Luxury—Morals meet Economics

Now we suffer the evils of long peace; luxury, more deadly than war, broods over us and avenges a conquered world.
—Juvenal

Give me the luxuries and I can dispense with the necessities.
—Oscar Wilde

When old age shall this generation waste,
Thou shalt remain, in midst of other woe
Than ours, a friend to man, to whom thou sayst,
"Beauty is truth, truth beauty," —that is all
Ye know on earth, and all ye need to know.
—John Keats

What is luxury—I always thought it had something to do with 'Light' but the word derives from luxus meaning ‘excess’. We use it now to denote a desirable item (such as art) that is expensive or difficult to get, or as a pleasure obtained only rarely. In the past a lot of what we take for granted was considered a luxury only enjoyed by the wealthiest people on Earth. This study on Luxury touches on the social construction of taste and debates around trying to resolve the tension between a moral and an economic justification or understanding of luxury and necessity.

A late fourteenth-century BC shipwreck excavated near Turkey offered a rare opportunity
A late fourteenth-century BC shipwreck excavated near Turkey offered a rare opportunity to examine an elite-oriented cargo representing about ten cultures. Its cargo included raw materials and finished products of elephant and hippopotamus ivory, precious metals, copper, tin and coloured glass as well as aromatic resin, amber, tortoise carapaces and ostrich eggs. And it also contained lots of pomegranates. These can be identified as luxury goods because of their presence in the administrative centres, elite residences and elaborate graves of a relatively small portion of ancient eastern Mediterranean cultures. Back then they played a symbolic role appropriate for those going on a journey to the ‘Underworld’ (in Greek mythology, Persephone was lured into the Underworld by a pomegranate). The brilliant red and yellow of its skin, blood-red juice and abundance of its seeds also made the pomegranate ripe for symbolic associations with human fertility—and thus life and death—across time and space. In Greece the seeds are still thrown at wedding couples. The iconography of the pomegranate (all the vases and other artifacts) tends to illustrate elite, rather than lower status, themes (Ward, 2003).

Luxury relates to the concept of affluence, the 'abundance of property,' goods that are special, limited in supply, difficult to procure or very expensive for other reasons. The production of luxury also includes the phenomenon of ‘art infusion,’ the presence of visual art to induce favourable influences on the evaluation of consumer products through a content-independent spillover of luxury perceptions: cigarettes were called Embassy, cheap wine was called El Dorado, imagine a night club in some god-forsaken Scottish town—what exotic name will it be called? So luxury has something to do with excess, with elites: those who live in the ‘lap of luxury’ luxuriating. The economist, Adam Smith defined luxuries as all things that are not necessities:

Wealth and greatness are mere trinkets of frivolous utility, no more adapted for procuring ease of body or tranquillity of mind than the tweezer-cases of the lover of toys; and like them, too, more troublesome to the person who carries them about with him than all the advantages they can afford him are commodious. In ease of body and peace of mind all the different ranks of society are nearly upon a level, and the beggar who suns himself by the side of the highway possesses that security which kings are fighting for. (Smith, 1759)

For Smith our needs are so many weaknesses. Luxurious expenditure is culpable, for it wrongs the poor: the sanction of luxury is not to be stretched to cover unlimited self-indulgence because of the part played by rational self-sacrifice in the development of character—also alluded to by Juvenal above. Having adequate food is a luxury for the majority of the population on Earth, but what were the first luxuries? What were stone age luxuries? Ugg boots?
'Feasting' relationships were fundamental to structuring power relationships within ancient communities, and have even been described as an institution comparable to parliamentary democracy. Domesticated plants and animals constituted forms of wealth that were primarily or exclusively used in feasting contexts. Foods that begin as luxury items have become banal mundane staples: white bread, chocolate, alcohol, fat rich meats, out of season fruit and vegetables etc. The material culture at the beginning of the twenty-first century, exhibits the overwhelming importance of unnecessary material. There is perhaps one unambiguous result of modern capitalism, of the industrial revolution, and of marketing that can be put into the question: are we defined by the way we live, or are we defined by what we make or by what we consume?

