

CONSUMPTION AND HAPPINESS, POLS 43002.04, Junior Seminar

Spring 2011

Class time: Tuesdays and Thursdays, 2:00-3:15, Geddes Hall B034

Office Hours: Office Hours: Tuesdays and Thursdays, 11.00 AM -12.00 PM,

Wednesdays, 2.00-3.00 PM, and by appointment

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1. Course Description

We live in an age and in a country where human consumption seems to be increasing without bounds. But what are the effects of this on the supposed consequence of this increase, that is, the happiness of human beings? Many believe that this question has an obvious answer: since people are freely choosing to consume more, it must be making them happier. But others are not so sure, finding that increases in consumption beyond a certain level do not increase the subjective happiness of those who consume. The course will examine why this is so using a political economy approach, looking especially at the idea that happiness from consumption depends on not the amount we consume but rather on the amount we consume relative to others. It will also examine how increases in consumption affects other things many people think are important - including time with family and friends, the environment, the political system, economic growth, and income distribution.

This is an important and interesting subject for a number of reasons.

1. It raises questions about a whole range of **topics and issues**, including the economics of consumption, production, labor, employment, growth, environment and general equilibrium and welfare economics.
2. It makes use of a number of interesting and useful **techniques** of economic analysis, including macroeconomic models, general equilibrium models, the analysis of market failures due to externalities, and game theory. However, no formal economics background is assumed for this course. If you have some background you are free to use it in your work.
3. It explores the **links** between economics and political science and **other related disciplines**, including sociology, psychology, and theology, providing students of economics with a broader understanding of their subject and its relation with other subjects, and students of other subjects an appreciation of the relevance of economic analysis.
4. It makes the student reflect on their **own experiences**, since all students are consumers and since they observe the consumer society around them. This makes the course relevant for the everyday life of the students. Finally, and perhaps most importantly, it is concerned with important moral questions not only relating to economics, but to everyday life in general.

2. Course plan

For the first couple of days I will provide a brief overview of the material covered in the syllabus and reading list. After that you have to select two topics of your choice on which you will write papers and make in-class presentations and lead discussions. You can formally select topics after discussing it with me and sending an email to confirm. All students are required to participate in discussions on each topic. The final version of one paper is due on or before **March 10** (the last days of class before the mid-semester break) and the other on or before **May 3** (the last day of class). The recommended length of each paper is 14 to 16 pages (including notes and references). **You are required to turn in an outline and at least one draft of each paper before submitting the final versions by dates mentioned below.**

Jan	18	Introduction		
	20	Standard view/Consumption	Aldridge	
	25	Consumption		
	27	Happiness 1	Layard, Frey-Stutzer, Nettle	
Feb	1	Happiness 2	Kahneman and Kruger, Sen 1999	
	3	Empirical issues	Layard, Frey-Stutzer, Easterlin 2001	
	8	Overview: Causes and effects	Frank, Layard, Binswanger	
	10	Corporation, advertising and marketing	Galbraith, de Graaf et al, Dutt 2008	
	15	Corporation / Needs and standard of living	Sen 1999, Segal 1998	1st paper outline due
	17	Psychological factors 1	Scitovsky 1976, chaps 1-3	
	22	Psychological factors 2	Frank, Kasser skim, Karelis	
	24	Consumption, work and time	Frank, Schor skim, de Graaf et al	
Mar	1	Relative consumption 1	Solnick and Hemenway 1998, Lichtenberg, Layard	1st paper draft due
	3	Relative consumption 2/Status	Frank, Schor, Dutt 2001	
	8	Status	Veblen esp chap 2, Layard, Frank, Dutt 2001	
	10	Personal finance	Frank, Browning et al, Vyse	1st paper due
	15	Midsemester break		
	17	Midsemester break		
	22	Other economic determinants	Frey-Stutzer, Clark and Oswald, DeTella et al	
	24	Non-economic determinants 1	Layard, Lane 2000b	
	29	Non-economic determinants 2	Pacek, Bok, Frey-Stutzer	
	31	Output, growth	Frank, Schor, Dutt 2008, Bartolini	
Apr	5	Growth / Government finance	Galbraith, Frank	
	7	Government finance/environment	Arrow et. al., Schor 2010	2nd paper outline due
	12	Environment	Hammond, Schor 2005	
	14	Income distribution: within countries	de Graaf, Veblen, Karelis	
	19	Income distribution: between countries	Dutt, Brown, Hammond	
	21	Religion	Dutt 2001, Wilber	2nd paper draft due
	26	Community and morals, etc.	Putnam 2000, Campbell, Twitchell 1999	
	28	What is to be done? 1	Layard, Dutt 2001, Nettle	
May	3	What is to be done? 2	Frank, de Graaf et al skim	2nd paper due

3. Grading

The grading will be based on the following:

45 % on the first paper.

