

Chapter 1

What is affluenza?

Af-flu-en-za n. 1. The bloated, sluggish and unfulfilled feeling that results from efforts to keep up with the Joneses. 2. An epidemic of stress, overwork, waste and indebtedness caused by dogged pursuit of the Australian dream. 3. An unsustainable addiction to economic growth.¹

Wanting

In 2004 the Australian economy grew by over \$25 billion, yet the tenor of public debate suggests that the country is in a dire situation. We are repeatedly told of funding shortages for hospitals, schools, universities and public transport, and politicians constantly appeal to that icon of Australian spirit, the ‘Aussie battler’. Political rhetoric and social commentary continue to emphasise deprivation—as if we are living in the nineteenth century and the problems facing the country have arisen because we are not rich enough.

When the Labor Party lost the federal election in 2004 it declared that, like the conservatives, it must pay more attention to growth and the economy. It would seem that achieving an economic growth rate of 4 per cent is the magic potion to cure all our ills. But how rich do we have to be before we are no longer a nation of battlers? Australia’s GDP has doubled since 1980; at

a growth rate of 3 per cent, it will double again in 23 years and quadruple 23 years after that. Will our problems be solved then? Or will the relentless emphasis on economic growth and higher incomes simply make us feel more dissatisfied?

In the private domain, Australia is beset by a constant rumble of complaint—as if we are experiencing hard times. When asked whether they can afford to buy everything they really need, nearly two-thirds of Australians say ‘no’. If we remember that Australia is one of the world’s richest countries and that Australians today have real incomes three times higher than in 1950, it is remarkable that such a high proportion feel so deprived. Average earnings exceed \$50 000 a year, yet a substantial majority of Australians who experience no real hardship—and indeed live lives of abundance—believe that they have difficulty making ends meet and that they qualify as battlers.

In the coming decade most of our income growth will be spent on consumer products the craving for which has yet to be created by advertisers. Our public concerns might be about health and the environment, but our private spending patterns show that the majority of Australians feel they suffer from a chronic lack of ‘stuff’. The problem is that after we have renewed our stuff yet again, there is not enough money left to fund investments in hospitals and schools. We want better public services but seem unwilling to forgo more income in the form of taxes to pay for those services. Australia does not have a public health funding crisis: it has a flat-screen TV crisis.

It wasn’t meant to be this way. Nineteenth century economists predicted that the abundance made possible by technological advance and the modern organisation of work would result in the emergence of ‘post-materialist’ humans—people existing on a higher plane,

WHAT IS AFFLUENZA?

where their cultural, intellectual and spiritual powers are refined. In such a world the importance of economic considerations would naturally diminish. The 1960s and 1970s saw a flood of literature predicting a future in which technological progress would allow for us to work only a few hours a week and our main problem would be how best to enjoy our leisure. Futurists saw a society transformed by the fruits of sustained growth—a society in which humankind, freed of the chore of making a living, would devote itself to activities that are truly fulfilling.

But, instead of witnessing the end of economics, we live in a time when economics and its concerns are more dominant than ever before. Instead of our growing wealth freeing us of our materialist preoccupations, it seems to have had the opposite effect. People in affluent countries are now even more obsessed with money and material acquisition, and the richer they are the more this seems to be the case.

As a rule, no matter how much money people have they feel they need more. Why else would people in rich countries such as Australia keep striving to become richer, often at the expense of their own happiness and that of their families? Even the mega-rich seem unable to accept that they have all they need, always comparing themselves unfavourably with their neighbours. Most people cling to the belief that more money means more happiness. Yet when they reach the financial goals they have set they find they do not feel happier—except perhaps fleetingly. Rather than question the whole project, they engage in an internal dialogue that goes like this:

I hoped that getting to this income level would make me feel contented. I do have more stuff, but it doesn't seem to have

AFFLUENZA

done the trick. I obviously need to set my goals higher. I'm sure I'll be happy when I'm earning an extra \$10 000 because then I'll be able to buy the other things I want.

Of course, raising the threshold of desire in this way creates an endless cycle of self-deception: like the horizon, our desires always seem to stay ahead of where we are. This cycle of hope and disappointment lies at the heart of consumer capitalism.

