Psychology rarely examines the effects of economic systems on people’s lives. In this target article, we set out to explore some of the costs of American corporate capitalism and its focus on self-interest, competition, hierarchical wage labor, and strong desires for financial profit and economic growth. Specifically, we apply recent cross-cultural research on goal and value systems (Schwartz, 1996; Grouzet et al. 2006), as well as a variety of other types of evidence, to demonstrate how the aims and practices that typify American corporate capitalism often conflict with pursuits such as caring about the broader world, having close relationships with others, and, for many people, feeling worthy and free. We hope that by bringing to light the value and goal conflicts inherent in this economic system, psychologists might begin to systematically investigate this pervasive yet paradoxically ignored feature of contemporary culture.

Human societies require systems for organizing the production, the distribution, and the consumption of the material bases of life. Throughout human history (and pre-history), a variety of different economic systems have been developed for this purpose, and each has had its own particular set of rules, institutions, and ideologies to support its functioning. For example, in the earliest known human economic organizations, small bands of tightly-knit kin groups typically hunted animals, gathered local vegetation, and lived a semi-nomadic lifestyle characterized by few personal possessions, an egalitarian social organization, and gift-giving and bartering as the primary modes of economic exchange (Martin and Shirk, 2007). Thousands of years later under feudalism, a few lords typically controlled most of the means of production, consumed a disproportionate amount of what was produced by others, and rarely participated directly in the production of those goods, leaving such work mainly to serfs tied to the land (Dillard, 1967). As we enter the 21st century, the economic system known as capitalism has clearly become the dominant means of organizing economic life around the globe. Western European, American, and Australian nations adopted this system centuries ago, many “developing” nations have recently re-oriented their social economic systems towards capitalism, and the People’s Republic of China and the former USSR have shifted away from central planning economies towards market capitalism.

Capitalism appears to have many strong points. No previous economic system has produced as much economic output or spurred as rapid a pace of technological advancement. The latter has provided many people with valuable goods and services, such as new means of communicating and traveling as well as important medical treatments. Capitalistic economies also seem to free some people from the bondage of certain types of drudgery and labor, as well as to provide many options for individuals to purchase the products and services that they desire. Many supporters of capitalism point to these and other observations in support of their conclusion that capitalism is the only possible way of successfully organizing economic life in the contemporary world; this belief has come to be known as TINA, which stands for “There Is No Alternative” (http://en.wikipedia.org/wiki/TINA).
Given the clear and ever-increasing influence of the capitalistic form of economic organization, and the strong claims sometimes made about its strengths, one might expect that the discipline of psychology would have developed a substantial literature that investigates the psychology of the capitalistic economic system and the psychological and social consequences of living under it. However, a PsychInfo search using the term “capitalis*” (to capture “capitalistic” and “capitalism”) yielded only 816 articles in peer-reviewed journals published between 1887 and May 6, 2006. Because some of these articles were from sociological, anthropological, and communications journals indexed by PsychInfo, this rather small number of articles might actually overestimate the extent of the psychological literature on capitalism. To examine this possibility, we narrowed our search to some of the most prestigious peer-reviewed journals that cover topics that might lead psychologists to mention “capitalism” or “capitalistic” in abstracts. As can be seen in Table 1, many of these journals have apparently never had an article whose abstract referred to the world’s dominant economic system, and, at most, a few journals have published only one or two such articles.1

The current target article sets out to address the lack of psychological work on capitalism by attempting to understand how its aims and goals affect institutions that organize social life and mold people’s beliefs. As such, we see ourselves as following in the tradition of psychologists who have examined other broad, distal socio-cultural features such as religions, individualism and collectivism, racism, and sexism. As these and other literatures attest, broad socio-cultural practices and ideologies often have an enormous influence on people’s self-concepts, motivation, behavior, and interpersonal relationships. We have every reason to expect that capitalism would be even more pertinent, as it is the very nature of economic systems to motivate behavior, define the role of participants, and determine rules for many human interactions and exchanges.

Indeed, capitalism shares features with all broad socio-cultural organizations that shape people’s psychological lives. Consider, for example, religion as a socio-cultural organization. Any religion, in order to maintain itself and survive in the long term, must create a set of institutions that increase the likelihood that individuals will believe in the particular ideologies supportive of that religion; both, in turn, increase the likelihood that people will engage in the behaviors that maintain the religion. For example, Christianity is characterized by a particular ideology or set of beliefs (i.e., monotheism, the divinity of Christ, the possibility of reaching heaven, etc.) that is supported and emphasized by a group of institutions (e.g., churches, religious publishing houses, and religious organizations). Both these institutions and ideologies encourage people to engage in a set of behaviors (e.g., praying, tithing, going to church, following the Ten Commandments) that are consistent with and support Christianity. That is, both the institutions and the ideologies are necessary for the religion to maintain itself, for if large numbers of former Christians stopped participating in the institutions (e.g., went to the mall rather than church) and believing in the ideologies (e.g., believed in paganism rather than monotheism), the religion would die out. Similar dynamics could be identified for political systems, such as democracy, in which particular ideologies (e.g., equal representation, human rights) and institutions (e.g., constitutions, voting laws) support the system.

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1It is possible that the psychological impacts of economic phenomena were discussed without referring to “capitalism.” Scholars in some fields use words such as “industrial society” and “market society” when referring to capitalism that may have been missed in our search. We also note that we did not include book reviews or comments on other articles in our search results.
In the same way, for a capitalistic economic system to be successful, it must be supported by a particular set of institutions (e.g., legal systems protecting private property and limiting corporate liability, organizational support from Chambers of Commerce to the World Trade Organization, etc.) and ideologies (e.g., the treatment of natural resources as private property; the primacy of self-interest; beliefs in the benefits of competition and the necessity of economic growth). By doing so, the culture encourages individuals to pursue the types of behaviors (e.g., working for a wage, investing in the stock market, consuming in large amounts) that ensure the smooth and long-term functioning of capitalism.

Just as there are many forms of Christianity (e.g., Protestant, Catholic, Eastern Orthodox, etc.), each of which has its own particular institutions and ideologies that vary around a few basic themes, there are also different forms of capitalism, such as Nordic, Asian, and third-world capitalism. In this target article, we have chosen to focus on one particular form of capitalism, namely American corporate capitalism, or what we will call ACC. There are three reasons we have chosen to explore some of the dynamics that occur under ACC in particular, rather than capitalism in general. First, as it is the system under which we personally live, it is the one that we are most familiar with and that affects us the most. Second, it seems to us that ACC is the form of capitalism that currently has the largest worldwide influence. Third, the process of economic globalization which so characterizes the contemporary world (Friedman, 1999) promotes ACC more than other forms of capitalism, thereby making it the type of capitalism most likely to influence people in the future. Thus, unless otherwise indicated, all of the observations we make only concern American corporate capitalism at the turn of the millennium.

Overview of the Current Article

We will first provide a brief description of ACC so that readers may understand its primary features. Then, building on empirical work concerning the organization of values and goals (Schwartz, 1992; Kasser and Ryan, 1996; Grouzet et al., 2005), we will present a framework for understanding how the institutions and ideologies of ACC come to emphasize one set of aims and to de-emphasize another set. Specifically, we will show that ACC fosters and encourages a set of values based in self-interest, a strong desire for financial success, high levels of consumption, and interpersonal styles based on competition. The consequence of such an emphasis is that ACC also tends to oppose, undermine, de-emphasize, and “crowd out” goals and values for caring about the broader world, cultivating close interpersonal relationships, and, especially among poorer individuals, feeling worthy and free; notably, such aims are typically associated with psychological well-being, optimal performance, social cohesion, and ecological sustainability (Deci and Ryan, 2000; Ryan and Deci, 2000; Kasser, 2002), and thus their conflict with the aims of ACC might be of interest to many psychologists. We will then review theoretical, empirical, historical, cultural, and anecdotal evidence to provide further support for our observation that the institutions and ideology of ACC often work against the aims of helpfulness, intimacy, and personal freedom.

Before we begin this endeavor in earnest, we ask our readers to keep three issues in mind.

First, our discussion is limited in many ways. For example, the page limits on this article do not allow for full exposition of our ideas in terms of both depth and breadth. Also, the fact that psychology has not included capitalism as a key construct in its “nomological network,” (as suggested by Table 1) renders it rather difficult to find research on these issues, especially the quantitative type of research compelling to most psychologists. Further, our focus on the goals and values of capitalism is only one possible approach, as there are no doubt other methods and perspectives that can be applied. We therefore acknowledge that more depth of argument, more empirical evidence, and a greater diversity of approaches are needed to understand more fully the psychological costs (and potential benefits) of capitalism. Thus, we view what follows not as a literature review or as anywhere near a final statement, but instead as a broad set of ideas that we hope might spur future research, policy positions, and other professional activities that concern the consequences of living under ACC.