45 % on the second paper.

10 % on presentations and class participation.

4. SYLLABUS AND READING LIST

Don't be too concerned about the length of the reading list. You don't have to read all or even most of it unless you really want to. The key readings for each class meeting are mentioned in the schedule above, and all students are required to read them to be able to participate in class discussions. But you should try to read more, especially for topics that interest you and for those on which you are writing papers. Several of the key readings are available on electronic reserve (and marked with (E)); many others (books) are available on regular reserve (marked with (R)). Some readings are also available in the "readings" folder on courseware (marked with (C)). Students are also required to read the notes available on courseware, in the "notes" folder.

GENERAL READING

Frank, Robert (1999). *Luxury Fever. Why Money Fails to Satisfy in an Era of Excess*, New York: The Free Press. (R)

Frey, Bruno S. and Stutzer, Alois (2002). *Happiness and economics*, Princeton: Princeton University Press. (R)

Layard, Richard (2005). *Happiness. Lessons from a New Science*, London: Penguin Press. (R)

PART ONE: BACKGROUND

1. The standard view

Varian, Hal, *Intermediate Microeconomics*, New York: W W Norton, or other intermediate micro text.

Lebergott, Stanley (1993). *Pursuing Happiness. American Consumers in the Twentieth Century*, Princeton, New Jersey: Princeton University Press. (R)

2. What is consumption?

*Aldridge, Alan (2003). *Consumption*, Cambridge, UK: Polity, esp. chapter 1. (E)

Paterson, Mark (2006). *Consumption and everyday life*, London and New York: Routledge, chapters 2, 3, 6.

Baudrillard, Jean (1969). "The ideological genesis of needs", reprinted in J. B. Schor and D. B. Holt, eds., *The consumer society reader*, New York: The New Press, 2000. (R)

3. What is happiness?

*Layard, Richard (2005), *Happiness*, London: Penguin, chaps. 1, 2, 8 (R)

McMahon, Darrin M. (2006). *Happiness. A history*, New York: Atlantic Monthly Press. (Skim). Especially Introduction and chapter 6. (R)

*McMahon, Darrin M. (2008). “The history of happiness and contemporary happiness studies”, in Amitava K. Dutt and Benjamin Radcliff, eds., *Happiness, Economics and Politics*, Elgar. (R)

*Frey, Bruno S. and Stutzer, Alois (2002). *Happiness and economics*, Princeton: Princeton University Press, chapters 1, 2. (R)

Argyle, Michael (2001). *The psychology of happiness*, London: Routledge, esp. chap. 2. (R)

Aristotle. *Nicomachean Ethics*, Book Ten, chapters 12 and 13.

Kahneman, Daniel (1999), “Objective happiness”, in D. Kahneman, E. Diener and N. Schwarz, eds., *Well-Being: The Foundations of Hedonic Psychology*, Russell Sage Foundation. (R)

*Kahneman, Daniel and Kruger, Alan B. (2006). “Developments in the measurement of subjective well-being”, *Journal of Economic Perspectives*, 20(1), Winter, 3-24. (E)

*Sen, Amartya (1999). *Development as Freedom*, New York: Anchor Books, chapters 3, 4. (R)

Deiner, Ed and Suh, Eunkook K. (2000). “Measuring subjective well-being to compare the quality of life of cultures”, in Ed Deiner and Eunkook K. Suh, *Culture and subjective well-being*, Cambridge: Mass., MIT Press. (R)

Lane, Robert E. (2000). *The loss of happiness in market democracies*, New Haven, Conn.: Yale University Press, chapter 15, 16. (R)

*Nettle, Daniel (2005). *Happiness. The science behind your smile*. Oxford: Oxford University Press, chap. 1 (R)

Sen, Amartya (2008). “The economics of happiness and capability”, in L. Bruni, F. Comim and M. Pugno, eds., *Capabilities and happiness*, Oxford: Oxford University Press. (R)