Our own achievements are never enough in a society like this. As Gore Vidal said, 'Whenever a friend succeeds, a little something in me dies'. Even if we do come out in front of our peers, the chances are we will start to compare ourselves with those on the next rung of the ladder. Our new discontent causes us to set our goals higher still. In a world dominated by money hunger, if our expectations continue to rise in advance of our incomes we will never achieve a level of income that satisfies. Richard Easterlin, who did much of the early work in this field, described this phenomenon as a 'hedonic treadmill', where people have to keep running in order to keep up with the others but never advance. The only way to win is to stop playing the game.

Rich societies such as Australia seem to be in the grip of a collective psychological disorder. We react with alarm and sympathy when we come across an anorexic who is convinced she is fat, whose view of reality is so obviously distorted. Yet, as a society surrounded by affluence, we indulge in the illusion that we are deprived. Despite the obvious failure of the continued accumulation of material things to make us happy, we appear unable to change our behaviour. We have grown fat but we persist in the belief that we are thin and must consume more. Perhaps we blind ourselves to the facts; perhaps the cure seems more frightening

WHAT IS AFFLUENZA?

than the disease; or perhaps we just don't know there is an alternative. For these reasons the epidemic of overconsumption that pervades rich societies has been dubbed 'affluenza'.² Psychotherapist and 'affluenza authority' Jessie H. O'Neill has provided a 'clinical definition' of the condition:

The collective addictions, character flaws, psychological wounds, neuroses, and behavioral disorders caused or exacerbated by the presence of, or desire for money/wealth . . . In individuals, it takes the form of a dysfunctional or unhealthy relationship with money, regardless of one's socio-economic level. It manifests as behaviors resulting from a preoccupation with—or imbalance around—the money in our lives.

Affluenza describes a condition in which we are confused about what it takes to live a worthwhile life. Part of this confusion is a failure to distinguish between what we want and what we need. In 1973, 20 per cent of Americans said a second car was a 'necessity'; by 1996 the figure had risen to 37 per cent.³ Among other items that have become necessities in most Australian homes in recent years are plasma-screen TVs, air conditioning, personal computers, second bathrooms, mobile phones and, increasingly, private health insurance and private schooling for children.

Neoliberal economic policies have set out to promote higher consumption as the road to a better society. All the market-based reforms in the last two decades have been predicated on the belief that the best way to advance Australia's interests is to maximise the growth of income and consumption. No one has dared to criticise this. But the rapid expansion of consumption has imposed high

costs, on the overconsumers themselves, on society and on the natural environment, as discussed in the following chapters. In addition to the rapid increase in consumer debt, higher levels of consumption are driving many Australians to work themselves sick. Yet our desire for various commodities (larger houses, sophisticated home appliances, expensive personal items, and so on) is continually recreated—an illness that entered a particularly virulent phase in the 1990s with the trend described as ‘luxury fever’.

Luxury fever

Popular folklore has always held a fascination with the profligate lifestyles of the monied classes. Sociologists have analysed how extravagance serves as a device whereby the rich differentiate themselves from the mass of the population. One of the earliest commentators on this was Thorstein Veblen, who coined the phrase ‘conspicuous consumption’ in his 1899 book *The Theory of the Leisure Class*. For their part, the masses watch the behaviour of the rich with a mixture of awe, envy and scorn. This attraction is the reason for the continuing popularity of magazines, newspapers and, more recently, television shows that expose the lifestyles of the rich and famous.

The sustained growth of the Australian economy in the postwar period elevated the bulk of the working class to income levels that were typical of the middle class of a previous generation. The boundaries between the consumption patterns of the middle and working classes began to blur, and it became increasingly difficult to separate their financial, educational and social

WHAT IS AFFLUENZA?

aspirations. Surveys in which respondents were asked to define their social position have shown fewer and fewer people willing to identify themselves as working class. Indeed, 93 per cent of Australians believe they are in the middle-income bracket (that is, the middle 60 per cent) and only 6.4 per cent see themselves in the bottom 20 per cent and 0.7 per cent in the top 20 per cent.⁴ The consequence of this merging of classes and the confusion about the incomes of others is that emulation of the spending and consumption habits of the wealthy, which was once confined to the upper levels of the middle class, now characterises Australian society.

