having both the highest score for social

problems and the highest income inequality. And the happiness studies (which we discuss below), suggest that the sense of contentment has not increased among Americans over the past several decades (Pew 2006).

In short, the cost-benefit analysis of the achievements of the post-war consumer society generates a mixed picture. While the overall wealth of the nation has greatly increased, and the face of poverty has improved somewhat, the indicators of public health, social health, political health, and ecological health show no improvements at best, and significant declines at worst.

### **Moving beyond consumerism: a challenge and the potential**

Apparently the present economic system does not deliver collective wellbeing to many of its citizens while putting huge pressure on the Earth's life supporting systems. Some believe that a shift toward a so-called "green economy" may solve this dual dilemma: by making large investments in new technologies such an economy would reduce ecological impacts of consumption and would improve people's lives by creating jobs and economic growth. The preceding section questioned the premise that economic growth creates jobs and general wellbeing. Additionally, it has become increasingly apparent that technology alone, through efficiency improvements, innovations in materials and industrial processes, and greater reliance on renewable sources, is not sufficient to offset the growing demand and the increasing ecological impacts. The returns on energy investments in producing useful energy sources – both fossil-based and others – are much lower than in the past Zehner 2011; Gupta and Hall 2011; Murphy 2013). The rebound effect – a decade ago hardly ever mentioned by professionals in the energy field – is now a well-acknowledged phenomenon that opens to question public policies focused on efficiency-improvements (Owen 2011). Recent estimates of its magnitude vary, along with the attendant uncertainty, but all are significant. The direct rebound effect in people's everyday lives (automobility and home heating) ranges between 10 and 30%, and in the manufacturing the average for thirty sectors is estimated at approximately 62% (Jenkins et al. 2011); the estimates of economy-wide rebound effect in the US range from 26% (Jenkins et al. 2011) to 62% (IRGS 2013).

It is clear that in addition to technological changes, fundamental shifts need to take place in how people satisfy their needs and wants through material and energy consumption. Surveys actually show that most Americans think that we consume too much, but that perception hardly translates into behaviors (Bowerman 2012. Part of the problem is the emotionally and politically loaded nature of the idea of consuming less, which for many people conjures images of retreat and loss: of wealth, freedom of choice, aspirations of intergenerational progress, and overall well-being. Furthermore, consumption in people's lives is a complex phenomenon, simultaneously tied to cultural norms and value systems, individual search for meaning, prevalent technologies and infrastructure, established habits. Domestic social practices of everyday lives around such basic pursuits as: aesthetic pleasure, personal hygiene, cleanliness, comfort, preparing and consuming food, or purchasing goods and services, are habituated. They are enacted without conscious thought of their ecological cost and absent questioning their contribution to well-being (Shove et al. 2007; Spaargaren and Oosterveer 2010; Rekwitz 2002). These social practices relentlessly evolve toward more complexity, more functionality, and more seemingly necessary uses (such as multiple refrigeration's or bathrooms in a "standard house"), and in that process they repeatedly redefine what is normal, basic, and necessary. And the cultural practices of celebrating holidays and festive occasions have become institutionalized into mass consumption social rituals.

Another barrier to change is the fact that the "socio-technical regimes", such as automobility or housing construction – major determinants of the ecological impact of consumerist lifestyles – are stable complex structures, highly resistant to change (Geels and Schot 2007; Cohen et al. 2013). Finally, the prevailing economic system is so profoundly dependent on ever-larger amounts of material and energy throughput and more extensive land use that neither policy makers nor scholars nor activists have a vision of how to decouple the two without triggering widespread disaster.

In the face of such complexity and stability, it is not surprising that mass consumerism as an engine of unsustainability is hardly acknowledged in the US policy discourse, which is very much driven by the business interests of large corporations, and focuses largely on technological solutions and economic incentives (using policy instruments such as taxes, subsidies, public procurement). Should such an acknowledgment materialize in the near future, it is unrealistic to expect policy initiatives to challenge mass consumption as the organizing principle of all aspects of societal and private life; at least not until the social change processes are well under way. We therefore propose that a significant reduction in this phenomenon must come from bottom-up initiatives and broad cultural and lifestyle shifts. We hypothesize that it would require a collective reframing of people's idea of wellbeing as less fixated on materialism and high intensity leisure activities.