For nineteenth-century authorities luxury began to be located and divided between what might be called a ‘barbaric-esthetic’ and a ‘civilized-utilitarian.’ As artistic tendencies were assuming ever-greater proportions with Romanticism the cult of beauty and joy in aesthetic directions became thought of as an essential characteristic of civilized peoples (indicated by the Keats quote). The apprehension and advancement of knowledge and the apprehension and production of beauty effectively represented the progress of culture. In this view Luxuries are essential to progress. The order of culture-progress is this: a differentiation of society into classes sets in, one class forges ahead, developing new wants and then invents new means for satisfying these wants. When it first appears, each new want-satisfier is a luxury. But the luxuries of the few in one generation become the common heritage in the next. Luxury is a kind of carrot dangled before us that makes us pull the cart like a donkey. The desire for it gives us a chief motivation towards social advancement. Although, as I said, over half of the population are still waiting for this trickle down effect: they don't even have rubbish to throw away.

But the discontent the poor and disenfranchised feel is not removed by the patronizing assurance that luxury is good for trade. The idea that the more the rich multiply their luxuries the better able are the poor to live justifies the rich on very uneasy politico-economic principles. The most illustrious of the Cynic philosophers Diogenes supposedly threw away his drinking bowl when he seen someone drink using their cupped hand; but not everyone is as lofty an idealist as he was. While there is little economic justification for either luxury or extravagance, there is a great social and political danger in it. The distribution of wealth in the world is not so just that the rich can afford to flaunt social inequalities in the face of the poor. But they do—particularly with art. Luxury also has a moral as well as an economic interpretation as Smith maintained. The moral sense implies an idea of blame—she didn't actually say it but think of Marie Antoinette's 'let them eat cake' remark. Here, in pre-revolutionary France luxury was the satisfaction of spurious needs and clearly applicable to art of great price. But in the Art World a pseudo-economic
argument dominates and luxury means the satisfaction of desires that are ‘recognised’ as perfectly legitimate but simply out of the reach of most people. The increase in economic activity that accompanies the growing intensity of new wants supposedly purges society of the primitive and barbaric instincts and sentiment—**but are the super rich any more moral than we lesser mortals?** In the Art Market there are few attempts to harmonize the economic and moral discussion: luxuries are the fetish of the rich.

There is a Borges story in *A Universal History of Infamy*, called 'The Disinterested Killer Bill Harrigan,' its based on Billy the Kid. As he goes on the rampage Borges says: “For seven daring and dangerous years he indulged himself in that luxury called recklessness.” It is interesting to realize that the attempt to make money and achieve "higher standards of living" has brought many nations into competition and the resulting disputes with other nations have eventually led to a similar recklessness luxury called war. **War is the twin brother of civilization and if civilization is marked by obtaining luxuries: what then is Luxury’s relationship to war?**

![Eugene Delacroix (1830) Liberty Leading the People](image)

**If a modern version of Delacroix’s ‘Liberty Leading the People’ was ‘Luxury Leading the People,’ how would the picture change: who would they be trampling over here?**

If we consider the relationship between *economic transformation* during the Old Regime and the origins of the French Revolution we see the destabilization of the practice of using *pomp* (the showing off of luxury) to constitute social status. The ensuing crisis transformed the category luxury. Previously it was used to denounce the usurping consumption of the lowborn, but after 1750 the term came to be employed to denounce all uses of pomp as a means to *constitute* political authority and social rank. While the older language of luxury defended a traditional conception of the social order, the luxury *critique* that developed in the second half of the eighteenth-century articulated a radically different vision of society and directed a corrosive attack at the aristocratic social order of the Old Regime. This new social critique became a staple of radical discourse in the 1780s (Shovlin, 2000).