The collapse of the demarcation between the rich, the middle class and the poor is associated with the scaling-up of desire for prestige brands and luxury styles of particular goods. Even people on modest incomes aspire to Luis Vuitton—if not the handbag, at least the T-shirt. We have witnessed an across-the-board escalation of lifestyle expectations. The typical household's desired standard of living is now so far above the actual standard afforded by the average income that people feel deprived of the 'good life'. Television and magazines play a crucial role in this ratcheting-up process, not so much through advertising but more through presenting opulence as normal and attainable.

So, although ordinary citizens have always eyed and envied the rich, in affluent countries in the past two decades a qualitative change has occurred in the relationship. In *Luxury Fever* Robert Frank noted that spending on luxury goods in the United States had been growing four times faster than spending overall.⁵ The 'new luxury' market is said to be increasing by 10–15 per cent a year, far outpacing the growth of the economy in general.⁶ This is reflected in booming sales of luxury travel, luxury cars, pleasure

craft, cosmetic surgery, trophy homes, holiday homes and professional-quality home appliances. The 'democratisation of luxury' has undermined the positional signalling of many goods previously reserved for the very rich—a trend due partly to rising incomes and partly to the marketing strategies of the makers of luxury brands, which include the introduction of entry-level products in order to increase market share.⁷ The argument is made pithily in a 2004 advertisement for a car. Next to the bold declaration 'LUXURY HAS ITS PRICE. (How does \$39 990 sound?)', it states, 'There was a time when luxury was a different thing, stuffy, old and unaffordable. That time has gone . . .'⁸

This suggests a new distinction between the specialised luxury consumption that is confined to the mega-rich and the forms of luxury consumption characteristic of the bulk of the population. Of course, the luxury spending of the mega-rich sets a benchmark for the general populace, a benchmark that must, by its nature, keep rising in order to remain out of reach of all but the few. This requires continued creativity on the part of the mega-rich and on the part of those who supply them. The boom in sales of luxury cars—sales have more than doubled since 1993⁹—is depriving the mega-rich of their exclusivity. In response, the prestige car makers are now offering vehicles made to order and costing up to \$1 million, thereby excluding the ordinary rich and the middle class.

The changing symbolism of credit cards plots the path of luxury fever. Ten years ago the gold credit card was a mark of distinction, a sign that you had made it—or at least that was the message the credit card companies put out. But too many people began to qualify for the gold card and its symbolic value became diluted. So the credit card companies invented the platinum card, designed to be accessible only to those at the very

WHAT IS AFFLUENZA?

top of the pile. Crucially, the platinum card was kept out of the hands of the general public: you could get one only if your bank wrote to you and offered it, and for that you needed, at a minimum, an income stretching to six figures. The mystery surrounding the platinum card added to its allure. This was a quiet symbol of superiority. It is a strange test of status: extraordinary talent won't get you one; a superior education means nothing; decades of service to the community or exceptional moral character are of no account. All you need to qualify for this status symbol is a bucket of money, acquired by fair means or foul.

And what does the owner of a platinum credit card get, apart from a very high credit limit? One bank tells its clientele that its Platinum Visa card 'is the ultimate choice for those who demand benefits and rewards that match their lifestyle. Powerful credit limits, prestige services and distinctive privileges combine to deliver exceptional levels of personal recognition'.¹⁰ The owners of this card can luxuriate in access to a personal concierge service available 24 hours a day. The American Express Platinum card comes with a dedicated team of service professionals:

For those times when you need assistance with life's little demands, Platinum Concierge is there for you, whenever and wherever you need it. There are times a birthday is mentioned to you a moment before it's belated. Or perhaps your anniversary is just around the corner. Simply call upon your Concierge to organise a speedy bouquet and a reservation at the finest restaurant.¹¹

The card appears to be for people who neglect their families: 'No more milling about in queues, let us do the running around

for you so you have more time to do the things that matter most'. Naturally, the things that matter most are concerned with making more money, rather than returning the love and care of those close to you. One commentator missed the point when he observed, 'Whether people really need some of the services is questionable . . . It's not that hard to make your own reservation or order flowers'.¹²

In 2004 the Commonwealth Bank spoilt the party by lowering the bar for a platinum card and allowing *anyone* to apply for one. Imagine that—'platinum for the people'. Determined to stay ahead of the game, American Express has now introduced a black credit card known as the Centurion. This card promises a 'six-star life experience' and 'access to the inaccessible'. One Centurion card owner called on the concierge service in Australia to return an Armani suit for alterations to the shop in Milan where he had bought it; another sent the concierge off to Taiwan to buy some out-of-print books.¹³ An envious platinum card holder breathlessly emailed:

Regarding the AMEX Centurion, I was at a friend's place on Saturday night and he received the card Friday. It comes in the most unbelievable package—solid wood (maybe cedar) box lined with velvet.

