The Base-of-the-pyramid (BoP) strategy places the capitalist firm at the center of global poverty alleviation, allowing the firm to direct market processes that are intended to transform poor citizens of the world into entrepreneurs and consumers. Consumer researchers have overlooked the political and ideological implications of the BoP strategy. In this paper, we explore the political and ideological dimensions of the BoP strategy. Take a critical perspective of the neo-liberal agenda that underlie the BoP strategy, we conceptualize the strategy as an exercise in Foucauldian “governmentality”, whereby the BoP’s ideological and democratic pretensions trap consumers into participating in their own exploitation.

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REFERENCES


EXTENDED ABSTRACTS

“The BoP Consumer in a Neo-Liberal World”
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As recently as the 1980s and 1990s, several influential business strategists reaffirmed the need to neglect poor markets by way of near activist proclamations regarding the perceived belief that these markets offered no real value to the firm (Bartlett and Ghoshal 1989; Ohmae 1985; 1987). Framing these markets as such contributed to the corporate neglect of developing markets, save the upper crust of consumers (Prahalad and Lieberthal 1998). With the saturation of markets in the so-called developed countries and globalization becoming the philosophy that guides business strategy, abandonment of the imperialism-informed strategies of earlier decades has given way to a renewed focus on the poor consumer as the antidote to the ills of the firm in contemporary capitalism. Some have noted that this strategic shift may have been forced by contemporary global political and financial dynamics that now seems to facilitate the migration of business and political power to emerging countries (e.g., Prahalad and Lieberthal 1998). It is in this context that the Base-of-the-Pyramid (BoP) corporate strategy emerged.

The Base-of-the-pyramid strategy is a radical re-conceptualization of poverty alleviation as a problem best resolved through market processes that support entrepreneurship development on a massive scale (Hammond and Prahalad 2004; Hart 2007; Prahalad 2004). The strategy adopts the idea of consumer co-creation of value (Prahalad and Ramaswamy 2004) which, in the context of the BoP, allows the firm to coordinate— as opposed to impose—a market-based solution to poverty that recognizes the resources and potential profits at the base of the pyramid (Simanis and Hart 2008). The approach places the firm at the center of the poor’s wellbeing in that the firm invests in the market and directs the intended transformation of the poor populace into entrepreneurs and consumers toward presumed outcomes that include poverty alleviation for the BoP consumer and significant profits for the firm (Hart 2007; Kandachar and Halme 2008; Prahalad 2004). That is, the firm seeks to convert the heretofore neglected poor into a consumer by framing this individual as a potential beneficiary of corporate resources that can be mobilized for her socio-economic wellbeing. The BoP strategy thus induces a purposeful manufacturing of the consumer as a subjugated partner in a mutually beneficial set of market and consumption processes (Hart 2007; Simanis and Hart 2008; UNDP 2008).

From this perspective, the BoP is reminiscent of the “civilizing mission” that undergirded colonialism and purported to serve the interests of the colonized, in spite of its wanton disregard for their welfare (Rodney 1981). As the nation-state cedes authority to the all-powerful global firm by reason of capitalism and globalization, the firm has assumed governance responsibilities, and is applying this authority to excite local knowledge that can be converted to firm profitability (Kobrin 2001). By seeking to instigate and activate “local knowledges” through BoP strategies, the global firm engages in a crucial recasting of how to manage the BoP consumer who is now supposed—on the basis of rational choice decision-making—to freely join the world of active consumers (Triantafillou and Nielsen 2001, p.63). Consumer empowerment constructed as benevolence toward socio-economic development is transformed into knowledge that is relevant to the firm’s financial success. In essence, the BoP is a colonizing project that seeks control over market resources under the guise of consumer empowerment.

In discussing this paper, we will draw on the observation that the BoP strategy seeks a radical transformation of the poor individual into an entrepreneurial consumer who, by necessity, assumes a neo-liberal stances and employs self-monitoring technologies to operate in conformity to the predict of “free” market norms. We will conceptualize the BoP strategy as an exercise in Foucauldian “governmentality” (Foucault 1991), whereby capitalist ideology employs democratic pretensions to trap consumers into participating in their own exploitation. In so doing, we draw attention to the neglect of the political and related dynamics in the consumer culture theory project and call for increased attention to the logics and rationalities that inform contemporary consumer research.
Neoliberalism and/in Consumer Research


“Consumption as a Practice of Self-Formation: The Neoliberal Politics of Consumption (and Consumer Research?)”