Second, some of the psychological dynamics and costs that we will identify as occurring in ACC may also occur under other economic systems. As Galbraith (1981, p. 352) opined, “Under capitalism, man exploits man. And under communism, it is just the reverse.” Some of the issues we highlight may not be unique to ACC; indeed, we suggest that future research and theorizing ought to address the comparative psychological costs of different economic systems. Yet, even if some of the dynamics we identify with ACC are found in other economic systems, these dynamics are still influencing the lives of the people who live under ACC, and therefore they are worthy of investigation in their own right.

Finally, we acknowledge that psychologists are often reluctant to explore emotionally and politically charged topics such as the effects of living under particular economic systems (Kasser and Kanner, 2004). This reluctance may be due to a fear among psychologists that they would be considered politically incorrect, unaware of cultural relativism, or even unscientific were they to explore such matters. Indeed, when we proposed the present target article, one of
especially well, writing: capitalistic thought, economist Adam Smith, put this to the maximum extent possible. The grandfather of consumers are each able to pursue their own self-interest and desire.

of purchasing the products or services that they need for sale in the marketplace, where consumers use their laborers a wage. The product or service is then put up for sale in the marketplace, where consumers use their own resources to purchase land or technology and then use that property as a means of producing some good or service that they (i.e., the capitalists) hope will create a profit. Capital is also used to hire laborers, as the individual who owns the means of production typically needs workers to produce the goods (e.g., wheat, widgets) or the services (e.g., computer tech help, travel planning) that will eventually be sold to consumers; in return for their time and skills, the capitalist pays the laborers a wage. The product or service is then put up for sale in the marketplace, where consumers use their own income (derived mostly from wages) as a means of purchasing the products or services that they need and desire.

The fundamental assumption of ACC is that the system works best when capitalists, laborers, and consumers are each able to pursue their own self-interest to the maximum extent possible. The grandfather of capitalistic thought, economist Adam Smith, put this especially well, writing:

“It is not from the benevolence of the butcher, the brewer, or the baker that we expect our dinner, but from their regard to their own interest. We address ourselves, not to their humanity, but to their self-love, and never talk to them of our own necessities, but of their advantages” (Smith 1776/1976, p. 26–27).

That is, owners of the means of production are not expected to create products and hire laborers for the social good, but rather as a means of creating profit and accumulating further capital for their own self-interest. This leads to a system in which the capitalist strives to keep the costs of production down in order to maximize profit, even if it results in low wages for the laborers.

But laborers, too, act in their own self-interest, selling their time, energy, and skills not for the social good but instead for the highest possible wage. Finally, consumers also enter the marketplace and use the income they have acquired in order to purchase the goods and services that they desire, i.e., that serve their self-interest. Of course, consumers’ self-interest is best served if they can buy products or services for the lowest possible price and thus expend as little income as possible, even if this lowers profits for capitalists and wages for laborers.

According to Adam Smith (1776/1976), the result of this generalized pursuit of self-interests is a bending of private interests (as if guided by “an invisible hand”) to serve the welfare of society. And what guides the hand? Competition among and between the three main players in the marketplace: the capitalist, who hopes to maximize profit by keeping costs (including wages) low and prices high; the laborer, who hopes to have high wages; and the consumer, who hopes that the costs of products and services will be low. Further, when capitalists compete with each other, producers who provide excellent goods and services at relatively low prices will presumably attract more customers, and therefore generate more profit, than producers who make poor goods and services and/or charge relatively high prices. Similarly, laborers who provide more valued skills for lower pay will be more likely to obtain wages than will laborers whose skills are common, poorly developed, and/or who demand higher pay. Capitalists are also in competition with each other for labor, and thus there is some pressure on them to pay relatively high wages and offer good jobs in order to obtain workers. Finally, consumers compete with each other, as at an auction where individuals bid against each other for a product or service offered; if many people want a particular product or service, and the supply is limited, the price goes up.

To summarize briefly, the basic premise of ACC is that members of society will be provided with the opportunity to get what they want (i.e., a profit, a wage, and/or a product) through competing with each other and pursuing their self-interests. Moreover, such competition is assumed to lead to the highest quality goods and services at the lowest price to the consumer, thus benefiting society as a whole.

Because the per unit cost of goods often falls as the scale of production rises, businesses under this economic system must often reinvest past profits in

...
expanded production facilities or larger workforces if they hope “to remain competitive” with other firms. Such expansion frequently requires more capital than individual entrepreneurs can mobilize on their own. As such, competition has encouraged the emergence of the corporation. The corporate form of enterprise allows firms to sell partial ownership of themselves (i.e., stock shares) in order to raise capital. This pooling of capital then allows corporations to grow in size, and also results in a shift of the firms’ oversight from individual entrepreneurs to boards of directors who represent the stockholders.

One of the key features of corporations under ACC is that they provide “limited liability” to shareholders for the corporation’s actions, thus making investments safer for and more attractive to potential shareholders because they cannot be sued for the corporation’s activities. Other legal decisions have also lead corporations under ACC to evolve in ways that increase their power to make a profit. For example, in the US, corporations are considered to be “legal persons,” and thus have the same protections guaranteed to “natural persons” under the Bill of Rights (e.g., freedom of speech), despite the many differences between the two (including potential immortality; Bakan, 2004; Hartmann, 2002; Korten, 1995). Further, although early US corporate law required corporations to consider the “public good” in their actions, these laws were overturned in the later 19th and early 20th centuries (Kelly 2001). Now, for-profit corporations have a single mandate: to act in the interest of shareholders by increasing profit.

Such laws, combined with other governmental policies and the logic of competition, have concentrated enormous wealth, and thus power, in the hands of large corporations. As just one example, consider the fact that in 2000, 52 of the 100 largest economies in the world were corporations (Mander, Barker, and Korten, 2001). That is, the economic activity of 52 corporate entities exceeded that of the majority of nations in the world. From the perspective of ACC, this is a sign of great success, for it shows the power of corporations to make profit.

Another feature of ACC is what Galbraith (1993, pg. 143) referred to as “bureaucratic symbiosis”: the development of large governmental bureaucracies that are designed (somewhat paradoxically) both to regulate corporate activity and to facilitate corporate efforts to make a profit (Hartmann, 2002; Bakan, 2004; Chua, 2004; Wood, 2005). National projects involving collaborations between the Department of Energy and large energy companies exemplify how large public organizations and for-profit companies often work together. At the global level, trans-national bureaucracies such as the World Trade Organization have been developed to oversee and regulate trade (particularly the types of trade involving large, multinational corporations) and to facilitate international economic integration (Friedman, 1999; Stiglitz, 2002).

One of the most important actions of such governmental or pan-governmental organizations under ACC is to create policies that encourage economic growth. Like a bicycle, ACC is most stable while in motion (Friedman, 1999). In fact, economic growth appears necessary in ACC to maintain what we now consider to be normal, daily life. There are at least three reasons for this. First, growth provides the incentive for investment spending on the part of businesses that seems necessary to avoid unemployment, and thus to provide laborers with the income that they can use to purchase the goods and services provided in the marketplace by corporations and other entrepreneurs. Second, economic growth tends to defuse social tensions caused by the high level of economic inequality typical of ACC (see below); that is, growth provides those in lower socio-economic strata a “bigger piece of pie” via the creation of a larger pie, rather than via the redistribution of shares of the existing pie. Finally, economic growth provides the basis for nation-state power (i.e., the bureaucracies described above), because the potential surplus that is derived from economic growth can be taxed and then controlled for governmental purposes (Wood, 2005).

These pressures for economic growth are reflected in two final features of ACC that we would like to highlight: the march of globalization and the expansion of advertising (Cavanagh and Mander, 2004; Kanner, 2005). The desire for new markets, cheap resources, and cost advantages in production has encouraged many corporations to promote global economic integration. In the last couple of decades, for example, treaties such as the North American Free Trade Agreement and organizations such as the World Trade Organization have been created to facilitate market expansion in ways that increase the likelihood that corporations can pursue their desire for profit. These treaties and organizations ensure that nations do not have barriers to free trade, i.e., laws or policies that interfere with imports or investments from foreign corporations hoping to make a profit (Friedman, 1999; Stiglitz, 2002).

