Review of "Freedom from Want"

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Book Review

Freedom from Want

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Originally, the first liberal economists envisaged consumption and consumers from a pejorative perspective. Not only by the chaos and social disorganization that uncontrolled consuming generates, but also because it represents a way of destroying wealth. As senior lecturer at Central Michigan University, Kathleen G. Donohue acknowledges in her fascinating book Freedom from Want, this was until Franklin D. Roosevelt declared his four freedoms, (fear, speech, religion and want). The final one, freedom from want, was not addressed early by Puritanism and Calvinism or by classical liberalism. The era of consumers and liberal consumerism was introduced by the belief that the demand was more important than supply. If an economy postulated the importance of human
division of labor and production as the epicenter for the linear welfare and progress of nations, modern consumerism upends the message. The attention was focused on poverty and its effects on social scaffolding. As Donohue writes,

Even the classical liberals turned their attention to eradication of poverty; they continued to emphasize production rather than consumption. If one was entitled to consume only what one had produced, then, classical liberal reasoned, the only way that government could eliminate poverty was by increasing productivity (p. 4).

Paradoxically, this paves the ways for passing from industrialism to consumerism. Not surprisingly, this paradox has questions with respect to those who would benefit from a productivity enhancement; would they be the capital-owners, who seek their multiplication of profits, or workforce more interested in protecting their wages? This point divided the voices into two main contrasting tendencies, liberal capitalism, which was a wave interested in protecting the interest of owners, and socialism more prone to coordinating unionization and worker claims. Elegantly, Donohue said it was unfortunate to see how both have failed to solve this paradox.

The frenetic quest for profits led societies to adopt consumer-oriented systems of production that produced what consumers needed. This qualitative view was of paramount importance to understanding the radical change America was internally facing. In doing so the Keynesian policies fit like a glove. Strong regulatory measures as well as welfare programs disciplined the citizenship to understand the new dilemma of the modern economy:
consumerism is the only valid way in order for poverty to be eradicated. The classic mercantilist view of economy that characterized the “producerist” society from 1870 to 1900, established that consumption undermined the wealth of nation. But in what forms?

Starting from the premise that the wealth of nations was a question of equilibrium, economists thought that the only manner to boost the economy of a country was at the cost of another country. In this viewpoint, a strong commercial relationship among nations should be organized in view of trade. Whenever exports supersede imports the economy rises. However, consumption was one of the main threats of well-being simply because it reduces the goods available for export. Here is one of the ideological pillars of modern capitalism. In the outset of 20th century, economists formulated a curious quandary to overcome the obstacle of poverty. Even if mercantilists conceived a “regulated consumption,” they neglected the thesis that consumption drives the tenets of economy. However a new liberal trend instilled the belief that consumption drives economy, in what resulted that the only pathways for expanding prosperity was enhancing production. To accomplish this task, societies should import and develop strong capital investment accompanied by modern technological machines. Subordinated to this logic, an economy was compelled to the formation of extractive institutions that protected the profits of elite, while the workforce was pressed to compete for ever-decreasing low-skilled positions. The market gave interesting new opportunities for capital investment (by stimulating mass-consumption), but reducing the genuine growth of society.

After 1940, the freedom from want was related to one of human basic needs and expanded to the world as an unquestionable principle. This was undoubtedly possible
because intellectuals had discussed in earlier centuries the importance of consumption as an efficient instrument to reduce pauperism. The financial crisis in the 1930s paved the pathways for nations to embrace this paradigm without resistance. Liberals formulated “the new deal of liberalism” to transform American society, even mingling the discourse of consumption with democracy. As Donohue puts it,

This new liberal system was not without its detractors. Critics became increasingly concerned that freedom from want was being equated with a right of plenty. And they worried that material plenty was being treated as a precondition of democracy. (p. 277)

Ideologically, Americans have felt “superior” to other nations because they are enthralled as the main democratic and prosperous society; although more egalitarian at the surface, American citizens are subject to more work and consumption but less leisure. This happens because, in a pro consumer society, workers are bombarded with emulation and advertising creating the needs to buy. This not only jeopardizes their real liberty to choose, but seriously affects democracy. Detractors of capitalism, who pushed their focus on the arbitrariness of producers, were involuntarily responsible or conducive to the formation of a global society of consumers. Those denunciations of an economy that protect the interests of producers as well as the needs to adopt consumption to break the material asymmetries among classes were two guiding concepts to embrace a globalized version of capitalism, prone to mass-consumption.

This fascinating book is based on a lucid and penetrating reading of history that ranges from 1870 to 1940. The seven chapters are written in polished style that takes
delight in readers. Offering a sensitive interpretation of capitalism’s evolution, Donohue reminds one of the paradoxes of our current civilizations, at time investment in a global economy offers new channels for profits poverty increases in an accelerated and unsustainable way. Here, Donohue explains brilliantly why this happens.