Building Up and Tearing Down: Identity Construction and Creative Destruction

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Abstract:
Joseph Schumpeter, in his 1942 classic “Capitalism, Socialism, and Democracy”, put forward the idea of ‘creative destruction’—a process whereby capitalism, in its constant efforts to bring new products to market, brings about a situation of simultaneous creation and destruction. As new products are brought to market, and new markets are themselves created, the markets for older products are destroyed. In a world where consumer goods increasingly are the bearers of meaning for identity construction, creative destruction threatens more than markets, it can threaten people’s conceptualizations of themselves and their world. As products and markets are created, altered, and ultimately destroyed, their communicative power—and thereby their utility as identity constructing tools—are created, altered, and destroyed right along with them.

“The fundamental impulse that sets and keeps the capitalist engine in motion comes from the new consumers’ good, the new methods of production or transportation, the new markets, the new forms of industrial organization that capitalist enterprise creates” (Schumpeter, p83)

There are some who envision entrepreneurs as the heroes of capitalism (Morong, 1992). They attribute to them the mythic personal qualities of an Achilles or a Beowulf and the trials and tribulations of the epic journey of an Odysseus or Jason and his Argonauts. They see them as creative-destroyers wading through old, outdated markets revitalizing them through innovation and entrepreneurial activity.

Joseph Schumpeter, in his 1942 classic “Capitalism, Socialism, and Democracy”, put forward the idea of ‘creative destruction’—a process whereby capitalism, in its constant efforts to bring new products to market, brings about a situation of simultaneous creation and destruction. As new products are brought to market, and new markets are themselves created, the markets for older products are destroyed. The record replaces the small performer. Cassettes and 8-tracks challenged the record. CDs replaced them both. Mp3s bring into doubt the continued success of CDs. Sometimes the destruction is incomplete—cassettes, 8-tracks, and records co-existed—and other times it is complete—the automobile eliminated the horse and buggy except as an anachronistic oddity or a romantic diversion.

This ongoing process of creation and destruction, Schumpeter argues, drives capitalism forward. To some extent, in keeping with the dual nature of creative destruction, Schumpeter argues that this very process even leads to the eventual destruction of capitalism—not through its failure but through its continued success (Schumpeter 1947).

At the time of Schumpeter’s writing economic considerations were ones more of production, rather than consumption. Yes, consumers were important, but it was the production process that created value and meaning (Firat & Venkatesh). As the market economy has grown and spread (and prosperity and wealth have taken root) a shift has occurred. The success of capitalist production in the West means that consumers have moved beyond merely satisfying material needs to using consumption in a deeper and more meaningful way. “Human life consists of ceaseless and varied interactions among people and with myriad kinds of things” (Schiffer, p2). Consumers have come, more and more, to attach meaning to their consumption practices—to the ‘things’ in their life. As a result, the process of creative destruction also takes on new considerations. As consumers attach more and more meaning to the goods and services they consume, they gain more importance to the consumer. They become a part of their identity construction.

As such, changes in products—or their elimination—have repercussions for consumers beyond the necessity of finding a replacement product. They are no longer replacing things, but things with meaning (and that meaning is increasingly on a more personal level). “The mere fact of change will produce serious disappointment for individuals who seek to preserve particular markers of cultural identity” (Cowen, p147). One need simply look to the streets of downtown Chicago as crowds gathered outside of Macy’s department store in 2006 to protest—not the selling of fur or unfair labor practices—but the changing of the store’s name from Marshall Field’s to Macy’s (Fergus). The meaning attached to the Marshall Fields’ name and the related ‘shopping experience’—and Macy’s abandonment of these—draws more attention than any issue of the store’s merchandise, ownership, or management practices. A participant justifies the protest, “It’s standing up for what you believe in” (Fergus).