### **Material consumption and wellbeing**

During the past decade the sustainability discourse has incorporated the concepts of good life, wellbeing, and subjective happiness as part of the questioning the economic growth paradigm as a pathway to achieving societal flourishing. The writings of Amartya Sen, Martha Nussbaum, Manfred Max-Neef and others on the universally applicable elements of good life have been used to frame the debate (reviewed in, for example, Jackson, Jager and Stagl 2004; Jackson 2009; DiGiulio et al. 2012; Jackson and Victor 2013).

In this article, we find the concept of *subjective* wellbeing more useful because of its links to lifestyle choices, including material consumption. Easterlin's findings in the 1970s that subjective happiness in a population is extremely stable over long periods of time, independently of the economic growth, were among the first to question the incremental benefits of increasing wealth to human happiness (Easterlin 1973). It is now well-documented, based on cross-country comparisons and longitudinal trends data, that growth in GDP/capita beyond certain level does not correlate with certain measures of people's contentment with life (Inglehart et al. 2000). Scores of books and articles have been published on the subject, from the economic, sociological and psychological perspectives. The inquiry has focused on the meaning of happiness and wellbeing, its determinants, measures, and relationships to wealth (in this brief review we draw principally on the works of Graham 2012; Layard 2011; and Skidelsky and Skidelsky 2012, which in turn build on a very large body of relevant scholarship).

Despite controversies over definitions, metrics, study design, and the validity of survey data, several shared understandings about human happiness and subjective wellbeing have emerged to date (see Graham 2012 for explanations of the terms happiness, wellbeing, life satisfaction, and subjective happiness). One of those is the remarkable consistency and stability of certain basic determinants of happiness across very different countries and cultures, ranging from Afghanistan to the US: a stable marriage, good health, community and friendships are good for subjective wellbeing, while unemployment, divorce, poor health and economic instability are bad. Social trust and autonomy are good. Higher income relative to one's immediate peers, once the basic subsistence needs are met, improves wellbeing as a signifier of standing in a community. Generally, people in countries with high *rate* of economic growth have more unhappy people. This is because they feel insecure about their social position and future prospects. Research also shows that people are extremely adaptable and quickly get used to new circumstances, including higher income and all the goods and services it brings about. That leads to insatiability and the so-called "hedonic treadmill," as aspirations increase with income. Graham (2012) reports, for example, on a study showing that positive effects of a salary raise last about one year while the effects of a promotion last at least five years, indicating that the wearing out phenomenon is much more pronounced with regard to material wealth than to inner needs such as status, meaningful work, and respect.

A more nuanced picture of the role of material wealth in achieving subjective wellbeing can be teased out by distinguishing between, on the one hand, wellbeing as an emotional state of pleasure/contentment/joy (referred roughly as Benthamite perspective) and, on the other hand, wellbeing as satisfaction arising from evaluating one's life (referred to as Aristotelian perspective). Both are determined by such fundamentals as health, family, friendship,

community, and security. But the former is more linked to one's natural predisposition to cheerfulness, satisfaction of basic subsistence needs, and meeting one's expectations. The latter is a more complex evaluation, having to do with autonomy, search for meaning, spirituality, commitment and ethical behavior, and gaining respect, status, and a sense of achievement in life. In a large study of Americans, Kahneman and Deaton (2010) found that the emotional wellbeing increases with income up to a certain point, beyond which additional income does not produce incremental gains in wellbeing. On the other hand, the wellbeing as evaluative life satisfaction correlates with income without showing such signs of saturation. Apart from the obvious possible interpretation that money *can* buy life satisfaction, the latter finding may simply reflect the values of the US society, in which professional achievements, respect and status (all related to the sense of achievement in life) are commonly equated with income. Hence, the more income the more satisfaction. In a culture with a different set of values this correlation probably would not hold.

In their 2012 book on the philosophical, moral and economic history of the concept of good life in relation to money and wealth (defining "good life" in a life evaluative Aristotelian way) Skidelsky and Skidelsky place much of the responsibility for the current insatiable pursuit of material goods and money on the neoclassical economic science. The key problem arose when the economic science proclaimed itself to be value-neutral, and replaced the concepts of value with *utility*, and avarice and greed with *self-interest*. This eliminated the controls, long recognized in religious and moral teachings, on human tendency for excess. Having discarded the concept of good life, modern economics can make no sense of the distinction between needs and wants. Under these conditions, the response to the question of "how much is enough," can no longer draw on the qualifier "enough for good life." The capitalist economy of course builds on that insatiability by creating wants and monetizing success. And in a society with as extreme inequalities in wealth and income as the twenty first century United States, the profoundly destructive impact of this condition is clear.

