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There is No Upside to a Down Economy

By: Todd Buchholz

I have no sympathy for Mr. and Mrs. "I Deserve Four Bedrooms and a Jacuzzi," the couple who saved no money, put no money down and moved into a McMansion -- from which they are now sneaking out. And yet I have grown weary of all the scolds who are treating Americans like naughty dogs, rolling up newspapers and smacking them on the snouts, shouting: "Bad American! Bad consumer! Stop spending! Get yourself a small car, a small house, or -- even better -- a pup tent in a national park!"

Maybe amid the financial wreckage we feel a natural yearning to go back to simpler times. But some of our commentators have taken this urge a little far. In April, the Chronicle of Higher Education carried an article subtitled "The Gift of Financial Insecurity," noting that, as a result of the crisis, "perhaps Americans can now begin to temper their ingrained optimism with a more elegiac sensibility." In a sweeping Time cover story, Kurt Andersen told readers that "it's time to ratchet back our wild and crazy grasshopper side and get in touch with our inner ant." Baron Layard, a British economist and the author of "Happiness: Lessons From a New Science," seems to think that we would be better off psychologically if we erased a few more zeroes from our bank accounts. After all, he says, "extra income has done so little to produce a happier society, there must be something quite wasteful about much of it." And if you type the word "affluenza" into Amazon's search engine, you'll come up with four books and a PBS special bemoaning our rise from poverty.

None of this is new, of course. "Small Is Beautiful" by E.F. Schumacher was a book that millions of undergraduates had to read in the 1970s, until roughly the time Jimmy Carter gave his fireside "malaise" speech in a cardigan sweater and looked so sad that the fire went out. Mr. Schumacher, the world's first German-born, Buddhist-British economist, argued for "enoughness," a Buddhist view that we should get by with far less. For Mr. Schumacher, modern society "requires so much and accomplishes so little." True, until you consider that in 1900 life expectancy was just 47 years.

In fact, small is not necessarily better, and there is a difference between a simpler life and the life of a simpleton. At what point in time should we declare: "Stop. Enough progress. Let's keep things simple"? Would 1 B.C. have been a good time to hit "pause"? Or July 3, 1776? Or on the eve of the 1964 Civil Rights vote? It's a good thing Teddy Roosevelt did not lock us into the standard of living of 1904 or we would never fly on airplanes, get a polio vaccination or expect to live past the age of 50. With all due respect to medicine men, who did sometimes come across valuable herbal tonics, it was daring science, not the jungle, that produced Jonas Salk. Grants from the Mellon Foundation helped, too.

Without the progress of the 20th century, Milton Berle said, we'd all be watching television by candlelight. (Of course, postal delivery might be roughly the same.) The point is that we cannot know what we could be missing by halting our climb toward affluence, any more than Emperor Joseph II could help Mozart by declaring that his opera had "too many notes."



And there is something unfair about decrying consumption at this stage in the game. Even if we simplify our lives and forswear "extra income," we will still benefit from centuries of innovation and wealth-creation that others have yet to enjoy. Make no mistake: To embrace the small-is-beautiful ethos is to crank up the drawbridge and leave a crocodile-infested moat between elites who already own Viking ranges and the masses yearning to gain access to indoor plumbing. Never mind that in the past 20 years, thanks in part to the explosion of American consumption, hundreds of millions of people around the world, now with jobs to meet U.S. import demands, have eaten three meals in one day -- for the very first time in their lives. This is a War on Poverty that we are winning! Snobs would rather downsize and turn victory into defeat.

As for the simple life, its charms wear off fast. Many tourists have tramped around Walden Pond snapping photos, but few would take seriously what Thoreau would probably advise today: to throw away our BlackBerrys and start growing real berries.

And yet there are plenty of books on happiness urging us to do something like that: to surrender our raw capitalistic drives and to leave the rat-race before the entire world turns into a Habitrail. I would argue that it is the excitement of competition -- sloppy, risky and tense -- that brings us happiness. It is the pursuit of knowledge, money and status that releases dopamine and ignites our passion. Neuroscientists report that when a person begins to take a risk, whether gambling on roulette or ginning up the nerve to ask a pretty girl to the prom, his left prefrontal cortex lights up, signaling a natural "high." Alpha waves and oxygenated blood rush to the brain. Sitting alone in a pup tent does not yield the same effects.

Humans have competed ever since Cain picked up a rock and knocked Abel on the head. And, from a historical point of view, the idea of competition has not imprisoned us but liberated us, psychologically and materially. I write this at St. John's College, Cambridge, just a few blocks from the pub where Watson and Crick interrupted lunch to announce they had found "the secret of life" (the DNA double helix). They were driven by beer, moxie, ego and competitiveness.

As Albert O. Hirschman noted in his book "The Passion and the Interests," traditional societies believed that the noble classes living in the castles were composed of fundamentally different kinds of humans from the rest of us. Kings and queens, it was thought, should pursue their passions, whereas the rest of us should just tend our sheep, drink ale and forget about the mannered and manored life. But all that changed with the rise of democracy and industrial society -- and the arrival of a broad "affluence." Now is no time to send ourselves back to a life of simple serfdom.