Our Postmodern World

The postmodern world is one in which we can no longer look to the traditional hierarchical markers of status—church, class, race, gender—to define who we are and how we should act. It has left us free to define our actions and ourselves in new ways (Fournier 1998, Arnould & Price 1999, Schau & Gilly 2003).
In the postmodern paradigm goods and services are no longer viewed simply as products to be consumed in and of themselves. Their production, and more importantly their consumption, takes on meaning (Firat & Venkatesh 1995). They have become signs and symbols that signify much larger meanings in the lives and identities of those that consume them (Levy 1981, Hirschman & Holbrook 1982, Fournier 1998, Schau & Gilly 2003, Belk & Costa 1998). They become ‘enchanted’ and ‘multivocal’ as they develop their own narratives (Firat and Venkatesh 1995, Fournier 1998). They speak to us and for us.

**Social Reality or Liberatory Postmodernism**

There are competing perspectives on where consumption acquires meaning. The “social reality” perspective says that meaning comes from the culture itself; that meaning is culturally determined. Institutional cultural actors like the advertising or fashion industries put forward meanings that are attached to items (McCracken). We accept or reject those products with their attached meanings. Meaning is, in this paradigm, on the production side of the equation and is moved into the object and its eventual consumption. The other approach is Liberatory Postmodernism (Firat and Venkatesh), where we are free to construct meaning individually. We liberate ourselves from the oppressive structures of the modernist project and develop our own interpretive spaces.

While the utter freedom of liberatory postmodernism is appealing, we are not there yet—we are on our way, but the road ahead is still long. We are in a middle ground more akin to the ‘social construction of reality’ as developed by Berger and Luckman. Beginning with the face-to-face situation, Berger and Luckman construct the dynamics of “a continuous interchange of expressivity” and “continuous reciprocity of expressive acts” in the here and now (Berger and Luckman, p28). The consumption activities of the other are presented to us in face-to-face interactions. While consumer goods may not have the interactivity of changing facial expressions to facilitate meaning transfer, an ongoing process of communication is nonetheless taking place with respect to the consumption activities of those whom we encounter and their constellations of choices. We decode their messages. We attempt to translate their vocabulary. We eventually develop scripts that facilitate and codify our interpretations depending on our prior experiences with the persons or the consumption patterns (styles) they are displaying—and that are themselves informed by the social context in which we form them. Both the scripts and the individuals in question may be reassessed upon further encounters and subsequent information as we fine tune our translations.

Berger and Luckman describe a process they call ‘objectivation’. By objectivation they mean the process whereby humans manifest expressivity in various products of human activity that then become available to themselves and others as elements of the common world (Berger & Luckman). It is the process whereby we assign mutually understandable meanings to consumption objects. We are then able to carry these objectivations forward beyond our face-to-face encounters with the meaning still embedded. In this process we objectivate both personal (socially constructed) and cultural (social reality) experiences

“It is possible for both biographical and historical experience to be objectified, retained and accumulated. The accumulation, of course, is selective, with the semantic fields determining what will be retained and what “forgotten” of the total experience of both the individual and of the society. By virtue of this accumulation a social stock of knowledge is constituted, which is transmitted from generation to generation and which is available to the individual in everyday life. I live in the commonsense world of everyday life equipped with specific bodies of knowledge. What is more, I know that others share at
least part of this knowledge, and that they know that I know this. My interaction with others in everyday life is, therefore, constantly affected by our common participation in the available social stock of knowledge” (Berger and Luckman, p39).

The reinforcement of personal and cultural (“biographical and historical”) experiences accumulates in the ‘social stock of knowledge’. These objectivations are then taken for granted unless they become problematic (when they are challenged or destroyed)—at which point they are resolved, altered, or abandoned.

When objectivations are taken for granted and they do not become problematic they become habitualized. “Any activity which is repeated frequently becomes cast into a pattern, which can then be reproduced with an economy of effort...this is true of nonsocial as well as of social activity” (Berger and Luckman, p50). We develop habitual interpretations drawn from both a personal and cultural pool of experiences. Repetition reinforces them and they gain acceptance until evidence to the contrary presents itself. They enter our vocabulary.