He didn't request the card, just a letter from Auspost saying that he had a package to pick up.¹⁴

There is a pathos about this desire for the symbols of status, one that seems to reflect a need to be loved and admired.¹⁵ This is what the luxury fever gripping Australia reveals us to be—a nation of consumers desperately seeking acknowledgment and

admiration. Having discarded the verities of a previous era, standards that, for all their faults, at least gave us a sense of who we were and how we fitted into society, we now float in a sea of ambiguity and insecurity.

Buying an identity

Some psychologists argue that our actions are driven by a desire for 'self-completion', the theory being that we seek to bring our actual self into accord with our ideal self, or who we wish to be.¹⁶ Today, almost all buying is to some degree an attempt to create or renew a concept of self. We complete ourselves symbolically by acquiring things that compensate for our perceived shortcomings. A vast marketing infrastructure has developed to help us manufacture ideal selves and to supply the goods to fill the gap between the actual and the ideal. The marketers understand much better than we do how we want to create an ideal self. As the CEO of Gucci says, 'Luxury brands are more than the goods. The goods are secondary because first of all you buy into a brand, then you buy the products. They give people the opportunity to live a dream'.¹⁷ It is fair to assume that this dream is not the same as the one had by Martin Luther King.

Because it acts as the interface between the self and the world, clothing is perfect for providing the bridge between who we actually are and who we want to be seen to be. Cars and houses do the same, because people look at us 'through' our cars and houses.

In modern Australia the gap between our actual and ideal selves is widening. We are urged to aspire to a better, slimmer, richer, more

sophisticated ideal self, and that ideal self is increasingly an exterior one. More than at any other time we feel the eyes of the world on us. This is the source of a longing to be something other than we are—something other than we can be. Perhaps this is why the increasing level of materialism that characterises affluent societies has been shown to be associated with declining wellbeing and a rise in pathological behaviours. American psychologist Tim Kasser summarises a decade of research into the relationship between materialistic values and our sense of security, our feelings of self-worth and the quality of our relationships:

Materialistic values are both a symptom of an underlying insecurity and a coping strategy taken on in an attempt to alleviate problems and satisfy needs . . . The arguments and data . . . show that successfully pursuing materialistic goals fails to increase one's happiness. When people and nations make progress in their materialistic ambitions, they may experience some temporary improvement of mood, but it is likely to be short-lived and superficial.

Materialistic values of wealth, status and image work against close interpersonal relationships and connection to others, two hallmarks of psychological health and high quality of life.¹⁸

These research results, which serve only to confirm centuries of folk wisdom, have begun to be replicated in Australian studies.¹⁹ The evidence points to the conclusion that the more materialistic we become the more we try to cope with our insecurities through consuming, and the less contented we are. It also suggests that more materialism means poorer relationships.

WHAT IS AFFLUENZA?

Despite the barrage of advertising that tries to tell us otherwise, the more materialistic we are the less free we are. Why? Because we must commit more of our lives to working to pay for our material desires. And the more acquisitive we are the more our desires and the means of satisfying them are determined by others. Acquisitive people derive their sense of identity and their imagined place in society from the things they own, yet the symbols that confer that self-worth and status are at the whim of external forces—of fashion. Materialism thus robs us of autonomy.²⁰

We have no trouble recognising that excessive alcohol consumption and excessive gambling harm the people concerned as well as those around them. Yet shopping can also be a response to obsessive or addictive behaviour. Psychologists have recently identified a pathological condition known as ‘oniomania’, or ‘compulsive shopping’, defined in the American Psychiatric Association’s *Diagnostic and Statistical Manual of Mental Disorders* as an obsessive–compulsive disorder. People with oniomania find their shopping is out of control; they buy more than they need, often setting out to buy one or two items but coming home with bags full of things they could not resist. They often spend more than they can afford and rack up debts that build until a crisis occurs. After shopping binges they are visited by feelings of regret. If this sounds like the experience of almost everyone, then that is no more than the theme of this book, and the psychiatrists have merely identified the more extreme form of a widespread social condition.