Sugden, Robert (2008). “Capability, happiness and opportunity” in L. Bruni, F. Comim and M. Pugno, eds., *Capabilities and happiness*, Oxford: Oxford University Press. (R)

4. Empirical issues

*Layard, Richard (2005), *Happiness*, London: Penguin, chap. 3 (R)

Oswald, Andrew J. (1997). “Happiness and economic performance”, *Economic Journal*, November, 1815-31. (E)

Easterlin, Richard (1973). “Does Economic Growth Improve the Human Lot? Some Empirical Evidence”, in Paul David and Melvin Reder, eds., *Nations and Households in Economic Growth:*

Essays in Honor of Moses Abramovitz, Palo Alto: Stanford University Press, reprinted in Richard Easterlin, ed., *Happiness in Economics*, Cheltenham: Edward Elgar, 2002.

Easterlin, Richard (1995). "Will raising the incomes of all increase the happiness of all?" *Journal of Economic Behavior and Organization*, Vol. 27, 35-47. (E)

*Easterlin, Richard (2001). "Income and happiness: Towards a unified theory", *Economic Journal*, 111, July, 465-84, reprinted in Richard Easterlin, ed., *Happiness in Economics*, Cheltenham: Edward Elgar, 2002. (E)

*Frey, Bruno S. and Stutzer, Alois (2002). *Happiness and economics*, Princeton: Princeton University Press, chapter 4. (R)

Deiner, Ed and Oishi Shigehiro (2000). "Money and happiness: Income and subjective well-being across nations", in Ed Deiner and Eunook K. Suh, *Culture and subjective well-being*, Cambridge: Mass., MIT Press. (R)

Frank, Robert (1999). *Luxury Fever. Why Money Fails to Satisfy in an Era of Excess*, New York: The Free Press, chapter 2. (R)

Shwartz, Barry (2004). *The paradox of choice: Why more is less*, New York: Harper Collins, chap 1. (R)

Silverstein, Michael J. and Fiske, Neil (2003). *Trading up. The new American luxury*, New York: Portfolio, esp. chap. 1.

Frey, Bruno (2008). *Happiness. A revolution in economics*, Cambridge, MA: MIT Press, chapter 3.

Stevenson, Betsey and Justin Wolfers. "Economic Growth and Subjective Well-Being: Reassessing the Easterlin Paradox," SSRN Working Paper, http://search.ssrn.com/sol3/papers.cfm?abstract_id=1121237

Dolan, Paul; Peasgood, Tessa; and White, Mark (2008). "Do we really know what makes us happy?", *Journal of Economic Psychology*, 29, 94-122. (E)

Johns, Helen and Ormerod, Paul (2008). "The unhappy thing about happiness studies", real-world economics review, issue no. 46, 20 May, pp. 139-146, <http://www.paecon.net/PAEReview/issue46/JohnsOrmerod46.pdf>

PART TWO: CAUSES OF INCREASING CONSUMPTION AND ITS EFFECTS ON THE CONSUMER

5. Overview

de Graaf, John; Wann, David; and Naylor, Thomas H. (2002), *Affluenza, The all-consuming society*, San Francisco: Berrett-Koehler Publishers, chapters 15-20, skim. (R)

*Frank, Robert (1999). *Luxury Fever. Why Money Fails to Satisfy in an Era of Excess*, New York: The Free Press, chapter 3. (R)

*Layard, Richard (2005), *Happiness*, London: Penguin, chap. 4 (R)

*Di Tella, Rafael and MacCulloch, Boert J. (2006). “Some uses of happiness data in economics”, *Journal of Economic Perspectives*, 20(1), Winter, 25-35 only. (E)

*Binswanger, Mathias (2006). “Why does income growth fail to make us happier? Searching for the treadmills behind the paradox of happiness”, *Journal of Socio-economics*, 35, 366-81 (E)

6. The corporation, advertising and marketing

Holt, Douglas B. and Schor, Juliet B. (2000). “Introduction. Do Americans consume too much?”, in J. B. Schor and D. B. Holt, eds., *The consumer society reader*, New York: The New Press, 2000. (R)

*Galbraith, John Kenneth (1958). *The Affluent Society*, London: Hamilton, Chapters 10 and 11. Selection extracted (chapter 11) as “The dependence effect” in J. B. Schor and D. B. Holt, eds., *The consumer society reader*, New York: The New Press, 2000. (E, R)