Summing up, if the goal is to maximize subjective wellbeing of the society -- by satisfying human longings for stability, respect, love and friendship, human connectedness, community, status, health, trust, and autonomy -- mass consumption and long hours of work to sustain it are the wrong way of going about it. Governments and think tanks have recognized this, as well as the inadequacy of GDP to measure progress toward societal wellbeing – as demonstrated by proliferations of various alternative indicators of societal progress (Government of Bhutan 2012; Stiglitz et al. 2010).

Some people hear that message and choose a simpler life of more balance between work, leisure, civic engagement. The term "voluntary simplicity" denotes a free choice (rather than economic necessity) to limit expenditures on consumer goods and services, and to cultivate non-materialistic sources of satisfaction and meaning. It may entail various degrees of dematerializing: downshifting, simplifying, simple living in intentional communities, self-provisioning (DIY movement), and various manifestations of "slow" life (slow food, slow money, etc.). The concept was popularized by Duane Elgin in the 1970s and received renewed attention over the past two decades, both among scholars and writers of popular self-help books (Schor 1998; Paehlke 1989; Elgin 1997; Doherty and Etzioni 2003; de Graaf et al. 2001; Hammerslough 2001). The term and the idea are not new in the American cultural history, but in the recent rendition it has taken a specific meaning: a reaction to the consumerist values and lifestyles dominating the contemporary culture, and their human and ecological price. Some proponents of voluntary simplicity see it as a potential engine to a major cultural change.

But despite the wide recognition of the concept and the term, there is no evidence so far that the practice of voluntary simplicity is moving into the mainstream. These findings have led some advocates of less materialistic lifestyles to embrace the idea of a mandated shorter workweek. The shorter workweek idea has been part of national economic policies in Europe for decades, driven largely by the concerns about unemployment and general wellbeing of populations. More recently, it has been promoted as the means of reducing ecological footprint and improving subjective wellbeing (Jackson 2009; Schor 2010; NEF 2010, Coote et al 2013; Rosnick 2013). The underlying logic

of this proposal is that if we work and earn less we spend less on material goods and on costly high ecological impact activities. But the idea remains highly controversial, especially in relation to employment and providing livelihoods, and reliable data to inform the debate is in short supply (see Kallis et al. 2013 for an economic critique; see also the ongoing work by New Economic Foundation).

From the perspective of improving subjective wellbeing and reducing consumerism, the shorter workweek proposal rests on two implicit assumptions. One is that, presented with more free time, people would *choose* the above activities rather than, for example, exchange work for high ecological impact activities, such as shopping or foreign travels (if they could still afford them). The second assumption is that such a significant lifestyle change would catalyze an evolution of a new framing of wellbeing. In this new framing, people would discover in the practice of civic participation and greater engagement what the studies of wellbeing and happiness have already shown so well: that these activities would satisfy the essential human needs for community, friendship, belonging, love, solidarity, and celebrations. Consumerism would no longer be necessary for the search of wellbeing. Over time, more and more people would be “*transforming our ways of living, thinking, working, relating, and thinking*”, as wistfully articulated by Elgin (1997, p.45).

Both assumptions are open to question. There is little empirical evidence or theoretical basis for assuming that people choose certain lifestyles because in the long run they will make them happier and healthier, as amply demonstrated by stubborn prevalence of smoking, overeating, alcoholism, inadequate savings for retirement, and the minimal uptake of voluntary simplicity. And it remains mostly under-researched whether in the countries with radically shorter workweek than in the US – for example, Germany, the Netherlands, or France -- additional leisure time has translated to more community- and family-oriented activities, and more self-provisioning (Jürgens et al.1998).

On the other hand, cultures continuously evolve, sometimes radically and rapidly, as has been in our times the case in formerly communist societies of Europe. There is no reason to believe that under certain circumstances our consumerist culture cannot evolve toward an alternative model, even in the face of the tremendous power of the incumbent institutions, power structures and economic interests. The central question is this: what circumstances may favor such a cultural transition and what its underlying mechanisms might be?

