



“Summary of article by Clive Ponting: Creating the Affluent Society” in Frontier Issues in Economic Thought, Volume 2: The Consumer Society. Island Press: Washington DC, 1997. pp. 287-291

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## **“Summary of article by Clive Ponting: Creating the Affluent Society”**

In the last two centuries a sizeable minority of the world's population has achieved a standard of living that would have been unimaginable for previous generations. But this improvement has been obtained at a price – a vast increase in the consumption of energy resources and raw materials, widespread pollution from industry, and a variety of social problems. In addition it has raised questions of equity regarding the distribution of wealth both within individual countries and between the industrialized world and the Third World. This paper reviews the history of the emergence of the affluent society and examines the environmental and social implications of its unprecedented levels of resource use.

### **IN THE BEGINNING**

Hunting and gathering societies traditionally kept few possessions, as mobility was valued more highly than most material goods. The accumulation of goods, then, could only begin in earnest eight to ten thousand years ago with the rise of agriculture and settled societies.

Until the last two centuries, all societies were primarily agricultural, and average incomes were very low. With limited long-distance trade and transport, regional economic self-sufficiency was vitally important. In medieval and early modern Europe, about 80 percent of most households' expenditures were on food, half of that for bread alone.

The first sustained rise in European standards of living began in the seventeenth century as agricultural productivity improved and trade and manufacturing expanded; however, the gains during this period were small and uneven, and largely confined to the Netherlands, England and France. More widespread increases in standards of living did not occur until after the Industrial Revolution.

However, large-scale industrialization required a substantial increase in capital investment; accumulation of this capital led to an initial deterioration in the standard of living for the majority of the population. In England, although industrialization began in the last decades of the eighteenth century, living standards did not rise for most of the population until the late 1840s. In the second half of the nineteenth century, living conditions slowly improved but much of the population existed in a state of permanent want and in sub-standard housing.

In the Soviet Union, the industrialization of the 1930s led to immense increases in the output of basic industries and doubled the industrial labor force in just five years. But the accompanying

forced collectivization of farms led to millions of people starving to death in the countryside; concurrently, urban living standards fell sharply, not recovering to the levels of the late 1920s until the mid-1950s.

## **IMPACTS OF INDUSTRIALIZATION**

Industrialization altered the patterns of work more quickly than the standard of living by enforcing a strict labor discipline and drawing increasing numbers of women and children into work outside the home. This allowed unprecedented increases in labor productivity and output, leading to a succession of new technologies and industries that have changed the quantity and types of available goods. World industrial output is now 50 times greater than in the 1890s, with most of the increase occurring since 1950. At the heart of this industrial growth have been vast increases in the consumption of energy and metals.

Although iron has been used for weapons and agricultural implements throughout the last three thousand years, total world production was less than 100,000 tons in 1400 and 300,000 tons in 1700. With the onset of industrialization, world iron output rose to 12 million tons a year in the mid-nineteenth century, and 1.2 billion tons in 1980. Similarly, explosive increases have occurred in the use of other metals. The mining required to produce metals on this scale has had a major impact on the environment, including the destruction of topsoil and the creation of large waste piles which often give rise to toxic runoff. The exploitation of increasingly lower grades of ore, as the best deposits are exhausted, produces growing amounts of waste and consumes increasing quantities of energy per ton of metal.

With the rise in affluence has come the emergence of new industries to supply automobiles and other consumer durables. Auto production, barely underway at the beginning of the twentieth century, has reached 33 million vehicles annually, consuming 20 percent of the world's steel, 10 percent of the aluminum, and one half of all lead production. More than one third of all oil consumption is accounted for by cars. The rise in automobile ownership has also allowed for the emergence of many related activities. Vacation travel, for example, was made affordable for many people as a result of cars, fueling the twentieth-century take-off in tourism (later boosted further by the rise of commercial airlines).

## **PAVEMENT IN PARADISE**

Although inequalities in income and areas of poverty persist in industrialized countries, the basic needs of the majority of citizens have been met. Yet the complex economic system that has developed must be sustained by continuing economic growth. Competition forces companies to expand in order to survive; elected governments promise and encourage growth in order to retain popularity; rising expectations and conspicuous consumption propels an ever-expanding consumer market. The expansion of affluence itself creates social and environmental problems.

When automobiles first appeared, it was hoped that they would ease the urban congestion of horse-drawn traffic and reduce cost of road maintenance associated with cleaning up after the horses. But soon it was apparent that cars created new levels of congestion. Since this time, cities have been rebuilt, at great expense, around the needs of automobile traffic. In the United

States, public transportation use reached a peak in 1945 and then fell rapidly as car ownership increased; this has had important environmental effects. Compared to railways, highways require four times as much land, and almost four times as much energy to make the steel and cement needed for construction. Overall railways are six times more energy-efficient than roads in carrying freight and passengers. Yet in most industrialized countries today, cars – the majority of which are occupied by only one person – account for 80 percent of all passenger miles.

The rise of tourism has brought with it a blend of opportunity and blight. Waves of visitors threaten to overwhelm and destroy the original attraction of the places they came to see. Hawaii received 15,000 tourists in 1964, and three million a decade later. Spain accommodates 54 million tourists annually. In some Mediterranean resorts, crowding has resulted in water quality problems; dumping sewage – usually untreated – into the sea has made many beaches unfit for bathing. Third World tourism often involves the construction of luxury hotels, isolated from the country in which they are situated, and providing few benefits to the local economy.

## **AFFLUENCE AND THE WORLD ECONOMY**

Until a few centuries ago, there was little difference in wealth among major European and Asian societies. Medieval Europe, India, and China were at similar stages of development; China was perhaps the wealthiest country in the world in the eleventh and twelfth centuries. After 1500, the distribution of wealth became increasingly unequal as Europe extended its control over other regions and began to industrialize. Today an average Rwandan has one percent as much income as an American, while Sweden has almost 100 times as many hospital beds per capita as Nepal. In recent times only a handful of poor countries have made much progress along the road to industrialization and affluence.

Development aid, despite official rhetoric to the contrary, has been modest and is frequently tied to the commercial interests of the donor country. Multilateral development agencies such as the World Bank have often supported projects that have caused major social and economic damage; massive hydroelectric dams that have flooded agricultural land and displaced huge numbers of people are just one example. Economic necessity leads many Third World countries to concentrate on the production of crops and minerals for export, even when these export industries interfere with local food production and damage the environment.

Economic growth since the second World War has increased the gap between the industrialized world and poorer countries. During most of the 1980s, the Third World transferred more money to the industrialized world in debt interest than it received in new loans and aid. Austerity programs imposed on debtor nations by the International Monetary Fund have placed the heaviest burdens on the poorest people. The World Bank officially estimates that 800 million people worldwide (excluding China) exist in conditions of absolute poverty, including 20 percent of the world's children.

The emergence of an affluent society has thus been accompanied by a huge shift in the pattern of wealth distribution worldwide. The industrialized countries utilize the vast majority of the world's resources to support unprecedented high levels of consumption. Internal inequity has

persisted, but international inequality has greatly increased, together with a large increase in the worldwide impact of pollutants.