Lea, Stephen E. G.; Roger M. Tarpy and Paul Welby (1987). *The Individual in the Economy. A Survey of Economic Psychology*, Cambridge: Cambridge University Press, chapter 13. (R)

*de Graaf, John; Wann, David; and Naylor, Thomas H. (2002), *Affluenza, The all-consuming society*, San Francisco: Berrett-Koehler Publishers, chapter 19. (R)

Adorno, Theodor W. and Horkheimer, Max (1944). “The culture industry: Enlightenment as Mass Deception”, reprinted in J. B. Schor and D. B. Holt, eds., *The consumer society reader*, New York: The New Press, 2000. (R)

Frank, Thomas C. (1997). “Advertising as cultural criticism: Bill Bernbach versus the mass society”, reprinted in J. B. Schor and D. B. Holt, eds., *The consumer society reader*, New York: The New Press, 2000. (R)

*Dutt, Amitava K. (2008), “The dependence effect, consumption and happiness: Galbraith revisited”, *Review of Political Economy*, 20(4), October, 527-50, sections 1 to 3. (E)

Vyse, Stuart (2008). *Going broke. Why Americans can't hold on to money*, Oxford: Oxford University Press, chapters 6 and 7. (R)

*Earl, P. E. & Potts. J. (2000) Latent demand and the browsing shopper, *Managerial and Decision Economics*, 21, pp. 111-122. (E)

Hanson, J. D. & Kysar, D. A. (1990) Taking behavioralism seriously: the problem of market manipulation, *New York University Law Review*, 74, pp. 630-749.

Danziger, Pamela (2005). *Let them eat cake: Marketing luxury to the masses – as well as the classes*, Dearborn Trade Publishing., esp. chap. 12.

Paterson, Mark (2006). *Consumption and everyday life*, London and New York: Routledge, chapter 7.

7. Consumption, needs and the standard of living

*Segal, Jerome M. (1998). "Consumer Expenditures and the Growth of Need-Required Income", in Crocker, David C. and Linden, Toby, eds. (1998). *Ethics of Consumption. The Good Life, Justice and Global Stewardship*, Lanham: Rowan and Littlefield. (R)

Segal, Jerome M. (1998). "Living at a high economic standard: a functionings analysis", in Crocker, David C. and Linden, Toby, eds. (1998). *Ethics of Consumption. The Good Life, Justice and Global Stewardship*, Lanham: Rowan and Littlefield. (R)

8. Psychological factors

*Scitovsky, Tibor (1976). *The Joyless Economy. An Inquiry into Human Satisfaction and Consumer Dissatisfaction*, Oxford: Oxford University Press, revised second edition, 1992. (R)

Schor, Juliet (1996). "What's Wrong with Consumer Capitalism? *The Joyless Economy After Twenty Years*", *Critical Review*, Vol. 10, No. 4, Fall, 495-508.

Friedman, Jeffrey and McNabe, Adam (1996). "Preferences or happiness? Tibor Scitovsky's Psychology of human needs", *Critical Review*, Vol 10 No 4, 471-80, reprinted in Richard Easterlin, ed., *Happiness in Economics*, Cheltenham: Edward Elgar, 2002.

Scitovsky, Tibor (1996). "My own criticism of *The Joyless Economy*", *Critical Review*, 10, 4, Fall, 595-605, reprinted in Richard Easterlin, ed., *Happiness in Economics*, Cheltenham: Edward Elgar, 2002.

*Kasser, Tim (2002). *The high price of materialism*, Cambridge, Mass.: MIT Press. (R)

*Frank, Robert (1999). *Luxury Fever. Why Money Fails to Satisfy in an Era of Excess*, New York: The Free Press, chapter 6. (R)

de Graaf, John; Wann, David; and Naylor, Thomas H. (2002), *Affluenza, The all-consuming society*, San Francisco: Berrett-Koehler Publishers, chapters 13, 14. (R)

Lane, Robert E. (2000). *The loss of happiness in market democracies*, New Haven, Conn.: Yale University Press, chapter 17. (R)

*Stutzer, Alos (2009). "Happiness when temptation overcomes willpower" in Amitava K. Dutt and Benjamin Radcliff, eds., *Happiness, Economics and Politics*, Elgar, 97-126. (R)

Faber, Ronald J. (2003). "Self control and compulsive buying", in Tim Kasser and Allen D. Kanner, eds., *Psychology and consumer culture*, Washington D. C.: American Psychological Association.