In the next sections we consider this question of a cultural transition toward a re-framed conception of wellbeing through the lens of two ongoing social and economic trends among young people in the US: a growing interest in urban living; and the expanding informal “sharing” economy.

### **Millennials and the city**

The millennial generation, understood to comprise young people in the age bracket of roughly 21-32 at the time of this writing in 2013 (the age cut-off varies between authors), comprising approximately fifty million people, is the largest demographic group in the US since the Baby Boomers. Hence, if we are looking for putative signs and potential drivers of a cultural shift toward non-consumerist lifestyles and framings of good life, this generation is a good place to start.

Based on a massive survey conducted in 2009, a Pew Research report describes the Millennials as confident, connected to people and events through technology, open to change, and racially and ethnically more diverse than any other American generation in history. They grew up with the internet and social media technology and are entirely comfortable with it. The Millennials are more confident and optimistic than their elders were at the same age: despite the fact that one third of them were not employed when the survey was taken, and claimed not to have enough money to live the way they want, ninety percent of survey respondents believed that they will eventually meet their financial goals (PewResearch 2010).

The most notable fact about the Millennials (their optimism notwithstanding) is their coming of age during the era of diminishing middle class and uncertain financial prospects. This economic picture is striking. Between 1979 and 2007 the after-tax income of households in of the top 1% of income distribution increased by 275% while the 60% of households in the middle saw their income grow by just under 40% (Traub and McGhee 2013; EPI 2012). During the slow recovery from the Great Recession, the incomes of most Americans, including those with college degrees, have been flat while the top 1% of earners increased theirs by 11%. For the middle class Americans the social and economic mobility, the very essence of the American dream, has stagnated or declined in the U.S. since the late seventies.

The second notable trend among the Millennials is their growing interest in urban living. In general, large US cities, especially those with public transit and strong high-tech economies, are experiencing a renaissance. The trend toward denser living is largely driven by the Millennials and Baby Boomers, which together represent more than half of the U.S. population. For different reasons, these two demographic groups are looking for smaller homes located in walkable, transit-friendly, economically dynamic and job-rich areas (Glaeser, 2011; Cohen, 2012; 2013). According to recent surveys, fully 77 percent of the Millennials plan to live in city centers (Doherty and Leinberger 2011); and the applications for drivers licenses – a coming of age ritual among the post WW II American youths -- have been declining among the 16 to 24 year olds since 1990 (Cohen 2012).

Examples of the changing priorities for housing in the United States abound, and are not related to political ideology. In Denver, the values of homes in the car-dependent suburb of Highland Ranch dropped by half during the Great Recession, while those in the Lower Downtown Historic District (dubbed LoDo) have increased. In Maryland, suburban McMansions with vaulted ceilings and granite countertops are being converted into small apartments for the needy; locally-financed public transit is emerging in improbable cities such as St. Louis and Salt Lake City ((Doherty and Leinberger 2011).

To succeed in the long run, these changes will necessitate significant investments in infrastructure and affordable housing; in high quality schools; and numerous other policy adjustments. It is not clear at this point how many of the currently urban Millennials will stay in the cities once they marry and have children. But for those who will stay, living in the city will force them to redefine their aspirations for good life in a way that does not depend on amassing material possessions and consumerism. For one thing, a home in a desirable city neighborhood is smaller than a suburban dwelling, and it is expensive. These add up to less space to fill with stuff and less discretionary income available to purchase it. And though well-paying jobs are easier to find in the cities, the post-Great Recession economic opportunities in the wealth-polarized America are highly constrained.

Fortunately for the Millennials, their self-proclaimed life priorities will help them deal with this stark reality. According to Pew Research, these are, in that order: good parenting, good marriage, and owning a home. Being successful in a high-paying career is less important (PewResearch 2010) . Nonetheless, the young urban families will need to find new ways to create livelihoods and to provide for the basic necessities of everyday life. They will by necessity have to depend on collaborative modes of organizing housing, childcare and other types of caregiving, of procuring fresh food, and maintaining personal mobility. The currently growing popularity of food co-ops, urban gardens and childcare co-ops may be the harbingers of these new types of lifestyles.

