

The Challenge of Affluence: Self Control and Well-Being in the United States and Britain since 1950. *By Avner Offer*. New York: Oxford University Press, 2006. xviii + 454 pp. Illustrations, figures, tables, bibliography, notes, index. Cloth, \$45.00. ISBN: 0-198-20853-7.

Reviewed by Charles Kenny

In the opening sentence of his introduction to *The Challenge of Affluence* Avner Offer proclaims that “[a]ffluence breeds impatience, and impatience undermines wellbeing” (p. 1). This is a social and economic history of the postwar era in the United States and Britain, which Offer characterizes as a period that has combined great wealth with stagnant, perhaps even declining, levels of well-being.

According to Offer, who is a professor of economic history at Oxford, increasing income long ago liberated the majority of people in the United Kingdom and the United States from concerns about subsistence, but while affluence has continued to expand, it has lost any apparent link with outcomes of health or happiness. In part, he explains, the weakening of this link has been caused by the negative effect of affluence on “commitment devices,” psychological tools which provide people with the cognitive and emotional resources they need to make choices that will maximize their long-term welfare and help them to overcome the impact of myopic or imprudent decisions.

The rapid spread of affluence in competitive-market societies, he claims, has undermined conventions and habits that once controlled excessive or misguided consumption (of goods, sex, and food, for example) faster than new conventions can be formed. New consumer goods, such as television, have been integrated so thoroughly into people’s lives that viewing has become little more than a routine activity that gives barely more pleasure than housework. The abundance of preprocessed foods served in public settings such as restaurants encourages excessive consumption and fuels the growth of obesity. One response to these destructive trends has been an increase in government institutions designed to force people to save—including social security.

At the same time, according to Offer, the “economy of regard,” as he calls non-financial interpersonal relationships, has been weakened by the saturation of the market

with the false sincerity of advertising and the replacement of peer approbation with cash as a source of motivation for advancement. Instead of a world of higher-quality work and more leisure time, the competition for status has created stress-related health disorders and has led to personal bankruptcy. Meanwhile, the commodification of sexuality, the widespread availability of contraception, increased educational and employment opportunities for women, and no-fault divorce laws have resulted in more broken marriages, lower birth rates, fewer marriages, and more children born out of wedlock.

In his conclusion, Offer cautiously offers some suggestions, including a focus on broader trends in quality of life, which might result in policies that would maximize well-being, even if they do not maximize growth. Some examples would be the provision of after-school support for children and public mental-health services.

Offer's contribution coincides with a glut in the publication of books questioning the link between income and the good life (I confess to having written a book on this topic myself). Nonetheless, *The Challenge of Affluence* adds considerably, and constructively, to the debate by providing a humane analysis, supported by a wealth of data, of many worrying trends in social development. Take two examples from different sections of the book. Offer points out that the United States launches 11,500 new food products a year. Of these, many simply duplicate existing brands. In another example of a negative trend, he describes the disparity in life expectancy between blacks and whites. At the age of fifteen the average American has a three to one chance of reaching the age of sixty-five. A black teenager, on the other hand, has a one in three chance of reaching that age. Thus, more goods and more choices are not producing better, more equitable outcomes for all.

Not everyone will agree with Offer's interpretation of the evidence, however. He is careful to note positive change where he sees it (overall health, women's opportunities, education), but he gives less space to positive signs of progress than he does to negative outcomes. On the subject of divorce and the role of women in the economy, for example, his observation that easier divorce has been associated with a reduction in domestic violence is limited to six sentences, whereas his discussion of the impact of divorce on children and on subjective well-being takes up many pages. It is far from clear that most

women would prefer a return to the status quo ante, nor would all women agree that their decisions to become mothers have been based on purely free choice.

The book does not clearly define the concept of “affluence” itself. Offer implies that it is more than a particular level of income, conceiving affluence perhaps as a flow of ever-cheaper benefits involving type as well as quantity. But the lack of a clear definition makes it difficult to evaluate his claim that affluence is what drives people and societies into poor choices.

Social change does not depend solely on income growth alone. Some of the more dramatic changes have occurred in times of stagnation or even in periods of crisis. The stretch of comparatively rapid economic growth during the 1950s and 1960s in the United Kingdom and the United States produced better outcomes along many of the dimensions that concern Offer than did the decades of the 1970s and 1980s, which were periods of slower growth. Nor is it clear that there has been more disruption in faster-growing or richer societies. The examples of Switzerland or Japan would contradict any such argument.

Again, in tackling obesity, Offer argues that its prevalence demonstrates that abundance, in the form of a wide selection of cheap food, undermines consumers’ ability to make rational choices. Perhaps so, but “abundance” involves more than income. Seventy-five percent of women aged thirty and above in Egypt are overweight—a percentage that is roughly equivalent to the level among women above thirty in the United States. If wealth alone created obesity, then the U.S. epidemic would have started in the 1860s, when the country had approximately the same GDP per capita as modern-day Egypt.

This book, which is 372 text pages, would have been improved by a more concise presentation of its main themes. Along with the exact meaning of affluence, it is not always obvious what Offer considers to be the summum bonum of human happiness or what he thinks policymakers should aim to maximize in order to improve people’s lives. His succinct summation of the “affluence problem” in the introduction is not fully developed as a theme through the remainder of the text.

But these are quibbles. Each chapter of this book stands well on its own, perhaps unsurprisingly, since many chapters were originally published elsewhere. Offer makes

many compelling and interesting arguments that are backed by a wealth of data and analysis. He has compiled interesting material on a number of subjects, such as the list of goods and services that are excluded from GDP calculations; the link between subjective well-being and income and health; the failings of the model of rational consumption and discounting; the role of advertising; and issues of gender and marriage. Economists and sociologists will find much of value in these pages, and business historians will be interested in the chapters on household appliances and on the automobile industry. They will also appreciate the material on labor-force participation and on the changing nature of advertising.

Charles Kenny is senior economist at the World Bank. The views expressed are those of the author, not necessarily of the World Bank, its executive directors, or the countries that they represent. With Anthony Kenny, he is the author of Life, Liberty and the Pursuit of Utility: Happiness in Philosophical and Economic Thought (2006).