Vyse, Stuart (2008). *Going broke. Why Americans can't hold on to money*, Oxford: Oxford University Press, chapters 4, 8. (R)

*Karelis, Charles (2007). *The persistence of poverty*, New Haven and London: Yale University Press, chap. 5, skim chap. 6 (R)

9. Consumption, work and time

Linder, Staffan Burenstam (1970). *The Harried Leisure Class*, New York: Columbia University Press. (R)

*Schor, Juliet (1991). *The Overworked American*, New York: Basic Books. (R)

*de Graaf, John; Wann, David; and Naylor, Thomas H. (2002), *Affluenza, The all-consuming society*, San Francisco: Berrett-Koehler Publishers, chapters 5, 6. (R)

*Frank, Robert (1999). *Luxury Fever. Why Money Fails to Satisfy in an Era of Excess*, New York: The Free Press, chapter 4, p. 48-53 (R)

Frey, Bruno (2008). *Happiness. A revolution in economics*, Cambridge, MA: MIT Press, chapter 7.

10. Relative consumption and status

*Veblen, Thorstein (1899). *The Theory of the Leisure Class. An Economic Study of Institutions*, chapters 2-5, especially chapter 2. (R, C)

*Solnick, Sara and Hemenway, David (1998). "Is more always better?: A survey on positional concerns", *Journal of Economic Behavior and Organization*, 37, 373-83. (E)

Solnick, Sara and Hemenway, David (2005). "Are positional concerns stronger in some domains than in others?" *American Economic Review*, 95(2), May, 147-51. (E)

*Dutt, Amitava K. (2009). "Happiness and the relative consumption hypothesis", in Amitava K. Dutt and Benjamin Radcliff, eds., *Happiness, Economics and Politics*, Elgar, 127-50. (R)

Alpizar, Francisco; Carlsson, Fredrik; and Johansson-Stenman, Olof (2005). "How much do we care about absolute versus relative income and consumption?" *Journal of Economic Behavior and Organization*, 56, 405-21.

*Lichtenberg, Judith (1998). "Consumption because others consume", in Crocker, David C. and Linden, Toby, eds. (1998). *Ethics of Consumption. The Good Life, Justice and Global Stewardship*, Lanham: Rowan and Littlefield. (R)

*Frank, Robert (1999). *Luxury Fever. Why Money Fails to Satisfy in an Era of Excess*, New York: The Free Press, chapter 8-11. (R)

*Schor, Juliet (1998a). *The Overspent American. Upscaling, Downshifting and The New Consumer*, New York: Basic Books, chapter 1-4. (R)

Frank, Robert (1989). "Frames of reference and the quality of life", *American Economic Review*, 79(4), May, 1980-85.

Frank, Robert (1997). "The frame of reference as a public good", *Economic Journal*, 107, November, 1832-47. (E)

Hirsch, Fred (1976). *Social Limits Growth*, Cambridge, Mass.: Harvard University Press.

Van de Stadt, Huib; Kapteyn, Arie; and van der Geer, Sara (1985). "The relativity of utility: Evidence from panel data", *Review of Economics and Statistics*, 67, May, 179-87, reprinted in Richard Easterlin, ed., *Happiness in Economics*, Cheltenham: Edward Elgar, 2002.

*Dutt, Amitava Krishna (2001). "Consumption, happiness and religion", in A. K. Dutt and K. Jameson, eds., *Crossing the Mainstream: Ethical and Methodological Issues in Economics*, Notre Dame: University of Notre Dame Press. (E)

*Layard, Richard (2005), *Happiness*, London: Penguin, chap. 7 (R)

Clark, Andrew E., Paul Frijters, and Michael A. Shields. "Relative Income, Happiness and Utility: An Explanation for the Easterlin Paradox and Other Puzzles." *Journal of Economic Literature* 46, no. 1 (2008): 95-144.

Bradsher, Keith (2002). *High and mighty. The dangerous rise of the SUV*, New York: Public Affairs.