There is a silver lining to the financial constraints undergirding a shift toward more collaborative, interdependent and reciprocal lifestyles. Organizing and running collaborative living arrangements (including the unavoidable conflicts and confrontations) engages people in personal interactions, shortens distances, builds trust and develops social identity. To the extent that having a sense of belonging in a community is one of the pillars of subjective wellbeing, these new arrangements will richly compensate for the declining purchasing power; and is likely to significantly contribute to framing of wellbeing as less dependent on high intensity private consumption. The shift toward urban living may have other consequences for creating the sense of wellbeing. As Agyeman (2013) notes,

drawing on the cases from around the world, shared public spaces --the essence of most urbanites' life -- can serve as places of physical activity, social interaction, and as a great social equalizer and the source of civic participation: all contributing to subjective wellbeing. Finally, from the ecological perspective, data show that the carbon footprint of city dwellers, especially in dense cities such as New York, is about 30% lower than in sprawling suburbs (Jones and Kammen 2013).

In short, from the perspective of wellbeing the trend among the Millennials toward urban living, and the contraction of their economic opportunities, converge in interesting ways. The economic constraints and small living spaces force less consumerism, and more interdependence and human networks. Urban density facilitates collaborative organization of everyday lives, provides access to cultural amenities and creates shared public spaces. Taken together, these factors may produce a radically different lifestyle from the conventional suburban middle class model that formed the aspirations and the framing of good life of the post-WWII generation.

In the next section we take a closer look at different types of “sharing economy” and their potential to contribute to reframing wellbeing.

### **The sharing economy and well-being**

The co-operative lifestyle arrangements that are likely to proliferate among young urban families are part of the larger and highly diverse phenomenon of a “sharing economy.” We use the term to denote various forms of collective use among strangers of materials goods, services, physical spaces, and financial assets. This includes shared ownership, access to privately owned goods, bartering, swapping, lending, renting, and others. The concept of sharing economy has gained prominence in recent years under a variety of names and variants, such as collaborative consumption, alternative consumption, collaborative economy, and peer-to-peer economy/marketplace (P2P).

People participate in the sharing economy for a variety of reasons. These range from ideological reasons (anti-capitalism, anti-consumerism), thrift, gaining access to otherwise unaffordable assets, profit seeking, concern for the ecological impact of consumption, to have the freedom to relocate on a short notice; and to forge connections with other people (Albinsson and Perera 2012; Ozanne and Ballantine 2010; Bardhi and Eckhart 2012; Collective Research Group 2012). Furthermore, for some people ownership and attachment to things become problematic in an increasingly liquid society where institutions, objects and identity formation through objects are increasingly fluid (Bardhi and Eckhart 2012).

From the perspective of wellbeing and less consumerism the human aspect of the sharing economy is interesting. Belk (2010) hypothesizes that the psychological payoff of participation in sharing is the sense of connection with other people and “the aggregate extended sense of self.” He associates participation in sharing practices with generosity and non-materialism, the assertion consistent with the finding of Nelson (2007) who studied voluntary downshifter who participate in freecycling (free swapping of goods). A recent study of the sharing economy in Vancouver reports that for many participants interaction with other people is the main attraction (Collective Research Group 2012).

But not all types of sharing economy arrangements contribute to that sense of community. In a study of users of the well-known car sharing service ZipCar -- where anonymity, central ownership of all the assets and efficient central management – no such sense of community was found. Despite the efforts by the company to create rituals among the ZipCar users, no such feeling could be identified. Clearly, it is the “inefficient” informal human connections that are at the heart of the communal feelings in the sharing economy. This is consistent with Seyfang’s research on various local exchanges and trading schemes, including time banks, local currencies, and community-owned energy generation, where introducing smaller scales of exchange contributed to more egalitarian relationships, trust and community building (Seyfang 2009).



The sharing economy poses new challenges to city governments. On the one hand, some city governments have been developing new policies to endorse the sharing economy and, more broadly, sustainable urban development (Moore 2013). Existing regulations may pose barriers to the sharing economy; and cities are considering if and how to change that. On the other hand, sharing economy activities may create unwanted competition with existing business enterprises (i.e. airbnb versus traditional hotels and bed & breakfasts).