Advertising has become another increasingly important tool that producers use to inform consumers about goods and services available in the marketplace, and to stimulate consumers’ desire to purchase those goods and services. Advertisements have become increasingly omnipresent in modern society, and even form the basis for much social interaction. Consider, for example, that: a) about the same sum is typically spent on advertising in the US as on higher education (Goodwin, Ackerman, and Kiron, 1997) and b) the average American is exposed to about 3,600 commercial impressions daily (Jhally, 1997).
The Values and Goals of American Corporate Capitalism

What we hope comes into relief from our brief description is that ACC carries with it certain practices and beliefs that foster the pursuit of self-interest, competition, economic growth, and high levels of consumption. As such, ACC is more than just money and goods—it is a system of beliefs, social relationships, and institutions that encourage, regulate, and direct human motivations and values (just as religion, political systems, and other features of societies do). As we have mentioned, for ACC to take hold successfully in a culture, it must engage people in competitive institutions, entice them with an ever-new panoply of desirable goods, and expose them to practices and ideologies that lead them to internalize2 values for self-interest, competition, and economic advancement. When people adopt these attitudes and values, ACC becomes further anchored within the culture, and increasingly determines the beliefs and concerns people embrace, reject, or ignore, and the institutions that they will support or oppose. In short, like any social system, ACC fosters ideological values and institutional practices that further fuel its goals and suppresses other values and practices at odds with its aims.

Several lines of evidence show that when people are exposed to the socializing institutions of ACC’s ideology, they do indeed take on or internalize its beliefs and values. For example, ingestion of contemporary media, with its many messages glorifying consumption and wealth, is associated with greater concern for financial success and a stronger consumer orientation (Rahtz Sirgy and Meadow, 1988, 1989; Kasser and Ryan, 2001; Schor, 2004). When parents (i.e., the previous generation living under ACC) hold strong financial success values, their children do as well (Kasser, Ryan, Zax, and Sameroff, 1995). Subtle exposure to business-related objects (e.g., briefcases and board room tables) also increases competitive cognitions and behaviors (Kay, Wheeler, Bargh, and Ross, 2004). Further, those who enter disciplines tightly intertwined with the institutions and ideology of ACC (such as business, economics, and the law), become increasingly focused on self-interested, financial success values and beliefs, and become less concerned with cooperation and helping others (Frank, Gilovich, and Regan, 2000; Sheldon and Krieger, 2004; Vansteenkiste, Duriez, Simons, and Soenens, in press). Yet such values and beliefs are also notable in the general population: Approximately 70% of contemporary US late adolescents believe that financial success is a “very important” or “essential” aim in life (Myers, 2000) and a similar percentage believe that Americans are basically self-interested and care little about those in need (Wuthnow, 1995).

Proponents of ACC might view these outcomes as evidence that many Americans have come to adopt the beliefs that will permit them to follow their true nature (which proponents typically assume to be self-interested and competitive) and to become optimally happy (which is assumed to occur by acquiring material wealth). We note, however, at least two sets of problems with such a position.

The first problem is that ACC’s assumptions that people are primarily self-interested and competitive, and that the acquisition of material goods promotes happiness, are at best debatable and at worst incorrect. As we will see later in our review, many psychological theories propose that a focus on self-interest and competition reflects immature psychological development and/or psychopathology; these perspectives instead recognize that humans have co-operative, altruistic motives as well.3 Other research questions the validity of ACC’s assumptions about the relations of material acquisitions and financial success to happiness. For example, substantial research on psychological well-being demonstrates that, past the point of meeting basic needs for food, shelter, etc., wealth does little to increase happiness (see Diener and Seligman, 2004 for a recent review). Further, when the types of materialistic aims encouraged by ACC, namely goals such as wealth, fame or image, are relatively important to people, lower well-being is reported (see Kasser 2002, for a review).

The second problem, and the one on which we will focus in the current article, is that substantial evidence suggests that when the values and goals necessary for the smooth functioning of ACC become increasingly central to individuals and to institutions, the result is a corresponding conflict with three other aims: concern for the broader community and the world; close, intimate relationships; and feeling worthy and autonomous. Later in the paper we will discuss a variety of theories and types of evidence supportive of this observation. As initial support, we ask our readers to consider the models of values and goals presented in Figures 1 and 2. Each of these models is based on substantial cross-cultural empirical work examining how the aims that people hold as important in life are

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2In the current target article, we use the term “internalization” to refer to the process of taking in and eventually regulating beliefs and/or behaviors that were originally outside of the person. Sometimes people integrate beliefs and behaviors with the self and feel autonomous, whereas other times they internalize in a less self-determined and more controlled fashion (see Deci and Ryan 2000). As we shall demonstrate later in the article, internalization of capitalistic ideology and behavior frequently is of this latter, less optimal type.

3Even economist Adam Smith (1776/1976), on whose work much of ACC’s claims about self-interest rest, did not himself see self-interest as the sole motive that could support capitalism—he argued that “empathy” and “generosity” were other important motives necessary to balance greed and create a balanced, healthy society.
organized psychologically (S. Schwartz, 1992, 1996; Grouzet et al., 2005). In both models, human values and goals have been shown to be well-represented by a “circumplex” in which aims that are consistent with each other are adjacent in the circle, whereas aims in conflict are on opposite ends of the circle.

It is not difficult to identify the aims described in either model that most centrally characterize the assumptions, values, and goals of ACC. For example, S. Schwartz (1992, 1996; Fig. 1) has found the emergence across diverse countries of two “self-enhancing” values that conceptually overlap with the primary aims of ACC. The first set of values, which he identifies as “Power,” involves “dominance over people and resources”; specific values included in this domain include “social power” and “wealth.” The second set, termed “Achievement,” involves a focus on personal success demonstrated through socially-accepted means. Both Power and Achievement values echo the self-interested, competitive, financially-acquisitive behaviors and desires characteristic of ACC’s central tenets. Further evidence that power and achievement values reflect the dominant concerns of ACC comes from multi-dimensional scaling analyses showing that Richins and Dawson’s (1992) widely-used measure of materialism lands quite close to power and achievement values in Schwartz’s circumplex (Burroughs and Rindfleisch, 2002).

Capitalism’s aims are also identifiable in Fig. 2 (Grouzet et al., 2005) as the extrinsic aspirations studied by Kasser and Ryan (1993, 1996, 2001). Extrinsic goals are those focused on external rewards and other people’s praise, and include strivings for financial success, as well as for image and status. In a study of over 1800 individuals from 15 nations, Grouzet et al. (2005) found that these aims consistently emerged as basic aspirations across cultures, and fall closely together in the circumplex model.

As noted, a circumplex model assumes that a focus on one set of values and goals is associated with caring less about and feeling conflict concerning the values and goals on the opposite side of the circumplex. What values and goals are in opposition to those central in ACC? Schwartz’s model in Fig. 1 shows that...
universalism, benevolence, and self-direction oppose ACC’s aims of power and achievement; Burroughs and Rindfleisch’s (2002) results echo this for materialism. That is, the evidence shows that increasing concern for wealth, power, and personal achievement corresponds with less concern for “Understanding, appreciation, tolerance, and protection for the welfare of all people and for nature,” “Preservation and enhancement of the welfare of people with whom one is in frequent contact,” and “Independent thought and action choosing, creating, exploring.” Remarkably similar conclusions are reached when we examine the circumplex model of goals developed by Grouzet et al. (2005) and presented in Fig. 2. Here we see that financial success goals oppose those for community feeling, affiliation, and self-acceptance. That is, concern for wealth and possessions conflicts with working “to improve the world through activism or generativity,” having “satisfying relationships with family and friends,” and feeling “competent and autonomous.” Table 2 provides more detail about the specific values and goals from each of these circumplex models that are in opposition to the aims typically associated with ACC.

This empirical research, conducted with different methodologies, from different theoretical perspectives, and with thousands of individuals from dozens of nations around the world, leads to a provocative conclusion: The values and goals most closely expressive of ACC’s ideology and institutions are also those that oppose and potentially undermine people’s concern for: a) promoting the welfare of others in the broader community; b) developing a sense of connection and closeness to other humans; and c) choosing paths in life that help them to feel worthy and autonomous.4

Some Psychological Costs of ACC

In this section, we organize our discussion of some of the costs of ACC around the circumplex models presented in Figures 1 and 2 and the information provided in Table 2. Specifically, we will now explore in greater detail how the common and valued human propensities for community, affiliation, benevolence, self-worth, and even autonomy can be undermined when people and institutions take on the self-interested, competitive, materialistic values and goals that are required for the smooth functioning of ACC. Within each section we will discuss extant psychological theories and empirical research, as well as some of the historical

4It is worth noting that these empirically-based findings conflict with some of the standard assumptions of mainstream (neoclassical) economic theory, which pictures capitalist economies as well-oiled machines that can be put to any use. From a neoclassical perspective, participants in a capitalist economy could just as easily live a life of voluntary simplicity and use the productivity of capitalism to protect the environment as to live a life of conspicuous consumption and burden the environment. We hold that this picture is not consistent with the available data.
Table 2. Values (from S. Schwartz, 1992) and Aspirations (from Grouzet et al., 2005) Opposing the Aims of American Corporate Capitalism

