GLOBALISATION, INCOME DISTRIBUTION, CONSUMPTION PATTERNS AND EFFECTS ON HUMAN AND SUSTAINABLE DEVELOPMENT

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PART 1: INTRODUCTION, CONCEPTS AND APPROACH.

This paper examines the determination of consumption patterns, their global transfer and spread, and the effects on human development and on the environment and sustainability.

Among the main issues addressed are the following:

(i) how the high and growing inequities of wealth and income influence the pattern of consumption;

(ii) how the dominant consumption patterns in industrial countries are transferred to developing countries, and the role of globalisation in intensifying this process;

(iii) the impact of revenue-seeking, supply-driven consumption patterns on local economies in developing countries;

(iv) how the process and the end result affects human development in terms of ability to fulfil basic needs; and the contrasts and inequities in consumption and lifestyles.

(v) the impact of the dominant consumption patterns on the environment and sustainable development.

Consumption is a vital part of an inextricably linked chain of the economic process, which includes the ownership of and access to productive assets and thus the distribution of wealth; the planning of investment and production and of the composition of goods and services; the process of production; the marketing and sale of the produce; the distribution of income derived from production and sale; the distribution of expenditure from the income between consumer goods and services and investment; the actual consumption of goods and services; and, in the next round of the process, the investment in new capital for production.

The consumption of goods and services in any society, and in the world, can be fully understood only within the context of this distribution-production-consumption-investment chain.

The paper will argue that because of the high inequality in the distribution of wealth (productive assets) and income, there is a disproportionately high "effective demand" for luxury goods and services commanded by a relatively small elite minority. The lower income group and the poor have much lower effective demand, and they spend most or all their income on basic goods and services (and in fact a significant number are not able to fulfil their consumer needs). The "patterns of consumption" in a society are thus greatly influenced by the distribution of income, and thus by the degree of equity and inequity.

Due to the "effective demand" map in the world and in national societies, companies tend to produce for the upper and middle class markets. Since the rich have surplus income after satisfying their basic needs, consumer "wants" are generated by corporations in a race among themselves to get the wealthy to buy their products. These "supply-driven" consumer wants are created and maintained through advertising, sales promotion and the general "consumer culture" of materialistic possession and fashionable culture.

In the endless search for markets, corporations increasingly extend to developing countries, catering to the upper and middle classes (to sell fashionable and luxury products) and also simultaneously to the general population (to market mass-consumption products).
Through advertising and sales promotion, new tastes are created for the modern products. This shifts the demand in developing countries from traditional and locally-produced products to those of the transnational companies (TNCs) which are either imported or produced within the developing countries themselves. The transfer of tastes and consumption patterns is accelerated by the recent rapid rate of globalisation and liberalisation which has opened up the markets of the South and which have also increased the spread of cultural products through technological developments.

The present patterns of consumption have adverse effects on human and sustainable development. Firstly, they manifest the wide inequalities between countries and income groups, through the great contrasts in the consumer goods and services accruing to the rich, the middle-class, the lower income group and the poor and destitute. Secondly, scarce resources in the world are disproportionately flowing to a small minority to fulfil artificially-generated luxury wants, whilst a large portion of the population lack the means of survival or are unable to satisfy their basic consumer needs. Thirdly, the transfer of tastes from the industrial to the developing world distorts the consumption patterns and lifestyles of developing countries in favour of the highly-advertised TNC products, often at the expense of the domestic economy, local products and the health of consumers in general. Finally, to satisfy elite consumption patterns, there are significant environmental effects, including rapid resource depletion, pollution, the use of toxic substances and generation of wastes, and the inefficient use and loss of scarce resources to generate luxuries for a minority in the short-term whilst sacrificing the needs of future generations.

PART 2. THE LINK BETWEEN INEQUITY, COMPOSITION OF OUTPUT, AND PATTERNS OF CONSUMPTION OF DIFFERENT INCOME GROUPS

This part will draw the links between the high degree of wealth and income inequality and the patterns of consumption in a society and in the world.

(a) Equity and the Composition of Consumer Goods and Services

The distribution of productive assets (land and natural resources, technology and knowledge, capital goods, finance) is a key determinant of the whole economic process which includes production and consumption patterns. At the global level (between countries), and in many countries (between socio-economic groups), wealth distribution (and thus income distribution) is highly unequal. Given the differences in wealth and income between different classes, there are different sets of goods and services demanded by and consumed by these different groups.

Thus, for each category of consumption (food, housing, clothing, transportation, education etc), there is no homogeneity. On the contrary there is a greatly-differentiated set of consumer goods and services. For example, in the category of shelter, there is in most countries a co-existence of large mansions with luxury furniture and fittings, small but decent terrace houses, inadequate shelter in urban squatter dwellings without water and electricity, and at the other end homeless people sleeping on the streets.

There is also a heterogenous set of producers. In industrial economies, by far the dominant producers are the large corporations which dominate the markets for almost all products. In most developing countries, the predominant producers are small farmers producing either for their own subsistence or commodities in exchange for basic goods. In urban areas there is also a large number of small producers and service providers (including in the "informal sector). However there has been a rapid growth in large and medium-sized companies (foreign-owned, locally owned or in joint-venture companies) that import or produce the products of the TNCs. These modern companies market luxury consumption for the elite as well as mass-consumption TNC and modern goods for the general population. In the many countries where the modern market sector is growing relative to the traditional domestic sector, there is the growth of the upper and middle classes associated with the commercialised sector. They, together with the traditional elite (whose wealth is based on ownership of land and resources), form the income base for the sale and consumption of luxury and middle-class products and services. The wages of commercial-sector workers and the income of the self-employed form the basis for the sale of mass-consumption TNC and modern products (such as soft drinks, radio sets and cheap clothing and footwear).

In choosing the type and nature of goods and services to produce, companies are moved not by the "human needs map" (i.e. what are the products that are required to satisfy the basic and human needs of the population) but by the "effective demand map" (i.e. in which classes of people are wealth and income concentrated, and how can they be persuaded to part with their money). This demand-driven motivation in the choice of products is of course caused by the profit-orientation of firms in the market system, the need of the corporations to earn sufficient profits and to continuously expand in order to survive and thrive in the market system. The planning and marketing divisions of the companies thus plan the type of products and services to produce according to the market-demand map, and the corporations then gear their investments and production to meet effective demand rather than human needs.

Since the elite minority have a disproportionately high share of income and wealth, companies gear their investment and production towards the upper and middle classes. However, as the rich have enough money to already fulfil their basic needs, and do not need to spend a large part of their huge incomes to have a decent life, the companies in particular (and the market system in general) have the difficult task of continuously finding ways to induce the elite to spend. Whilst in the past, the production division of a TNC was by far the most important of the departments, at present the marketing division has assumed every greater importance. The companies have to spend increasing amounts on advertising, sales promotion, and projection of brand names and images, to create a continuous demand for their luxury products and services. Their main targets are naturally the wealthy, the upper-middle class, and the professional middle class, where the income is most concentrated.

(b) Consumption Patterns of Different Income Groups

As pointed out earlier, there is no single homogeneous "consumption pattern" in a society or in the world. Instead, there are different and heterogeneous sets of "consumption patterns" that by and large are based on the different income groups in the society and in the world. The more differentiated a society in terms of wealth and income, the more differentiated will be the consumption patterns. For the purpose of our discussion, the main classes in society are taken to be the upper class (the top 5 to 10 percent of a society in terms of wealth and income); the middle class (the next 15 to 30 per cent of society); the working class and self-employed, comprising workers and farmers (comprising 40 to 50 per cent of the population) and the unemployed and destitute, who mainly survive on charity (the bottom 15 to 20 per cent of society). The following is a brief outline, in "stylised form", of the main income groups and their consumption patterns.

The wealthy and upper-middle classes, influenced by the corporate-induced culture of fashion, status and materialism, possess goods and lifestyles that include large mansions with large land area, expensive furniture, fittings and swimming pool; a fleet of expensive cars; jewellery and fashionable clothes and shoes; a wide and costly variety of food and alcoholic beverages; entertainment and leisure facilities that include home theaters, golf and holidays in all corners of the world; exclusive schooling for the children; and the best of modern medical facilities.

In between are the middle and lower middle classes, with a range (depending on income level) of bungalows, semi-detached and terrace houses and apartments, owned or rented; private cars and public transport; adequate food supplies; and once-a-year holidays either abroad or in the country/region; and able to afford private health facilities and adequate education facilities for the children. They form the market for middle-class entertainment and fashion products, such as hi-fi sets, television and video systems, fast-food chains and branded clothes and shoes.

The working classes in the modern sector, the small farmers and the urban self-employed in the small-scale informal sector, in developing countries, are on the borderline, usually indebted, having basic shelter either rented or self-owned (but often considered illegal, on state or private land owned by others), just about enough food for the family, with children struggling to do well in school and often having to help with supplementing the family income. They eat out at the cheap "hawker centers" and frequent local cinemas. They also form the market for mass-consumption goods such as cheap soap, household utensils, and clothes, basic radios and cassette recorders, soft drinks. A large part of their expenditure is on food and other products made by local firms and farmers, and they form the market-basis for the domestic sector.

However the working classes are also increasingly influenced to purchase TNC goods that are either imported or locally produced. For example, poor mothers (including in rural areas and in urban squatter areas) have been influenced by corporate sales promotion to switch from breastfeeding to giving their babies infant formula and other milk products. Alcohol, much of which is imported or produced by multinationals, is commonly consumed by members of the working class. Soft drinks such as Coca-Cola form part of the normal expenditure of the poor. Young people from working-class homes, influenced by consumer advertising and the fashion pioneered by the middle-class youths, persuade their parents to buy them Levis and Wrangler jeans, Sony Walkman cassette players, branded sports shoes, and even motor-bikes, often on hire purchase. Indeed, a significant part of the monthly expenditure of poor families is now diverted to purchase non-essential products of the transnational corporations, often at the expense of essentials. The working class families, including in developing countries, have thus also been drawn into the web of the modern consumer culture and globalised consumption patterns.

At the lowest end of the income pyramid, the poor have low or no income and thus no "effective demand." By and large the big corporations do not produce for their needs. The lower income group and the no-income group either produce for their own subsistence, or obtain low and often irregular income, for example, from occasional contract work and from the charity of friends, family and through begging. They live in perpetual debt, in a hand-to-mouth existence, in dilapidated squatter housing (or on the streets), have inadequate diet of very basic local foods and thus the family is often malnourished or even starving, they are hardly able to afford any new or change of clothes or footwear, their children often are not schooling but work to help the family eke out an earning, and even when sick they are unable to afford medical treatment.

The pattern of goods and services produced and consumed in a society (and the world) is thus greatly influenced by the pattern of wealth and income distribution. It is possible and useful to draw up income distribution maps for individual countries, with shares and amounts of income associated with different income categories, and then relate these to the levels of consumption and the types of consumer goods and services obtained or purchased by each income group. Through this, a map of consumption patterns can be derived for a particular countries and the world.

(c) Some implications of the equity-consumption patterns linkage

There are some interesting conclusions and observations that can be made from the above.

Firstly, some light can be shed on one of John Maynard Keynes' most important discoveries, i.e. the role of consumption in determining the level of effective demand. Keynes noted that a fall (or shortfall) in consumption expenditure (or a rise in planned or intended savings) would lower the "propensity to consume" and this in turn would reduce aggregate demand and the levels of income and employment. Indeed, the shortfall in consumption (or under-consumption) is pinpointed as a major (or the major) factor for underutilisation of economic capacity and unemployment. As there is a tendency for underconsumption, there is thus a tendency towards underutilisation of capacity and towards significant unemployment. The Keynesian remedy during such periods was to boost effective demand (for example through an increase in government spending) and thus make up for the shortfall in consumer spending. Keynes himself did not dwell on the determinants of consumption or the relationship between equity, income distribution, the different spending habits and consumption patterns of different income groups, and the propensity to consume.

However, in light of the exposition in this Section of the paper, it can be clarified that an unequal income distribution pattern leads to a bias towards underconsumption or a low propensity to consume. The small elite group in most countries have a very disproportionately high share of overall income. As their basic needs are already satisfied through the expenditure of a minuscule part of their high incomes, there would be an in-built tendency for them to save a very high part of their income. Corporations are thus required to set up an enormous sales machinery and effort to induce the rich elite to spend on luxury consumption, continuously generating new insecurities, new wants, new status symbols and new products and services. The rich have the means of applying "effective demand" but have to be constantly cajoled into applying these means through actual expenditure as their needs are already fulfilled. At the same time, the poorer sections of society have tremendous "real demands" for consumer goods and services as their basic needs have not been fulfilled. However due to a lack of income they have very little means to turn their real human demands into the "effective demand", which is the only demand the market recognises. Their lack of income makes it impossible for the real basis of consumption (human needs) to be converted into the market basis of consumption (income-backed effective demand). Thus, there is a most ironic contradiction at the heart of the income-consumption-production nexus: In order to have full-employment equilibrium, the rich who have the effective means for consumption demand have to be persuaded to spend on luxuries; whilst the poor who have the real demand to satisfy basic needs are denied the fulfillment of their demand as they lack the effective means (i.e. money) to back up their real demand.

In other words, the unequal distribution of income, taken as a "given", forces the economic system to be "irrational" in terms of its consumption pattern and inefficient in terms of the criteria of human development (i.e. meeting human needs) and of sustainable development (i.e. a prudent use of scarce natural resources). The system is forced to get the rich to spend on a high level of luxury consumption, thus using up scarce natural resources, whilst the poor are not recognised as players in the market's production map, and are deprived of the resources to satisfy their needs. At the same time, the rich are required to spend a larger share of their income, in order to keep up the propensity to consume, and the levels of effective demand and employment.

In terms of human development, a "rational" economy would ensure that the overall levels of consumption and production would be kept within environmentally sustainable limits. Within those macro limits, resources would be allocated in a manner that enable all members of society to fulfil their basic needs and their fundamental human needs. Surplus resources that remain after this basic level of consumption for all is met would then be used for non-essential and life-enhancing pursuits and products, all the while still keeping within the limits of environmental sustainability so that future generations would not be deprived of natural resources. However, the present dominant form of economic arrangements fails to meet this definition of "rational." The highly unequal distribution of wealth and income makes it "necessary", from a systemic point of view, for the rich and middle classes to spend far more than is required for a comfortable standard of living, in order that aggregate demand is of high enough to attain high employment levels. At the same time, the economic system is unable to satisfy the basic and human needs of the poorer sections of the population, due to their lack of spending power. Whilst from the point of view of "the system", the upper-class consumers are fulfilling their task in over-consuming, and producers are also doing their job in catering to the rich who after all command market power, the fact is that these are "rational" acts within the rules of an economic system that has become "irrational" from the standpoint of social equity, human development and environmental sustainability.

Secondly, this analysis has interesting policy implications. Instead of looking in simple terms at the "propensity to consume" and the "aggregate level of consumption", it would be very useful to look at consumption and its level in a disaggregated way, i.e. differentiated according to income groups in the manner done above.
Moreover, there is the crucial fact that the poor and lower income groups have a greater in-built propensity to consume (in terms of consumption as a percentage of income) than the rich. There is an inverse relationship between the propensity to consume and the level of income: the higher the income the lower the propensity to consume. Thus, if incomes were more equitably distributed, the propensity to consume may increase. At the least, there would be a reduction in the pressure to induce luxury spending among the rich. Further, the pattern of effective demand would change, in that there would be a greater demand for basic goods and services and a reduced demand for luxuries. In response to this change in the demand map, the market would alter its plans in the choice of products to produce. Thus, the composition of output would also change, moving towards more production of basic-needs goods and services. With the reduction in luxuries, there would be a more rational and efficient use of resources. The overall consumption pattern would be more needs-oriented.

PART 3. GLOBALISATION AND THE SPREAD OF DOMINANT CONSUMPTION PATTERNS

(a) The globalisation process

The world's dominant consumption patterns have been generated by TNCs, with their need to market their modern products, ranging from mass-consumption goods to consumer luxuries. They have become dominant firstly because the TNCs and their products are centered in the world's largest consumer markets, i.e. in the North, which accounts for roughly four-fifths of world GDP. Secondly, TNC products have also penetrated the developing world where they form an increasing part of the consumer-goods market. In terms of value, TNC products dominate the world consumer market.

The rising dominance of TNCs in worldwide production has increased in the several decades following the Second World War. Corresponding to the TNC domination of production and market shares, there has been an increasing spread of the dominant Northern-originating patterns of consumption throughout the world. This has taken place through several mechanisms, including the spread of Northern-based culture and cultural products, the spread of information and communications technologies, the increase in the North-to-South trade in consumer products and services, and the growing investments by TNCs in the South.

These processes, which have already gradually been in force over many decades, in fact since the start of the colonial era, have accelerated under the impetus of globalisation and liberalisation.

There has been the very rapid globalisation of finance, with large amounts of money (in 1995, daily turnover of foreign exchange transactions totalled US$1,300 billion) crossing borders and with most countries lifting controls over the inflows and outflows of money in the banking, forex and stock markets. Also, the flow of financial resources to the South through commercial loans, World Bank project loans and multilateral and bilateral aid programmes, have facilitated the transfer of Northern-based technology, projects and products and services to the South. For example, the introduction of export crops has in some countries changed the choice of crops away from locally consumed foods; and the loans made available in some countries led to an increase in imports of consumer luxuries.

There has been the significant globalisation of trade in goods, with most developing countries rapidly reducing their import controls and tariffs under the direction of World Bank-IMF structural adjustment policies and under the rules of the GATT/World Trade Organisation. This contributed to the easier access of TNCs to the markets of the South countries for a wide range of consumer goods (including motor vehicles, foodstuff, beverages, tobacco, electronic products, clothes and footwear, household items) and services (most significantly, in the cultural, communications and financial sectors). Some major countries (for example, India and China) that had traditionally guarded against foreign products have recently liberalised their markets, leading to a rapid growth in imports of consumer good and services.

There has also been an increase in foreign direct investment in developing countries in general. Most of the recent increase has taken place in the manufacturing sector in about a dozen developing countries, most significantly in China, in East and Southeast Asia and a few Latin American countries. The TNCs located in the South produce for both the local and export markets. FDI contributes to the spread of modern consumer products in two ways: by selling in the host countries and thus spreading the dominant consumption patterns; and by providing employment and incomes to the local staff in the managerial, professional, marketing and production levels, thus helping to create a middle class and a modern working class, and to form the financial, income and human base for purchasing the modern products.

(b) The widening of inequities

The globalisation-liberalisation process has also increased global inequities, as well as widened inequities within many countries. This phenomenon has been well brought out in the UNDP Human Development Reports and in the UNCTAD's Trade and Development Report 1997 (TDR97). The TDR97 shows the trend in world income distribution during 1965-90, classifying countries into five groups, each representing 20% (a quintile) of world population. The report concludes (p80-81) that income divergence and increasing inequity in the world's population has been a persistent feature over this period, but with a noticeable worsening in the 1980s. The share of the richest 20% of world population rose by 14 percentage points from 1965 to 1990 (from 69 to over 83 per cent of world GNP). The Gini Coefficient (a commonly used measure of inequality) rose slightly from 0.66 in 1965 to 0.68 in 1980, then rose sharply to 0.74 in 1990. There was an enormous increase in the income gap between the richest and poorest quintile. In 1965 average GNP per capita in the poorest quintile was $74 and in the highest $2,281, a ratio of 31:1. By 1990 the figures were respectively $283 and $17,056, yielding a ratio of 60:1.

Accompanying the increased global inequities is the high inequity of income within countries. The TDR97 uses a simple measurement of the income shares accruing to the richest 20% of population, to the middle 40% and to the poorest 40%. On one end of the scale are highly unequal societies where the richest 20% receive 60% of total income, the middle class or the middle 40% of people receive 30% of income and the poorest 40% get a mere 10% of income. (These are 60:30:10 societies). At the other end of the scale are the "low inequality societies where the middle 40% of population get a bigger share of income than the richest 20%. In between are the majority of countries where the richest 20% receive about 40% of income, the middle class the same share and the poorest 40% get about 20% of income. (These are the 40:40:20 societies).

The TDR97 reports that most developed countries have a 40:40:20 pattern, except for Australia, Ireland, New Zealand and the US where the share of the richest quintile has recently been 44-46 percent of total income. A few developing countries (only three) have 40:40;20 societies but most are high-inequality countries where the richest 20% of population receive around 50% of total income. Some developing countries (mainly in Latin America and Africa) have a highly unequal 60:30:10 distribution.

(c) The targeting of markets in developing countries

These highly unequal distribution patterns internationally and within countries set the economic/market basis for the highly differentiated consumption patterns across and within countries. The elite and middle-class in the North (accounting for a significant part of their population since there is a large middle class with high purchasing power) have the overwhelming share of income and thus of the consumer market. The top 20 percent of world population residing in the richest countries obtained over 83 percent of world GNP in 1990. The main focus of the sales of TNCs (and of the dominant consumption pattern they promote) are thus in the North countries.

However the TNCs are also increasingly targeting the markets of some Southern countries, which either have: (a) a relatively small population but a relatively high per capita income and thus whose elite, middle class and even working class are potential buyers; or (b) a relatively low per capita income but a big population and thus even if the elite and middle classes are small in proportion they are large in terms of absolute numbers and thus also constitute a profitable market. Moreover there are large numbers in the South of all classes (except the very poor) that could form a market for cheap mass-consumption products, or for niche, addictive and status goods (such as Coca-Cola type soft drinks, tobacco, alcohol and baby foods).

Since there is a market basis for luxury and mass-consumption modern/Western consumer goods and services in the South, the TNCs have increased their machinery and efforts to transfer consumption patterns and products to developing countries. A major and often initial step to facilitate the marketing of TNC consumer goods is the transfer of Westernised modern culture to the South as this facilitates the transfer and progressive build-up of modern consumer taste among the elite as well as masses in developing countries and thus makes them susceptible to the patterns and products of modern consumption.

The transfer of culture and taste is achieved through specific mechanisms and channels, including global advertising, Western media articles published in local newspapers and magazines, imported magazines, films, TV programmes, videos, pop music, and fashion shows. Through these media, not only are consumer products promoted directly through advertisements, but more insipiently and less visibly are transferred the entire cultural paradigm and the patterns and products of modern consumerism. For example, Hollywood films and Western TV programmes transfer glamourised images of male and female stars naturally making use of certain clothes, shoes, watches, jewellery and cosmetics, having certain types of hairstyles, smoking cigarettes, drinking Coca-Cola, beer or other alcoholic drinks, driving cars, going shopping, eating certain types of foods in restaurants or at home, living in certain kinds of houses with their specific types of furnishing and furniture, having entertainment in certain places and ways and taking holidays in exotic places.

The same paradigm is promoted through fashion and entertainment magazines, either aimed at women (Cosmopolitan, Women's Weekly, Vogue, Good Housekeeping) or at men (men's magazines, or special magazines on golf, sports, computers, cars) or at the family (Readers' Digest). On the musical front, the pop stars and rock groups and their music and songs/lyrics also promote particular types of entertainment and culture. The images, seen in developing countries, have a major impact on the pysche, culture, motivations and tastes of the viewers and readers, whether they be sophisticated urbanites, young students or poor villagers.
The influence penetrates significantly to even very remote communities. For example, in the indigenous peoples' longhouses in Borneo, posters of pop stars such as Michael Jackson and Madonna are pinned on the walls by children, who are able to keep up with the latest hits through radio. The boats that carry villagers up and down the remote rivers have a video system,

showing Western or Asian movies to entertain the passengers.

(d) The role of advertising

Undoubtedly the global advertising industry plays a pivotal role in the transfer of tastes and the dominant consumption patterns. The industry has been rapidly expanding in size, volume and value. In a study on global information and communications, Hamid Mowlana (1997: p99) makes three general conclusions on the complex flow of international advertising at the beginning of the 1990s: that the US is the model within the advertising field; the sources of the majority of international consumer and industrial advertising are TNCs and international advertising agencies; and the flow of international advertising is mostly vertical, from developed nations to the Third World. The world's top 50 advertising agencies are firstly from the US, followed by Japan, Britain, Germany, France and Italy. In 1994, total worldwide expenditure on advertising was $200 billion, up from $110 billion in 1980. In 1994, the countries with the highest advertising expenditure were European Union ($22.5 billion), the US ($47.5 billion) and Japan ($22.5 billion).

According to Mowlana (1977: p100): "The economic as well as cultural information powers of world capitalism, especially that of the United States, can best be examined by the worldwide network of major advertising agencies and by the growing expenditures to advertise and promote their products on national, regional and global scales. The strength of international advertisers lies in the fact that not only do they have a powerful influence over the international network of transnational mass media and the entertainment industry but their techniques and methods, developed over the past several years, are essential for the development and expansion of manufactured goods and commodities. Furthermore, their perceived "neutrality" in international politics and inter-state conflict, coupled with the desire of people almost everywhere for certain universality, cosmopolitanism, and consumption, provide the ingredients necessary for persuasive and information strategies."

The influence of global advertising in terms of changing values, cultures and spending habits (and thus having a great impact in human development terms) is perhaps greatest in the Third World. Consumers in developing countries are affected by global advertising (as seen in advertisements in imported magazines or on international and satellite cable TV) as well as by advertisements in the local media (in newspapers, magazines, roadside billboards, cinema halls). In many developing countries, most advertisements are for modern and TNC-produced products. Often the advertising agencies are local subsidiaries of the largest multinational advertising and public-relations firms.

(e) Case Study of Advertising Techniques in a Developing Country

A comprehensive study of the types of advertising, the psychology used, and the effects on consumers in a developing country (Malaysia) has been done by the Consumers' Association of Penang (CAP). Its publication, "Selling Dreams: How Advertising Misleads Us", showed that in the mid-1980s, the advertising industry was dominated by 12 multinational agencies which accounted for over 70 percent of advertising revenue in Malaysia. Most of the products advertised were TNC-related consumer items, particularly beverages, automobiles, durable electrical goods, tobacco, toiletries and apparel/jewellery.

To sell their products in a fiercely competitive market, many companies rely on advertisements which use psychological strategies to "hook" consumers to their particular brand. A number of studies have shown that advertisers make use of modern psychological techniques to devise advertisements that can manipulate people to opt for their products. As early as 1962, Vance Packard, put it this way: "Large scale efforts are being made, often with impressive success, to channel our unthinking habits, our purchasing decisions, and our thought processes by the use of insights gleaned from psychiatry and the social sciences. Typically these efforts take place beneath our level of awareness; so that the appeals which move us are often, in a sense, hidden."

Based on examples in the CAP study, the following psychological means are employed in advertisements:

**** Projecting images and brand consciousness**: Advertisers project their products in a distinct and attractive way so that viewers will want to identify with the appealing personalities or events in the advertisements. Examples quoted by CAP are advertisements for automobiles, projecting images to influence the consumers to buy brands of car not so much for transport purposes but to express his or her personality or position. Thus the top businessmen seek out the Mercedes Benz and BMW, middle-level managers and professionals go for the Volvo and Alfa Romeo, whilst junior managers go for Japanese cars, and there are four wheel jeeps for those wanting the "sporty image." Soft-drink manufacturers (pepsi Cola, Sarsi, Seven Up) project their products as being the secret to the fun, zest and vibrancy of being young and alive like the young people in their advertisements running on the beach, sailing at sea and jumping in the air to racy music.

**** Creating new needs**: CAP says a consumer who is contented with what he already has is a nightmare to businessmen who can't sell things to people already happy with their old clothes or existing lifestyle. So many advertisements try to create and define new needs and wants in people who then feel they have to buy the advertised products. Thus, new ailments and "bad social habits" are created by advertisements which then project their products as the solution. Bad breath is thus projected as a disgusting affliction, to be "cured" only by mouthwash. Or else, glamour and exclusiveness are attached to expensive products so that consumers can fulfil their "need" to feel important by buying

Shaeffer pens, Arrow shirts, Bally shoes and Chanel No. 5 perfume.

**** Generating the need to be fashionable:** Consumers are also made to feel their existing products (for example clothes or cars) are outdated and obsolete so they will buy have to buy the advertised new products. If they do not make the change they fear being classified by the prevalent culture as "square", old-fashioned or lacking in taste. In most cases the old products are still usable or even superior in quality. The new products may simply be the same things in new packaging or with additional features which the consumers do not really need. The aim of the companies is to make the old products "go out of fashion" so that consumers feel the need to own the latest product or model. Thus, women are made to constantly feel they have to make new skirts as the fashion changes from mini to midi to maxi and then back to mini again. Families change their cars and audio-visual equipment, young people change their jeans, just to keep up with the latest fashion, even though their existing possessions are in very good order.

**** Exploiting the Viewers' Insecurities:** A favourite advertising tactic is to exploit the negative feelings and fears of people, such as fear of rejection, loneliness, ill-health, guilt and self-doubt. Situations are depicted in which a boy or girl is rejected by a friend of the opposite sex because he or she has bad breath, dandruff, pimples or body odour. Next, another friend
introduces him or her to the "solution" -- the mouthwash, shampoo, haircream, face cream or deodorant which will solve all the problems. By magic, the lucky boy or girl now wins an admiring smile or warm embrace from his or her beloved.

**** Fulfilling Secret Desires:** Advertisers identify people's subconscious needs and desires and build their advertised product around the promise of fulfilling these desires and evoking pleasure. One of the most exploited needs is security. Products are projected as adding warmth, emotional security and safety to the person, home or family. Scenes depicted include happy family situations where the clan gathers for a meal of the advertised food or beverage product, or the family beams with pride at the achievements of a member. Another popular theme is romance. Advertisements using this theme are accompanied by soft music, as in a soap advertisement where a woman steps into the bath and gently massages soap over her face. An advert for an eye-drop shows a girl and a boy making a date over the phone to the sweet strains of romantic music, while in a coffee advert an attractive couple exchange intimate glances between sips of the beverage.
Some advertisements also play on the need to be good or talented (as when a woman using a product is depicted as a good cook or a caring mother) or exploit the longing for power and authority (this tactic being used especially in adverts for motorcars and motorcycles where the vehicles are shown to be tough and fast and the viewers sense the power that culd be theirs if only they were behind the wheel).

**** Other Tactics:** Other tactics used in advertisements include the use of famous and popular personalities (singers, film stars, football stars, academics) to endorse their products; the use of catchy jingles and songs, the powerful use of fast-changing colours to keep the attention of children, and the use of pacing, speed and movement to draw attention; the use of lotteries and attractive prizes (for readers or viewers who can answer questions about the product advertised and formulate a winning slogan).

The tactics used in advertising and other forms of sales promotion are very important for psychologically winning over the public and potential customers to the products of modern consumerism. Advertising in developing countries thus plays a critical role in fostering the dominant patterns of consumption, in which the motivation or confidence for retaining the use traditional products or services is eroded, and replaced by the generated wants for the new and advertised modern products and services.

(f) The role of trade and investment liberalisation

Simultaneously as consumer demand is being generated through advertising and the consumer culture, the dominant patterns of consumption originating from the North have been increasingly put into practical effect in developing countries through trade liberalisation. The rapid liberalisation of goods imports was implemented in the many heavily indebted developing countries as an essential ingredient of World Bank-IMF structural adjustment programmes they had to adopt as a condition for debt rescheduling and receiving new loans. Many other countries that did not have to undergo World Bank-IMF structural adjustment also autonomously liberalised their import regime.

The Uruguay Round negotiations, which concluded with the Marrakesh Agreements in 1994, has also institutionalised liberalisation not only of goods but also, for the first time, of services. Developing countries have had to make (and will be making, in on-going negotiations) "offers" of liberalising a very wide range of services, enabling more open access to foreign firms, businesses and professionals in telecommunications, information technology, retail trade, medical and legal services, business services, and (in the future) financial services. The removal or reduction of import controls and import tariffs in goods has facilitated the much greater access of TNCs to the markets of the developing world, and will thus further accelerate the transfer of Western/Northern consumption patterns. The liberalisation of services, especially those relating to media, cultural products and communications, will also have a major impact in more effectively disseminating the consumer culture through media and advertising and the easier export of cultural products to the South. The rapid spread and worldwide use of computer electronic mail, the Internet and satellite cable television will add on to the pressures of opening up the cultures and cultural markets of the South to the Northern-dominated consumer culture, aiding the transfer of the dominant patterns of consumption to the developing countries.

In addition to the routes of culture, advertising, and trade liberalisation, consumption patterns are also being transferred through liberalisation of investments in many developing countries.
In the 1980s and 1990s, most developing countries have greatly liberalised their investment regimes, welcoming the inflow of foreign direct investment. Foreign firms investing in the South (or selling their franchises to local companies in the South) have even greater means to change consumer tastes and to gain bigger shares of the market from local firms and products, as their direct and larger presence in the country facilitates a wider variety of aggressive sales promotion as well as more responsive marketing and production and packaging oriented to the tastes, customs and festivals of the local population.

As can be seen from the above, the globalisation and liberalisation process has contributed to the skewing of demand and consumption patterns in developing countries towards purchase of foreign goods and services, thus causing imports and goods produced locally by foreign firms to replace traditional local products and goods produced by local firms.

The liberalisation of trade has indeed contributed to the "deindustrialisation" of many African countries, with imported goods (backed up by superior marketing and advertising) replacing locally produced goods and causing the closure of local firms.

****A study by an UNCTAD researcher of 22 African least developed countries to determine the effects of trade liberalisation on economic performance found that they have been "increasingly marginalised in international trade" and that "in fact, trade liberalisation has been accompanied by deindustrialisation in many LDCs..." (Shafaeddin 1995: p1). The Least Developed Countries 1996 Report of UNCTAD also found that: "The liberalisation of domestic trade regimes has exposed domestic import-substituting industries in LDCs to much fiercer competition from imports, especially from the more industrialised developing countries...While liberalisation will undoubtedly benefit consumers in LDCs, and ultimately their economies if it provides the stimulus to the development of more efficient and competitive industries, many of the existing import-substituting manufacturing firms are unlikely to survive. This will have social costs as workers lose their jobs." (UNCTAD 1996: p50).

(g) Summary

The advertising and sale of TNC products, including those produced in developing countries through investment, are causing significant shifts in tastes and consumer choice, depressing the local culture, ways of life and products in many sectors. As the CAP study on advertising in Malaysia (1986) put it: "The influence of advertising has transformed the lifestyles and value system of the people from their indigenous forms towards Westernised and materialistic models of food, clothing, household and other products. By endowing an aura of glamour and superiority on modern and foreign (or foreign-style) products, advertising has dramatically subverted the indigenous cultures and products of Third World peoples. This is most clearly seen in the case of food. In the cities, American "fast foods" such as hamburgers, (McDonalds), and Kentucky Fried Chicken have become popular fads, competing with and even beginning to displace delicious and more nutritious local foods for which Malaysia is justifiably proud. Coca-cola, Seven-Up and dozens of other bottled or packet drinks are emptying pockets of millions of dollars, whilst the popularity of local natural drinks such as coconut water and pineapple juice gradually declines. There is a general belief that local products are usually inferior to imported goods or to locally-produced goods with foreign brand names. Thus, Lux must be far superior to the local variety of soap because "nine out of ten film stars" swore to its quality in a television advertisement. In some fishing communities (in Malaysia), villagers have been known to serve guests with canned sardines (which had been advertised in the newspapers) because they believed the (imported) sardines to be superior to the fresh fish they catch." (CAP 1986).

PART 4. CASE STUDIES OF THE EFFECTS OF GLOBAL MARKETING ON CONSUMPTION PATTERNS

This section provides examples of how global marketing, trade and investment by TNCs have altered or affected consumption/production patterns in developing countries. The examples will include: the baby food industry (manufactured milk products replacing breastfeeding); tobacco products (how the marketing and sale has shifted to the South, with the aid of trade instruments that force open Southern markets); food chains and retail shops (supermarkets), affecting food tastes and fashion.

(a) Baby Foods replacing Breastfeeding

Perhaps the most striking example of the powerful impact of sales techniques in getting TNC products to replace local practices or products in developing countries is that of the multinational baby food industry. Traditionally, mothers in developing countries have been breastfeeding their babies. This is of course accepted universally as being the best practice, as breastmilk contains the most valuable and appropriate nutrients needed by the infant, the milk is clean and safe, and it is the most "cost-effective", being free.

However, the practice of breastfeeding was downgraded in most countries as a result of aggressive and often unethical sales promotion by the baby food industry. Baby milk significantly replaced breast milk as the food of first choice for babies worldwide. As cow's milk sold by the industry is far inferior to human breastmilk to meet the nutrition needs of babies, this resulted in inferior nutrition for bottle-fed babies.

The effects were especially adverse in developing countries. Due to the impact of the baby food industry's advertising claiming that their products were good for the babies, many poor families fed their babies with industrial baby foods. As they often could not afford adequate supplies, the babies were not fed the appropriate quantity of milk. Due to the lack of clean water, the milk powder was often contaminated with bacteria in the water used, giving rise to infection in the babies which sometimes led to serious ailments or even death. Finally, the high expenditure on baby foods drained the poor families' income and deprived them of other basic goods. In the early 1970s, a World bank consultant, Alan Berg, estimated that bottle-feeding in Third World countries where mothers formerly breastfed their babies was costing up to US$1,000 million per annum, without counting the cost of medical treatment for illnesses and malnutrition that would have been avoided by breastfeeding. (CAP 1981, p11). Shelia Kitzinger, a renowned anthropologist and child expert, estimated the loss of breastmilk in Kenya was equivalent to two-thirds the country's national health budget (CAP 1981, p11). The switch from breastfeeding to industrial baby foods thus has adverse health as well as socio-economic effects.

The unethical marketing of infant formula and its horrendous effects on health have been well documented. Less well known is the even greater scandal of the marketing of sweetened condensed milk (SCM) as an infant food. Infant formula, though made from cow's milk, has at least been designed with the view of being appropriate for human infant consumption, even though it is a poor substitute for breastmilk. However, SCM is extremely inappropriate and unhealthy for babies. It was first manufactured and marketed chiefly for adults, to be added to coffee. It is sweet and the high sugar content was deliberately achieved as a preservative. According to medical experts (for example Prof. Wong Hock Boon, Head of the Paediatrics Department at the National University of Singapore) it is "a totally unsuitable food for babies". According to the Protein-Calorie Advisory Group of the United Nations: "Under no circumstances should sweetened condensed milk be used for very young children because of its high sugar content." The high sugar content (45% by weight) could satisfy the baby's or child's appetite before all the milk is taken. Thus, some of the protein and other nutrients would be wasted in the unfinished portion, thus causing malnutrition. SCM also contains low levels of fat, lactose and vitamins (far below the levels in breastmilk), which are important nutrients essential for the infant's development.

Despite these factors, SCM until fairly recently was being sold by some multinational milk companies in Malaysia and other developing countries as "an excellent food for infants." In a detailed exposition of this scandal, the Consumers' Association of Penang

(CAP 1981), found that Nestle, the leading producer of SCM, had as early as 1936 advertised SCM quoting many "medical opinions", including these two: "Condensed milk is easily digested by infants, in fact it is one of the most easily digested of all artificial foods, being probably second only to woman's milk." "...The condensed milk is simple, easy to prepare, easily obtainable, and it produces results in the form of good health and development for the baby and mental relief for the parents and physician."

In the late 1970s, Nestle was advertising its SCM brand (Milkmaid) on radio and TV in Malaysia with an attractive jingle accompanied by lyrics in the local language: "Grow up speedily, my little dear one, Drink Milkmaid milk." In the same period, seven other milk multinationals (from England, Holland and the US) recommended their brand of SCM as an infant food, some boldly claiming on their product labels that their brand was "excellent for infants feeding". Many brands also printed instructions for use of the milk for babies.

CAP found that mothers were misled by the labels and advertisements to place trust on a product whose use caused ill-health and even death among babies. CAP surveys found that 18-60 per cent of rural households were feeding SCM to their babies. A 1979 Asian regional survey found that infants in Malaysia, Thailand, Singapore, the Philippines and Hong Kong were being fed with SCM, the practice being particularly prevalent among the rural and urban poor. In Thailand, a survey revealed that 12% of infants in a district were fed with SCM. A leading health institute in the Philippines found in 1977 that "the choice of 70% of mothers in rural areas of Luzon for artificial feeding is SCM. In urban areas it runs second to powdered milk."

In Malaysia, severe protein-calorie malnutrition or marasmus was reported prevalent among SCM fed infants, as mothers usually fed their infants with dilute SCM resulting in lack of nutrients and the wasting away of the infants' muscle and subcutaneous tissues. A university hospital study found that malnourished children came from poorer homes and were also more likely to be fed with SCM (CAP 1981, p13).

Since CAP's expose and its lobbying of the health authorities, milk companies have stopped promoting SCM as a food suitable for babies.

However, it is not known whether SCM is still being used in other countries as a baby food.

This case study shows an unpleasant episode in which consumption patterns have been changed for the worse by aggressive and unethical sales promotion by multinational companies. Their marketing drive led to the replacement of a costfree, superior and irreplaceably valuable product (breastmilk) with a costly and inferior substitute (infant formula) and with an even more hazardous and highly inappropriate product (sweetened condensed milk), both of which have led to malnutrition, diarrhoea and deaths among many babies from poor families in developing countries. Indeed it is hard to think of a more valuable product (breastmilk) or practice (breastfeeding), nor of a more important beneficiary (the babies); all the more tragic that the pattern of consumption has changed from this product and practice towards industrial baby foods and bottle feeding.

There is however hope for improving the trend towards a higher rate of breastfeeding as health authorities and consumer groups intensify educational programmes aimed at mothers in developing countries. Also, the worldwide movement of consumers and health groups against unethical marketing of baby foods has made much progress in getting the WHO to adopt a Code of Conduct on Breastmilk Substitutes and in getting many governments in developing countries to adopt national policies and guidelines regulating the marketing of baby foods. With the encouragement of UN agencies, more governments are also promoting the concept and practice of establishing "baby friendly hospitals" that provide facilities to mothers making it easy for them to breastfeed their newly born babies. Thus the baby food issue has also given rise to a rather effective international public consumer campaign to check, regulate and monitor the behavior of the milk industry, and to promote breastfeeding as a national policy.

(b) Opening Up of the South to the Tobacco Epidemic

Tobacco consumption is by far the most important cause of preventable death and disease in the world. This makes it the foremost example of a dangerous and irrational consumption habit. Its well known health effects include cancer: in 1995, smoking accounted for 17 per cent of all deaths and 30 percent of all cancer-related deaths in developed countries. and in 1990, 13 per cent of all cancer deaths in developing countries was due to smoking (WHO 1996). The successful marketing of such a lethal consumer product lies in two main factors: the addictive nature of nicotine (thus hooking smokers with the smoking habit for years and often for life), and the enormous sales promotion that creates the association of smoking with power and glamour. This is exemplified by the image of the Malboro man, the tough cowboy radiating good health and outdoor life as he smokes a Malboro cigarette, an image projected on billboards and TV advertisements around the world by Philip Morris, the world's largest cigarette distributor.

Despite the well publicised dangers, a 1996 report by the World Health Organisation (WHO), "The Tobacco Epidemic: A global public health emergency" shows that the smoking problem is rapidly increasing globally. Even as smoking rates decline in the rich countries, they are shooting upwards in developing countries as the tobacco companies switch the target of their sales promotion there.

Tobacco products are causing around three million deaths a year in the early 1990s, according to WHO. Unless current smoking trends are reversed, the figure will rise to ten million deaths per year by the 2020s, with 70 percent of those deaths occurring in developing countries.

There are now an estimated 1,100 million smokers in the world, about one-third of the global population aged 15 years and over. There are 800 million smokers in developing countries, and 300 million in the rich countries. Although the overall rate of smoking has stabilised in the past decade, the difference is that people are smoking less in the richer countries but smoking more in the developing world. In other words, the smoking threat has shifted from the North (where there are active campaigns) to the South.
In the rich countries, the average yearly cigarette consumption of an adult rose from 2860 (in 1970-72) to 2980 (in 1980-82) then fell to 1590 (in 1990-92). In the same period, the rate rose from 860 to 1220 to 1410 in the developing countries. The rise has been most dramatic in China, where the average consumption was 1900 cigarettes in 1990-92 compared to only 730 in 1970-72.

The WHO report also gives the latest findings on the health effects of tobacco. About three million people die each year from smoking-related diseases. In the developed countries, 1.4 million men and 476,000 women died from these ailments. The shocking fact is smoking is responsible for 36 percent of all deaths of men aged 35 to 69 years. The situation in developing countries is going to be even more explosive. In the early 1990s, tobacco caused about one million adult deaths in developing countries. By the year 2000, it may already cause two million deaths annually. And the numbers of dead will rise dramatically into the next century.
"Deaths caused by smoking in developing countries will rise substantially due to the massive increase in cigarette consumption over the last few decades," according to the WHO report. "Unless a very large number of current smokers quit smoking in the next few years, by the time the young smokers of today reach middle and older ages (by the 2020s and early 2030s), smoking will be causing about 10 million deaths a year worldwide, 7 million of which will be in developing countries." The WHO calls this a "looming public heath catastrophe."

The switch in the tobacco-related death epidemic from North to South is seen in these summary data. At present (the mid-1990s) there are 3 million tobacco-related deaths annually, of which about 1 million (33%) are in the South and about 2 million (66%) in the North. Thirty years from now (around 2025), the total deaths will rise to 10 million annually, of which 7 million (70%) will be in the South and 3 million (30%) in the North.

A major reason for the upward trend in developing countries is the aggressive sales promotion of cigarette companies in these countries, to make up for their reducing Northern markets. According to R. Barnet and J. Cavanagh (1994, p199): "By the late 1980s, the wisdom of looking to the global market was apparent. In just one year cigarette sales had dropped 6 percent in the United States. Philip Morris was the only company whose overall sales grew slightly, but this was only because its overseas sales grew by 8 percent. In Asian markets, the growth was spectacular, well into the double digits." Cigarette exports from the U.S.jumped from 64 billion cigarettes in 1986 to 142 billion by 1989. Philip Morris brands accounted for 78 billion of the 1989 total.

In their drive to open up the developing countries' markets, the tobacco multinationals are supported by the Northern governments which on one hand take more stringent measures to curb smoking in their own countries, but on the other hand aid and abet their companies to sell more in the South.

As Glenn Frankel (1996) reported in the International Herald Tribune: "At home, where the American tobacco industry is besieged by anti-smoking activists, government regulators, grand juries and plaintiffs' lawyers, cigarette consumption has undergone a 15-year decline. Thanks to foreign sales, however, the companies are making larger profits than ever before. But the industry did not launch its campaign for new overseas markets alone. The Reagan and Bush administrations used their economic and political clout to pry open markets in China, Japan, South Korea and Taiwan for American cigarettes. At a time when one arm of the government was warning Americans about the dangers of smoking, another was helping the industry recruit a new generation of smokers."

In the 1980s the United States made us of the threat of unilateral trade sanctions (under Section 301 of its 1974 Trade Act) to force open the markets of Japan, Taiwan, South Korea and Thailand for American tobacco exports. As Barnet and Cavanagh (1994: p201) put it: "Much as the British East India Company had forced Indian opium on the Chinese market during the nineteenth century to turn around a trade deficit, Philip Morris and Clayton Yeutter (then the US trade representative) descended on Asia waving the same free-trade banner." Dr James Mason, US assistant secretary of health and human services, told the 1990 Seventh World Conference on Tobacco and Health that tobacco transnationals "play our free trade laws like a Stradivarius violin, pressuring our trade promotion agencies to keep open -- even force open in some cases -- other nations' markets for their products." Mason, who was rebuked by the Bush administration for this speech and soon left the government, said the tobacco companies' "bottom line is to at least replace the 2.5 million customers they lose every year to death and disease because of their products -- and to replace the millions more who quit."

The impact of the Section 301 trade sanctions threat to Asia has been described by Barnet and Cavanagh (1994) and by Frankel (1996). In Japan, the share of foreign brands was only 2.3 percent of the cigarette market in 1985 due to high tariffs, prohibiting foreigners from producing cigarettes in Japan, and imposing many restrictions on advertising and distribution of foreign cigarettes, which protected the market for the local monopoly, Japan Tobacco Inc. Cigarette consumption was falling slightly. In late 1985 the Reagan administration threatened an investigation to prepare the use of Section 301. Within a few months the tariffs were reduced and many other restrictions were removed. By 1990, the global tobacco companies had taken 15.5

percent of the market as tobacco advertising in Japan (mainly for US brands) tripled. (By 1996 the foreign brands' share of the market had risen to 21 percent).

In Taiwan, foreign brands had only 1 percent of the market due to high tariffs. Threats to invoke Section 301 led to elimination of tariffs in early 1988 and within one year foreign imports took over 21 percent of the market.

South Korea used to operate a government tobacco monopoly which was a main contributor to government taxes and to jobs, and the smoking of foreign cigarettes was a punishable crime. The US tobacco companies hired former high-ranking government officials to lobby Washington and Seoul, In January 1988 the US tobacco industry filed a Section 301 complaint against South Korea. In May, South Korea agreed to open its doors to American brands. In 1989, about 4.5 percent of the 91 billion cigarettes sold in South Korea were foreign brands, compared to 0.2 percent four years earlier.

The access given to foreign cigarettes does not lead only to a switch in brands from the local to the multinational varieties. Because of the great impact of advertising and sales promotion of the foreign cigarettes, there is an overall increase in tobacco consumption. The report by Frankel (1996) in the International Herald Tribune quoted Gregory Connolly, an anti-smoking activist as making the point that the Americans' entry was not just a matter of dismantling trade barriers. "When the multinational companies penetrate a new country, they not only sell US cigarettes but they transform the entire market. They transform how tobacco is presented, how it's advertised, how it's promoted. And the result is the creation of new demand, especially among women and young people."

Cigarette consumption in Japan, Korea and Taiwan rose rapidly from 410 billion in 1986 to 455 billion in 1989 (Barnet and Cavanagh 1996: p203). The National Bureau of Economic Research (in the US) also estimated that sale of American cigarettes were 600 percent higher in the targeted countries in 1991 than they would have been without US action, and that American cigarettes' entry pushed up average consumption per capita by 10 percent in the countries (Frankel 1996).

Thus, an important point to note is that trade liberalisation has not only meant greater competition by foreign cigarette brands for local-made brands in hitherto protected tobacco markets, but can also lead to a change in the overall framework and conditions under which tobacco products are marketed, with the result that smoking rates are increased, with detrimental health effects. As has been pointed out by Dr Judith Mackay of the Asian Consultancy on Tobacco Control: "In general, the traditional monopolies in the developing countries don't deny the health evidence, don't advertise, market or promote their cigarettes and don't obstruct government action. In these three ways, they are diametrically different than the transnational tobacco companies. When the transnational tobacco companies enter the market, they bring a sea

change in the whole tobacco control scenario. Very few developing countries have had any experience standing up to tobacco industry executives and lawyers. It complicates the efforts of developing countries to bring the epidemic down." (Mackay 1997: p19).
The change of scenario has affected not only developing countries but also an industrial country like Japan, whose attitude to tobacco control also changed drastically when it was forced to allow American cigarettes into its market under the threat of Super 301 sanctions. According to Mackay, the Japanese tobacco industry's response was that if the Japanese had to accept American cigarettes being pushed into the Japanese market, it would beat the Americans at their own game in Asia. The Japanese tobacco industry "changed dramatically into behaving just like a transnational." The Japan Tobacco International (JTI) has started marketing its Mild 7 brand throughout Asia in the past few years. Explains Mackay: "This is a very good example of another problem of the transnationals coming into a market: the national monopolies change from being a simple government department, and rather inefficient and bureaucratic; they learn very quickly that if they are going to compete then they have to beat the devil at his own game. JTI has now changed into becoming a company that advertises and promotes cigarettes just like the American and British transnationals."
(Mackay 1997: p19).

In 1997 there were dramatic developments that are likely to affect tobacco consumption both for better and for worse. In June, the largest tobacco companies reached a landmark agreement with attorneys general of nearly 40 US states for a settlement in which the industry will pay $368.5 billion in compensation over 25 years. The money will be used to compensate states for smoking-related health-care costs, pay individuals who successfully sue, finance research and promote education programmes to discourage youth from smoking. The companies also agree to alter marketing programmes, such as stopping the use of human or cartoon forms in advertising, and the use of billboards, stadium signs and free promotional materials.

The "settlement" was the result of strong pressures being felt by the tobacco industry as a result of increasing numbers of lawsuits filed against it by individuals claiming that they or their family members had suffered death or disease as a result of smoking and by state governments claiming compensation for health bills incurred for treating smoking-related diseases. The plaintiffs in the law suits had been given a crucial boost in March 1997 when a tobacco company, Liggett Group, made an admission that cigarettes are addictive and have been targeted at kids for years. This was the first time a tobacco company had made such an admission. Fears that thousands of lawsuits could bankrupt them, the big companies -- (Philip Morris, RJR Nabisco Holdings, BAT Industries PLC's Brown & Williamson and Loews Corp's Lorilland -- negotiated the deal in which lawsuit claims would be limited in exchange for the compensation and marketing restrictions.

The agreement still has to be approved by Congress and the US President. It has meanwhile has been greeted by both acclaim and severe criticisms. The criticisms include the fact that the deal places a limit to lawsuit claims. Future class-action lawsuits over tobacco liability would be banned whilst smokers who opt out of existing class-action suits may still sue individually, but the total amount of awards in their suits would be limited to $5 billion in any year, to be paid out of the industry fund created by the settlement. According to a New York Times report (21 June 1997), the consumer advocate, Ralph Nader, said the settlement served the tobacco companies' interests at a time when the industry is in retreat. He said public officials should not be negotiating relief from the tobacco companies' legal problems as they face criminal and civil lawsuits that could drive them out of business. Senator Edward Kennedy said the companies got off easy "given the track record of deceit, manipulation and bad faith." Another criticism is that the industry's compensation bill will be paid not out of the industry's assets but by smokers as the companies raise cigarette prices. It is estimated that the volume of US cigarette consumption will fall by 10-15 percent as prices are raised.

The most serious criticism is that the settlement does not cover the overseas operations of the industry. Thus tobacco companies are not bound to increase restrictions of their sales promotion abroad, nor to compensate smokers in other countries. This has raised the specter that US tobacco companies will intensify their overseas marketing to get much higher revenues from abroad in order to offset the falling market and revenue in the US and to pay the compensation bill. According to the New York Times (21 June 1997), Wall Street is betting that "whatever those cigarette makers lose in the United States they will make up for overseas, where they are already enjoying strong growth." There is growing concern that consumers in developing countries will be the great losers as greater numbers will lose their health and lives from this deal. Senator Ron Wyden said he would try to limit tobacco companies' access to lucrative foreign markets so they could not "finance the settlement by addicting millions of youngsters overseas to tobacco products." (New York Times, 22 June 1997).

In an editorial on the settlement, The Lancet journal (2 August 1997) commented that the deal "is a global mockery -- the money to pay for tobacco-related illness is coming only because the industry is being allowed to continue to trade profitably in countries whose public-health infrastructures are unlikely to mount much resistance." In a paper presented to the 1997 Tenth World Conference on Tobacco or Health, Gregory Connolly (1997) of the Massachusetts Department of Public Health commented: "Nothing in the agreement would limit the US companies' actions abroad and in all likelihood the companies will only push harder to gain new smokers in Asia, particularly nonsmoking women and children. The situation is reminiscent of Britain's decision during the last century to ban opium in that country while promoting its trade in Asia...Public health activists in Asia should meet this new threat with policies that limit the multinationals' ability to penetrate their markets including bans on advertising, taxation, litigation product regulation and restrictions on public smoking. US activists should not accept a settlement that is not truly global."

This tobacco case study is very significant in: (i) providing an outstanding example of a dangerous, irrational and inappropriate consumer product that nevertheless has been promoted and thus consumed, with devastating health effects; (ii) showing how such a dangerous consumption habit and pattern has been spread or increased to countries of the South through marketing techniques and advertising of a global industry, and without the adequate counter-information provided to consumers, because of inadequate or absent regulatory and educational framework and programmes in these developing countries as contrasted with the North; (iii) demonstrating the extreme double standards of a powerful Northern government which makes use of the slogan of "free trade" and the threat of unilateral trade sanctions to force open the tobacco markets of other (and often weaker) countries, thus not only displacing local industry but also causing the overall consumption rate of a lethal consumer product to significantly increase.

(c) Global Music and Entertainment Industries: Changing Local Tastes

In terms of mass impact, perhaps the music and entertainment industries have been the most effective in shaping the culture, lifestyles and even "dreams" or aspirations of people around the world. As Barnet and Cavanagh (1994: p15) put it: "The Global Cultural Bazaar is the newest of the global webs, and the most nearly universal in its reach. Films, television, radio, music, magazines, T-shirts, games, toys, and theme parks are the media for disseminatng global images and spreading global dreams. Rock stars and Hollywood blockbusters are truly global products. All across the planet people are using the same electronic devices to watch or listen to the same commercially produced songs and stories. Thanks to satellite, cable, and tape recorders, even autocratic governments are losing the tight control they once had over the flow of information and their hold on the fantasy lives of their subjects."

Barnet and Cavanagh's pioneering book "Global Dreams" provides analysis and details of the concentration of power in the culture industries in a few TNCs and their methods of penetrating the markets of the world, including remote areas in the South.

In the entertainment field, American cultural products -- movies, TV programmes, videos, records, cassettes and CDs -- are sweeping the globe, making "the American dream the nation's number-one export." (Barnet and Cavanagh 1994: p26). In 1989, the global entertainment industry earned about $150 billion in world revenues. However, the makers and sellers of American cultural products are not necessarily only Americans. For example, Japanese corporations have bought major Hollywood studios. Six TNCs dominate the world's popular-music industry but only one of them (Warner) is still a U.S. company. The others are Bertelsmann (a German media company), Sony (Japanese), Thorn-EMI (British), PolyGram (a London-based division of Philips, the Dutch company) and MCA (owned by Japanese company Matsushita).

The rapid expansion of commercial entertainment is due to technological developments (for example, in the music industry, the development from vinyl records to cassettes, CDs and videos; and in visual entertainment, from films in cinema halls to national TV to satellite TV and the video cassette recorder), the drive of the industry to expand sales globally, and the increase in leisure time (in the North).

Also, global entertainment is "filling the vacuum left by the collapse of traditional local-based institutions...Popular culture acts as a sponge to soak up spare time that in earlier times might well have been devoted to nurturing and instructing children or to participating in political, religious, civic or community activities or in crafts, reading and continuing self-education...Increasingly, vicarious experience via film, video and music is a substitute for civic life and community." (Barnet and Cavanagh 1994: p37-38). All over the world, people are listening to pop music and watching videos that offer excitement, escape, and the feeling of connectedness to a larger world. Pop artists have emerged as global authority figures for the young. (Barnet and Cavanagh 1994: p137).

In the music industry, six record companies distribute 95 percent of recorded music in the US market and half of the European markets. In 1990 the world recording industry had $20 billion revenues, of which $8 billion were in Europe, $6.5 billion in the US, $3 billion in Japan and $2 billion in the South. The giant distributors exert their impact on music around the world by deciding what music they will promote and distribute. The greatest growth potential is seen by the industry as being in Latin America and Asia. Local pop stars sell well in their own countries, but American artists, music style and tastes define the industry worldwide. The big music TNCs are coming to some developing countries and promoting their local artists singing in the local languages. For example,the Bertelsmann Music Group (German-based) operates in Brazil and has 55 percent of the market, and 80 percent of records sold are by local artists.

The global music industry has had a significant impact on local musical tastes in the South. Barnet and Cavanagh (1994: p150-153) describe how the character of local music has changed. For example, the Indian pop star Babydoll Alisha sings Madonna songs in a Hindi rendering. Tunisian artists now use synthesizers to accompany traditional bagpipes at live concerts. In Trinidad, the introduction of multichannel recording has transformed the employment prospects of the famous steel bands. Traditionally, a hundred musicians would crowd into a backyard, each with his own drum, and two microphones would pick up the music to make local tapes. Now, a few musicians are brought into a studio to record all the various parts on different channels on the tape recorder at different times. The final mix no longer represents the collective communication of 100 musicians. Technology is thus rendering ancient art forms seemingly obsolete. Amplification (electric guitar and the microphone) has a deskilling effect on local musicians, who no longer need to preserve the techniques of making themselves heard on traditional instruments.

The worldwide impact of English-language pop music has also given rise to criticisms from political and civil-society leaders, not only in the South but also some Northern countries such as France. They fear that the Western-originating music style will marginalise and eventually destroy their own countries' traditional music. The radio stations of the South are increasingly making use of Western pop music, or else a significant part of the music produced by local artists are no longer of the traditional variety but rather local-language versions of Western-style songs. Even more basically, there are growing concerns that Western-style pop music and entertainment have a revolutionary effect on individual behavior, on human relations between the sexes and between parents and children, and on the individuals' aspirations and meaning of life.

Television programmes also have a significant effect in the spread of the modern consumerist culture. Most TV stations in the Third World carry Western programmes as a large component of their total broadcast time. Re-runs of old American films and programmes cost very little to run than original local programmes, and thus Dallas and L.A. Law as well as the most recent shows such as X-Files and E.R. are screened in many countries. According to the Brazilian film producer, of the 4,000 films shown on Brazilian TV, 99 percent are from the rich countries, mostly from Hollywood. In many countries, the programmes are dubbed in the local language, so they have a large outreach to the local population. In Latin America, much of the dubbing from English to Spanish is done in Mexico, and then the programmes are distributed to other countries in the region. Foreign television programmes are transferred to Latin America by the following process. US television producers exhibit pilot programmes at an annual two-week screening session in Los Angeles, attended by those purchasing programming for Latin American TV. The chosen programmes are sent to Mexico for dubbing and distributed from there to Latin American networks that have agreed to buy them. (Mowlana 1997: p69).

The newest form of TV influence on the South comes from satellite TV. CNN and BBC World have made increasingly strong inroads, providing their news service to more and more Third World countries. The cable TV station with great cultural impact is MTV, the music television station, which continuously broadcasts pop-music video and has very wide following among the young. "MTV provides reason to live" has been one of the channel's claims. Its impact has been even greater in developing countries because it has been adapted to local tastes. For example, MTV beamed its signals through the Hong Kong-based STAR TV (Satellite Television Asian Region) to 3.75 million households in Asian countries in the early 1990s. To accommodate local tastes, 20 percent of MTV programming was Asian, including the promotion of Thai and Chinese pop stars and Mandarin sung Mando-Rock music. (Cees Hamelink

1994: p113).

The effect of pop music, movies and television programmes on the spread of the consumerist culture and on consumption patterns worldwide cannot be underestimated. The entertainment industry and its products infiltrate and shape the innermost parts of people all over the world -- their worldview, dreams and meaning of life. From these spring the desire for the lifestyles and products of the consumer culture and the dominant patterns of consumption.

Concludes Barnet and Cavanagh (1994: p159): "Television is the most powerful force for mass education in most poor countries. Cultural nationalists in Latin America and in pockets of Asia are enraged that the most influential teachers of the next generation are Hollywood film studios and the global advertising agencies. But recent trends all over the world -- advances in intrusive technologies, privatisation, deregulation and commercialisation of electronic media -- are making it increasingly difficult for families and teachers to compete with the global media for the attention of the next generation."

PART 5. SOME EFFECTS OF DOMINANT CONSUMPTION PATTERNS ON HUMAN DEVELOPMENT

The dominant patterns of consumption have impacts on human development in terms of manifesting and widening inequities; distorting the spending habits of the lower income groups; contributing to increasing levels of debt at household and national levels; and giving rise to social instability caused by the sharp contrasts between the consumption and lifestyles of the rich and poor. These effects are elaborated below.

(a) Manifesting and widening inequities.

The supply-driven levels and patterns of consumption, which are themselves influenced by the inequitable pattern of income distribution, in turn manifest and generate inequities in the fulfillment (or non-fulfillment) of needs and facilities such as food, water housing, transport, education, health, leisure pursuits, etc. For each of these consumption items, there are sharp contrasts in the level and type of goods and services consumed by the different income groups. The inequities that begin in the area of wealth (productive and financial assets) and then get reflected in the distribution of income are eventually played out or manifested in the different consumption expenditure levels and patterns of the different social classes.

In fact the inequities in consumption levels and the contrasts in consumption patterns are the most transparent and visible manifestations of social inequities. For example, in food consumption, the rich and middle classes are able to afford as much quantities and with as wide a variety as they want, so much so that their members have to "watch their weight," go on diet and slimming courses, and worry about obesity and its related ailments. In contrast, the poorest sections of humanity are unable to get regular and adequate food, malnutrition is common, and starvation caused by famine, wars or simply poverty is always a real threat. Whilst large quantities of water are channelled to the entertainment or pleasures of the wealthy and tourists (for example, to water golf courses and private manicured lawns, or fill hotel and private swimming pools), many lower-income families have no access to clean drinking water. The amount spent by Northern consumers on beauty aids and cosmetics exceeds the national health budgets of many Third World governments combined. Whilst the rich and middle class jam the urban roads with expensive cars, the public transport system in most developing countries are unable to efficiently meet the transport needs of the majority of people who have to wait long periods for their buses (many of which are dilapidated), and then cram precariously inside it or on its open doors.

An interesting analysis of the sharp contrasts between the overconsumption of the world's fortunatate and the poverty of large numbers of people is provided by Alan Durning (1991), who describes
"skyrocketing consumption" as the hallmark of our era. Worldwide, in per capita terms, and since mid-century, the intake of copper, energy, meat, steel and wood approximately doubled; car ownership and cement consumption have quadrupled; plastic use has quintupled; aluminum consumption has grown sevenfold, and air travel multiplied 32 times. Since 1950, the rich world accounted for the largest waves of consumption. In the United States, people today own twice as many cars, drive two and a half times as far, use 21 times more plastic and travel 25 times as far by air as did their parents in 1950. Air conditioning spread from 15 percent of households in 1960 to 64 percent in 1987, and colour television from 1 to 93 percent. The 1980s was a decade of marked extravagance: between 1978 and 1987, sales of Jaguar cars increased eightfold, and the number of American millionaires rose from 600,000 to 1.5 million over the decade. Similar trends of overconsumption have also been evident in Japan and Western Europe.

Durning examines the vast range and uneven nature of consumption patterns (of the rich, middle-class and poor) around the world in three major categories: transportation, diet and use of raw materials. A summary of his findings are as follows.

In transportation, about 1 billion people do most of their travelling on foot, many of them never going more than 100 kilometers from their birthplace and unable to easily get to jobs, attend schools or visit government offices. The world's middle class of 3 billion people travels by bus or bicycle. On the other end, 8 percent of people (about 400 million) own cars which are directly responsible for 13 percent of carbon dioxide emissions, air pollution, acid rain and a quarter-million traffic fatalities a year. One fifth of American household own three or more vehicles, and more than half own at least two. Many of the car-owners are also part of the "jet set" of people who make use of the aeroplane.

In food consumption, there are three categories of people.
At the bottom, 630 million of the poorest people are unable to have a healthy diet. In the middle, 3.4 billion grain eaters get enough calories and plant-based protein, giving them the healthiest basic diet among the categories of people, receiving less than 20 percent of their calories from fat. At the top are the meat eaters, who obtain almost 40 percent of their calories from fat. Mainly because they eat so much red meat, these 1.25 billion people eat three times as much fat per person as the remaining 4 billion. This group suffer high death rates from diseases of affluence: heart disease, stroke and cancer. There are also serious ecological effects from meat consumption: the meat eaters who make up a quarter of humanity consume nearly 40 percent of the world's grain (especially the grain that feeds the livestock) and meat production causes strains such as soil erosion and overuse of groundwater. Producing 1 kilogram of America beef-steak requires 5 kilograms of grain and the energy equivalent of 9 liters of gasoline, as well as causing soil erosion, water consumption, pesticide and fertiliser runoff, groundwater depletion and emissions of the greenhouse gas methane.

In beverage consumption, the 1.75 billion people at the bottom do not have access to clean water and their water supply is often contaminated with human, animal and chemical wastes. The middle 2 billion people take over 80 percent of their liquids as clean water, with the remainder as tea, coffee and milk. At the top are the billion people who increasingly consume soft drinks, bottled water and other commercial beverages packaged in single-use containers and transported over great distances. Tap water accounts for only a quarter of drinks in industrial countries. In the US, per capita consumption of soft drinks rose to 176 liters in 1989, compared with 141 liters of water.

In raw material consumption, about 1 billion rural people subsist on local biomass from the immediate environment. They daily use about a half-kilogram of grain, 1 kilogram of fuelwood, and fodder for their animals, or natural resources which can be self-replenishing. However, their basic needs are not always met because of social and ecological factors. These poor people are part of a larger group lacking modern products which use nonrenewable resources, such as radios, refrigerators, water pipes and high-quality tools. More than 2 billion people live in countries with per capita steel consumption below 50 kilograms a year and where per capita energy use is lower than 20 gigajoules per year. In the middle category are 1.5 billion people, who have access to durable goods and make use of 50-150 kilograms of steel and 20-50 gigajoules of energy a year. At the top are is the "throwaway class", using raw material extravagantly. A resident in the industrialised quarter of the world on average uses 15 times as much paper, 10 times as much steel and 12 times as much fuel as a Third World resident. According to Durning (1991:

p161): "In the throwaway economy, packaging becomes an end in itself, disposables proliferate and durability suffers. Four percent of consumer expenditures on goods in the United States goes for packaging ($225 a year). Likewise the Japanese use 30 million "disposable" single-roll cameras each a year, and the British dump 2.5 billion diapers. Americans toss away 180 million razors annually, enough paper and plastic plates and cups to feed the world a picnic six times a year, and enough aluminum cans to make 6,000 DC-10 airplanes."

(b) Effect on social and political stability.

The sharp contrast in lifestyles and consumption patterns between rich and poor is a significant factor causing social instability and political discontent, which in turn affects economic stability and growth. In many developing countries, this contrast, being so visible, is a major factor giving rise to resentment and a sense of social injustice among large sections of the population who do not have income opportunities and who have to struggle on the margins of survival. For example, many political analysts believed that the unequal distribution of the benefits of economic growth in Indonesia gave rise to social discontent that manifested itself in violence during the general election campaign in 1997 and which still erupts in sporadic riots in different towns following the elections.

The social discontent and political instability brought about by the backlash against globalisation and the contrasts in consumption levels and patterns between the rich and poor globally and nationally is a major limiting factor to the sustainability of these levels and patterns of consumption. These tensions might be more hidden in periods of high economic growth, as long as some of benefits of the high growth "trickle down" sufficiently to the lower layers of society. However, as pointed out by many environmental and social scientists, the limitations imposed by increasing scarcity of natural resources and by pollution will make it necessary for countries to alter their levels or the quality of their growth.

Moreover, there are also other social and economic factors that may limit growth or cause or prolong recession in some countries, for example those that are not able to compete globally and are thus adversely affected by globalisation and liberalisation. In these societies, the liberalisation process has tended to widen social disparities and opened up new social divisions. The least-developed countries are particularly affected in this regard. As pointed out in UNCTAD (1996: p50): "the ability of many of the industries in LDCs to respond to competition is impeded by inefficiencies that are due to excessive levels of protection and inappropriate technology, obsolete equipment that results from a lack of investment, and the inadequacies of infrastructure and supporting services...Cheap labour alone will not be sufficient to enable LDCs to penetrate export markets for manufactures because they lack complementary factors of production, especially the skilled labour, infrastructure and technology discussed above."

Further, the same weaker countries that are unable to compete have endured many years of depressed economic performance as a result of low commodity prices and terms-of-trade decline, high external debts, the outflow of funds for debt servicing, and structural adjustment policies. These policies have often further worsened the plight of the lower-income groups as a result of budget cuts in social expenditure. At the same time, liberalisation policies improved the economic position of a small elite, whose members were able to take advantage of new business opportunities (arising for example from privatisation) or found jobs in foreign companies. In these societies, the contrasts between the luxury consumption of the rich and the destitution of the poor have grown sharper and formed part of the underlying factors leading to social disenchantment the polarisation of societies.

As pointed out by a recent UNRISD study on the social effects of globalisation, the social impact of structural adjustment itself frustrated the desired economic effect. "At the crudest level this could be seen from the unrest and violence which many adjustment programmes caused. Many adjusting countries found themselves with "IMF riots", usually as a result of rising food or transport prices, which caused governments to withdraw or at least modify their proposals." (UNRISD 1995: p42). The crises following in the wake of adjustment policies have also heightened social divisions: "Some people have done very well, particularly those who have had secure access to foreign exchange. Their experience can be contrasted with the suffering of the rest of the population: more than half of Africa's people now live in absolute poverty, and in the 1980s the income of two thirds of the total labour force is believed to have fallen below the poverty line. This polarisation is now evident in many parts of society."

The UNRISD report cites the division that has opened up between African workers (and their trade unions) in export industries and those in public service or import substituting firms; sharper intragroup divisions in the informal sector (where a small group of informal entrepreneurs with political connections have captured most of the benefits of government-supported credit schemes, whilst most other informal workers struggle to survive); widening gaps in the rural economy between rich peasants in export zones and smallholders in food-deficit areas; and new divisions among professionals, academics and bureaucrats (between those who grasp the new liberalisation opportunities and those left behind).
As UNRISD concludes: "These divisions can be very destructive. Societies that are economically polarised, with small or stagnating middle income groups, find it difficult either to construct national institutions that command the loyalty of their citizens or to embark on sustained economic growth." The neo-liberal strategy, whilst succeeding in loosening the grip of old institutions (particularly the state), did not create viable alternatives. "Instead it has polarised and fragmented many societies, threatening to send them in new and unpredictable directions."

Thus, the global elite consumption pattern is not socially sustainable in many Third World societies where there is vast inequality or if that inequality is widening.

(c) Social injustice over the irrational or inefficient use of resources and investment funds.

Also, there is a fundamental injustice in that in the competing uses of the same scarce resources, the rich are able to waste resources in search of satisfying insatiable wants induced by the corporate consumer culture, whilst the poor are deprived of resources for fulfilling basic needs. The high proportion of financial and physical resources channelled towards the luxury consumption of a minority leaves much less resources for expenditure on social development.

This is especially so for the pattern of private investment expenditures. Since such a large part of overall consumer goods and services produced is for the luxury and middle-class market, it then follows that a similarly high proportion of private investment expenditure is spent on building capacity (factories, machinery, research and development, skills training, etc) that eventually produce and market the luxury goods and services.

The public sector can have a critical role in offsetting, to some extent, this imbalance in consumption and investment. Through a strategy of redistribution, it could tax the corporations and the wealthier citizens and use the revenue for public investment in facilities that benefit the poor, such as public transport, free or subsidised schooling, free or cheap health care services, low cost housing, etc. However in many developing countries such a redistribution role, even if it had existed, is bring overturned, often under the direction of structural adjustment policies that stress the cutting of government budgets and the shrinking of the public sector. Instead, in some developing countries, regressive tax systems are replacing progressive systems as consumption taxes (such as value added tax or sales taxes) are introduced or expanded, whilst corporate taxes and income taxes are being reduced. Meanwhile, the pattern of government expenditure (including for investment in development projects) often reflects and accentuates rather than offsets the inequities of consumption patterns. For example, more public funds are spent on constructing and maintaining roads, highways and parking bays, mainly for the benefit of private vehicles (whose owners are thus heavily subsidised), whilst less is spent on public transport facilities or the building of simple roads and bridges in rural areas.

A large amount may be spent on large urban hospitals with expensive equipment but too little on rural clinics, on preventive health care and on the supply of clean water and sanitation facilities.

Energy resources are used for lighting up the large cities whilst the bulk of the population in rural communities may still lack electricity.

The resulting lag in social development is already a waste of opportunity, but this is worsened by the fact that most resources are finite, so that the opportunity for social development is not only postponed but could be lost. Valuable scarce and non-renewable resources are depleted and used up for producing consumer goods that are not needed and could be harmful, thus depriving not only the disadvantaged groups of resources for fulfilling their human needs, but also depriving future generations of the same wasted resources for their needs as well.

(d) Distorting the expenditure of the lower income groups, resulting in greater poverty.

The dominant consumer culture, skewed towards advertised TNC products, also has an adverse effect on the poor by distorting their consumption priorities and diverting their already limited resources away from fulfillment of basic needs. The corporate-induced consumer culture has a psychological impact not only on the rich and middle classes. The lower income groups, who are subjected as well to great influence of advertising, the media and direct sales promotion directed at them, are also affected by the "trickling down" of consumer tastes from the upper classes.
Since advertising and the fashion and lifestyles of the elite and of celebrities set the lead in culture, the lower middle class and the poor also get caught up in the "consumer culture." Many lower-income families divert a significant part of their already low incomes towards spending on non-essentials (for example, tobacco, alcohol, fashionable clothes, Coca-cola, baby foods). As a result of this diversion, they have even less resources for consumer essentials such as food, health and education services.

This of course has adverse implication for human development in terms of the increased difficulties in fulfilling basic needs.
It is not uncommon in developing countries to find that a large portion of the family income of the poor, including small farmers, fisherfolk and the working class, is spent by the father on addictive products, especially cigarettes, beer and other alcoholic drinks (e.g. toddy, whisky). At the same time, there is too little money to provide adequate nutrition to the children or transport (for busfares) and pocket-money (for meals) to send the children to school.

The serious degree of the diversion of household incomes of the poor towards non-essentials can be seen in the example of tobacco consumption. According to McGinn (1997: p25): "In China, tobacco sometimes absorbs up to 17 percent of household income and 60 percent of personal income. And in many developing countries, from Jamaica to Ghana, households with just one smoker commonly spend more on cigarettes than they do on all of their health care."

And as Assunta (1997: p4) notes: "Money that should be spent on important things such as food, medicine and children's education is siphoned away to feed the nicotine habit. The bulk of the smokers are men who are also bread winners in the family. Hence when the smoker falls ill, the family has to gear the burden of treating and looking after a sick father and when he dies the loss and the burden fall heavily on the women and children. This hidden cost is not quantified in terms of dollars and cents."

Alcohol consumption also uses up a large part of the family's budget. A study in Dissin region of Burkina Faso found that men spent $84 a year on beer; this was equivalent to 44 percent of the per capita income of the country.

(e) The effects and costs of inappropriate consumption in terms of health and human development.

Supply-driven consumption patterns that are generated through aggressive marketing techniques by transnational corporations are responsible for several severe health-related problems worldwide. Indeed, the practices of TNCs have been identified by many health analysts as leading factors in deaths and diseases, especially in developing countries. The following are some examples of the health costs of inappropriate consumption patterns.

The outstanding example is, again, tobacco. As already described in an earlier section, smoking is the most important preventable cause of death and illness in the world. It is responsible for killing 3 million people in 1995, with the number expected to rise to 10 million by 2025, and of this 7 million will be from the developing world. The main diseases associated with smoking are heart disease and stroke (which accounted for nearly half of the 420,000 tobacco deaths annually in the US), and cancer (tobacco-related cancers killed 1.1 million people worldwide in 1993, accounting for one out of seven cancer deaths). (McGinn 1997: p20).

Despite the extreme health dangers of their products, tobacco multinationals have targeted the general public as well as selected vulnerable groups (women, the young, and the poor) in their marketing campaigns. These have been effective, causing a high growth in smoking among young consumers, as shown in the following information from McGinn (1997). When the US firms entered Asian countries in the 1980s, smoking rates among high school students in Taiwan jumped from 22 to 32 per cent between 1985 and 1987; smoking among male teens in Korea increased from 18 per cent in 1988 to 30 per cent just one year later; 26 per cent of senior high school girls in Japan were smokers in 1990, compared to a 8 per cent incidence among their mothers. Specific targeting of children by companies has been very effective. When the "Joe Camel" cartoon character was introduced to sell Camel cigarettes, it generated addiction among American children. The share of Camel cigarettes in the total bought be US teenagers soared from 0.5 percent in 1988 to 32 percent just two years later; and Camel sales to children below 18 jumped from $6 million to $476 million. In Kenya, 40 percent of primary school children were found to be smokers in a 1989 survey and in Hong Kong children as young as 7 are addicted. If current trends continue, 800 million of the world's 2 billion children are expected to become smokers, and the habit will kill at least one-third of them.

The economic costs of this terrible health epidemic for society as a whole have also been estimated. Worldwide, tobacco-related illnesses are calculated to cost $200 billion a year in direct health care expenses and lost productivity in work; a third of this ($66 billion) is borne by developing countries, whose share of the total is also projected to soar in future. In the United States alone, $50 billion is spent on smoking-related medical expenses. If indirect costs (such as loss of economic value due to premature deaths and lost productivity) are included, the total cost of smoking in the US rises to nearly $100 billion, or 1.8 percent of the GDP in 1993. In China, in 1995, tobacco tax revenues totalled $8.6 billion, but a study by China's Academy of Preventive Medicine showed the national costs of smoking were higher, totalling $11.3 billion in 1993. In both Canada and Australia, the cost of tobacco diseases accounts for one-quarter of all public health expenditures (McGinn 1997).

The above data show how just one form of inappropriate consumption can be so severely damaging to human development in terms of the health effects and the economic costs to the smoker's household and to society as a whole.

Another obvious example of the negative health effects of inappropriate consumption is alcohol. Advertising and other sales promotion by alcohol transnational corporations contribute significantly to alcohol addiction. In the promotion exercises, alcohol is linked to glamour, wealth and success in sex. The negative health effects are never mentioned. The victims of alcohol abuse, and of alcohol advertising, are increasingly in the developing countries. As pointed out by McGinn (1997a), aggressive marketing of alcohol is likely to shift to developing countries as drinking-age laws are enforced and healthier lifestyles are promoted in industrial countries. Total worldwide production of beer doubled between 1970 and 1989, with developing countries accounting for most of the increase. In Africa, beer drinking has become popular only recently due to advertising campaigns. "As a result, many people who never drank before, such as young adults and even children, have begun drinking without any experience or knowledge of the dangers of overconsumption. Beer drinking in South Africa grew from 12.2 liters per person in 1970 to 39.4 liters in 1985, a threefold increase in just 15 years. By 1989, South Africans were already drinking an additional 50 per cent." (McGinn 1997a: p68-70).

Alcohol consumption is related to several health problems, such as high blood pressure, stroke, heart disease, and to diseases of the liver. Alcohol consumption was linked to 1.2 million deaths worldwide in 1993. Most of these deaths were due to damage to the liver, whilst more than a third was caused by drunk driving accidents. During the 1980s, 85 percent of fatal road accidents in Papua New Guinea involved drunk drivers or drunk pedestrians, and in South Africa alcohol accounted for half the deaths due to traumas for adults aged 14 to 60. Moreover, drinkers are also more likely to commit homicide or domestic violence. In Russia, 70 percent of crimes are committed by people while under alcohol influence whilst in Mexico, nearly half the people found guilty of homicide were intoxicated at the time of the murder. Studies also show that in South Africa, 65 percent of the domestic violence cases in the Cape Metropolitan Area and 75 percent in rural areas of the Southwestern Cape are alcohol-related. Alcohol is also a major cause of disability and psychiatric illnesses. Alcoholics suffer from unemployment, loss of income and reduced work productivity. In the United States, "alcohol's toll topped $98 billion in combined medical costs, lost productivity and premature mortality, a 40 percent increase since 1985." (McGinn 1997a: p68-69).

Another example of the negative effect on human development of unethical marketing and inappropriate consumption can be found in the pharmaceutical industry. There is a lot of evidence that the industry has been making use of double standards in the promoting and marketing of drugs in the Third World as compared to the industrial countries where there are stricter safety regulations. Drugs that are ineffective or dangerous (many of which are banned or severely restricted in industrial countries) are exported to developing countries. In a detailed survey of pharmaceutical promotion in the Third World, the Canadian doctor Joel Lexchin (1995: P3) concludes: "All too often the industry is guilty of promoting and selling drugs that are useless and/or dangerous. Even with drugs of proven value the excesses in promotion contribute to the inappropriate use of these drugs. Drug companies literally bribe doctors into prescribing their products. Promotional material often extends indications for drugs into areas for which there is no scientific evidence, and side effects and contraindications may be minimised or in some cases ignored." Lexchin also provides details of how the multinational companies practice double standards in their promotion, to both doctors and consumers, being more restrained and factual in industrialised countries than they are in the Third World.

Lexchin also points out the consequences of uncontrolled promotion that are felt at three levels:

** Doctors who depend heavily on the drug companies for their information prescribe less appropriately. They are more likely to prescribe the wrong drug for the wrong condition in the wrong dose for the wrong length of time.

** Consumers who are on the receiving end of these prescriptions spend what little money they have on products that, at best, will do nothing for them or, at worst, will make them sicker.

** Third World governments that often have minimal drug regulatory programmes, spend their limited resources on useless and/or dangerous drugs, either by paying for them, trying to control their promotion, or dealing with the results of their use.

Lexchin's study contains many case studies of inappropriate drug promotion and their negative effects, which left him "deeply disturbed." Among the examples cited are advertisements advocating the use of anabolic steroids for malnutrition; advertisements claiming that drugs can be used to alleviate a lack of concentration and initiative; and advertisements that promote the use of anti-diarrhoeal products that lead directly to the death of children in Pakistan.

Lexchin's book is one of many studies that have been made in the past 15 years, showing the unethical nature and the dangers of drug company promotion. In the 1980s, the Consumers' Association published a series of several reports on specific pharmaceutical drugs, providing details of the double standards in their marketing in developed and developing countries, and the serious health effects (including the deaths of patients) arising from the use of these drugs.

Recently there has also been an upsurge of concern about the over-prescription of antibiotics by doctors and by the excessive or wrong use of antibiotics and other drugs in animal feed, both of which are catalysed by the sales promotion practices of the pharmaceutical companies. This issue is examined in some detail in two recent books by the Consumers' Association of Penang (1995, 1996). Besides the immediate health problem to consumers that suffer from the side effects of these drugs, the overusage has also contributed to the rapid increase in resistance of many bacteria to a wide range of drugs. As these bacteria develop multiple drug resistance, there has been the re-emergence of epidemics of infectious diseases, including tuberculosis, malaria and cholera, as well as the emergence of "supergerms" such as methicillin-resistant staphylococcus aureus (MRSA) which are resistant to almost all available drugs. Indeed, medical analysts are now concerned about the imminence of a "post-antibiotics" world, in which the known range of antibiotics would be useless in treating an increasing number of deadly diseases.

Thus, the inappropriate marketing, prescribing and use or consumption of a very important category of product (pharmaceutical drugs) has led to a serious health situation, which in turn has very serious implications for the future prospects for human development worldwide.

(f) Negative socio-economic consequences: increased household and national debt.

There are negative socio-economic consequences of the present dominant consumption patterns. One of the major effects is the high and increased levels of debt at the household and the national levels.

The consumer culture, together with the spread of financial instruments, leads many households to debt. Banks and other financial institutions are now providing a wide range of loans to the middle class, many of whose members become highly indebted, for example through house mortgages and motorcar loans, loans for the purchase of share equities, and expensive purchases through the credit card. Often, the man and woman in a middle-class family have to take second jobs in the continuous effort to pay the monthly loan and credit installments.

The working classes and the poor are usually even more indebted. This is mainly due to their already inadequate income levels, but also to the pressures and pulls of being in a highly materialistic consumer culture. The lower-middle and working classes are also provided loans to purchase consumer items they could not otherwise afford through outright purchase. These credit instruments include payment by hire-purchase schemes (through monthly installments) offered by finance companies. Instalment payments are also arranged by some companies and by direct-selling agents. Through these credit facilities, the poorer sections of society are induced to buy modern products that are otherwise beyond their means. Thus, young farmers and urban contract workers purchase motor-cycles, whist poor rural or urban housewives buy new furniture, clothes and jewellery on instalment basis. In the plantation-company estates, direct sales agents for companies appear on the workers' pay day to persuade the families to buy new clothes or new household items and gadgets, and other salesmen may be selling alcohol to the male workers. Many developing countries also can fall into heavy external debt due to high imports of luxury consumer goods and services. Through this process, many poor workers and their families get indebted. Often, at some stage, they are unable to meet their instalment obligations, and the goods are repossessed. Thus, the hard-earned income, ploughed into modern goods that are beyond their means, is lost on the temporary possession of these goods, which they eventually lose through default in instalment payment.

At the national level, participation in the global modern consumer market (coupled with participation in the financial and investment systems) has also led local private companies, governments in the South and their countries into heavy debt. Many developing countries are highly import dependent, with high imports of essentials (such as food and medicines) as well as luxury goods and services (including motorcars, housing materials and household goods, and travel and education abroad, in demand by the upper and middle classes). Often, the demand for imports is fuelled during periods of easy availability of foreign funds, as in the 1970s period of high oil prices and the recycling by banks of the foreign exchange surpluses of oil-exporting countries, and during periods of high inflows of short-term and speculative capital into the stock markets and banks of some developing countries. Since such a large part of foreign credit is spent on imports of consumer goods, or on relatively unproductive or inefficient projects, the debts became unsustainable. The problem has been compounded by the significant and continuous decline of export commodity prices, which especially afflicts the many commodity-dependent economies. Countries experiencing currency depreciation have the extra problem of having to pay more in local currency to service external debts. This problem affects both private companies and the governments that contracted the debts. Several countries thus got into serious difficulties in servicing their external debts and in their balance of payments, with the loss of foreign reserves. Many of these affected countries had to undergo structural adjustment programmes.

Thus, for several developing countries, the opening up to the inflow of foreign consumer goods and services, supported by foreign loans and investments, resulted in a temporary increase or even boom in expenditure on imports of consumer items, but this became economically unsustainable because of the balance of payments constraint and the unmanageable level of debt. The implications of adopting the dominant global consumption patterns in developing countries can thus be severe and serious. They should be studied more thoroughly, and policy recommendations should be formulated on the proper management of consumer expenditure and its patterns, in order to avoid excessive or unsustainable national debt and balance of payments deficit.

Even in developing countries that are significant exporters of industrial products, it is difficult to manage economic policies (including consumption expenditure) in a way that is consistent with a sustainable balance of payments. The economic crisis in Thailand, where the devaluation of the baht in July 1997 triggered currency and financial turmoil in the Southeast Asian region, showed once again how large inflows of foreign capital, when not properly managed, can lead to major economic problems. The inflow of foreign funds led to a rapid expansion of loans and credit, that were channelled too much to the property and equity markets and to consumer expenditure. When several financial institutions got into difficulties as many of the loans became non-performing, and with the balance of payments coming under pressure, foreign funds lost confidence in the economy and the currency and stock market fell sharply. The currency depreciation in turn added to debt repayment problems. The Thai case shows that even high-growth and high-export economies may find that their patterns of consumption, production and credit are not sustainable, if not managed well enough.

(g) The impact on culture.

The dominant consumption patterns place a premium on materialistic pursuits and the ownership of fashionable, branded goods and services as the main goals in life. Further, advertising and the entertainment industry have shaped the cultures, lifestyles and aspirations of large numbers of people across the world, leading to an increasing monoculture of consumerism at the expense of cultural diversity.

This consumer-culture global pattern also has its effect on development. According to Hamelink (1994: p112): "The Mcdonald type cultural conquest has an important impact on economic development patterns and may well raise serious obstacles for self-reliant economies. Its greatest success is the world-wide emergence of consumer societies. McDonaldisation sells very persuasively a consumerist, resource-intensive lifestyle that this world's ecology can ill afford. What matters most is that McDonalisation reduces local cultural space. The process of cultural globalisation is engineered by forces that are intent on reducing local cultural space. The aggressive around-the-clock marketing, the controlled information flows that do not confront people with the effect of an ecologically detrimental lifestyle, the competitive advantage against local cultural providers, the obstruction of local initiative, all converge into a reduction of local cultural space."

PART 6. SOME EFFECTS OF DOMINANT CONSUMPTION PATTERNS ON THE ENVIRONMENT AND SUSTAINABLE DEVELOPMENT.

The dominant global (and national) consumption patterns affect the environment negatively through resource depletion and pollution. This section will deal with these two issues, examine the concept of "ecological footprints" and provide examples of the environmental effects of wasteful consumption.

(a) Rapid depletion and pollution of resources

A large part of the world's natural resources, such as forests, biodiversity, energy, minerals and land are being depleted and used up for production to cater to the dominant consumption patterns. There is also a high degree of relative "wastage" of these resources for luxuries or unnecessary goods and services even as there is a lack of resources in providing for basic necessities.

The world is also suffering from very high levels of pollution and the contamination of water, air and land resources to the point of threatening planetary survival. Pollution and its effects, for example climatic change due to the buildup of Greenhouse Gases in the atmosphere, is very much related to the dominant patterns of consumption. Much of the world's pollution is generated during the production and use of non-essential goods and services, and the extraction of materials and disposal of waste relating to these production and consumption processes.

A good example is the phenomenon of climate change, which is one of the gravest environmental threats faced by the world. Climate change (manifested by the trend increase in world temperatures) is being induced by the pollution of the Earth's atmosphere by Greenhouses Gases. The buildup of these gases in the atmosphere results in the Greenhouse Effect, generating warmer temperatures. The main Greenhouse Gas is carbon dioxide, that is released from the burning of fossil fuels, from the exhaust of motorised vehicles, and from industrial pollution. The activities that give rise to carbon dioxide emissions are mainly linked to the modern consumer culture and lifestyles and their products.

The most visible link between global warming, pollution and the consumer culture is the private motorcar. The exhaust of cars is a very significant portion of the total Greenhouse Gases released in the atmosphere. From a global and human development viewpoint, the private car is an inefficient means of transport as it is expensive and owned by only a small minority (and thus serves the transport needs of a privileged few) but it uses up a large amount of raw materials in production and fuel in operation, thus contributing greatly to resource depletion and pollution. It takes up a lot of valuable space for roads and highways as well as parking bays in urban areas and in the owners' houses. Although occupying so much road space, it transports only a few people (often only the driver) as compared to public transport (for example a bus that uses perhaps twice the road space as a car can transport 40 people at the same time). Also, most of the time, the private car is not in use as it is parked at home or the place of work, whereas a taxi or bus is constantly performing transport services. Despite the relative superiority its efficiency, public transport remains neglected and undeveloped in most developing countries whilst public land and other resources are allocated for the private car.

(b) Ecological footprints: the case of commercial aquaculture producing shrimp for the luxury export markets of the North, causing ecological and social disruption in the South.

"Ecological footprint" is a relatively new concept, which is designed to reflect the land area necessary to sustain the current levels of resource consumption and waste discharge by a given human population. It makes use of land area to measure the "load" imposed by a given population on the environment. This concept supplements the other concept "carrying capacity", which measures the population that can be supported indefinitely in a defined habitat without damaging the ecosystem it depends on.

In introducing the "ecological footprint concept", Rees and Wackernagel (1994), put it this way: "Now the inverse of traditional carrying capacity provides an estimate of natural capital requirements in terms of productive landscape. Rather than asking what population a particular region can support sustainably, the question becomes: How much productive land and water area in various ecosystems is required to support the region's population indefinitely at current consumption levels?"

Rees and Wackernagel found that for developed regions, per capita primary consumption of food, wood products, fuel and waste-processing capacity co-opts on a continuous basis up to several hectares of productive ecosystem, the exact amount depending on the average levels of consumption. This average per capita "personal planetoid" is used to estimate the total area required to maintain any given population. This aggregate area is the relevant community's total "ecological footprint" on the earth.

According to Rees and Wackernagel: "This approach reveals that the land "consumed" by urban regions is typically at least an order of magnitude greater than that contained within the usual political boundaries or the associated built-up area. However brilliant its economic star, every city is an entropic black hole drawing on the concentrated material resources and low-entropy production of a vast and scattered hinterland many times the size of the city itself." They conclude that "high density settlements 'appropriate' carrying capacity from all over the globe, as well as from the past and the future."

The ecological footprint concept is an important and innovative concept that enables us to measure the impact of a particular set of consumption patterns and a particular level of consumption on the environment. This is a crucial complement to the most-used estimates of environmental degradation, which are rates of resource depletion and rates of pollution at particular locations. The footprint concept is especially valuable for discussions on the impact of specific countries or regions on the global environment, and in this context the respective roles of countries of the North and South in global environmental degradation. In most such discussions, focus is usually placed on the most visible aspects of environmental degradation, such as tropical deforestation and high pollution rates in factories without anti-pollution devices; thus, developing countries are often pinpointed as having low environmental standards. The counter-argument of the South is that the North's over-consumption and wasteful lifestyles are much more significant factors. It is however difficult to measure over-consumption and lifestyles. In this context, "ecological footprint" is a valuable concept and instrument providing estimates of the impact of consumption on the global environment.

In their pioneering paper, Rees and Wackernagel (1994) estimated that the people in the Vancouver-Lower Fraser Valley Region of British Columbia, Canada depend on a land area 22 times more than its own for food, forest products, energy and assimilation of carbon dioxide emissions. To support just their food and fossil fuel consumption, the region's 1.7 million people require, conservatively, 8.7 million hectares of land in continuous production, whereas the valley is only about 400,000 hectares. The regional population therefore 'imports' the productive capacity of at least 22 times as much land to support its consumer lifestyle as it actually occupies. Rees and Wackernagel also conclude that European countries live far beyond their ecological means. For example, the Netherland's population (which has a population density similar to that of the Lower Forest Valley) consumes the output of at least 14 times as much productive land as is contained within its own boundaries. In other words, to provide for their consumption, its people use an area 14 times larger than their country.

The authors also find that, with the present consumption levels: (a) 3.46 hectares of land is required to produce the biomass energy equivalent of current fossil energy consumption each year by an average Canadian; (b) the average Canadian requires 0.16 hectares of forest land in continuous production to provide for his or her use of paper each year; (c) The average land area per person covered by roads, highways and railways in the United States is
0.05 hectare.

The ecological footprint concept is also useful to highlight the impact of consumption patterns on the environment, including across countries. For example, by making particular consumption choices, consumers in the North may, often unknowingly, be involved in a production-trade-consumption chain having an adverse ecological effect at the source of production, which may be a country or countries in the South.

An interesting example are the large shrimps (of which the "Tiger Prawns" is a popular variety) produced in large commercial aquaculture ponds in many Asian and Central and South American countries, largely for the markets of rich countries (Europe, the US, Japan and South Korea) where shrimps fetch a high price and have become a fashionable and expensive cuisine item. In contrast to the small-scale traditional and ecologically sustainable aquaculture practised by many generations of villagers in Asia, the corporate-owned shrimp farms are a relatively new industry, which has expanded through many countries in recent years. Since the 1970s, global production of cultured shrimp has jumped by incredible rates, mostly in Asia which in 1990 produced 556,500 metric tons or 80 per cent of the world output. In the same year, it was also estimated that 820,000 hectares was being used for coastal shrimp aquaculture in Asia.

Shrimp aquaculture is plagued by a wide range of environmental and social ill effects. The projects have destroyed the coastline ecology (including valuable mangroves and wetlands), polluted seawater, deprived fisherfolk of their landing areas, depleted groundwater and poisoned farmlands of surrounding villages. Thousands of miles of shoreline in India, Bangladesh, Thailand, Malaysia, Ecuador and Mexico, among others, are affected. Hundreds of farming and fishing communities are protesting against the intrusion into their lands and the despoilation of their land and water resources by the aquaculture farms.

Another negative feature is that many the aquaculture projects appear to have a very short lifespan, as ecological factors make them physically unsustainable within a few years. This has been the experience of some of the most important producing countries, especially Taiwan and Thailand. In Taiwan, cultured shrimp output tumbled from the 1987 peak (when it was Asia's biggest producer) of 100,000 metric tons to 20,000 tons in 1989 due to epidemic-level diseases due to over-intensive production and the indiscriminate use of toxic chemicals and antibiotics also decreased the resistance of shrimps to diseases. In Ecuador, export of the western white shrimp fell from 70,000 tons in 1980 to 35,600 tons in 1983, recuperating to 48,000 tons in 1990, also due to environmental reasons.

In late 1996, in a case filed by communities affected by aquaculture, the Indian Supreme Court made an order to close down all commercial aquaculture projects in a country, a decision hailed as a major victory for social and environmental concerns. During the case, a cost-benefit analysis commissioned by the Court concluded that shrimp aquaculture in two states caused more economic harm than good. In Andra Pradesh, the social and environmental costs outweighed the economic benefits by a ratio of four to one whilst in Tamil Nadu the losses were one and a half times greater than the gains.

In a paper comprehensively reviewing the ecological footprint concept for seafood production, Carl Folke et al (1996) estimates the ecological footprint (in terms of marine and coastal resources) of various types of seafood production and waste assimilation. The paper quantifies the appropriated marine and coastal life-support area of human activities such as fisheries, aquaculture and seafood consumption in cities. The concept indicates biophysical limits to the growth of these activities. This is significant since global marine fish stocks are seriously overharvested, and spawning and breeding grounds worldwide are increasingly degraded.

The authors find that: "Intensive aquaculture, such as salmon or shrimp farming, is not a substitute for fisheries. On the contrary, intensive aquaculture largely depends on fisheries to harvest the seafood which is given to the cultured species in the form of pellets. Intensive aquaculture has also generated environmental impacts that deteriorate spawning grounds of commercially valuable fish and shellfish, as well as recruitment of larvae to aquaculture itself, as experienced for example in Thailand...The 'unpriced' or 'hidden' support from coastal and marine ecosystems to intensively cultured species is quite substantial."

A study of semi-intensive shrimp farms in the Bay of Barbacoas on the Caribbean coast of Colombia estimates that to be sustained, a semi-intensive shrimp farm needs a spatial ecosystem support, or ecological footprint, that is 35 to 190 times larger than the surface area of the farm. The "footprint" includes the marine area needed to support the fish catch for pellet manufacture, and the mangrove nursery for shrimp postlarvae (which may be as much as 160 times the size of the cultivation pond). The total pond surface area of Colombia's shrimp farms in 1990 was 2,915 hectares, which implies that the size of the mangrove support system supplying postlarvae for Colombian shrimp farming was between 875 and 2,300 square km. This is equal to 20-50 per cent of the total mangrove area in the whole country. According to the authors, more intensive farming would need even larger support areas per pond area. For example, estimates from Southeast Asia indicate the mangrove forest area needed to filter the nitrogen and phosphorus load (from shrimp ponds) can be up to 22 hectares per hectare intensive shrimp farm, while the corresponding area for semi-intensive ponds is about 2 to 3 hectares.

The paper also reviews the conclusions of various other studies. It concludes that fish farming in cages depends on marine ecosystem areas as large as 20,000-50,000 times the area of the cages for producing its food and 100-200 times for processing parts of its waste. "Hence, to perceive fish farming as it really is and to deal with its problems one must expand one's thinking and action far beyond the site of the farm." In the case of salmon farmed in cages in Sweden, a study estimated that the production of the fish content of dry pellets fed to the caged farmed salmon demands a supporting marine production area about 40,000-50,000 times the surface area of the cultivation.
Based on this result, it was estimated that an annual production of 80,000 tonnes of farmed salmon in Norway would require about 15% of the primary production of the fishable area of the North Sea, challenging the North Sea fisheries that are already on the edge of overexploitation. In 1994, 290,000 tonnes of salmon were farmed in Norway!

Another study that was reviewed in the paper estimated that the largest cities of the Baltic Sea drainage basin appropriate a marine shadow area at least 133 times their actual area. This area is required to support the cities with their present seafood consumption. If the fish resources were derived only from the Baltic Sea, the 22 million city inhabitants would appropriate 70% of the Baltic Sea area. Due to trade this is not the case as trade enables the appropriation of marine ecosystems outside the Baltic Sea basin. The role of trade is obviously significant in an estimate of the marine footprint of the 85 million people living in the Baltic Sea basin: they appropriate for their seafood consumption an area corresponding to three Baltic Sea areas.

The paper refutes the claim that the modern aquaculture industry will add to yields in ocean fisheries or replace the decline in fisheries harvests. On the contrary, exploitation of fish to support the monoculturing of fish and shellfish with food may further reduce important fish stocks, and there is a risk that fish now consumed by humans will be exploited for fish meal production. Thus, the concept of marine footprints is useful in illustrating ecological constraints.

The paper also challenges the claim that we do not need to worry about ecological footprints as trade makes it possible for people to get seafood from elsewhere. Relying on trade means people in one part of the world depend on their access to seafood and marine ecosystem functions outside the boundaries of their jurisdiction. "Cities and nations that rely on trade for their seafood consumption will have limited ability to influence the use of foreign coastal and marine ecosystems on which their consumption depends. Furthermore, people do often not perceive that their consumption decisions may contribute to environmental degradation and loss of food resources in other countries. An example is the consumption of large shrimps, which causes mangrove destruction that may result in decreased fish reproduction, and thereby lower fishing catches, not only for subsistence economies and domestic fisheries but also for other countries exploiting the fish stocks."

(c) Examples of the links between environmental degradation and luxury or wasteful consumption.

Earlier sections of this paper have made the point that luxury consumption patterns and products, or wasteful patterns and products, have adverse ecological effects, which are not justified by the benefits they may bring.

This point can be illustrated through the following examples.

(1) Tourism and Golf

International tourism has emerged as one of the fastest growing consumer industries. It is expensive, and thus accessible only to the global elite. It also has far reaching environmental and cultural effects, as the dominant type of tourism uses up a lot of resources, and it also affects the local cultures of host countries.

The tourist industry involves a wide range of activities and facilities, which are dominated by TNCs: airlines, hotel chains, tour operators, the food and beverage industry, golf courses and advertising. In addition are the airport and road infrastructure and the construction industry. As pointed out by Anita Pleumarom (1996): "Most of the tourist money is spent on airfares and foreign-run hotels and never reaches the local economy (of the South). In addition, high foreign exchange leakages occur due to tourism's high import content of goods and services as well as the employment of expatriate staff. As a result, Southern countries often receive less than one-third of the tourism revenue."

In recent years, responding to criticisms on its adverse ecological effects, concerted efforts were undertaken by the tourism industry and the World Tourism Organisation to promote a new image. The results include eco-tourism and sustainable tourism. In that scenario, golf courses, theme parks and beach resorts have now been projected as "green" projects.

Many countries in the South have latched on to tourism as the next big revenue earner. The most rapid developments are in Asia where golf tourism exploded in the late 1980s into the mid-1990s. Coastal areas, coral reefs, islands, forested hills have all been targeted for by tourism development, often with devastating ecological effects such as soil erosion and damage to watersheds caused by hill cutting, and pollution of seas and beaches. Massive amounts of freshwater are siphoned to tourist resorts, depriving rural people of irrigation water in a number of cases. Tourism projects also take up large areas of land (including for golf courses, large resorts and roads) whilst also often displacing farming, fishing and poor urban communities which are often evicted without adequate compensation or alternative land resources.

The irrational use of scarce critical resources is highlighted by the tourism-golf industry. Golf courses (which cater to both tourists and the local elite) make use of large tracts of valuable land, often displacing small-scale agriculture as well as the dwellings of local communities. In some city areas, there are dozens of golf courses as golf is a lucrative business and yields a high profit for the private exclusive clubs. The land could have been used instead for agriculture, low-cost housing, or public parks and recreational facilities for ordinary people (which are usually much lacking in Southern city areas). The amounts spent by golf players on golf club membership, games, equipment and the maintenance of the turf is very high. To maintain the quality of the turf, large amounts of weedicides and other chemicals are used, and these pollute the surrounding waterways. Also, watering the large green areas of the golf courses make use of large quantities of water, which is fast becoming a scarce resource.

International tourism also plays an important role in spreading the dominant global culture throughout the local host countries, as the hotels and tour operators try to cater to the perceived needs of the rich, Northern tourists and their consumer-demand tastes. As pointed out by Pleumarom (1996), tourism has been a major driving force to prepare South countries for global culture which is now set to destroy local people's rootedness and identity. "For local communities having experienced mass tourism, life has become an aspect of commerce (countries like Thailand and Singapore even cash in on their people's 'smiles'), and their traditions, customs and values are constantly subject to blatant assaults. Free trade and investment will only speed up the process of homogenizing and commoditizing everything which characterizes unique and diverse local culture, mainly for the benefit of vast tourism and entertainment conglomerates. Although far from improving the quality of life, people in the South have subsequently also begun to embrace the unsustainable and wasteful buy-in culture and lifestyles originating in the North -- including tourism and other leisure activities -- which further disable them from celebrating their own culture and providing useful goods and services for themselves."

(2) Lifestyles and Tropical Deforestation

Deforestation is one of the greatest global environmental problems. Since Rio Earth Summit of 1992, the condition of the world's forests continue to deteriorate at a rapid rate, indicating a failure so far to check the situation overall, let alone reverse the deforestation process. A FAO report released in

March 1997, "The State of the World's Forests 1997", shows continuing high rates of deforestation in 1990-95 during which an estimated 11.3 million hectares of forests were lost worldwide yearly on average In the five-year period, forests in developing countries decreased by 65.1 million ha. This was partly offset by an increase of 8.8 million ha. of forest in developed countries. Thus, in net terms just over 56 million ha. were lost. The report estimated the annual rate of loss in the developing world at 0.65%. Natural forests in developing countries decreased by 13.7 million ha annually in the 1990-95 period. This is still high, although slightly lower than the 15.5 ha per year in the decade 1980-90. Deforestation was also highest in the tropical zone of developing countries, with the highest annual rate of loss of 0.98% in tropical Asia-Oceania. In developed countries, deteriorating forest condition remains a serious concern in Europe and North America; major threats include forest fires, pests, diseases and air pollution.

The data show that there has hardly been progress overall in the forest situation since UNCED. Where logging is concerned, as the area of loggable forests decline in many countries, timber activities have opened up in several new regions and countries, and there are also further plans to provide logging concessions over vast tracts of tropical forests.

There are many factors causing the destruction or degradation of tropical forests, including conversion to agriculture, logging, mining, construction of dams, forest fires and urbanisation. Research has shown that there are significant links between deforestation and the global patterns of consumption.

A significant part of the land converted from natural forests to agriculture in many developing countries is used for plantations to supply the export crops needed to service the consumption patterns, mainly of the Northern countries and the Southern elites. In the colonial period, large tracts of forests were cleared to plant rubber (used mainly for motor vehicle tyres), cotton, coffee, tea, spices and other commercial crops, or to mine minerals, all of which were raw materials for the industries catering to the demand patterns of the industrial-consumer societies. After Independence, most developing countries have continued to clear forests to expand their primary commodity exports.

In recent decades, tropical deforestation has continued to cater to consumer demand. As at the late 1980s, industrial countries produced 80 percent of the world's industrial wood, but even this is insufficient for their consumption, so they imported much of the Third World's tropical harvest as well. (Khor 1986). Japan alone imported over half the volume of all tropical wood exports, Europe imported more than a quarter (mainly from West Africa) whilst North America's supply came mainly from Latin America. Most of the wood is used in the rich countries for housing, furniture and high-class joinery. Tropical timber is durable, high-status and even exotic and thus in high demand.

Of major concern is the wasteful wood consumption in rich countries. In Japan, almost all restaurants serve food with **waribashi**, or wooden disposable chopsticks which are thrown away after a single meal. In restaurants and canteens, the waribashi has displaced the traditional and durable chopsticks which are washed after meals and used for years. In 1983, 20 billion pairs of **waribashi** were used in Japan, equivalent to 170 sets of chopsticks thrown away a year for each Japanese, according to research by the Japanese Committee on Asian Tropical Forests. The Committee estimated that half of the wood used to make the waribashi came from aborad, mostly from Southeast Asia. The Committee's representative Yasuko Higuchi said that "the waribashi is symbolic of the Japanese lifestyle based on mass consumption and waste. Ordinary Japanese, especially housewives, can link this wastefulness in Japan with tropical forest logging through our anti-waribashi campaign." The waribashi was estimated in 1985 to use up 200,000 cubic meters of timber a year, a sizeable amount but only 0.2 percent of Japan's wood usage. Most of the tropical wood imported by Japan is converted into building materials, household furniture, cabinets and wooden packing cases.

Rainforest campaigners report that in Central America the forests have been chopped for the making of hamburgers. Between 1960 and 1980, over a quarter of all Central American forests were converted to pastureland, according to testimony before a US Congressional Subcommittee in 1980. The grass-fed cattle have mainly been exported as beef, almost all of it to the United States, to be used by fast-food chains for making hamburgers, according to the US-based Rainforest Action Network.

In the United Kingdom, a large part of the tropical hardwood has been used in house construction and for expensive office and household furniture, for high-class fittings such as doors, floors and window frames, and for transport and packaging materials. In its campaign to educate the British public, the U.K. Friends of the Earth uses the fashionable mahogany toilet seat as a striking example of how "every year 11 million acres of rainforest are destroyed for the sake of convenience."

However, the wasteful consumption of wood is not confined to tropical wood. Indeed, much of the wood used in the world comes from Northern countries' forests. A significant part of the wood is used for making paper, and in turn a significant part of paper use is for the production of newspapers and magazines. Yet again, a very large portion of the space in newspapers in Northern countries is used up for advertisements. Many readers simply throw away more up to or over half the newspaper sections which contain advertisements without even looking at them. In their estimation of ecological footprints, Rees and Wackernagel (1994: p374) show that each Canadian on average requires 0.16 hectare of prime forest in continuous production to provide the fibre for paper. This is because Canadians consume 6,2 million tonnes of paper each year, and for each tonne of paper 1.8 cubic meters of wood are required. As prime temperate coniferous forest land produces 2.7 cubic meters per hectare of wood per year, each of the 25.6 million Canadians requires 0.16 hectare of forest for producing his or her use of paper.

The linking of consumption to resource use leads to interesting conclusions. The Indian environmental scientist, Dr Vandana Shiva, points out: "All along, poor people have been wrongly blamed for taking wood and destroying the rainforest. Now we know that is not true. The forest resources of the poor were taken from them by logging operations, so they were pushed further back into the hills and forced to collect wood from remnants of the forest. The roots of the problem are the wasteful lifestyles of rich consumers and the timber industry." (Khor 1986).

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