11. Consumption, personal finances and bankruptcy

Manning, Robert D. (2000). *Credit card nation: The consequences of America's addition to credit*, New York: Basic Books. (R)

*Frank, Robert (1999). *Luxury Fever. Why Money Fails to Satisfy in an Era of Excess*, New York: The Free Press, chap. 4, p. 45-48. (R)

*Vyse, Stuart (2008). *Going broke. Why Americans can't hold on to money*, Oxford: Oxford University Press, chapters 1-3, 5. (R)

Sullivan, Teresa A.; Warren, Elizabeth; Westerbrook, Jay Lawrence (2000). *The fragile middle class. Americans in debt*, New Haven, Conn.: Yale University Press.

*Browning, Sarah; Taylor, Karl; and Price, Stephen Wheatly (2005). "Debt and distress: Evaluating the psychological cost of credit", *Journal of Economic Psychology*, 26, 642-61. (E)

12. Other economic determinants of happiness

*Frey, Bruno S. and Stutzer, Alois (2002). *Happiness and economics*, Princeton: Princeton University Press, chapters 5,6. (R)

*Clark, Andrew E. and Oswald, Andrew J. (1994). "Unhappiness and unemployment", *Economic Journal*, 104, May, 648-99, reprinted in Richard Easterlin, ed., *Happiness in Economics*, Cheltenham: Edward Elgar, 2002. (E)

*Di Tella, Rafael; MacCulloch, Robert J; Oswald, Andrew J. (2001). "Preferences over Inflation and Unemployment", *American Economic Review*, 91(1), March, 335-41, reprinted in Richard Easterlin, ed., *Happiness in Economics*, Cheltenham: Edward Elgar, 2002.

Warr, Peter (1999). "Well-being and the workplace", in D. Kahneman, E. Diener and N. Schwarz, eds., *Well-Being: The Foundations of Hedonic Psychology*, Russel Sage Foundation. (R)

*Di Tella, Rafael and MacCulloch, Boert J. (2006). "Some uses of happiness data in economics", *Journal of Economic Perspectives*, 20(1), Winter, from 35-46. (E)

Alesina, Alberto; Di Tella, Rafael; and MacCulloch, Robert (2004). "Inequality and happiness: are Europeans and Americans different?" *Journal of Public Economics*, 88, 2009-2042. (E)

Graham, Carol and Stefano Pettinato (2002). *Happiness and Hardship*, Washington D C: Brookings, esp. chaps 1-3.

Frey, Bruno (2008). *Happiness. A revolution in economics*, Cambridge, MA: MIT Press, chapters 4, 5.

13. Non-economic determinants of happiness

*Frey, Bruno S. and Stutzer, Alois (2002). *Happiness and economics*, Princeton: Princeton University Press, chapters 3, 7, 8, 9. (R)

Frey, Bruno (2008). *Happiness. A revolution in economics*, Cambridge, MA: MIT Press, chapters 6, 8, and 9.

*Layard, Richard (2005), *Happiness*, London: Penguin, chap. 5, 6. (R)

Frey, Bruno S. and Stutzer, Alois (2000). "Happiness, economy and institutions", *Economic Journal*, 110, October, 918-38, reprinted in Richard Easterlin, ed., *Happiness in Economics*, Cheltenham: Edward Elgar, 2002.

*Bok, Derek (2010). *The politics of happiness*, Princeton: Princeton University Press, esp. chaps. 5-10. (R)

*Pacek, Alexander (2009). "Politics and happiness: an empirical ledger", in Amitava K. Dutt and Benjamin Radcliff, eds., *Happiness, Economics and Politics*, Elgar, 231-55. (R)

Inglehart, Ronald (2009). "Democracy and happiness: what causes what?", in Amitava K. Dutt and Benjamin Radcliff, eds., *Happiness, Economics and Politics*, Elgar, 256-70. (R)

Lane, Robert E. (1998). "The Road Not Taken: Friendship, consumerism and happiness", in Crocker, David C. and Linden, Toby, eds. (1998). *Ethics of Consumption. The Good Life, Justice and Global Stewardship*, Lanham: Rowan and Littlefield. (R)

Lane, Robert E. (2000). *The loss of happiness in market democracies*, New Haven, Conn.: Yale University Press, chapters 5-7, 11-14. (R)

*Lane, Robert E. (2000b). "Diminishing returns to income, companionship and happiness", *Journal of Happiness Studies*, 1, 103-19. (E)

Argyle, Michael (1999). "Causes and correlates of happiness", in D. Kahneman, E. Diener and N. Schwarz, eds., *Well-Being: The Foundations of Hedonic Psychology*, Russel Sage Foundation. (R)

Myers, David G. (1999). "Close relationships and the quality of life", in D. Kahneman, E. Diener and N. Schwarz, eds., *Well-Being: The Foundations of Hedonic Psychology*, Russel Sage Foundation. (R)

PART THREE: EFFECT OF CONSUMPTION ON SOCIETY

14. Effects on output and growth

Blanchard, Olivier, *Macroeconomics*, Prentice Hall.