<table>
<thead>
<tr>
<th>Domain</th>
<th>Definition</th>
<th>Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Values</td>
<td>Understanding, appreciation, tolerance, and</td>
<td>Broadminded; Wisdom; Social justice; Equality; A world at peace; A</td>
</tr>
<tr>
<td></td>
<td>protection for the welfare of all people and for</td>
<td>world of beauty; Unity with nature; Protecting the environment</td>
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<tr>
<td></td>
<td>nature</td>
<td></td>
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<tr>
<td>Benevolence</td>
<td>Preservation and enhancement of the welfare of</td>
<td>Helpful; Honest; Forgiving; Loyal; Responsible; True friendship;</td>
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<td></td>
<td>people with whom one is in frequent contact.</td>
<td>Mature love</td>
</tr>
<tr>
<td>Self-direction</td>
<td>Independent thought and action choosing, creating,</td>
<td>Creativity; Freedom; Independent; Curious; Choosing own goals; Self-</td>
</tr>
<tr>
<td></td>
<td>exploring</td>
<td>respect</td>
</tr>
<tr>
<td>Aspirations</td>
<td>Community feeling</td>
<td>I will assist people who need it, asking nothing in return; The</td>
</tr>
<tr>
<td></td>
<td>To improve the world through activism or</td>
<td>things I do will make other people’s lives better; I will help the</td>
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<tr>
<td></td>
<td>generativity</td>
<td>world become a better place.</td>
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<tr>
<td></td>
<td>Affiliation</td>
<td>People will show affection to me, and I will to them; I will feel</td>
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<tr>
<td></td>
<td>To have satisfying relationships with family and</td>
<td>that there are people who really love me; Someone in my life will</td>
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<td></td>
<td>friends</td>
<td>accept me as I am, no matter what; I will express my love for special</td>
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<td></td>
<td></td>
<td>people; I have a committed, intimate relationship.</td>
</tr>
<tr>
<td></td>
<td>Self-acceptance</td>
<td>I will choose what I do, instead of being pushed along by life; I</td>
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<tr>
<td></td>
<td>To feel competent and autonomous</td>
<td>will feel free; I will deal effectively with problems in my life; I</td>
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<td></td>
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<td>will feel good about my abilities; I will be efficient; I will</td>
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<td></td>
<td></td>
<td>overcome the challenges that life presents me; I will have insight</td>
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<td></td>
<td></td>
<td>into why I do the things I do.</td>
</tr>
</tbody>
</table>

practices of ACC that reveal how the system frequently opposes and undermines these aims.

**ACC and Universalism/Community Feeling**

As shown in Figures 1 and 2 and in Table 2, the values of competitive achievement and power and the goal of financial success encouraged by ACC oppose universalism values for “Understanding, appreciation, tolerance, and protection for the welfare of all people and for nature,” (S. Schwartz, 1992, 1996) and community feeling aspirations to “improve the world through activism or generativity;” (Grouzet et al., 2005). S. Schwartz (1992, p. 15) described the conflict between these sets of aims well when he wrote “acceptance of others as equals and concern for their welfare interferes with the pursuit of one’s own relative success and dominance over others.”

Many thinkers in the social sciences have commented on this tension between the self-interested values of ACC and the aim of being a good community, national, and global citizen. For example, the political scientist Inglehart (1977) has noted how materialistic values oppose broader “post-materialistic” cares for the broader world. In sociology, Putnam (2000) suggested that involvement in community activities has dropped as the individualistic consumer mentality has spread in the United States. Political economist Hirsch (1976) described how ACC erodes the “social capital” (i.e., social connections and solidarity) on which the system depends for efficient market exchanges. Others have discussed how market society has lead the role of “citizen” to be usurped by that of “consumer” (Landau, 2004), leading to less participation in the democratic and social institutions that help bind communities together.

Many well-known psychological theories would seemingly agree that the individualistic and consumeristic desires often encouraged by ACC and by economic globalization oppose those for generosity and for caring about one’s community and the world at large. Indeed, some would view these different types of desires as indicative of different levels of maturity (see Nikelly, 2000). For example, psychodynamically inspired psychologists typically hold that healthy development involves movement from a strong concern for one’s own self-interest towards social interest (Adler, 1956) or generativity and care for the world (Erikson, 1959/1980); see also McAdams, de St. Aubin, and Logan (1993) and Loevinger (1976). Cognitive theories of moral development, whether for men (Kohlberg, 1969) or women (Gilligan, 1982), also argue (and empirically demonstrate) that lower stages are typified by self-interested motivations whereas higher stages involve a concern for other people’s feelings and the welfare of society as a whole. Maslow’s (1954) humanistic theory similarly suggests that people move from self-interested, deficiency needs to higher-level self-actualization needs that incorporate issues like helping the world and seeking knowledge and beauty (i.e., universalism values). Clinically, some forms of psychopathology (American Psychiatric Association, 2000) and family dysfunction (Minuchin, 1974) are understood as occurring because individuals focus on
their own self-interest and lack concern and empathy for others (see also Ryan, Deci, Grolnick, and La Guardia, 2006). Thus, each of these theories suggests that healthy functioning and higher development involve a move away from the self-interested, competitive values, and goals encouraged by ACC and towards the community feeling goals and universalism values that more deeply connect individuals with the broader world.

Both historical occurrences over the last 50 years (i.e., the time during which ACC has become increasingly dominant in the world) and empirical evidence from the psychological literature also support the idea that the aims of ACC conflict with many of the community oriented values and goals presented in Table 2. Perhaps the most noteworthy set of facts supporting this claim is the increasing financial inequality within corporations, within the United States, and across the world that reflects the triumph of self-interested profit over concern for equality in the community. Within corporations, for example, the income of chief executive officers (CEOs) increased from about 26 times that of average hourly workers in 1965 to 185 times in 2003 (Mishel, Bernstein, and Allegretto, 2005). Within the United States, the level of income and wealth inequality declined from the late 1920s until the early 1970s, but since then, inequality has increased dramatically (Harrison and Bluestone, 1988, p. 7; Wolff, 1996, p. 28). For example, in the period of US economic expansion between 1980 and 2000, 97% of the increased wealth was garnered by those in the top 20% of incomes, leading America today to become the most unequal society in the industrialized West in terms of wealth distribution (Hertz, 2001). Data concerning financial inequalities within the world are rather complicated, but many indicators suggest that the gap between the very rich and the very poor has widened in recent years. For example, the per capita income of the 20 richest countries leaped from 18 times the level of the 20 poorest countries in 1960 to 37 times their level in 1995 (World Watch Institute, 2003). Pollin (2003, p. 137) also cites a May 2000 International Monetary Fund report which concluded, “the relative gap between the richest and poorest countries has continued to widen” and himself concludes that “when one separates out the Chinese experience, it becomes unambiguous that inequality has been growing over the neoliberal era” (p. 134), i.e., the time of expanding economic globalization. Stiglitz (2002), a Nobel prize winning economist and former chief economist at the World Bank, also has discussed the redistribution of wealth upwards under globalization, noting that the net effect of globalization “all too often has been to benefit the few at the expense of the many, the well-off at the expense of the poor” (p. 20) and concluding that “for millions of people, globalization has not worked. Many have actually been made worse off, as they have seen their jobs destroyed and their lives become more insecure. They have felt increasingly powerless against forces beyond their control. They have seen their democracies undermined, their cultures eroded” (p. 248).

Although ACC clearly is successful in generating great wealth, the evidence described above shows that the system does not ensure an equitable distribution of this wealth. Frank and Cook (1995) suggest, in fact, that the “winner-take all” mentality engendered by capitalism ensures that, in the minds of those who have internalized the ideology of the system and who are best positioned by institutions to garner profits, this inequitable distribution is quite fair, for it follows the rules which proclaim that self-interest and competition are of primary importance.5

A number of studies in the psychological literature would appear to buttress the conclusion that those who most embrace the materialistic ethos of ACC are less likely to act in ways reflective of universalism and community feeling values and goals. For example, studies show that materialistic values are associated with lower generosity (Kasser, 2005), as well as fewer prosocial (Sheldon and Kasser, 1995; McHoskey, 1999) and more anti-social activities such as cheating and petty theft (Kasser and Ryan, 1993; Cohen and Cohen, 1996; McHoskey, 1999). The importance placed on goals for financial success is also associated with greater disagreeableness (Roberts and Robins, 2000), lower empathy (Sheldon and Kasser, 1995), more Machiavellian tendencies (McHoskey, 1999), and more racial prejudice (Duriez, Vansteenkiste, Soenens, and DeWitte, 2005). Social dilemma research also shows that those who have taken on the values of ACC treat others in more competitive and less cooperative ways (Sheldon and McGregor, 2000; Sheldon, Sheldon, and Osboldiston, 2000) and share less (Kasser, 2005).