To sum up, the stigma of sharing (over owning) has dispersed, and some types of the sharing economy arrangements may have important contributions to make toward fostering a sense of subjective wellbeing through community building. It is too early to say whether these changes will be sustained over long periods of time while the sharing economy goes mainstream and becomes increasingly commercialized. But if so, the potential impacts of certain forms of sharing economy could be significant.

## **Conclusions**

This paper considered how a change beyond the consumer society could take place through bottom-up social forces, focusing on the link between consumption and well-being. In particular, we focused on the following questions: Can the very meaning of wellbeing be framed in a new way, one that is radically less dependent on mass consumption and materialism? What factors might play a role in such a cultural shift? Who might lead the transition? Is there evidence for such a shift taking place?

We hypothesize that the technologically connected, educated, confident and open to change Millennials might lead the way in the shift toward a less-consumerist society and a smaller ecological footprint. By way of a timely convergence of several factors – the stagnant economy, the renaissance of cities, the wilting vision of the suburban American Dream, and the rising system of a collaborative, sharing economy – the Millennials are poised to redefine the good life in twenty-first century America. Although this life would be materially scaled down, it would be richer in other ways: in collaborative, more reciprocal, more active interactions with people, and with a stronger sense of a community.

While this paper focusses on lifestyle choices as a driver of a putative shift beyond the consumer society, there is no doubt that the transition pathway we contemplate here cannot be successful without active policy support. Such issues as creating affordable housing stock in city cores, family-friendly labor policies, and access to quality public education and mass transit are but the most obvious that must be tackled by local and state governments if the Millennials are to make cities their permanent home.

The timing of the cultural shift we envision toward valuing collaborative arrangements in business and private interactions, and toward viewing human wellbeing as the key organizing idea in personal life, coincides in an interesting way with the growing initiatives under the broad umbrella of New Economy (Korten 2010 (also referred to as “solidarity economy” (Miller 2012), “generative economy” (Kelly 2012), “community-sustaining system” (Alperovitz 2013), and in one instance “green economy” (Jackson and Victor 2013)). The New Economy is both a market innovation and a political movement. In the guise of the former, it promotes more equitable and democratic forms of business ownership and management styles: co-ops, land trusts, workplace democracy and income equity. It also strongly supports localism: community banks and businesses that are locally owned and operated. In the guise of the latter it challenges the dominant economic system which breeds inequality, underemployment, corporate domination of the national economy, and disregard for ecological boundaries.

Although different strands of the new economy movement differ in emphasis, they all share the vision that economic development should hold human wellbeing as its ultimate goal, and not be predicated on endless economic growth. The enterprises in such an economy create meaningful employment and sustainable livelihoods, thrive on social and market entrepreneurship and community vitality, and support civic engagement and collaboration. Cleveland’s Evergreen Cooperative is one of the most prominent models of this kind of new enterprises (Alperovitz 2013), and

interest in replicating its structure has been high (<http://democracycollaborative.org/>). Other examples include certain kinds of business ventures in the sharing economy (Jackson and Victor 2013). All provide an alternative to the shrinking pool of living wage jobs offered by the corporate sector. And all may in the future buffer the blow that the declining mass consumption would inflict to the mainstream economy.

These leading ideas -- collaborative arrangements in both business and private lives, and thriving communities -- are what the New Economy and our envisioned cultural transition have in common. Their confluence in time is propitious. It makes potential partners of the two groups that may not think of themselves as part of the same social strata or of the same struggle, or the same political leanings. The Millennials most likely to lead the cultural shift grew up in the financially stable world of their educated (often politically liberal) parents; while the New Economy movement addresses a more diverse constituency, including also the people who have been for a long time marginalized by the mainstream economic system. The solidarity that may emerge from this confluence is certainly something to watch for as both trends evolve and mature.

To conclude, the hypotheses, the future vision, and the pathways to change we are proposing in this paper are all open to challenge; and over time reality may prove us wrong. However, we hope that this paper will stimulate debate, action and research focusing on the “How’s” of transitioning to a more sustainable and happier society. In writing it we build on the massive literature that describes the nature and magnitude of the ecological overshoot problem and which usually urges radical change in the economy, technology, and lifestyles. Much less attention has been given to considering how such a change might take place and where its seeds might be found. This paper represents our contribution to that conversation.

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