Jones, Charles (1998). *Introduction to Economic Growth*, New York: W W Norton.

*Frank, Robert (1999). *Luxury Fever. Why Money Fails to Satisfy in an Era of Excess*, New York: The Free Press, chapter 7. (R)

Frank, Robert (2009). "The Easterlin paradox revisited", in Amitava K. Dutt and Benjamin Radcliff, eds., *Happiness, Economics and Politics*, Elgar, 151-7. (R)

Mason, Roger (1998). *The Economics of Conspicuous Consumption. Theory and Thought since 1700*, Cheltenham: Edward Elgar.

*Dutt, Amitava K. (2008), "The dependence effect, consumption and happiness: Galbraith revisited", *Review of Political Economy*, 20(4), October, 527-50, sections 4 and 5. (E)

*Schor, Juliet (1998). *The Overspent American. Upscaling, Downshifting and The New Consumer*, New York: Basic Books, Epilogue. (R)

Friedman, Benjamin (2005). *Moral Consequences of Growth*, Knopf.

*Bartolini, Stefano (2007). "Why are people so unhappy? Why do they strive so hard for money? Competing explanations for the broken promises of growth", in Luigino Bruni and Pier Luigi Porta, eds., *Handbook on the Economics of Happiness*, Edward Elgar. (E)

15. Effects on government finances and public goods

*Galbraith, John Kenneth (1958). *The Affluent Society*, London: Hamilton, Chapters 17, 18. (R)

*Frank, Robert (1999). *Luxury Fever. Why Money Fails to Satisfy in an Era of Excess*, New York: The Free Press, chapter 4, p. 53-63. (R)

16. Effects on the environment

*Arrow, Kenneth, et. al. (2004). "Are we consuming too much?" *Journal of Economic Perspectives*, Summer, 147-72. (E)

*Schor, J. B. (2005). "Prices and quantities: Unsustainable consumption and the global economy", *Ecological Economics*, 55, 309-20. (E)

*Hammond, Allen L. (1998). "Limits to consumption and economic growth: The middle ground", in Crocker, David C. and Linden, Toby, eds. (1998). *Ethics of Consumption. The Good Life, Justice and Global Stewardship*, Lanham: Rowan and Littlefield. (R)

Speth, James Gustave (2008). *The bridge at the end of the world. Capitalism, the environment, and crossing from crisis to sustainability*, New Haven, CT: Yale University Press, especially chapters 1-3, 7. (R)

*Schor, Juliet (2010). *Plentitude. The new economics of wealth*, New York: Penguin Press, chaps. 1-3. (R)

Taylor, Betsy and Tilford (2000). "Why consumption matters", in J. B. Schor and D. B. Holt, eds., *The consumer society reader*, New York: The New Press, 2000. (R)

Princen, Thomas; Maniates, Michael; and Conca, Ken, eds. (2002). *Confronting consumption*, Cambridge, Mass.: MIT Press. (R)

Bradsher, Keith (2002). *High and mighty. The dangerous rise of the SUV*, New York: Public Affairs, chapter 12.

17. Effects on poverty and income distribution within and between countries

Wolff, Edward (1998). *Economics of Poverty, Inequality and Discrimination*, Cincinnati: South Western, esp. chapters 1 and 16.1.

de Graaf, John; Wann, David; and Naylor, Thomas H. (2002), *Affluenza, The all-consuming society*, San Francisco: Berrett-Koehler Publishers, chapter 10. (R)

Veblen, Thorstein (1899). *The Theory of the Leisure Class. An Economic Study of Institutions*, chapter 8. (R, C)

Karelis, Charles (2007). *The persistence of poverty*, New Haven and London: Yale University Press, chaps. 1 through 5. (R)

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