

# Whatever became of the Affluent Society?

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John Kenneth Galbraith's *The Affluent Society* asked a question that still matters: how can we live with private luxury alongside public squalor? In this video, I explore why Galbraith was right about how markets manufacture wants, and why public goods are neglected. From billionaire rockets to broken hospitals, his warning is as urgent today as it was in 1958.

<https://www.youtube.com/watch?v=sPMKp1MkAiA?si=GJqSpF-n-tmZlsr5>

This is the audio version:

[https://www.podbean.com/player-v2/?i=2tx3m-1983c37-pb&from=pb6admin&share=1&download=1&rtl=0&fonts=Arial&skin=f6f6f6&font-color=auto&logo\\_link=episode\\_page&btn-skin=c73a3a](https://www.podbean.com/player-v2/?i=2tx3m-1983c37-pb&from=pb6admin&share=1&download=1&rtl=0&fonts=Arial&skin=f6f6f6&font-color=auto&logo_link=episode_page&btn-skin=c73a3a)

This is the transcript:

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In the 1970s, as a teenager, I read John Kenneth Galbraith's book, *The Affluent Society*. You can see how old my copy is. You can see the colour of the spine. And to my surprise, there, tucked inside it, is a picture of my girlfriend from my school days. I wonder where she is now. That's nearly 50 years ago. But this book shaped my thinking at the time, and it has done ever since.

JK Galbraith, known as Ken to his friends, asked a critical question. He asked, "If affluence produces private luxury alongside public squalor, what does that say about

our society?" That's the idea that I want to explore today.

Galbraith mattered. I think Galbraith was the second most important economist of the 20th century, after John Maynard Keynes. An extraordinary man. A man who ran the production of all wartime goods in the USA in the 1940s, when he would hardly have reached the age of 30.

By 1958, he was back as an academic, and he warned that whilst consumer goods were multiplying, public services were already decaying in the country that he was dedicated to, the USA.

As he noted markets can meet wants that can be paid for, but they don't meet social needs, which people haven't got the capacity to pay for, either, because they are literally for social benefit, and therefore no one person can identify the cost to them of making their contribution, or because people won't vote for the political parties that want to achieve that goal.

That insight still resonates - more today than ever - because what it mocks is the very concept of what affluence is in a society that worships wealth above all else.

The tyranny of private consumption was what Galbraith was really talking about. He noticed the explosion of consumer goods consumption in postwar America. It is what made Americans feel good about themselves in the 1950s and onwards, as home ownership and car ownership expanded enormously.

But at the same time, public schools, roads and public spaces were starved of resources. The market prioritised the rich over the needs of society.

We see this in exactly the same way today. We get rockets for billionaires and broken hospitals for everyone else.

What Galbraith described was 'the manufacture of wants' in the society in which he lived. He described this as a 'dependence effect'. Demand is created, but it is not necessarily natural for many of the things that we consume.

He discussed, in ways that still resonate with me, the role of advertising in creating insecurity to sell products. Consumption is, as a consequence, endless because our dissatisfaction is made to be endless as well.

But at the same time, real needs, tackling the housing crisis, climate change and poverty, are pushed aside. There is in this system of manufactured wants a neglect of public goods.

The markets ignore clean air, safe streets, and culture. The government is told to cut, privatise and outsource. The result is that private gyms and malls expand, but parks and public services decline.

Public squalor is systemic and not accidental in this system. It is a part of the political economy of neglect, and that is a term that Galbraith would undoubtedly have recognised.

The wealthy insulate themselves with private services. At the same time, they resist taxation and undermine public goods because political elites funded by the wealthy reinforce this narrative, so taxes are cast as theft and not as investment in communities.

Does Galbraith's warning matter? Now, my argument is that, of course, it does.

Climate breakdown requires massive public investment.

Ageing societies demand universal care systems, or we will have people dying in poverty and suffering.

Inequality requires redistribution and strong public institutions to enforce it, and yet we are told the money is not there while the affluent's yachts get ever larger.

We have to answer the Galbraith question, which is, "How do we live with ourselves and our affluence when we simultaneously have this public squalor?"

The answer is that we have to rebuild those public goods on which we all depend: health, education, housing, and infrastructure.

We have to tax excess, whether that be wealth or inheritance or speculative finance.

And we have to challenge the narratives of advertising. I'm not saying that there aren't things that we need and want in our society, but we do have to challenge exploitation in all the forms in which it arises, and some of that is via the advertising industry.

And we have to redefine prosperity. We must measure success not by the amount of wealth that any one individual has, but by the strength of the commons, and that is the cultural and natural resources that are accessible to everyone, including the natural materials such as air, water, and a habitable earth, all of which are now challenged in the UK and elsewhere.

Private affluence and public squalor are two sides of the same coin in a neoliberal society. Markets feed one, and they neglect the other.

A society that lets its public realm collapse cannot endure, and that is precisely where we are.

And that is precisely what the public also knows now. They can see that this is happening. That is why they are angry with those neoliberal parties who have put us into this position, because none of them listened to the warning that Galbraith gave so

very clearly in this very pertinent book.

Our choice is now between private wealth or shared dignity. Galbraith's challenge remains, and fascism is no answer to any of this.

So what would you prefer?

Would you prefer to see the accumulation of private wealth by a few or shared dignity for everyone?

Would you rather that the government act in our common interest or to benefit a few?

There's a poll down below. Let us know.

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## Poll

[poll id="222"]

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