The desire to amass great treasure based on a return to this aristocratic sense of right and justice is continued by super-rich art collectors. Despite the ‘justifications’ for wars, all wars are fought to make money or its equivalent. If the endeavor to make money (or its equivalent such as art) has gradually produced ‘civilization’ is so then when we walk down Fifth Avenue in New York or Mayfair in London—the most expensive ‘real estate’ anywhere with most of the shops selling articles of luxury—these small areas more than any other place in the world of equal size exhibit the fundamental causes of war.
If we back track a little, Werner Sombart's (1913) *Luxus und Kapitalismus* ascribed a new importance to luxury's role in capitalism's development. Sombart equated Titian's paintings of nudes and the celebration of the courtesan with the flowering of capitalism in the sixteenth-century: this was a: “purely hedonistic aesthetic conception of woman” that was also said to have promoted luxury as spurring economic growth—the courtesans began to influence other women through art, fashion, and an eroticism of consumption. This was a pattern that persisted to the present, when: "all the follies of fashion, luxury, splendour, and extravagance are first tried out by the mistresses before they are finally accepted, somewhat toned down, by the reputable matrons" just like the journey from the Milan catwalk to Top Shop. Sombart linked themes of art, luxury, fashion, and sexuality that were common among intellectuals who worried about the social and moral implications of Germany's burgeoning consumption at the beginning of the twentieth-century. People were becoming hypnotized street walkers gazing at illuminated shop fronts while the spoils of empire prompted World War I (Simmonds, 2000).

So can we say the existence of luxury (and hence a luxurious class) is the cause of much of the social inequality that exists? As we've seen the connection of luxury and war is not modern. With the quote at the start from Juvenal, luxury was not linked with times of war but with the peace afterwards leading to decadence as the spoils were digested. This demoralization of the idea of luxury took root in the seventeenth-century: writers such as Nicholas Barbon and Bernard Mandeville recognized the importance of luxury to the economy (long before Adam Smith). There was a marked departure from the court-centered consumption of previous centuries: eighteenth-century luxury consumption began to be fuelled by new wants and new wares purchased by new middle-class consumers.

Art seems to have managed to survive as a form of 'Old Luxury' and yet be reinvented as a 'New Luxury.' Old Luxury discriminates between people, times and places and is the prerogative of narrow elites who use up resources in extravagant display; New Luxury communicates cultural meaning, encourages sociability among participants in consumption, it is an expanded capacity of the moneyed to enhance comfort. Old Luxury was regarded as wasteful extravagance among the upper classes, while New Luxury was thought to have a beneficial effect by increasing and extending the scope of both industry and consumption. Behind this change in the conception of luxury was the rise and progress of the middle class in British society (Susato, 2006: 169). The argument is back to debates about the difference between luxury and necessity—this occurs because people switch between a moral and an economic justification of luxury. What if it stimulates the economy towards war—tantalum ore used in mobile phones, diamonds and mineral wealth, all these things have brought war to African countries.

Writers like Tobias Smollet or William Makepeace Thackeray, who with *Vanity Fair*...
Writers like Tobias Smollet or William Makepeace Thackeray, who with *Vanity Fair* deliberately set out to expose luxury, continue to be relatively neglected by scholars. For Smollet, luxury was destroying the nation. During the eighteenth-century, especially in England, the concept of luxury received heated political, social, moral, and economic debate. **Is that still in existence today?** Then, the Tories attacked luxury and the Whigs supported it. Gradually new positive redefinitions began to emerge supported by the arguments of thinkers like Adam Smith and David Hume who made a strong case against the view that luxury was morally corrupting and inimical to the survival of the state. Hume’s treatment of luxury was complex in its historical development, and subtle in its focus on ‘Refinement’ and the compatibility of moral virtue with the enjoyment of ‘moderate luxury’ (via his distinction between ‘innocent’ and ‘vicious’ forms of luxury) and a distinction between the appropriate moral and political responses to luxury: this fostered new morals peculiar to the emerging commercial age (Cunningham, 2005).