Meaning Comes from Choice

The advanced economies of the industrialized West, most noticeably the American economy, have managed to produce unprecedented quantities of consumer goods. We are awash in a sea of goods. Even the poorest of American consumers have a dazzling array of consumer products within their reach—and there is little danger of that flow slowing significantly. As a result, the American consumer can assume a certain high level of consumption as a minimum that will be sustainable for the foreseeable future. There is hunger, but not starvation. There is poverty, but little true destitution. Surplus—dare I say excess—is a seemingly permanent and integral part of consumer culture.

Consumption should not be confused with purchase—these are two distinct activities. The simple act of buying—though it too may be laden with meaning in both the act of purchasing and the purchased object itself—is not consumption. Consumption is an act of use. It is in the using [up] of a good or service. “Consumption is the moment in the process where symbolic exchanges that determine and reproduce the social code occur” (Firat & Venkatesh, p251). Some consumption is immediate (food, a massage) and some is extended (clothing, furniture). The consumption of a good occurs in the day-to-day interactions with others—where its meanings are then communicated. The shirt may be purchased in a mall on Saturday, but the consumption of that shirt is an ongoing act of communication and expression each and every time it is worn. “Virtually all communication and human behavior involve artifacts” (Schiffer, p3). The ways in which the cultural meaning of consumer goods is manipulated—and destroyed—is our concern.

Where Meaning Emerges

I argue that there are three spaces where meaning emerges in consumption: distance from necessity, selection among alternatives, and degree of processing of materials.

The greater the distance between the bare necessities—food, clothing, and shelter—and our consumption, the more room there is for meaning. The consumption of everyday necessities, as necessities, conveys little meaning. If there is little choice between consuming and not consuming, then there is little meaning involved in the consumption activity. It is only when we move beyond necessity—made possible by surplus, what Veblen would call waste—that we are able to add meaning to our consumption. It is in this space between necessity and choice that meaning emerges. This is not to say that the consumption choices we make regarding these basics of life cannot also convey meaning, but it is only when choice beyond necessity is added that meaning construction becomes possible. The ability to
communicate through consumption is a function of the options available to the communicator. Everyone needs, at the lowest level, to pursue some basic quantities of food, clothing, and shelter. It is when choice is added that meaning emerges.

It is in the consumption of non-necessities—especially luxuries—that meaning emerges. From Veblen’s *Theory of the Leisure Class* we have conspicuous consumption, conspicuous leisure, and conspicuous waste. From Weber’s *The Theory of Social and Economic Organization* we have ‘positively privileged propertied classes’ defined by their access to and control over high-priced consumer goods, economic goods, unconsumed surpluses, accumulating capital and executive positions, and socially advantageous education opportunities (Weber, p425).

Similarly, the greater the selection among alternatives—even when the bare necessities are involved—the more room there is for meaning to be added to the process. McCracken (1988) discusses clothing as a metaphor for language, eventually finding the metaphor insufficient. He claims the most valuable aspect of language, combinatorial freedom—the ability to combine elements to create more meaning—is lacking. McCracken’s mistake is to assume that because clothing cannot be used with total combinatorial freedom, that it cannot be used at all for this function—or that other consumer goods cannot perform this work. He uses the example of how mixing garments from significantly different outfits confuses subjects attempting to interpret (or translate) the outfits. What he fails to recognize is that clothing, as a communicative language, may require larger ‘units of speech’ (i.e. the outfit rather than the garment) that can then be brought into the larger dialogue of meaning generation through consumption. The outfit becomes a single syntactic unit in a larger communicative structure. The more varied the selection possibilities, the greater the potential to find that precise meaning rather than a more general one. The selection among alternatives does afford a certain degree of combinatorial freedom once the ‘language’ is freed from the restrictive domain of just clothing to which McCracken had limited his interpretation. This metaphor of goods as syntactic elements of a language extends to consumer goods in general—with more alternatives being comparable to the availability of a larger vocabulary. Selection and choice provide for the possibility of finer gradations of meaning. McCracken faults the metaphor for failing to provide total combinatorial freedom because it is possible to create jibberish. But while there may not be total combinatorial freedom, there is some combinatorial freedom. The more fluent the interpreter of these signs becomes, the greater the range of combinatorial freedom available to the ‘speaker’. So it is possible in the ‘language’ of consumer goods to either speak clearly or babble, to create poetry or jibberish.

