

Funding the Future

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This is one of a series of posts that will ask what the most pertinent question raised by a prominent influencer of political economy might have been, and what the relevance of that question might be today. There is a list of all posts in the series at the end of each entry. The [origin of this series is noted here](#).

After the first two posts in this series, the topics have been chosen by me, and this is one of those. This series has been produced using what I describe as directed AI searches to establish positions with which I agree, followed by final editing before publication.

This post refers to one of my economic heroes, [Professor J K \(Ken\) Galbraith](#), of whose writings I probably have a bigger collection than any others.

John Kenneth (Ken) Galbraith, the Canadian-American economist, was one of the most eloquent critics of modern capitalism.

Writing in *The Affluent Society* (1958), he observed something that remains as true today as it was then: advanced economies were awash with private consumption - cars, gadgets, advertising, status goods - while public services, schools, transport, and communities were starved of investment.

He called this imbalance the central contradiction of affluence: societies rich enough to provide comfort for all chose instead to tolerate inequality and neglect.

Galbraith skewered the idea that markets automatically meet needs. They meet wants that can pay. And, worse still, they manufacture wants through advertising, turning insecurity into desire. Meanwhile, genuine social needs — health, education, clean air, public spaces — languish because they are not profitable.

This paradox leads directly to what might be called the Galbraith Question: *if affluence produces private luxury alongside public squalor, what does that say about the values and survival of our society?*

The tyranny of private consumption

Galbraith pointed out that in post-war America, consumer goods multiplied while public schools were overcrowded, roads crumbled, and parks decayed. This was no accident. Markets prioritise what individuals with purchasing power demand, not what societies collectively need. The result was a distorted pattern of growth: glitzy suburbs and shiny appliances alongside underfunded services.

Today, the imbalance is worse. Billionaires build private rockets while hospitals cannot afford basic equipment. Luxury flats sit empty while homelessness rises. Markets pump out smartphones while public broadband lags. Galbraith's warning has become prophecy.

The manufactured wants of advertising

Galbraith also identified the “dependence effect”: the idea that in modern capitalism, demand is not spontaneous but manufactured. Advertising does not simply inform; it persuades, manipulates, and creates dissatisfaction. We are told endlessly that our lives are incomplete without the latest product.

This endless stimulation of private wants diverts resources into trivia, while real needs, such as poverty reduction, social housing, and climate resilience, are neglected. The system thrives on making us feel perpetually inadequate. Squalor is not an accident; it is the shadow cast by a system that profits from dissatisfaction.

The neglect of public goods

Markets undervalue what cannot be bought and sold. Clean streets, safe communities, universal healthcare, cultural life — these do not appear on corporate balance sheets. They require public investment. But under the sway of market dogma, governments have been told to cut, privatise, and outsource.

The result is precisely what Galbraith warned of: gleaming shopping malls surrounded by potholes; private gyms for the rich while public parks decay; high-end medicine for those who pay while basic care is rationed for everyone else. Public squalor becomes the backdrop to private plenty.

The political economy of neglect

Why does this persist? Because those with wealth have no need for public provision. They buy private healthcare, private schooling, and private security. For them, public services are not vital but irrelevant — even threatening, since they require taxation.

Meanwhile, the majority are told that taxes are theft and public spending is a waste. Political elites, funded by the wealthy, reinforce the message. The outcome is a politics that systematically undervalues collective goods while lavishing subsidies on private

capital.

Galbraith's challenge today

If Galbraith's critique was relevant in 1958, it is doubly urgent now. Climate breakdown demands massive collective investment in energy, transport, and housing. Ageing societies demand investment in care. Inequality demands redistributive taxation. Yet we are told, relentlessly, that "the money is not there." Meanwhile, the yachts of the wealthy grow ever larger.

The Galbraith Question stares us in the face: how can a civilisation survive if it allows its collective foundations to crumble while indulging the endless whims of private consumption?

Answering Galbraith

To answer the Galbraith Question, we must reverse the imbalance he described, requiring that we:

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Rebuild public goods, requiring investment in housing, health, education, infrastructure, and culture as the true basis of prosperity.

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Tax private excess. Wealth, inheritance, and speculative gains must be taxed to fund collective provision.

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Challenge advertising. We must regulate the industries that profit from manufacturing insecurity and demand.

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Redefine prosperity. We must measure success not by consumption of status goods but by the quality of public life.

Inference

Galbraith's insight was devastatingly simple: private affluence and public squalor are two sides of the same coin. Markets feed the first and neglect the second. If we allow that imbalance to persist, society itself becomes fragile — glittering on the surface but rotten underneath.

The Galbraith Question is not about economics alone. It is about what kind of civilisation we want. Do we want one in which the rich wall themselves off in private luxury while the public realm collapses? Or one in which prosperity is measured by the strength of our shared institutions and the dignity of our common life? That question has, above all else, dominated my economic thinking ever since I first framed it about half a century

ago, as a sixth former when I first read ***The Affluent Society***.

Galbraith's answer was clear. Unless we choose the latter, affluence will prove not the mark of progress but the seed of decline.

Previous posts in this series

- * [***The economic questions***](#)
- * [***Economic questions: The Henry Ford Question***](#)
- * [***Economic questions: The Mark Carney Question***](#)
- * [***Economics questions: The Keynes question***](#)
- * [***Economics questions: The Karl Marx question***](#)
- * [***Economics questions: the Milton Friedman question***](#)
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