In addition to undermining the care with which people treat other humans in the broader world, ACC’s values and goals also affect how people treat the environment and other species. Although rising world populations clearly play a role in ecological degradation, the effect of ACC’s enormous need for the natural resources required to feed production and consumption cannot be ignored. For example, many habitats for animal and plant species have been lost or drastically diminished due to economic expansion and activity; several ecological economists claim that the annual extinction rate has reached at least 5,000 species per year, a rate about 10,000 times the pre-human species extinction rate (Costanza, Cumberland, Daly, Goodland, and Norgaard, 1997). And the increasing greenhouse gas emissions from automobiles, factories, and other economic activities encouraged by ACC have led

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5 Fair or not, it is clear that wealth inequality is problematic in many regards, including both mental and physical health (Albee 1986; Wilkinson 1996).
many scientists to believe that significant disturbances to global weather will occur in the coming decades that could further disrupt the lives of many species, including our own (Athanasiou, 1996). Although some nations have agreed to lower their emission levels to help reduce this danger, the government of the United States has, as of this writing refused to participate in the primary international treaty constraining such emissions, claiming it would hurt the economy too much (Moseley and Bendavid, 2001). The US government’s decision brings into stark relief how the imperative for economic growth under ACC can conflict with concerns for the broader world of other species and future generations.

The psychological literature provides parallel evidence that persons who embrace ACC’s values are less concerned with the Earth’s ecological health. People espousing more materialistic concerns express less love of the natural world (Saunders and Munro, 1999) and engage in fewer behaviors that benefit the environment (Richins and Dawson, 1992; Brown and Kasser, 2005; Kasser, 2005). Further, materialistic people report more greed and use more resources in social dilemma games, such as the well-known “tragedy of the commons” problem (Kasser and Sheldon, 2000; Sheldon and McGregor, 2000). These results make it unsurprising that persons who have internalized the values of ACC cause more harm to the Earth: Brown and Kasser (2005) demonstrated that adults’ endorsement of materialistic, extrinsic values was positively associated with their ecological footprints (Dholakia and Wackernagel, 1999), a measure of how many acres of arable land are required to meet one’s use of transportation, food, and shelter. In sum, these observations suggest that the values encouraged by ACC are associated with taking more resources for one’s self, and leaving less for other people, other species, and future generations.

**ACC and Benevolence/Affiliation**

The values and aims associated with ACC not only oppose individuals’ connections with the larger world, but also many of the values and aspirations that support healthy intimate relationships. As seen in Figures 1 and 2 and in Table 2, the values of ACC oppose being “helpful,” “honest,” “forgiving,” and “loyal,” as well as caring about close, committed, mutually-supportive relationships. Such results should be of particular concern to psychologists, who almost universally recognize that good relationships are a key feature of psychological health (e.g., Maslow, 1954; Bowlby, 1969/1982; Greenberg and Mitchell, 1983; Epstein, 1990; Baumeister and Leary, 1995; Ryan and Deci, 2000).

Problems with both the quantity and quality of close relationships can happen under ACC. Regarding quantity, the increasing work hours of the last few decades in the US (Hochschild, 1997; Schor, 2003; Mishel et al., 2005) have had the effect of leaving less time available for the cultivation of relationships. Although part of increasing work hours may be due to citizens’ desire to work more, Hochschild’s (1997) study of one major US corporation showed that many of its institutional time policies made it quite difficult for workers to meet their basic family responsibilities; mandatory overtime in some work positions leads to similar problems (Golden, 2003). Long work hours in the pursuit of wealth and economic growth also leave little energy at the end of the day for interactions with spouses and children, not to mention friends. Lane (2000) has even suggested that, as Americans have pursued the aims of materialism and wealth, they have at the same time experienced “a kind of famine of warm interpersonal relations, of easy-to-reach neighbors, of encircling, inclusive memberships, and of solid family life” (p. 9).

The quality as well as the quantity of interpersonal relationships suffers under ACC’s values. As B. Schwartz (1994) suggested, the focus on competition, self-interest, and consumption typified by ACC leads people to form “exchange relationships” in which other people are considered for “what they can do for me.” Similarly, Kasser (2002) suggested that the focus on things and objects in ACC leads to increased “objectification” in relationships. That is, rather than pursuing “I-Thou” relationships (Buber, 1958) in which others are treated as subjective, experiencing beings with their own concerns and perspectives, ACC conduces to “I-it” relationships in which other people are often considered in terms of how they can be used for one’s own purposes.

Both empirical and cultural evidence support the idea that the values of ACC may create poorer interpersonal relationships. For example, Kasser and Ryan (2001) reported that individuals more focused on extrinsic goals for financial success, image, and popularity reported shorter, more conflictual relationships with their friends and lovers. Similarly, Solberg, Diner, and Robinson (2004; Study 12) had three friends and/or family members complete a survey about the quality of their relationship with each study participant; these significant others reported lower quality relationships with participants who scored high in materialism. As described above, other research shows that people oriented towards materialistic values are less empathic (Sheldon and Kasser, 1995), more Machiavellian (McHoskey, 1999), and less cooperative (Sheldon et al., 2000), all of which conduce towards objectification and interfere with quality interpersonal relationships.

Corporations also sometimes use the fact that people desire interpersonal relationships as a form of manipulation to increase profits. For example, because many people “tune out” or defend against incoming commercial messages when they know they are being advertised to, “stealth marketing” has been developed as a
means of using interpersonal relationships to promote products. Early forms of this sort of marketing involved hiring paid actors to pretend that they were regular people, approach individuals in public places, and then make positive statements about products such as cameras or liquor (Walker, 2004). More recently, in the recognition that friends have more persuasive power than do strangers, companies have recruited individuals to bring certain foods to parties and to promote particular products to their friends, without, of course, mentioning that they are doing so. Such practices even occur at children’s sleepover parties via the company “Girls Intelligence Agency”, which recruits girls to become official “agents” who host parties at which products provided by the company are introduced to the guests (Schor, 2004). The “agent” then reports back to the company about how the guests liked the products, and this information is used for marketing purposes. Hostesses are told that they have “gotta be sneaky” in order to obtain the best information. Although to our knowledge psychologists have not studied this type of profit-oriented objectification in relationships, we would expect that, over the long-term, such practices would undermine trust, empathy, and intimacy.

In addition to manipulating casual relationships and friendships, the bond between parents and their children has been increasingly under attack from corporations in their pursuit of profit. For example, in 1998 two marketing consulting firms conducted a study on nagging; their goal, as evidenced in the title of their report (“The fine art of whining: Why nagging is a kid’s best friend”) was to understand the most effective forms of nagging so as to facilitate this practice among children and increase profits (Linn, 2004). Some commercials “teach” children to whine and nag as a means of modeling a behavior that marketers hope will eventually lead the “gatekeeper” (i.e., the parent) to relent to the child’s consumption desires. Another practice of marketers is to present commercials and shows in which “smart” children overcome the controlling effects of dumb, ineffectual, and/or mean adults who block the children’s way to the product they desire (Linn, 2004).

Such marketing activities can be understood as active attempts by corporations (supported by the institutions which are supposed to regulate them) to increase family conflict in order to enhance their own material gain. Given what we know about modeling, it would not be surprising to find that such practices undermine the quality of parent-child relationships. Indeed, Schor (2004) provided evidence that it does: Path analyses showed that as television and media use increased, children’s levels of consumer involvement increased, which in turn predicted more conflict and fewer connections with parents.

Despite such evidence, advertisers and corporations doggedly defend their “right” to manipulate children and their parents for the sake of profit, (Linn, 2004; Schor, 2004; Kanner and Gomes, 1995; Kanner, 2005; Kunkel, Wilcox, Cantor, Palmer, Linne, and Dowrick, 2005). This, of course, is a natural consequence of the values of ACC. That is, ACC’s ideology and institutions lead many decision makers in corporations and advertising firms to raise their desire for potential profits over potential concerns for the harm such practices may have on interpersonal relationships.

**ACC and Self-direction/Self-acceptance**

Of the three types of psychological costs of ACC on which we are focusing, this last form is, on the surface, probably the most surprising to and perhaps the most controversial for many readers. Although ACC’s ideology rarely makes claims that it encourages caring about other people or the broader world, it is often asserted that ACC is the best economic system for enhancing self-related feelings and a sense of personal freedom. Yet some evidence suggests that feelings of self-esteem and freedom are nonetheless often undermined by the aspects of ACC. Because our understanding of these issues rests on somewhat different dynamics, we treat them separately in the sections that follow.