François Boucher (1740) *The Triumph of Venus*
Jean-Honoré Fragonard (1767-1768) *The Happy Accidents of the Swing*

For Susato (2006) refinement, the form of luxury Hume is prepared to accept as beneficial, must meet three conditions:

(1) It does not require those who enjoy it to neglect other virtues such as benevolence, generosity, or paternal duties.

(2) It does not force one to forego the pleasures of conversation with friends.

(3) It does not cause a loss of reputation.

When we violate the three conditions set for the moderate and beneficial enjoyment of luxury then it becomes a vicious and harmful force. So when we look at it socio-historically we can say that luxury is a concept that involves a system of discourse (an artistic mode) involving fluctuating social, philosophic and moral suppositions. There was no simple progression from disapprobation to endorsement of luxury: the history is an ongoing contest over the concept and the phenomena as it is applied to things from pomegranates to royal pomp. It began as a moral critique of elite behaviour in wide economic discussions, the fine arts, social life, and social policy: luxury is a more complex term but central in the language of cultural transformation.

**What time do these expensive Patek Phillipe watches say it is?**
So we are left with the situation where humans venerate the accumulation and display of vast riches and venerate the condemnation of the accumulation and opulent display of vast riches. Art feeds off this. Robert Frank, something of a critic of hip consumer culture recently wrote a book called *Luxury Fever: Weighing the Cost of Excess*, that tried to work out what was wrong with the excessive accumulation and opulent display of wealth, and decide what, if anything, to do about it. Frank is a psychologically-minded economist and he might have good news for expensive art works. Frank's argument is that much of our spending results from a desire for relative status: we are led to want "positional goods" derived from envy. For big time art dealers the fact is that our rich are richer than ever, and flaunting it more than ever means the good times: the cover of Frank's book shows a Patek Philippe watch that sold out its limited run of four and costs a minimum of $2.7 each. Earlier watches auction for $11m. How much are their tweezer cases?

**Are we spending too much, on too frivolous things? Does this mean we are spending too little on good things, such as providing public goods and capital for our personal and collective present and future?** Frank is saying we are wasting our time and money on these "positional goods" rather than on gains that endure. He suggests our relative status matters to us—a law of the jungle thing: “Bill Gates needs a $100 million estate to signal that he is the captain among captains of industry” who merely have a $50 million estate; Frank says these things are smart for one but dumb for all: the analogy is a Moose with big antlers. That means he gets all the female Moose, but how big do his antlers need to be? Too big and ok the females are impressed but he'll get caught and eaten before he can wander down and say hello. Here Frank's remedy should frighten most artist dealers: tax in the form of progressive marginal rates: Consumption equals Income minus Savings. Thankfully the rich have ways around this. But the best critic of America, America produced was Thorstein Veblen. He observed that the conspicuous consumption of the rich must be wasteful. In the *Theory of the Leisure Class* he said:

> Throughout the entire evolution of conspicuous expenditure, whether of goods or of services or of human life, runs the obvious implication that in order to effectually mend the consumer's good fame it must be an expenditure of superfluities. In order to be reputable it must be wasteful.

This "competitive expenditure," dominates the Art Market, it defines it. Here are all the expensive commodities, to which the rich seem appendages. Here is the money talking in its husky, silk voice of cash, power and celebrity. Veblen's argument tries to blend together the two different arguments (moral and economic; necessity or luxury) and comes down on the moral side and that is its problem—reforming an amoral world. The status symbols that are the property of the leisure class are also said to 'trickle down' the social hierarchy. But this 'Veblen effect' asserted that the mark of the elite was its choice to use resources without regard to productivity. In one sense Veblen's work was the exploration of the effect of status politics as the motivator of human development: status is linked to non-productive activity—conspicuous uselessness. Here is Veblen on the subject of spoons:

A hand-wrought silver spoon, of a commercial value of some ten to twenty dollars, is not ordinarily more serviceable than a machine-made spoon of the same material. It may not even be more serviceable than a machine-made spoon of some "base" metal, such as aluminum, the value of which may be no more than ten to twenty cents. The former of the two utensils is, in fact, commonly a less effective contrivance for its ostensible purpose than the latter . . . The superior gratification derived from the use and contemplation of the costly and supposedly beautiful products is, commonly, in great measure a gratification of our sense of costliness masquerading under the guise of beauty.
Is it always difficult to tell the time on an expensive watch? Veblen's thought resonates with artists, because he explains why customers and art patrons are so tasteless: the reason why so many artists come to detest their rich sponsors. How they become tools of commodification to the point that they often do not realise it, often driving them to the point of insanity. Veblen reconciles the two poles of luxury: the economic and the moral, by his observations that the rise of status-oriented consumption acted as a form of moral self-education that more deeply entrenched the social norms of ownership out of which it arose. The impossibility of an autonomous economic self was linked to the impossibility of an autonomous moral self because moral degradation in conspicuous consumption was irredeemably inscribed into the whole cultural structure of capitalism. The rich individual will use spectatorial insights to assert their superiority although genuinely praiseworthy behaviour entails a personal moral distance from social norms of status-oriented consumption. What is the art of spending money?

Veblen charged that business enterprise was "engrossing the usufruct" (it means to use and enjoy the profits and advantages of something belonging to another as long as the property is not damaged or altered in any way) of the community's technology and that big business enterprises, which controlled a substantial amount of the output, were deliberately sabotaging the economy and were concentrating more and more economic power in their hands. Then they become absentee owners.

Status plays a prominent role in determining the perceptions of consumers of art. Are the consumers of art interested in these issues? If Artists — whose values comes from their creativity — addressed themselves to these realities they could engaged in a genuine attempt to create for the Art Market if they wished to influence the character of the Art World environment for the better. An inversion has occurred in the art throughout the twentieth-century as institutions evolved and because of the "authoritative" tone that was blended with "self-aggrandizement" — a quasi-parental solitude of first patrons and then philanthropists. Their control over the Art Economy was at first for the sake of the "collective good," but then "predatory exploit" got the upper hand, the relationship deteriorated into a ruthless regime — the tyranny of money. Provided, of course, that the artists accept this servile position. It is possible that our development may not continue in the same direction. The evolution of capital and of ‘abstract property’ (art) may ultimately cure the high degree of economic inequality of which it has so far been the great cause.

As part of the Whitney Biennial the artist Andrea Fraser (2011) wrote an essay asking questions on:

(1) How do the world’s leading collectors earn their money?

(2) How do their philanthropic activities relate to their economic operations?

(3) What does collecting art mean to them and how does it affect the art world?

In short she found a bunch of very rich crooks. The essay found that if we look at the incomes of this class, it is conspicuous that their profits are based on the growth of income inequality all over the world. For Fraser this ‘redistribution of capital’ in turn has a direct influence on the Art Market: the greater the discrepancy between the rich and the poor, the higher prices in this market rise. Her conclusion is that the situation urgently calls for the development of alternatives to the existing system. She also observes that despite the radical political rhetoric that abounds in the Art World, censorship and self-censorship reign when it comes to confronting its economic conditions, except in marginalized (often self-marginalized) arenas where there is nothing to lose—and little to gain—in speaking truth to power. Modern great fortunes spent on art, spoons and pomegranates came as a phase of a beneficent process of industrial and commercial development: while war waged elsewhere:
are riches the only form of secure power in the United States?

The systematization of knowledge depends on something which is fast becoming a luxury because it is in short supply: "idle curiosity," this is the force by which according to Veblen we: "more or less insistently want to know things, yet (in its pure form) without ulterior motives connected with self-aggrandizement attached." Like the instinct of workmanship, idle curiosity is pliable. For Veblen unless the good in us, what he thought of as part of the instinct of workmanship, and 'idle curiosity' could be expressed along non-self-seeking lines, and unless leisure class attitudes somehow disappeared, society would be unable to adapt to the new modes of production produced by the industrial revolution, and being unadapted, it would perish.

This is the greatest problem confronting our historical era.

References


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