The Culture of Contentment

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John Kenneth Galbraith was one of the great economists of the twentieth century. In The *Culture of Contentment*, published in 1992, he offered a warning about what happens when prosperous people use democracy to protect their own economic security while ignoring those excluded from it.

More than 30 years later, that warning deserves another hearing.

In this Funding the Future podcast, John Christensen and I discuss why Galbraith's analysis remains so powerful. We look at the rise of the home- and asset-owning democracy under Thatcher and Reagan, the political importance of rising asset prices, the mythology of individual self-reliance and the extraordinary willingness of the economically contented to accept government support for themselves while condemning support for those in poverty.

We then ask what has changed since Galbraith wrote.

The financial crash, climate crisis, cost-of-living pressures and housing crisis have weakened the old economic settlement. Younger generations have largely been denied access to the property and financial wealth that created security for many older people. Meanwhile, those who remain contented depend increasingly upon asset values that may prove vulnerable to another financial crisis.

Galbraith knew that apparently stable political systems could unravel remarkably quickly.

The question facing us now is what comes afterwards. Can we create an economy that provides security for everyone rather than preserving privilege for those who already possess it?

https://www.youtube.com/watch?v=teoGyBIQSyQ?si=pDNr_0YY0LDvNEQ1

This is the audio version:

https://www.podbean.com/player-v2/?i=ysdew-1b59b24-pb&from=pb6admin&share=1&download=1&rtl=0&fonts=Arial&skin=f6f6f6&font-color=auto&logo_link=episode_page&btn-skin=c73a3a

There is no transcript for this video, but this is my summary of the conversation:

In this Funding the Future podcast with John Christensen, my long-standing friend and former colleague with whom I co-founded the Tax Justice Network, we discussed John Kenneth Galbraith's 1992 book, *The Culture of Contentment*, written when he was 84.

John suggested we discuss it. We had both read it before, but I went back to it to prepare for the podcast, and what struck both of us was how extraordinarily relevant it remains.

Galbraith's argument was that a substantial section of society had by 1992 become sufficiently prosperous and secure that its primary political objective was no longer to improve society as a whole, but to preserve its own position. He called these people 'the contented'. They believed their prosperity resulted from their own hard work, intelligence, and merit, and in doing so they were unwilling to acknowledge the role of government, public infrastructure, social institutions, and simple good fortune in creating the conditions that made their prosperity possible.

As John and I discussed, this had profound political consequences. In particular, the contented voted, whilst those who were economically insecure were much less likely to do so. As a result, political parties increasingly shaped themselves around these contented people who already had wealth, property, pensions and security. Thatcher and Reagan understood this very well. Home ownership, rising house prices and growing financial wealth helped create a large constituency with an interest in maintaining the existing order. The right wing of politics appealed to these people in 1992, and for decades thereafter.

The result was what was called the "wealth effect". People were encouraged to believe that rising house and share prices made them richer, and that this financial wealth provided them with security. That idea became central to neoliberal politics, and it has remained so ever since.

One of Galbraith's great strengths was his willingness to expose the hypocrisy inherent in this arrangement. As he noted, the contented frequently objected to government support for those on low incomes whilst being perfectly willing to accept government support themselves. Tax reliefs, pension subsidies, agricultural support, bank deposit guarantees and state protection for financial markets were (and are) acceptable to them, but social security for those struggling to survive is supposedly evidence of irresponsibility and dependency.

John and I discussed how this reflects a much wider failure to recognise what I call the “scaffolding of the state”. Private prosperity does not exist independently of the state. Roads, schools, healthcare, law, banking systems, education, infrastructure and countless other public institutions make private economic activity possible. Despite this, or because they have trained themselves to ignore this fact, the contented have spent decades attacking the very state on which their own prosperity depends.

The resulting short-termism in the contented's views was central to Galbraith’s argument. He saw people refusing to invest in infrastructure, skills and public services because doing so might require them to pay more tax now, even though the failure to make those investments would eventually undermine their own prosperity. We are now living with the consequences of precisely that failure.

Our conversation also went beyond Galbraith’s book because the world of 2026 is not the world of 1992. Events have moved on in ways Ken Galbraith might not have expected. The financial crash of 2008, climate change, inflation, the cost-of-living crisis, extraordinarily expensive housing and increasing insecurity have undermined the old settlement. Most importantly, younger generations have largely been excluded from the culture of contentment. Many face high housing costs, weak income growth and little prospect of accumulating the assets that gave, and still gives, previous generations their sense of security.

That raises an obvious question as to whether Galbraith’s “contented majority” still exists. We thought it might, but it now lives in fear and denial. There is still a substantial contented group, of course. There are people with expensive houses, secure pensions and considerable financial wealth who desperately want politicians to preserve the world they know. At the same time, an increasingly large group outside that protected enclave is angry and willing to vote.

Some of these people are turning to Reform in the UK or MAGA in the United States. The contented might also move in that direction.

Others are moving towards Green and other progressive politics.

Younger voters, in particular, appear increasingly unwilling to accept the political settlement inherited from their parents. That creates both enormous risk and enormous opportunity.

The risk is that economic insecurity drives people towards authoritarianism, racism and fascism.

The opportunity is that we finally recognise that the economics and politics of the last 40 years have failed.

When these moves might become very apparent is open to question. One characteristic of the culture of contentment is that it depends on financial wealth continuing to rise. House prices, share prices and pension values have become essential to the feeling of security enjoyed by millions of people. But asset prices cannot rise forever. If there is another major financial crash, perhaps associated with excessive equity valuations, the AI bubble, leverage or instability in shadow banking, millions of people who have believed themselves secure could discover very quickly that they are not. Their contentment could very quickly become discomfort.

That is why Galbraith’s book matters now. He understood that systems that appear permanent can suddenly collapse. Writing shortly after the revolutions in Eastern Europe, he had seen supposedly secure elites discover that the political structures protecting them could disappear with astonishing speed. Our present economic settlement is no more guaranteed to survive.

The question John and I eventually arrived at, then, was not whether the old culture of contentment can be preserved. We do not think it can. The real question is what replaces it.

For more than 40 years, economics has focused far too heavily on financial value. Rising asset prices have been confused with genuine economic success, but an economy exists to meet human need. We need housing, healthcare, education, care, functioning infrastructure, economic security and meaningful work, and we need an economy capable of surviving the climate crisis. Those are real things. Financial wealth is merely a claim upon them. That distinction is fundamental.

John and I ended our conversation by suggesting that what we need now is a new culture of contentment, but one entirely different from that which Galbraith described. Galbraith’s culture of contentment depended upon exclusion. Some people were secure because others were not, and political power was used to preserve the advantages of those who already possessed wealth.

A new culture of contentment has to embrace everyone. It has to be based upon inclusion rather than exclusion, security rather than fear, and the creation of real value rather than endlessly increasing financial claims. It also has to be accountable to people rather than captured by those who already possess wealth and power.

That, for me, was the most important conclusion from our conversation. Galbraith wrote The Culture of Contentment more than three decades ago, but he was not simply describing his own time. He was also offering a warning about the political and economic consequences of allowing a supposedly secure group to capture society for its own benefit.

That warning looks remarkably pertinent now.

Poll

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