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As I write this abstract, I am presented, inescapably, on television, the radio, the newspaper, and any number of online sources with what amounts to a minute-by-minute account of the incoming retail numbers for so-called Black Friday (traditionally a big shopping day on the Friday after Thanksgiving, which is on the third Thursday of November) and for “Cyber Monday,” a more recent invention that extends the Thanksgiving shopping spree online and into the following week (for many this requires shopping from work). Reeling from arguably the worst economic crisis in the history of the United States, the results of two of the biggest shopping days of the year are becoming the most important news of the week. Retail numbers are to the ailing economy what the thermometer is for the feverish patient: a way to calculate and put a number to the severity of the illness; except that in the case of the economy, the higher the number the happier everyone will be. Enlisting, or to use Althusser’s well-known term, interpellating the consumer (however “shopped out” as an active agent in the historical project of restoring America’s dithering economic as well as psychological, social, and cultural health is yet another example of how personal consumption is constructed as an act of social action, moral duty and active political participation (see Sassatelli 2007). But I think what is more important to understand is that these particular moments of intensification bring to the fore a political subject that considers the market (and the economy more generally) as the organizing and regulative principle of all aspects of the state and society; a neoliberal subject that may not act against his (class) interests, as is often suggested, but whose interests are aligned with that of the market (Brown 2006).

For many theorists in the social sciences and the cultural studies-informed camp of consumer research, consumer culture and the society of consumption have been regarded as the embodiment, long awaited, of an enlightened modernity. From this perspective, the ascendency of consumption and the democratization of middle-class materialism beginning in the immediate post-war years, “far from being supremely alienating, […] stands for the expansion of civil society, the first moment in history when central political and commercial organs and agendas became receptive to, and part of, the broader community” (Miller 2007, p.3). In light of the tight entanglements of the economic and the cultural (Slater 2002; 2005) and consumption and society, considering consumption as intrinsically political seems plausible (see e.g., the recent Hummer studies by Luedicke, Thompson, and Giesler, see also Giesler 2008; Holt 2006; Kozinets and Handelman 2004; Thompson and Arsel 2004). However, while I do not wish to diminish the importance of consumption in the organization of social, political, and cultural relations, I wish to argue that this focus on consumption misses the corresponding rise of a culture of production, in particular of the production of self-producing subjects, and a culture of selling, i.e., of selling something to someone. It misses, thus, that the expansion of consumption goes hand in hand with an expansion of the range and spheres of market exchanges.

In my comments I want to argue that the rise of consumer culture as field for democratic participation needs to be considered (and critiqued, not just reported on, which is the focus of the studies mentioned above) as part of a larger transformation of an extension of the rationality of the market, the schemes of analysis it offers and the decision-making criteria it suggests (Michel Foucault 2008, p.323). Within the project of Neoliberalism, a constructivist enterprise that intends to govern subjectivity through culture (Lemke 2001), the institutionalizing of a consumer culture becomes one element of neoliberal governmentality aimed at exhorting individuals to produce themselves as autonomous, entrepreneurial, and profit-maximizing subjects, including in domains “that are not exclusively or not primarily economic: the family and the birth rate, for example, or delinquency and penal policy” (Michel Foucault 2008). In a consumer culture (or society) the subject is morally responsible for navigating not just the market but the entire social realm using rational choice and cost-benefit calculations grounded on market-based principles to the exclusion of all other ethical values and social interests (Hamann 2009). In this account, the cultural myth of consumption as empowering and consumer choice as political expression of widespread democratization functions as a wedge to break up residual social dependencies and alternative rationalities.

I will use the case of Prahalad’s (2005) enormously popular and influential book *The Fortune at the Bottom of the Pyramid* as illustrative case to make the point that via the mobilization of the consumer (here in an “emergent” consumer culture) neoliberal governmentality targets the conduct of the individual in its entirety in an attempt to shape the individual’s orientations in a more entrepreneurial and self-reliant form. My account points to the need to understand consumer culture as a kind of ethical framework that encourages the individual to cultivate himself as an entrepreneur who considers everyone around him as a consumer (and producer) of something. Consumer culture and a society that equates rationalities of the market with civic participation and hails the consumer subject as ethical model for citizenship, has therefore the potential, following Brown (2005, p.43), to be deeply undemocratic:

“The model neoliberal citizen is one who strategizes for herself among various social, political, and economic options, not one who strives with others to alter or organize these options. A fully realized neoliberal citizenry would be the opposite of public-minded; indeed, it would barely exist as a public. The body politic ceases to be a body but is rather a group of individual entrepreneurs and consumers . . . which is, of course, exactly how voters are addressed in most American campaign discourse.”

Thus, I am arguing for “bringing in” a political economy of consumption if we are to prevent our work from replicating the

*A term frequently used by the well-known economist Nouriel Roubini of New York University’s Stern School of Business to express a situation where the vast majority of Americans is no longer able to maintain customarily high levels of consumer spending because of massive and mounting personal debt and declining incomes. Roubini maintains, therefore, that unlike less severe economic downturns in the past this recession cannot be fixed by high or even increasing levels of domestic consumption.*