**Self-esteem.** As we have described above, the success of ACC requires those living under it to “buy into” its ideology. Thus, ACC needs individuals to believe that their relative worth is reflected in their accumulation of wealth and capacity to consume, as such beliefs increase the likelihood that people will work hard to earn money which they will then spend on goods and services that in turn create a profit for corporations, a tax base for governments, and wages for citizens. This equation of self-worth with financial success occurs at many levels in ACC. For the individual person, self-worth may be judged by the size of a person’s bank account and stock portfolio, and the number and quality of his/her possessions. For a corporation, value is judged by quarterly earnings reports and the price of its stock. For a nation, prestige, strength, and progress are often judged by indicators such as growth in GNP per capita. Thus, in terms of the circumplex models presented in Figures 1 and 2, a principle means by which worth or esteem is demonstrated under ACC is through financial success.

One institution that frequently reinforces this element of ACC’s ideology is the media, which, under ACC, is almost exclusively owned by for-profit corporations. Media companies encourage the belief that “wealth = success” through frequent presentations of millionaire business, sports, and entertainment figures as the models of those who have “made it” and are worthy of imitation. Moreover, citizens are frequently exposed to advertising messages that share the same fundamental cognitive script: “You lack the product
being advertised. The cool, happy, good-looking, successful, sexy person in our ad does have the product. If you want to be like this person too, you should buy this product.”

As these examples hopefully make clear, self-esteem, and sense of self-worth under ACC involve two mechanisms familiar to social and personality psychologists: discrepancy creation and upward social comparison. That is, ACC promotes particular states (wealth) or individuals (the wealthy) as worthy ideals to which people living under the system should compare themselves. As we know from the literature on discrepancies and social comparison, comparisons between one’s present situation and an unmet goal or someone of higher status have the dual effects of leading individuals to: a) feel unhappy and less worthy; and b) become increasingly motivated to engage in activities that help them reduce these unpleasant feelings (Carver and Scheier, 1981; Higgins, 1987; Suls and Wills, 1991). This second outcome means that citizens will be more likely to engage in activities such as working long hours, going shopping, investing their money in the stock market, etc., in order to help them reach these “ideals.” As such, they participate more in the ideologies and institutions of ACC, and thus help maintain the system.

A psychologically costly element of this dynamic, however, is that these comparison processes rely on creating feelings of insecurity and unhappiness in individuals by increasing their awareness of discrepancies between their present state and the ideals defined by ACC (Richins, 1995). Research shows that exposure to such idealized messages about financial success in advertisements can in fact negatively influence people’s self-evaluations (Gulas and McKeage, 2000). Indeed, many marketers knowingly exploit such discrepancies, as seen in the following quote from the former president of a marketing firm:

“Advertising at its best is making people feel that without their product, you’re a loser. . . Kids are very sensitive to that. If you tell them to buy something, they are resistant. But if you tell them that they’ll be a dork if they don’t, you’ve got their attention. You open up emotional vulnerabilities, and it’s very easy to do with kids because they’re the most emotionally vulnerable” (Harris, 1989, pg. 1).

Another problem regarding self-worth under ACC is that citizens who internalize its ideologies often find themselves running on an unsatisfying treadmill. There are a few reasons for this dynamic. First, as economists and others have pointed out (van Praag, 1993), happiness with regards to financial status depends largely on one’s relative standing to others. That is, satisfaction depends not so much on how much money one actually has, but on how much money one has in comparison to other people. Thus, if a person successfully increases her salary, but everyone else in her comparison group does as well, she is unlikely to feel happier or more esteemed. Indeed, the research bears this out fairly well with regard to both individual and national improvements in wealth (e.g., Stutzer, 2004). A second reason why the social comparisons encouraged within ACC can be unending is that the specific means of attaining the “ideals” proposed are continually in flux, as new products enter the marketplace and are advertised as desirable. Such flux is necessary for ACC’s continual expansion and economic growth, but it also means that when individuals successfully reduce the gap between their current state and an ideal via the purchase of a product, marketers are quick to present a new product that is purported to be even more desirable (i.e., this year’s car model, new updated software for one’s computer, etc.).

A third reason why we consider this system of comparisons to exact heavy costs is that success at the ideal is reserved for relatively few people under ACC. That is, because of the vertical, hierarchical nature of ACC and the “winner take all” mentality it fosters (Frank and Cook, 1995), only a small percentage of people can be successful by its standards. Consider, for example, the findings by Nickerson, Schwarz, Diener, and Kahneman (2003) that the negative effects of materialism on life satisfaction are notable until an income of about $290,000 per year, at which point the correlation between materialism and satisfaction became essentially null. Because so few Americans have an income of $290,000 per year, these findings suggest that the vast majority of Americans who internalize the values of ACC are likely to feel unsatisfied. Notably, this percentage is probably even higher for the world population, given that the United States is among the wealthiest nations in the world.

As we have been describing, ACC’s smooth functioning requires individuals to believe that they are more worthy to the extent that they receive high salaries, have high status jobs, and consume particular products and services. In addition to the issues regarding social comparison and discrepancy reviewed above, such an analysis also suggests that ACC’s ideology encourages a particular form of self-esteem that researchers have called “fragile” or “contingent” (Deci and Ryan, 1995; Crocker, 2002; Kernis, 2003). That is, even highly competent individuals who report high self-esteem sometimes have a fragile, unstable sense of self-worth that is highly dependent upon external praise and circumstances. We suspect that ACC benefits from creating the circumstances that lead individuals to hinge their sense of self-worth on the opinions of others. This is because individuals who internalize the ideology of ACC are likely to have frequent ups and downs in their self-assessments (Kernis, 2003), and may sometimes attempt to distract
themselves or compensate for negative feelings by pursuing culturally sanctioned means of attaining success such as workaholism and retail therapy.

Although we are unaware of research that has directly examined these theoretical ties between contingent, unstable self-esteem and the values of ACC, some research is suggestive of the connection. For example, Kasser and Ryan (1993, 1996, 2001) have described the desire for financial success as an “extrinsic” aspiration, given that it is focused on rewards and others’ opinions and empirically linked with both lower self-esteem and with narcissism. Further, cross-cultural research (see Fig. 2) has demonstrated that financial success values cluster with “popularity” and “image” aspirations that also reflect strong concern with others’ opinions. Much further research remains to be done regarding how the ideology of ACC may be associated with contingent self-esteem.

Autonomy. As with feelings of worth or esteem, some may be surprised by the idea that ACC can limit autonomy, as ACC’s ideology and institutions typically highlight that the “free” market is not only compatible with, but actually necessary for, humans to live in freedom (Locke, 1990; Wright, 2005). Nonetheless, as we see in Figures 1 and 2 and in Table 2, cross-cultural research shows that the values of ACC oppose those for self-direction and self-acceptance. Specifically, in S. Schwartz’s (1992, 1996) model, power and achievement values tend to oppose aims such as “freedom” and “choosing own goals.” Similarly, Grouzet et al. (2005) similarly found oppositions between financial success aspirations on the one hand and “feeling free” and “choosing what I do” on the other.

As we have shown for other values and aspirations, this conflict between the values necessary for the smooth functioning of ACC and the desire for freedom manifests itself in a variety of ways. That is, the idea that the demands of ACC can often conflict with people’s autonomy and freedom is supported both by a growing psychological literature and through examination of a variety of practices increasingly common in capitalistic economic organizations. Below, we focus on four different examples of how ACC sometimes conflicts with freedom; our reviews are unfortunately brief, but hopefully will provide readers with a sense of the issues involved.

Controlled, non-autonomous regulation of ACC’s ideology. As we have noted, a particular set of beliefs characterizes ACC’s worldview, and the economic system requires individuals to take on these beliefs so that they will participate optimally in the system. Empirical research on three central components of ACC’s ideology suggests, however, that these beliefs are typically regulated for controlled reasons rather than for autonomous reasons that are better internalized. That is, people seemingly have a difficult time freely endorsing some of the key beliefs of capitalistic ideology, and instead typically report feeling pressured and coerced around such beliefs. To support this claim, we apply a long tradition of research from Self-determination theory (Ryan, 1995; Ryan and Deci, 2000) that has demonstrated that individuals sometimes regulate their behavior for autonomous reasons (such as interest or personal value) and sometimes for controlled, non-autonomous reasons, (such as guilt, anxiety, or external coercion and the promise of rewards). As demonstrated by a variety of studies (see Ryan and Deci, 2000, for a review), people who have more autonomous reasons for their behavior report greater well-being and better performance than those with a more controlled regulatory style. As we shall see momentarily, the core beliefs of ACC tend not to be well-internalized, but instead regulated for non-autonomous reasons.

The value of materialistic pursuits is the first belief necessary to ACC that we will discuss. Research shows that extrinsic, materialistic goals are typically pursued for more controlled and less autonomous reasons (Sheldon and Kasser, 1995, 1998, 2001; Carver and Baird, 1998; Sheldon, Ryan, Deci, and Kasser, 2004). Srivastava, Locke, and Bortol (2001) reported similar results with business students and entrepreneurs, finding that materialistic aims were positively associated with motivations to overcome self-doubt and look good in social comparisons, which self-determination theory would classify as introjected regulation, a form of controlled motivations (Ryan, 1995).

A second important belief characteristic of ACC concerns the benefits of competition, or what Triandis (1995) would categorize as “vertical individualistic” beliefs. As we have noted, the idea that individuals should compete against each other in the pursuit of their own self-interest is central to ACC. Recent research shows, however, that such beliefs are relatively poorly internalized. In a study of US, South Korean, Russian, and Turkish individuals, Chirkov, Ryan, Kim, and Kaplan (2003) found that subjects were especially likely to report more controlled and less autonomous reasons for believing it is important to strive “to work in situations involving competition with others,” for wanting to express the idea that “competition is the law of nature” and for believing that “without competition, it is impossible to have a good society.” Such results suggest that the type of competition that characterizes ACC is not easily integrated into humans’ psyches, but is associated with feelings of control and pressure rather than volition and freedom.

A third belief that is often poorly internalized concerns what Miller (1999) has labeled “the norm of self-interest.” As described above, a fundamental tenet of ACC is that it is normal and good to act in one’s own self-interest with little to no concern for other parties. Miller and his colleagues have shown, however, that this norm of self-interest often leads individuals to feel a sense of pressure and to conform in
situations in which they may otherwise want to act in a non-self-interested manner. This pressure typically is a worry about being censured or thought “strange” by others for acting in an altruistic manner; such motivations would be considered controlled, non-autonomous forms of regulation by self-determination theory.

In sum, this evidence shows that three of the beliefs central to ACC (i.e., materialism, competition, and self-interest) are unlikely to be experienced by most individuals as freely chosen. Instead, such beliefs tend to be associated with feelings of pressure and coercion. What this suggests, then, is that the ideology of ACC may be at odds with one of the deepest psychological needs of people, as they find it difficult to fully and wholly endorse the system’s key goals, beliefs, and norms.

Work life under ACC. As we have noted above, wage labor is a fundamental characteristic of ACC. Individuals enter the “labor market” and sell their time, energy, and skills to those with capital who are willing to pay a wage. The capitalist under this system reaps the benefits of the laborers’ energy and skills (in terms of profits) but also takes significant risks by spending some capital that may not yield a return on its investment. This particular form of work, especially as it has evolved in recent decades, is characterized by a number of features that undermine the optimal experience of autonomy by workers. We will focus here on three of these features.

First, people under ACC are more or less free to pursue any type of work, but people often do not feel free while at work. For instance, a recent study (Bernstein, Ryan, and Brown, 2005) examined North American workers and the “weekend effect,” in which significantly higher well-being is experienced on non-work days. Their results suggested that the significantly lower well-being experienced on non-work days is to a large extent a function of the lack of autonomy experienced by workers when they are working. Put differently, for many American workers, daily job life does not feel like freedom. Such data converge with anecdotal accounts from Terkel (1974) and Ehrenreich (2001) attesting to the alienation and sense of being controlled many people, and especially wage laborers, feel in the modern workplace.

Although the American workplace is characterized by a number of diverse and sometimes competing management styles, many workers, especially those in lower income jobs, are still subjected to various forms of Taylorism (Taylor, 1914). Taylorism describes an approach to labor in which the manager plans not only what workers must accomplish, but also exactly how they will do it, leaving little sense of choice or initiative to the worker. The fundamental assumption of Taylorism is that experts (e.g., bosses and consultants) can maximize efficiency (and therefore output and eventual profit) when laborers follow set, proscribed patterns developed by the employers. Although factory line work is the prototypical way in which Taylorism has been applied to labor, the same principles can also apply in other settings, such as telemarketers’ scripts for making phone calls, or the protocols that many law firms increasingly make their lawyers, paralegals, and secretaries follow. In essence, Taylorism takes formerly integrated activities and divides them into smaller chunks of behavior relevant to certain skills; these separable skills are then divided up among specialized individual human workers who become another programmable part of the machinery of production.

This Taylorite management style so common in America can have important costs to workers’ feelings of autonomy (Deci et al., 1989). For example, Deci, Ryan, Gagné, Leone, Usunov, and Kornazheva (2001) found that the job engagement, satisfaction, and well-being of both US workers in a capitalist company and Bulgarian workers in a collectivist, state-run company was predicted by support for autonomy and feelings of competence in the workplace. Interestingly, however, whereas the Bulgarian workers suffered particularly from a lack of a sense of competence (i.e., few goals, an absence of acknowledgement or rewards for accomplishment), American workers felt less autonomy (i.e., they reported having little say in the workplace or input to supervisors).

This everyday demand for workers to “do what they are told” is often deeply internalized (Kohn, 1977). That is, because most individuals in the lower socioeconomic strata work at jobs that require following the rules of authorities, Kohn, Slomczynski, and Schoenbach (1986) suggest that they value conformity more than self-direction, and pass on such values to their children. Indeed, recent research supports this conclusion (Kasser, Koestner, and Lekes, 2002), suggesting that lower status workers under ACC are not only often forced into conformity by their employers, but pass on such pressures for conformity to their children.

A second set of problems with work life under ACC is that rewards are almost exclusively administered via extrinsic, monetary means. A recent meta-analysis of 128 studies shows that extrinsic rewards typically undermine intrinsic motivation (e.g., feelings of fun, interest, and enjoyment) and increase feelings of control and pressure (Deci, Koestner, and Ryan, 1999). Further, extrinsic rewards can also undermine creativity (Hennesey and Amabile, 1988), which, as shown in Table 2, is another of the values opposing the types of concerns typically emphasized by ACC. Because workplaces under ACC are dominated by such extrinsic rewards, they may thus negatively influence individuals’ intrinsic job satisfactions. Indeed, Malka, and Chatman (2003) reported that individuals who are more oriented towards the intrinsic satisfactions of work (e.g., fun, enjoyment, interest, and creativity) find that their life satisfaction decreases when they receive high monetary rewards.
Because motivational structures under ACC are so often focused on issues of monetary compensation, other types of rewards and satisfactions that are important to quality of work life are often less available to workers. For example, not only do many workers have little say in the way they construct their day to day work tasks, but they very rarely have representation on the corporate boards whose decisions affect their work lives (Kelly, 2001). Unlike most of the (anticipated) readers of this article, who have the privileged position of working in academia, laborers in many settings under ACC have little to no say about when they take breaks, when they come to work (or take a day off), whether their work causes physical or environmental damage, and whether their jobs may be lost to laborers in another location who are willing to sell their time and skills for less money. Indeed, employers can monitor their employees’ work e-mail or subject them to unwarranted searches and seizures at work, losses of the right to privacy and autonomy that are protected outside, but not inside, the American workplace (Kaufman, 2003).

A third problematic aspect of work life under ACC concerns the time that individuals spend at work. As Schor (2003) and others have demonstrated, after significant declines in work hours through the 1800s and the first half of the 1900s, annual work hours have risen in the US from 1,716 in 1967 to 1,878 in 2000; this equates to four extra 40 hour weeks per year, and is substantially more than most European nations (where, for example, the Norwegians worked 1,376 hours on average in 2000). There are a variety of explanations for this change. Some of these concern the internalization of the capitalistic beliefs equating success with wealth and possessions; those who have taken on such beliefs are likely to want to work more hours as a way to prove their success. Other reasons reflect institutional pressures. For example, as corporations have laid-off workers and replaced them with temporary or part-time labor (often as a strategy for cutting costs for health insurance or benefits), many laborers must cobble together more than one job to support themselves. Further, although many other nations have rules limiting mandatory overtime, in the United States “it is entirely legal for an employer to require an employee to work beyond his or her scheduled shift time with no advance notice, and to take disciplinary action against a worker who refuses” (Golden, 2003, p. 29). Another explanation for the increase in work hours is that laborers in the United States have no mandatory minimum vacation, whereas most Europeans have at least a couple of weeks, if not more, by law (e.g., Swedes have a minimum of 25 days vacation [Hayden, 2003]). Those who are not willing to increase their work hours forego vacations, or work mandatory overtime know that they are likely to be considered less than adequate by their employers. Even among more affluent white-collar employees, who presumably are given greater flexibility in how they do their work, it is not clear how much “time freedom” they actually experience. Many employees do not seem to feel free to take time off for personal matters, and indeed, many feel pressured to work more than they would like or to “touch base” with the office on days they are scheduled to be off (Robinson, 2003).

This harried, achievement-oriented lifestyle is reflected by Americans’ growing lack of time for family meals, increasing use of fast food and services, increasing obesity from lack of activity, and direct experience of time stress (de Graaf, 2003; Whybrow, 2005). It is thus an irony that as Americans have embraced ACC, they have experienced less “time affluence” even as material affluence has risen. The loss of discretion with regards to time is perhaps one of the greatest threats to human freedom, but unfortunately is rarely recognized as a form of bondage because it seems that people “choose” to keep their ever more demanding jobs.

Globalization and democracy. Some contemporary cultural observers have also noted that the institutions and treaties that are most responsible for the systemic spread of ACC around the globe (i.e., globalization) can work against democracy and the ability of many countries to freely determine their own laws and economic structure(s). Decisions by World Trade Organization panels on whether national laws are “barriers to trade” have forced countries, through the threat of economic sanctions, to overturn laws passed by democratically elected legislatures (Danaher and Burbach, 2000; Rademacher, 2000). These WTO panels, whose members are appointed rather than elected, meet in secret and hand down final decisions that have no appeal process (Beck and Danaher, 2000; Stiglitz, 2002).

Other examples of how current practices facilitating globalization work against national autonomy concern the International Monetary Fund (IMF) and the World Bank, which provide loans to developing countries. Often times, the structure of these loans is contingent on the recipient nations redesigning their economic systems so as to fit into the global economy, i.e., ACC (Cavanagh, Welch, and Retallack, 2001; Mander et al., 2001). For example, some past loan requirements have forced nations to weaken or eliminate environmental laws, reduce spending on public services, lower wages, and remove tariffs in order to become more “efficient” and more open to doing business with international corporations (Bello, 1995; Heredia and Purcell, 1995). Further, international trade agreements have expanded international corporations’ investment rights and protections by weakening the rights of member nations to regulate their own industries, once again compromising national sovereignty (Barlow, 2001; Economic Policy Institute, 2001; Public Citizens Global Trade Watch and Friends of the Earth, 2001).
These examples illustrate how democratic governing institutions (i.e., the political system that is designed to maximize freedom and autonomy) can be undermined by the demands of economic globalization, corporations’ desires for profit, and ACC’s mandate of continual economic growth (Nader and Wallach, 1996; McChesney, 1997; Danaher and Burbach, 2000; Cavanagh and Mander, 2004; Chua, 2004). They indicate that ACC and democracy are at times fundamentally at odds with each other. Moreover, when such conflicts occur, trans-national organizations and treaties increase the likelihood that the goals of ACC will take precedence over those of democracy.

More micro-options but fewer macro-options. A quick walk through the aisles of any grocery store, a flip of the thumb on the TV remote, or a word typed into an Internet search engine make it clear that, at least in terms of consumer goods, individuals living under ACC have an enormous amount of choice and options. Where else can one find dozens of types of toothpaste with such a bewildering variety of cleansers, flavors, and colors? The large array of options provided to consumers is, from the viewpoint of ACC, an important outcome, as it provides them the opportunity to pursue their own self-interest (e.g., mint gel with tartar control vs. strawberry paste with whiteners) and signals a healthy competition among producers.

However, as B. Schwartz (2004) and others (Iyengar and Lepper, 2000) have recently shown, the enormous array of options provided by the free market can frequently lead individuals to feel overwhelmed and unable to choose. This common problem of unending options is compounded by the fact that ACC encourages individuals to engage in a “maximizing” style of decision making, wherein people fret over whether they have made the best choice (Schwartz, 2004). Such a decision style has several unfortunate consequences for people, including lower life satisfaction and happiness, as well as more regret and depression (Schwartz, Ward, Monterosso, Lyubomirsky, White, and Lehman, 2002).

Although we agree with this critique, we hold that the options provided by ACC are actually an enormous array of relatively superficial micro-options that mask a substantial diminution of macro-options. This important point was brought home to the first author of this paper when, while on a trip, he had to purchase underwear for his 4 year old son. The stores sold many varieties of children’s underwear, but all of them had some marketing tie-in to a cartoon character (e.g., Finding Nemo, Sponge-Bob Square pants, Blue’s Clues). Thus, there were many micro-options (i.e., many kinds of underwear), but the macro-option of buying plain underwear was unavailable.

At least two features of ACC work against the existence of meaningful macro-options. First, governmental policies under ACC typically support privatization, which allows corporations to make more profits. The result is that publicly run services that might provide a qualitatively different type of “product” or service become less available. For example, while consumers can choose between thousands of options and colors on cars (i.e., trivial micro-options), many Americans do not have the opportunity to use a good public transportation system (i.e., meaningful macro-option; see Maniates, 2002 or Sanne, 2002). Similarly, as governments spend less money to fund public television or support schools and other community services, corporate “sponsors” increasingly step in, “donating” funds in return for the opportunity to advertise their products (see www.commercialalert.org for a host of examples of this practice). As such, people have many opportunities to see many different kinds of advertisements (i.e., trivial micro-options) but fewer possibilities of avoiding advertisements (i.e., meaningful macro-option).

The second feature of ACC that creates fewer macro-options concerns the fact that larger corporations are, on average, more likely to succeed (i.e., turn a profit) than smaller corporations. As a result, a relatively small number of corporations eventually often come to control the vast majority of the products offered, and thus consumers have limited macro-options. Consider, for example, that over 80% of all the media options in the US are owned by five companies (McChesney, 1997), that 60% of farm sales in the US come from 3% of the farms (Lappe and Lappe, 2002), and that although there were 70% fewer hog and dairy farms in the US in 1992 than in 1969, production remained the same (Manno, 2002). The power that accumulates behind so much capital makes it easier for big corporations to squeeze out smaller competitors who might provide true macro-options.

Indeed, the spread of corporate products and services internationally, with the concomitant spread of corporate micro-options across the planet, is leading to what some analysts have termed a worldwide corporate “monoculture” (Cavanagh and Mander, 2004) in which corporate products and services crowd out other competition. As a result, the same restaurants, shops, movies, cars, and the like are to be found in most locales; as such, local businesses, and thus local cultures, are overwhelmed. The long history of corporate tactics to eliminate competition, from Standard Oil up through Microsoft, is testament to how the concentration of money and power in fewer hands leads to a process of homogenization in which cultural diversity, and thus meaningful macro-options, is replaced with the narrow range of micro-options offered by corporations (Kanner, 2005).

Before closing this section, it is important to mention again one last, more conceptual, but nonetheless extremely important, example of how macro-options are limited under capitalism. We referred to this idea at the outset of the paper: TINA, or “There Is
No Alternative” (http://en.wikipedia.org/wiki/TINA). What is there no alternative to? Capitalism. Claims that “things must be the way they are” and that “there are no better options than the present system” not only bespeak the pervasiveness of the system, but can also have the effects of leading people (including economists and psychologists) not to ask probing questions about the system and not to seek out alternative lifestyles that are less competitive and consumeristic.

Conclusion

The two major goals of this article have been to make the case that ACC is a complex social system worthy of study by psychologists and to suggest that, although the system has successfully generated great wealth and perhaps alleviated certain problems confronting humanity, there are also some costs it incurs. We showed that one useful way of understanding some of the costs of ACC is to examine the values and goals that help to maintain its institutions and ideologies. By using cross-cultural research on how values and goals are organized, we identified the aims most consistent with ACC (i.e., self-interest, financial success, and competition) and then reviewed a variety of literatures demonstrating how these aims conflict with and undermine pursuits long thought by psychologists to be essential to individual and collective well-being. These include helping the world be a better place, having committed, intimate relationships, and feeling worthy and autonomous. Further, we noted that ACC is built upon questionable assumptions about self-interest, competition, and the relationship between wealth and happiness.

There is no doubt that American corporate capitalism is spreading through the world at a stunning pace, and is infiltrating more and more aspects of people’s lives. Although we recognize that there may be benefits to this economic system, we have highlighted here some of ACC’s costs, as it is the nature of this (and perhaps any) system that the costs are often left unarticulated. We hope that our colleagues will take up the challenge of exploring the host of theoretically interesting and vitally important questions about the costs (and potential benefits) of living under this economic system, that they will begin to explore the dynamics of other forms of capitalism and of other economic systems, and that they will apply other perspectives to understanding economic systems than the models of goals and values that we used in this target article. Insofar as psychology begins to bring a sophisticated set of approaches to understanding ACC and other economic systems, an exciting and worthwhile opportunity presents itself: Psychology could apply its unique perspectives and knowledge toward developing a more equitable, compassionate, enlivening, and ecologically sustainable economic system.

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