Compulsive shopping has been called the ‘smiled upon’ addiction because it is socially sanctioned. But its consequences can be far-reaching. It often results in financial hardship, distress

and family difficulties. Psychologists have also noticed some interesting patterns of co-morbidity, that is, the simultaneous presence of other disorders. Individuals afflicted by oniomania often suffer from eating disorders, drug dependence, and other impulse-control disorders such as anorexia among women and gambling among men.²¹ The research shows that most compulsive buyers have histories of depression, anxiety disorders and substance abuse. Yet 'shopping til you drop' is seen as the sign of a happy-go-lucky disposition rather than a meaningless life.

Like alcohol, shopping has become both an expression of our discontent and an apparent cure for it. Indeed, it has recently been shown that oniomania can be treated effectively with particular antidepressant drugs,²² suggesting that the condition is not in itself a psychological disorder but rather a manifestation of something more pervasive—entrenched depression and anxiety for which shopping is a form of self-medication, a phenomenon widely acknowledged in the expression 'retail therapy'.

Must we wear hairshirts?

Some readers might accuse us of being too harsh, too judgmental, perhaps a touch Calvinistic. Why shouldn't Australians enjoy the fruits of their labour? What's wrong with a bit of luxury? Isn't it reasonable to want to build some financial security? The answer to these questions is of course 'yes'. We are not arguing that we should build humpies and live in self-satisfied deprivation. That would be to completely misconstrue the argument of this book. It is not money and material possessions that are the root of the problem: it is our *attachment* to them and the way

WHAT IS AFFLUENZA?

they condition our thinking, give us our self-definition and rule our lives.

The problem is not that people own things: the problem is that things own people. It is not consuming but consumerism we criticise; not affluence but affluenza. The signs are easy to see in others—the subtle and not-so-subtle displays of wealth, the one-upmanship, the self-doubt—and most Australians acknowledge that our society is too materialistic and money driven. But it is much harder to recognise and admit to the signs in ourselves because that can be confronting. So our claim that the answer lies in detachment rather than denial has more in common with Buddhism than with Calvinism. We argue that the obsessive pursuit of more and more fails to make us happy and that in pursuit people often sacrifice the things that really can make them happier.

There is, of course, a trap in the distinction between having money and being attached to money: it is easy to convince ourselves that, apart from a few special things, we can take or leave our possessions. Many wealthy people grow tired of being defined by their wealth and convince themselves they could do perfectly well without it. And most of us, at times, fantasise about living a simpler life, unencumbered by ‘stuff’. Until we test ourselves, though, these are just comforting stories. This is why the emerging group of downshifters—people who have voluntarily reduced their income—is so important. Each downshifter has, so to speak, put their money where their mouth is.

The defenders of consumerism—the advertisers and the neoliberal commentators, think-tankers and politicians—repeat the comforting stories. It’s good to aspire to own your own home, surround yourself with nice things, look after the needs of your children, and save for your retirement. Yes, we are lucky that in a

AFFLUENZA

rich country such as Australia many of us can do these things, but most people reach a point in their lives, some at eighteen and some at 88, when they ask, 'Work, buy, consume, die: is that all there is?' Each time someone asks such a question the market shudders, because if there is more to life than earning and consuming the odds are that when people realise it they will devote less time to paid work and consume less.

In writing about affluenza in Australia we do not deny that poverty remains. We are, however, saying that material deprivation is not the dominant feature of life in Australia. Affluence is. It helps no one to exaggerate the extent of poverty: that simply reinforces the curious but widespread belief that most people are struggling. If the majority of people can't afford to buy everything they really need, why should we be particularly concerned with the poor? And the bigger the problem seems the less likely the populace is willing to believe that something can be done about it.

We argue that, to tackle the problem of poverty, we must first tackle the problem of affluence. And the problem with affluence is that once people become affluent they continue to believe that more money is the key to a happier life when the evidence suggests that it makes no difference beyond a certain threshold. This belief has powerful personal and social ramifications, not the least being that the affluent become more preoccupied with themselves. That is why Australians are richer than ever but less inclined to sympathise with the dispossessed. So conservative politicians and radio shock jocks vilify the poor. Consumerism and growth fetishism have become the enemies of a fairer Australia.