The interpretative burden may be with the reader rather than the writer. Any ambiguity in the reading may simply create the need for the interpreter ‘to act as their own self-conscious semiotician’ (Goldman & Papson). Though analyzing advertising, Goldman and Papson suggest how this ‘literacy’ develops, “Viewers who possess more comprehensive familiarity with popular culture can better recognize the twists and ironic nuances available in ads these days. In this sense, advertisers have tried to restore the pleasure in reading texts. To recognize the ad text is to feel literate and may be a source of ego enhancement; or it may make us feel a part of an ‘in crowd’, privy to a full understanding of the multiple layers of meaning” (Goldman & Papson, p37). Consumer goods engage in a process of intertextual (re)interpretations with elements of the larger consumer culture to signify meaning. Cultural literacy is commodity literacy, and vice versa.

The greater the processing involved in the production of a good, the greater the opportunity for meaning to emerge. Economics has long argued that labor adds value—and I see no reason to disagree with them now. At each stage in the production process there is the opportunity—realized or not—to add
value to the final consumer good. With this addition of value comes room for meaning. The value chain is also a potential meaning chain. A Canadian diamond is different from a Liberian diamond not only because of cut, color, shape, and/or size; but also because of the production practices in the originating state or the eventual destination of the revenues generated from their sale. A ‘conflict diamond’ has added meaning because of its productive process more than by its physical properties. Both are diamonds, but it is the ‘conflict’ that carries the bulk of the communication weight. For consumer goods, it is the brand that adds value beyond the simple commodity good.

The postmodern consumer now also generates value in consumption. Consumption is not the destruction of meaning that it was in classic, modern economics; it is now a locus of meaning creation (Firat & Venkatesh). The consumption act is an act of meaning creation. The processed good simply starts from a more advanced point in this creation process—having already had meaning added in production. The meaning added by the consumption act is added to the meaning generated in the productive process.

It is the absence of necessity that leads to meaning creation in consumption. Consequently, it is the consumption acts with the least (or no) necessity involved that lead to the most possibility of meaning creation. It is the amount of choice which leads to an expanded ‘vocabulary’ for communication. And finally it is any meaning already present in the consumption object from the production process that consumption builds upon.

**Meaning and Membership**

Identity, in the form of constructed meaning, used to come from a status system built upon the pillars of race, gender, class, and religion. Authors like Thorstein Veblen and his *Theory of the Leisure Class* described how American consumer culture—and the meaning creation system within it—grew out of the act of (conspicuous) consumption but was determined by productive forces. At the time Veblen was writing, class was status. Wealth may have been an important contributing factor to class, but it certainly did not guarantee elevation—class was certainly more than just wealth. Class was a constellation of possessions and behaviors that separated the ‘man of money’ from the leisurely gentleman and both from the rest of the society. Scarcity of supply and quality of workmanship drove conspicuous consumption. Both were production-based factors that the man of leisure identified through knowledge, training, and time.

With the increase in productivity in the West and the availability of even the most exotic of consumer goods to anyone willing to spend for them, conspicuous consumption as a way of establishing claims to class has faded (though certainly not disappeared). Class elevation is also no longer the driving force it once was. “The metanarratives of modernity are either diminishing in value or ceasing to function as motivating concepts” (Firat & Venkatesh, p263). The ability for consumers to forge the purchasable symbols of class status (Goffman) means that they have lost much of their communicative power and the ‘chase and flight’ (McCracken) class status game seems less important. Rather than a simple devaluing of class symbols and their replacement with other symbols (which would themselves be forgeable) the result has been a fragmentation of the very status symbol game from a mono-focused competition into a multi-focal game of independent fields of social competition—each with its own rules, goals, and capital. There is no longer one social project. Individuals are liberated to pursue their individual personal identity projects with whatever rules and paradoxes they are willing to accept.

