

CONSUMPTION IN DEVELOPING NATIONS

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Summary

Consumption practices in developing countries have been deeply studied along with the modernization process. Yet, contradictory consequences of modernization and alternative effects of consumption have spurred an ongoing debate. Particularly with the emerging process of globalization, several studies have tried to come to a point on consumption in developing countries. In this writing, different patterns of consumption will be analyzed, pinpointing the influence that western goods and models of consumption have on other countries. Holding on the analysis of multiple aspects—such as characteristics of goods and preferences, imitation and emulation processes, diffusion of information technology and mass-media—it will underline the intertwined relationship between economic, social and cultural phenomena, which produces both positive and negative outcomes in those countries. On the one hand, some countries, having already introduced the latest technologies, are on the spot to leapfrog the economic gap with the developed nations and to adopt western models of consumption with a more conscious and aware attitude. On the other hand, the different speeds by which economic and social processes are spreading all over the world may have consequences in terms of widening inequalities and deepening poverty and social exclusion. For these reasons, it is extremely important to study further the diffusion of globalization in order to ameliorate the current theoretical framework related to consumption behavior. In fact, there is evidence for a combination of local and global

paths, suggesting original models of consumption.

1. Introduction

The following paragraphs are meant to give a broad overview of the trends and peculiarities of the large phenomenon of consumption in the less developed countries, while providing a general theoretical framework, to assist understanding of consumption choices. Since 1950 global consumption expenditure has grown impressively. It has doubled the level of 1975, and now exceeds that of 1950 by a factor of six. There is a clear relationship between consumption and development because the rising living standards have enlarged and enriched the choices and the capabilities of households. But the twentieth century's growth has been poorly distributed, contributing gaping inequalities too. Increasing standards of consumption are usually associated with pressure of competitive spending and conspicuous consumption. In the less developed countries it often has consequences in terms of widening inequalities and deepening poverty and social exclusion. Starting from a description of general trend in these countries, both positive and negative aspects and consequences of consumption will be described.

It has long been recognized that consumption patterns in developing countries are influenced by the consumption behavior of richer societies. How widespread is this influence and what effects are produced on Third world consumers' behavior are debatable questions. Starting from the well-known contribution of Nurske who referred to the notion of "international demonstration effect", others formulations will be briefly analyzed in order to understand the effects of the exposure of the poor countries to the developed ones. Then, the attention will move towards sociological approaches that tried to explain both the formation and the changes in tastes and consumers' behavior. Particularly those sociologists who have studied the processes of modernization, have included variables other than the economic ones in analyzing how tastes and values are formed in developing countries. The general phenomenon known as globalization plays an important role and both economic and social outcomes have to be taken into account. Later on, the description of global consumption will focus particularly on its economic and social consequences with special attention to the development of information technology and mass media. In fact, they seem to have a relevant impact on these countries in terms of diffusion of western consumption patterns.

2. Consumption in a global world

In order to have a comprehensive and clear overview of world consumption, both positive and negative aspects have to be considered. As the next paragraphs will depict, consumption has enhanced and fostered opportunities of economic development and of social improvement but it has produced negative social and environmental consequences.

Accordingly to the findings of the Human Development Report 1998, consumption per capita in industrial countries has regularly increased by about 2.3% over the past 25 years, while in East Asia it had a significant peak with a rate of 6.1%, compared to 2.0% in South Asia. By contrast, there are several countries where the consumption growth

has been stagnant and difficult. The average African household has 20% less at its disposal than 25 years ago. Inequalities and bad consequences of world consumption for the poor countries are interrelated. For example, impact on the environment is more a compelling problem for the less developed countries than for the richer ones, because—even though the majority of consumers are concentrated in the latter—the less developed countries have to face not only their inner problems but also those transferred and de-located from the richer countries.

The global consumption has brought consistent changes in available consumption patterns in the less developed countries that are clearly testified by the growth of imports from \$2 trillion in the period 1980 to 1995—with rates up to 71% in Brazil and up to 81% in Thailand. Obviously, this growth has been particularly effective in high-speed economies like Asia and Latin America. For example, with rising incomes the Chinese urban family expenditure doubled in the period 1980 to 1994 for new durables, while it registered a decrease of nearly 10% for traditional products. Thus, purchases of televisions, washing machines and refrigerators went up by 8 to 40 times. In the mid-1980s China had 23% of the world's television receivers. India is another interesting case (see Table 1).

	Total numbers of television receivers (million)			
	1980	1985	1990	1995
World Total	561	748	918	1,157
Developed Countries	475	547	578	646
Developing Countries	86	201	340	512
Sub-Saharan Africa	4.4	7.1	13	19
Arab States	9.3	16	22	28
Latin America and the Caribbean	35	55	72	91
Southern Asia	6.1	15	34	56
Least developed countries	1.3	2.1	4.5	6.2

Source: UNESCO, Statistical Yearbook, 1997.

Table1. Growth in the number of television receivers

The wide spread of goods is not limited to the urban and middle class area. In fact, it has been said that 70% of Indian households have a portable radio, a bicycle and wristwatches. More than 20% have a refrigerator and the households owning a sewing machine rose rapidly between 1988 and 1994, from 39% to 64%. Televisions are present in 57% of households. It is important that even if two-thirds of the lowest income households in India are under the poverty line, more than 50% have wrist watches, 41% a bicycle, 31% transistor radios, and 13% fans. In a more general context, the consumption growth has pushed forward other important results. Expansions in health care, safe water and sanitation have been considerable. Improved access to education, information and communication technology has raised the potentiality of

local populations. Even the consumption of energy and the growth in transport have opened opportunities for work and general human development. On the other side, however, persisting inequalities are severe and remarkable. The top 20% of the world's highest income earners accounts for 86% of total private consumption, while the poorest 20% consume just 1.3%. The richest fifth consumes 45% of all meat and fish, 84% of all paper, 58% of total energy, and has 74% of all telephone lines. The poorest fifth consumes 5% of all meat and fish, 1.1% of all paper, less than 4% of total energy, and has 1.5% of all telephone lines. In the poorest 20% of the world's people, over a billion do not meet basic consumption needs. Given that the estimated rate needed for reducing poverty is at least 3% growth in GDP per year per capita, and despite the increased income levels in Asia, only 21 developing countries registered both increasing consumption levels and accelerating economic growth in the period 1995-1997.

It is clearly impossible to dispute that consumption is unequally spread, information of products and consumers' rights are limited, and that environmental damages and adverse social consequences will accrue, as will be shown below.

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Biographical Sketch

Laura Sartori has a PhD in sociology and social research. She teaches at the University of Bologna in the Department of Communication and is a fellow researcher at the Istituto Cattaneo, Bologna, Italy. She is currently working on the social consequences of the Internet, focusing in particular on the issues of the digital divide and digital inequalities in a comparative perspective. She is also involved in projects regarding crime, disorder and fear of crime and, more generally, the theme of social capital and local development.