Bourdieu and other postmodern writers wanted to liberate society from ‘the economism of capitalism and Marxism’—where the social field (in fact, all life) is reduced to the economic (Harker et al). Bourdieu pointed out that we have economic, social, and cultural capital; that we compete in each of
these fields; and that these different capitals are, to varying degrees, interchangeable or convertible (Bourdieu). The old class-based system that drove much of conspicuous consumption in the day of Veblen has been supplanted by a multi-focal system of social and cultural capitals, each with their own currencies (Zelizer) and their own vocabularies with differing combinatorial capabilities. There is no longer one social (class) game to be played, there are now many. There is no longer one currency (social standing) to pursue. “When consumption moves to the symbolic realm, distinctive display can be made even with less expensive material possession, but by something which still communicates the symbol of distinctiveness” (Chaudhuri & Majumdar).

Consumption has now become a means of signaling which cultural ‘games’ we are playing. We signal our beliefs, our values, and our very identities through the currencies we spend and the vocabularies we use. Some still play this as a classic ‘class’ game and reproduce the priorities and beliefs of that particular game—chasing Louis Vuitton [knockoffs] or other material trappings of a social class to which they aspire. Accepting the old standards and the old rules, they continue to play the old game. But now there has emerged other games for the consumer to play. We can choose to play different cultural games, each with their own rules. There is no one monolithic elite culture, ‘high society’, or privileged class to which one aspires. The playing field has fragmented and there are many games going on. We can play the ‘green’ game with its requirement of environmental consciousness, the ‘rebel’ game and its eternal chase of cool, or the ‘connoisseur’ game with its pursuit of the esoteric and exotic, to name but a few possibilities. We can completely withdraw from some of the games—or choose to play them to varying degrees—and participate only in those that we choose to play. We can decide to play multiple games at once—and they can be games with contradictory rules and objectives, with confusing vocabularies, and unknown or unequal exchange rates for their currencies. For all their differences, what these and other social and cultural games all have in common, however, is consumption.

What were once only activities or hobbies have now become entire lifestyles. These games have taken a more prominent place in our lives as they have become associated with the consumption practices that are more central to our lives as consumers. This is perhaps most noticeable in the area of popular music. Musical styles have increasingly become associated with other consumption practices. The leather jacket of the rock and roller, the mohawk of the punk rocker, the pancake makeup and black clothing of the goth, or the flannel shirt of the grunge rocker have become distinctive ‘looks’ associated with their particular music—a recognizable vocabulary. The degree to which people choose to adhere to these typifications (Berger and Luckman) is a reflection of their participation in the lifestyle. You are no longer just a fan of the music but have become a member (whether probationary or card carrying, valid or poseur) of a lifestyle. We now can create a web of memberships that construct our identity. We “create arenas of consumption that are fluid and non-totalizing, which means that consumers are free to engage in multiple experiences without making commitments to any” (Firat & Venkatesh, p251). Consumers are free to create who they are and communicate their identity with a vocabulary of clothing and other consumer goods.

Implications

The implications of all this for the consumer are varied. We have developed a rich literature on how consumers use goods and services to construct identity. For the consumer new opportunities abound. The opportunities for identity building in a postmodern world of liberatory consumption means that consumers are now free to create (and destroy) identity at will. They can alternate between competing choices and construct identities free of proscribed social categories.
But there are also considerable threats that emerge in the creative destruction process—innovation can challenge very important components of a consumer’s identity. The downside to this freedom of identity construction through consumption is that identities are now vulnerable to the creative-destruction processes of the market. The attachments individuals feel extend beyond the rational to the emotional. With few exceptions (Muniz & Schau), what we haven’t looked at as extensively is what happens when those goods and services upon which we have constructed our identity are threatened or go away. When the process of creative destruction comes for the key components of our identity, how do we respond? For the innovator or entrepreneur with a new product or service, this can be an additional obstacle to be overcome—or an opportunity.

Creative destruction threatens more than markets; it can threaten people’s conceptualizations of themselves and their world. As products and markets are created, altered, and ultimately destroyed, their communicative power—and thereby their utility as identity constructing tools—are created, altered, and destroyed right along with them.

References:


