# Is Contemporary Luxury Morally Acceptable? A Question for the Super-Rich

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### *Abstract*

This article investigates the moral acceptability of contemporary luxury. The meaning of luxury and its manifestations in today's economically developed countries are explored. The nature of morality is considered and the evolving moral standing of luxury from the classical period through to modern times is reviewed. Based on an elaboration of the significant positive and negative consequences of the production and consumption of luxuries, the moral standing of contemporary luxury and the questions it raises for the super-rich are discussed. I argue that the moral standing of contemporary luxury is dependent on the social and economic context within which it is situated. This is because the meaning of both luxury and morality vary according to social context. Additionally, I argue that where luxury divides and stimulates degenerate, unethical, and criminal activities, it is morally indefensible; but where luxury unites community and advances human endeavor, it can be defended on moral grounds. However, in the contemporary period, growing economic inequality is increasingly overshadowing any positive moral impact of luxury.

Keywords: Luxury, Inequality, Morality, Super-rich.

### *Biography*

Joanne Roberts is Professor in Arts and Cultural Management and Director of the Winchester Luxury Research Group at Winchester School of Art, University of Southampton, United Kingdom. Her research interests include knowledge, innovation, creativity and luxury. She is the co-editor, with John Armitage, of *Critical Luxury Studies: Art, Design, Media* (2016).

## Is Contemporary Luxury Morally Acceptable? A Question for the Super-Rich

### *Introduction*

Today luxury is ubiquitous in economically developed countries where one can indulge in the consumption of a luxury scone in a high street café while browsing a luxury holiday brochure or pass by a luxury property development on the way to a luxury flagship store. Only a century ago, most people in these countries lived in extreme poverty, with only a small elite able to indulge in luxurious lifestyles. The expanding luxury market is a sign of the increased prevalence of prosperity arising from economic growth, accompanied by a decline in levels of inequality due to the adoption of policies that worked to redistribute income and wealth, and to promote social mobility in these countries in the post 1945 period. When economies are expanding individuals may share the benefits arising from wealth creation through improved standards of living and increased consumption of goods and services. Once basic needs are fulfilled, the individual's consumption often turns to luxuries, such as designer clothes, gourmet restaurant meals, secluded holiday resorts, and high-performance cars. The acquisition of luxury goods and services is frequently seen as a realization of the expectations of continuous economic progress, while the desire to consume such goods and services can act as an incentive for the hard work, entrepreneurial endeavor, and innovation upon which economic growth depends. Yet, when economic growth slows, stops, and even becomes negative, its impact is not shared by all. The poor in the economically developed countries have been hardest hit by the Global Financial Crisis of 2008, and the austerity measures that governments have adopted in its aftermath, whereas the wealthy have benefited from tax cuts and favorable investment opportunities. Hence, a feature of these countries in the contemporary era is that most people are experiencing declining incomes in real terms while the top 1 percent continue to prosper (Stiglitz 2013; Dorling 2014; Piketty 2014).

Although the richest 1 percent of the world's population own more wealth than the whole of the rest of humanity (Credit Suisse 2017: 156), there is great diversity among this 1 percent of individuals, from the merely affluent through to multibillionaires. High Net Worth Individuals (HNWIs), that is, those with investible wealth of US$ 1million or more, numbered 16.5 million globally in 2016 and they held total wealth of US$63.5

trillion (Capgemini 2017:7).[1] For the purposes of this article, it is this 0.22 percent of the global population that is referred to as the super-rich.

Since financial wealth can attract higher returns than the general rate of economic growth (Piketty 2014), the preservation and escalation of the privileged economic position of the super-rich is assured. Consequently, Piketty (2014) argues that we are returning to a form of patrimonial capitalism dominated by inherited wealth that was typical in the Belle Époque. This view is supported by the finding that, over the next 20 years, 500 people will hand over $2.1 trillion to their heirs (UBS/PWC 2016: 6). In such a context, the promise of growing incomes and wealth through hard work facilitated by social mobility becomes hollow (Littler 2017). This growing inequality threatens social stability and democratic values. Moreover, 10 percent of the world's population live in *extreme* poverty surviving on less than 1.90 international dollars per day (Roser and Ortiz-Ospina 2017).[2]

Consequently, it is in the contemporary era of economic uncertainty, widespread austerity, and growing inequality that I want to question the moral acceptability of contemporary luxury. I will argue that the moral standing of contemporary luxury is dependent on the social and economic context within which it is situated. This is because the meaning of luxury and morality vary according to social context. Nevertheless, luxury does raise fundamental ethical questions in the face of widespread poverty and human suffering. Hence, the question posed in this article must be addressed to the super-rich who endorse the global neoliberal system, which enhances their own wealth while simultaneously promoting greater inequality through low taxation and the rolling back of the state and redistributive policies (Beaverstock, Hubbard and Short 2004, Wilkin 2015).

The article begins by exploring the meaning of luxury and how it is manifested in the economically developed countries of the contemporary era. The nature of morality is then briefly considered and the evolving moral standing of luxury from the classical period through to modern times is reviewed. The significant positive and negative consequences of the production and consumption of luxuries are subsequently elaborated as a basis for a discussion of the moral standing of contemporary luxury and the questions it raises for the super-rich prior to a brief conclusion.

***Luxury: From an Idea to Contemporary Manifestations***

Luxury is often defined in terms of rare, refined, and expensive products and services of the highest quality as well as associated with a rich, comfortable, and sumptuous lifestyle. It is also viewed as unnecessary, superfluous, or an indulgence. Yet, luxury can also be used to describe what Mansvelt, Breheny and Hay (2016) call "life's little luxuries", such as eating a box of chocolates while watching a film on a Saturday evening. For those with busy lives, quality time of one's own or shared with loved ones can be a luxury. Luxury is, then, more than a term to describe a group of objects or services; rather it is an idea.

In his seminal contribution, *The Idea of Luxury,* Christopher J. Berry (1994) provides a detailed historical exploration of luxury and defines it as the antonym of necessity, in that it is distinct from basic needs, which are non-intentional and universal. For Berry (1994), luxury occupies the realm of wants and desires. Yet, he also argues that luxuries must be the object of socially recognized desire, and, as such, capable of giving pleasure rather than merely relieving pain. What is clear from Berry's (1994) analysis is that luxury cannot be objectively defined because it depends on cultural, social, and individual contexts and meanings. Moreover, goods and services that may be regarded as socially non-necessary by some may be "needed" by others, either in a specific instrumental sense or because they are the object of intense desire (i.e., psychologically necessary) or intense identification (e.g., cherished objects). Hence, Berry (1994: 41) defines luxuries as *"those goods that admit of easy and painless substitution because the desire for them lacks fervency"* (original italics). Consequently, not all unnecessary goods or services are luxuries to everyone. Even the conspicuous consumption identified by Veblen (1899) in the late nineteenth-century may be based on necessity rather than desire if it is required for individuals to maintain their social status.

Of course, this definition differs from that offered by those exploring luxury from a business perspective. So, for instance, Chevalier and Mazzalova (2012) argue that a luxury product must have a strong artistic content, be the result of craftsmanship, and, be international. Luxury has also been classified in terms of its accessibility. For example, Allérès (1990) identifies three levels of luxury: inaccessible - exclusive unique items; intermediate - expensive replicas of unique items; and, accessible - factory produced in large production runs. In the contemporary era, we are also witnessing a proliferation of terms, such as new luxury or mass luxury. For Kapferer and Bastien (2012), this is the result of the efforts of traditional brands to trade up as well as the drive for profits among luxury businesses by offering products and services to a wider global market. Such changes also reflect the fragmentation of the production process, such that the design process may involve significant artistic inputs and craftsmanship, but the final luxury goods and services can be mass-produced in low-cost locations without any loss of quality (Thomas 2007). Customers have also engaged in trading up in certain areas while trading down in others (Silverstein and Fiske 2003). In this way, savings on the cost of basic goods sourced from discount stores like Walmart and Primark can be diverted to the purchase of high quality superfluous goods and services.

The democratization of luxury (Kapferer and Bastien 2012), characterized by the shift to mass luxury, has been accompanied by the emergence of the idea of meta-luxury (Ricca and Robins 2012) and über luxury (Quintavalle 2013) to make a distinction between mass produced luxuries and those luxuries that remain exclusive, often because they are rare or the result of high levels of skill and craftsmanship, and their cost renders them accessible only to the super-rich. Examples of such luxuries include bespoke tailoring, haute couture, and individually designed items from jewelry to private jets and yachts.

In the contemporary economically developed countries, the idea of luxury is overwhelmingly associated with the luxury goods and services available in local and global markets. It is, then, this market manifestation of luxury with which this article is concerned when assessing the moral acceptability of contemporary luxury. However, before progressing, it is important to briefly consider the moral standing of luxury and how this has evolved up to the contemporary period. To do this, it is necessary to begin by elaborating briefly on the meaning of the term morality.

## ***The Moral Standing of Luxury***

### *What is morality?*

The nature of morality is a core philosophical question, which has stimulated much reflection and debate among philosophers from the times of Socrates and Aristotle through to the present-day. The field of moral philosophy is concerned with ethical questions concerning what is right and wrong, good or evil, vice and virtue. According to dictionary definitions, morality refers to the quality of being moral, where moral is concerned with human behavior; to be moral one must conform to conventional accepted standards of conduct (Hanks 1986: 1000). Because a full discussion of the nature of morality is beyond the scope of this article, attention here focuses on understandings that will assist our evaluation of the moral standing of contemporary luxury.

The terms morality and ethics are often used interchangeably. However, there is an important distinction to be made between the moral and the ethical. As Wiess (1942: 381) notes, "[A] man is *moral* if he conforms to the established practices and customs of the group in which he is. He is *ethical* if he voluntarily obligates himself to live in the light of an ideal good." (original emphasis). Furthermore, according to Gert and Gert (2017), the term "morality" can be used in two ways. Firstly, descriptively, to refer to certain codes of conduct put forward by a society or a group or accepted by an individual for his or her own behavior. Secondly, normatively, to refer to a code of conduct that, given specified conditions, would be put forward by all rational persons. The latter suggests that what is right and what is wrong or what is ethical, is universally understood.

Moral behavior is central to the development of a civilized society because it is necessary to have conventions and standards of conduct to promote cooperation and communication. Indeed, we must act as we would have another act were he or she in our place and in the light of how we would act were we in his or her place. This requirement of a civilized society is captured in the golden rule: "do unto others as you would have them do unto you". This rule is found in every society and religion (Wiess 1942; Stace 1937). Moreover, there are incentives to acting in a moral fashion, in the sense that good acts may result in virtuous feelings and praise while immoral acts give rise to guilt and disapprobation. The actions of individuals are also regulated by the law with the threat of sanctions if legal rules are disobeyed.

The relationship between the fields of law and morality is considered by Shevall (2002), who argues that their observed and optimal domains are in rough alignment with one another. Morality applies as a means of control over much of our social interaction, but law and morality work together to control criminal activities that are not only illegal but also thought to be immoral, while law on its own applies to a range of activity for which there is no significant moral concern such as a minimum capital requirement that must be met for a company to be allowed to sell securities on an equity market (Shevall 2002: 228-229). Changes in moral codes over time can stimulate the introduction of new laws. Similarly, the introduction of specific laws can influence what is regarded as acceptable from a moral standpoint.

In this article, the term morality is understood as socially constructed such that to act in a moral fashion one must conform to certain standards of behavior within a society or group. Hence, what is morally acceptable today may not be so in a different society, group or era. For example, owning slaves was morally acceptable in the UK and the USA until the abolition of slavery in eighteenth and nineteenth centuries respectively, yet, today, evidence of migrants, en route to Europe from African counties, being auctioned off as slaves in Libya is morally repugnant to most UK and US citizens (Elbagir, et al. 2017). Consequently, when considering whether contemporary luxury is morally acceptable, it is necessary to explore this question within a society or group, or from the perspective of the individual consuming luxury within a specific historical period. History reveals that different groups and societies have, over time, taken different moral positions towards luxury.

*The moral standing of luxury from the classical period to the present-day*

Scholars have traced the changing moral standing of luxury from philosophical, theological, social, political and economic perspectives from the classical period to the present-day (Berry 1994; Adam 2012; Sekora 1977; Cloutier 2015; Sombart 1967). Prior to the modern era, luxury was viewed as morally dubious, corrupting and a serious ethical failing. As Adams (2012: 7-8) notes, luxury as "luxus" in classical Latin implied effeminate sensuality, a passion for splendor and pomp and "luxuria" indicated excess, extravagance and moral weakness. According to the classical view, if left unchecked, the consumption of luxury could lead to the demise of individuals and the fall of empires. From a Christian perspective, the fall of Adam and Eve can be linked to the indulgence of consuming the apple from the tree of knowledge (Sekora 1977). Furthermore, accounts of the Ancient Greek and Roman empires attribute their decline in part to luxury (Adams 2012). The failure to control the consumption of riches acquired through conquest can result in moral failings, ultimately leading to the decline and collapse of an empire.

Despite its morally dubious standing throughout the classical and early modern eras, luxury prospered among the elite and religious leaders. Luxury was acceptable from a Christian viewpoint when it was used to glorify god. The wealth accumulated by the Catholic Church through the sale of indulgences[3] in the early modern era, for example, was spent on expensive works of art and magnificent churches and cathedrals while its leaders, including god's representative on earth, the Pope, lived in great comfort in lavishly furnished palaces. Similarly, sovereigns and their royal courts lived extravagantly, displaying their economic and political power to impress upon rivals their capacity to wage war (Jacobsen 2011).

Nevertheless, until the seventeenth-century, access to luxury was controlled by sumptuary laws that regulated and reinforced social hierarchies and morals through restrictions on the consumption of certain types of goods including clothing and food (Ribeiro 2003). The reservation of certain fabrics and ornamentation for certain social orders was intended to provide clear distinctions between social ranks, thereby preserving the social hierarchy (Berry 1994). Consequently, sumptuary laws ensured that money alone could not secure high status in society.

The view of luxury as morally questionable continues today, but its influence has been significantly eroded. The socio-cultural religious inspired moral position on luxury was superseded by the ascendance of an economic and secular standpoint, which emerged in the early eighteenth-century. Berry (1994) describes this change as the de-moralization of luxury. It was initiated by the contributions of philosophers and political economists, particularly, Bernard Mandeville's (1988 [1724]) *The Fable of the Bees*, which extolled the virtues of the wealth of individuals for society as a whole; David Hume's essay, "Of Refinement of the Arts", (2012 [1754]), which praised luxury's widespread benefits for society; and, Adam Smith's (1981 [1776]) *An Inquiry into the Nature and Causes of the Wealth of Nations*, which argued that private vice and luxury were important stimulants to the economy. Hence, from the late eighteenth-century, luxury took on a positive economic rather than dubious moral role in society as a generator of employment, export income, tax revenue, and economic growth. Indeed, Sombart (1967 [1913]) and Berg (2005) attribute the industrial revolution to the rise of luxury consumption, beginning in the eighteenth-century. It is this de-moralized view of luxury that is prevalent today. However, such a perspective is not without its critics, as a review of the significant positive and negative impacts of luxury in the contemporary era will show.

## ***Significant Positive and Negative Impacts of Contemporary Luxury***

### *The Positive Impact of Contemporary Luxury*

The consumption of luxury underpins a €1.2 trillion global market (D'Arpizio, et al. 2017:5) and contributes to welfare though the employment of hundreds of thousands of individuals across the world. The desire to consume luxury remains a motivational force that drives people to work hard and, in so doing, contribute to economic development. In the UK alone, the luxury sector contributes £32.2 billion to the economy, accounting for 2.2 percent of Gross Domestic Product, directly employing 113,000 people, contributing £5.2 billion to the Exchequer through tax and National Insurance, and generating exports valued at £25 billion (Walpole 2017: 5).

In addition to the direct positive impact of the production and consumption of luxury on, for instance, employment and taxes, the sector has positive indirect influences, through spill-over effects, on other parts of the economy, including through the skills and innovation it promotes. Furthermore, through its impact on cities, luxury can contribute to the construction of what Paris (2018) calls "prestigious places", improving the built environment with potential benefits for all, directly through an improved quality of life and through attracting overseas tourists and the consequent creation of jobs in the hospitality and tourism sectors. Additionally, the existence of high quality built environments, including access to cultural activities, and first-rate service infrastructures, is important for locations seeking to attract domestic and overseas investment in a variety of sectors.

Luxury companies not only improve the environment through the presence of quality retail space and the construction of luxury housing and apartments, but also through sponsorship of cultural activities and sports events that engender community within society. Communal events are an important means of strengthening cooperation and communication and thereby serve to strengthen the fabric of society. In periods of declining government expenditure, luxury companies and their customers are an important source of the funding that is required to preserve the cultural heritage of humanity through support for public galleries, museums and cultural venues. For instance, the luxury conglomerate Moët Hennessy Louis Vuitton, better known as LVMH, has had a corporate philanthropy program to supports arts and culture since 1990.[4]

Furthermore, the demand for luxuries facilitates the experimentation that can result in major innovations and new technological developments, the benefits of which can be far reaching. Newly developed products are often luxuries. The demand from early adopters, who have the resources to try expensive new products, helps producers to iron out glitches in product design and to scale up for more cost-efficient production. For example, the development of electric cars benefitted from such early adopters. Although still a luxury for most people, electric cars are becoming more affordable and they have the potential to generate huge benefits for the environment when they become more widely adopted. Given their affluent customers, luxury companies can be at the forefront of advancing environmentally sensitive and sustainable production. Many luxury companies have well developed strategies to promote sustainability, which, once proven to be effective, can be adopted more widely in the economy (Armitage, Roberts and Sekhon 2017).

However, as Roberts and Armitage (2015) note, some luxury producers eschew technological change and persist in the use of age-old production methods. Because such methods of production are labor intensive, they are expensive and therefore confined to the purview of luxury producers. Hence, the demand for some luxury goods supports the maintenance of traditional craft skills as well as the development of new skills. For example, the luxury company Chanel established its subsidiary Paraffection in 1997 to acquire independent ateliers and thereby safeguard their specialty skills in the fields of embroidery, feathers, shoemaking, buttons, artificial flowers, gold-smithing, millinery, knitwear, glove-making, and, pleat-making (Abnett 2014). Without the consumption of luxury, such skills might be lost to the detriment of human creativity and culture.

Moreover, as Sidgwick (1894) argued, the production and circulation of superfluous commodities promote the appreciation and production of beauty and thereby serves the important social function of advancing culture. Many of the very best cultural and aesthetic contributions arising from the demand for luxury go beyond individual consumption and become lasting resources for humanity, inspiring creativity and civility. National museums like the British Museum or France's Louvre are full of cultural artefacts that were once the luxuries consumed by past generations.

Where luxury results in the unification of communities through, for instance, the development of public access to luxury in the form of public museums and libraries and the enrichment of cultural environments accessible to all, it has a positive moral value (Cloutier 2015). Hume's (2012 [1752]) claim that the growth of luxury has a civilizing and potentially unifying impact in relation to the community and nation with a positive impact on morality is of relevance in the contemporary period. However, today, the widespread consumption of luxury, based as it is on significant inequality, also has a negative impact to which our attention now turns.

*The Negative Impact of Contemporary Luxury*

The consumption of luxury can appear wasteful and socially divisive in a period of continuing austerity in the economically developed countries. For instance, when 22 percent of the UK population live in poverty, including 4 million children (JRF Analysis Unit 2017: 10), it seems obscene to most people that wealthy individuals are willing to pay £279,000 for a rare 2014 Himalaya Birkin Hermès handbag made from Nilo crocodile hide and adorned with 18-carat white gold and diamond-encrusted details (Jordan 2018). The widespread adoption of neoliberal economic policies characterized by tax cuts and the decimation of public services, together with increased global economic competition, have amplified inequalities and stifled social mobility since the 1970s (Stiglitz 2013; Dorling 2014; Piketty 2014). This trend was accelerated by the 2008 Global Financial Crisis. Moreover, those with wealth have been able to influence centers of power to ensure that policies and regulation work in their favor (Frank 2008; Wilkin 2015). Such developments not only underpin the rising demand for exclusive luxuries from the super-rich but they also drive social fragmentation, to the detriment of society.

Furthermore, the demand for luxury can lead to the wasteful and damaging use of resources. For example, gold mining, with its use of forced and cheap labor and chemicals, especially mercury, and more recently cyanide, is socially and environmentally damaging (Naylor 2011). Today, gold extraction methods are being implemented on an industrial scale, giving rise to an ever-increasing pace of environmental degradation. Yet, as the destruction of the environment and pressure on sustainability come increasingly into question there will be a growing necessity for a change in how we view the Earth's resources. Hence, changes to the consumption of luxury may be forced upon consumers through the depletion of resources and the imperatives of climate change. Exploring the case for the re-moralization of luxury, Berry (2016) argues that it is the impact on the environment and sustainability that is likely, in time, to provide the strongest case for a return to a morally prohibitive view of luxury.

Immoral behavior already arises from the wealth required to sustain luxury consumption. Gino and Pierce's (2009: 142) experimental study found that proximity to wealth encourages more frequent cheating than an environment of scarcity. They argue that the presence of abundant wealth provoked feelings of envy towards wealthy others and overstatement of performance, which leads to unethical behavior. Hence, faced with super-rich customers, suppliers of luxury goods and services may overstate their value or evidence of their authenticity. Naylor (2011), for instance, traces the immoral behaviors among those supplying segments of the luxury market as diverse as, gemstones, fine art, historical artefacts, fine wines and Cuban cigars. These behaviors range from theft and smuggling cultural artefacts from war torn regions such as Syria to counterfeiting and misleading those luxury consumers who are yet to develop their level of connoisseurship sufficiently to be able to distinguish between a standard product packaged as luxury and an authentic luxury product. As I have argued elsewhere, ignorance in many different forms pervades the luxury market (Roberts 2018).

Desire for luxury can lead to immoral and criminal behavior among its suppliers and those wishing to consume it. The inequality required to sustain luxury can lead to crime arising from the desperation of those experiencing extreme poverty or from a desire of those who cannot afford luxury acquired through legal means to engage in criminal activity to obtain it. Hence, luxury can become a target of such crime as the spate of raids on luxury retailers in UK and US cities during the past few years has demonstrated (Grace 2017). Moreover, the desire of the super-rich to enjoy pristine city spaces with clean streets and immaculate parks influences the policies of governments and can lead to the criminalization of the poor. In 2017, an increasing number of local councils in the UK were using Public Space Protection Orders[5] to fine people sleeping rough in streets and parks. Since most homeless people are extremely poor, the imposition of a fine leads directly to their criminalization.

A life of luxury and the desire to maintain it can also lead to immoral behavior. Freeland (2013: 239) documents the behavioral changes of those who reach billionaire status and become accustomed to prioritized and high-quality service, noting that they can become impatient and intolerant and even abusive when they receive poor service. Furthermore, studies have revealed that upper-class individuals behave more unethically than lower-class individuals. For instance, Piff, Stancato, Côté, Mendoza-Denton and Keltner (2012: 4086) found that upper-class individuals were more likely to break the law while driving, to exhibit unethical decision-making tendencies, take valued goods from others, lie in a negotiation, cheat to increase their chances of winning a prize, and endorse unethical behavior at work than were lower-class individuals. Based on these findings, the authors argue that upper-class individuals' unethical propensities, in part, result from a more favorable attitude toward greed. Recent scandals concerning the financial arrangements of the super-rich would seem to bear out such findings. Evidence from the leaking of the Panama and Paradise papers (Obermaier and Obermayer 2017; *The Guardian* 2017) show the extent to which the super-rich take advantage of legal advice on how to minimize tax liability through tax avoidance and evasion. While tax avoidance is not illegal, it may be regarded as immoral when it diminishes the resources available to a community, especially in a period of general austerity and decline of public service provision. The use by the super-rich of shell companies in tax havens to protect identity and enhance wealth can also underpin illegal activities, including tax evasion.

The idea that indulgence in luxury can have a negative impact on the individual and society has a long history (Adam 2012; Cloutier 2015; Sidgwick 1894). Too much comfort and excessive consumption of rich food, drink, and stimulants can lead to weakness and ill health through obesity and disease, diminishing the ability of those who indulge in excess to contribute to society. Although, evidence does suggest that as nations become more prosperous levels of obesity increase, the patterns of obesity within nations are complex (Thompson 2013). The poor diet of those on low incomes is as likely to lead to obesity and ill health as the excessive consumption of fine wine and foods by the wealthy. Moreover, UK statistics reveal that those living in affluent areas have higher life expectancies than those living in poorer regions (ONS 2017). Consequently, it can be argued that it is the inequality upon which the consumption of luxury is based in the current era that has a detrimental impact on the health and welfare of individuals rather than the consumption of luxury itself. The consumption of luxury health services is unlikely to damage individuals, yet if the resources deployed to fund such services were devoted to health services for all they would no doubt have a greater positive impact at a societal level. Luxury is not a negative if it can be enjoyed by all without a detrimental impact on the environment or sections of society. However, because the contemporary consumption of luxury is underpinned by inequality its moral standing is brought into question.

### ***Is Contemporary Luxury Morally Acceptable? A Question for the Super-Rich***

In addressing the question of whether luxury is morally acceptable in the contemporary era, it is important to recognize that the meaning of luxury and morality are constantly evolving, such that what is regarded as luxury and what is regarded as morally acceptable today may not be so tomorrow. Additionally, when considering morality, one needs to consider what is morally acceptable within a given society or social group as well as what is ethically acceptable at a societal level. Hence, I will focus on the question as it pertains to the super-rich.

There is a strong argument in favor of luxury when it advances culture for humanity as a whole (Sidgwick 1894) by leading to a lasting legacy in terms of cultural artefacts or a lasting change to knowledge or behavior that has a widespread impact beyond the individual luxury consumer. Nevertheless, in contemporary democratic states, one should question whether the super-rich, as the primary consumers of luxury cultural artefacts, should be the arbiters of a society's cultural heritage? Furthermore, the demand for experiential luxury is growing (Euromomitor 2017), and, if such luxury consumption only has an impact on the individual consumer, the argument that luxury contributes to culture heritage loses its moral validity.

Even though the production of luxury may create economic benefits for society, it is necessary to recognize that these benefits accrue disproportionately to the super-rich who reap the largest share of returns generated in the contemporary neoliberal system. Moreover, if one explores the wider social value of luxury production, one might argue that if the effort employed in its production was spent relieving the pain of those in need of the basic requirements of life it would produce more happiness (de Laveleye, Armitage and Roberts 2016). Although, whether it is possible to successfully redirect resources from the production of luxury to the production of necessary goods and services is debatable. Nevertheless, studies show that increased luxury consumption does not automatically result in greater happiness (Frank 2008; Frank 2000; Skidelsky and Skidelsky 2012). Indeed, Frank (2000) argues that raising taxation to merely moderate the excesses that are evident in contemporary luxury consumer culture, can enable an increase in government expenditure that could significantly improve the quality of life for everyone.

A counter to this redistribution argument concerns the need to motivate individuals. If individuals are unable to reap the benefits of their efforts in terms of improvements in the quality of their own lives, will they engage in enterprising and productive activity? Would the resources currently available to be redistributed to a wider society exist without the incentives of individual betterment? Also, while the motivations of those who have achieved their positions of privilege through hard work and enterprise may have benefited society as a whole, it is open to question as to whether those that inherit this wealth will have the same motivations and whether their activities will lead to wider economic benefits. Creating wealth through entrepreneurial activity often depends on first hand engagement with economic actors from consumers and workers to suppliers and regulatory institutions, however, sustaining and growing wealth can be achieved through arm’s length engagement in the economy, facilitated through financial advisors. Hence, the activities of those who inherit vast wealth may have less benefit to society and such individuals may be too far removed from the consequences of their decisions to act in a fashion that is morally acceptable to society.

Rather than diminishing the quality of luxury goods and services for a few with the aim of reallocating resources to enhancing the life conditions of many, an alternative approach is to consider working towards greater quality of goods and services for everyone. The super-rich might argue that this already occurs through the economic growth that luxury stimulates as well as its positive spill-over effects and its contribution to the preservation and advancement of culture and the built environment for the enjoyment of all. However, this view depends on the premise that continuous economic growth is desirable and sustainable. Yet, as Di Muzio (2015) argues, this idea is perpetuated by the global neoliberal system and its advocates, namely, the super-rich, despite the threat of environmental collapse that accompanies such growth.

While in a hierarchical authoritarian society luxury is distributed according to one's social position underpinned by economic power, in democratic societies there should be no reason why all individuals should not have the opportunity to enjoy and benefit from luxury. Community luxury in the form of quality public services including healthcare, education, libraries and museums could be provided through higher rates of taxation. Luxury does not have to be morally dubious if it generates benefits for all. As Cloutier (2015) has argued, when it supports the community, rather than merely the individual, luxury is morally acceptable. In Ancient Greece, where the first experiments with democracy occurred, the unifying force of luxury was evident when the meat from animals sacrificed at the Acropolis was distributed among the community (Scott, in Ricca and Robins 2012: 33). Today, neoliberal governments fail to engage in such unifying activity as they eschew a more equitable distribution of income and wealth. This leads to a growing inequality between the super-rich and the rest of society, a disparity that was most recently advanced in the US by President Donald Trump's tax cuts in December 2017.

As government expenditure declines in line with tax revenues, a void in public services grows, which is being partially filled by the philanthropic activities of the super-rich and business corporations, including those in the luxury sector. However, it is important to bear three points in mind in relation to the philanthropy of the super-rich. Firstly, the super-rich actively support the neoliberal economic system that drives down taxes through leveraging their economic power to influence the political system. Secondly, unlike public expenditure for which democratic governments are accountable to their electorates, the philanthropic choices made by the super-rich and private companies are not accountable to wider society. Third, the tax-deductible nature of charitable donations, for instance to Ivy League Universities, can further reduce the tax revenue available to support a government's program to alleviate what it might deem more pressing issues of social deprivation.

Hume's argument for luxury as a promoter of a more cultured society is also brought into question when the scale of inequality stimulates criminal activities on the part of those at the top and bottom of the income distribution. Increasing wealth and the ability to consume luxury does not necessarily lead to more civilized activity in terms of socially responsible behavior. Rather, inequality, if left unchecked, can lead to increasing and significant social fragmentation as the super-rich pull up the draw bridge of social mobility and focus on protecting and expanding their own wealth.

Of course, the super-rich are aware of their questionable moral position and the impact of their luxurious lifestyles in the face of significant inequality. Although they happily engage in philanthropic activities to support the less fortunate, and assuage their own feelings of guilt, as Freeland (2013) found in her research on the super-rich, they have an aversion to addressing inequality and are sensitive about how they are perceived in society. This is exemplified in the criticism levelled at former US President Barack Obama, for using terms such as the "rich" or those "at the top" to identify the country's top earners. (Freeland 2013: xii). The super-rich view such terms as divisive and as holding an implicit denigration of their success. Such sensitivity is surely a sign of insecurity and an awareness of the moral dilemmas arising from great financial success alongside widespread poverty. This moral dilemma may, in part, account for the growth of inconspicuous or stealth luxury consumption (Faiers 2016) and the increasing demand for security services for the super-rich (Cox 2016).

In a socially fragmented society, common moral norms can disintegrate such that what is morally acceptable to the super-rich compared to what is morally acceptable to the rest of society diverge significantly. One's moral view of luxury results from one's social position and economic power. Yet, there remains a moral position based on fundamental ethics, a normative idea of right and wrong that can be recognized by any rational person. So, for instance, the Grenfell Tower disaster in June 2017 in the UK evoked widespread moral indignation related to the lack of adequate investment in this social housing, which contributed to the spread of the fire at the 24-story apartment block, and for the treatment of its survivors. The fire not only killed 71 people but also left members of over 320 households homeless (Rawlinson, Sherwood and Doss 2017) in Kensington and Chelsea, the wealthiest borough of London, where the empty properties of wealthy people numbered more that 1,500 (*The Telegraph* 2017). The contrast between the position of the poor and that of the super-rich was brought into sharp relief by this tragedy. The moral injustice of such inequality was evident to all, demonstrating the existence of a unified moral standpoint.

Among their peers the super-rich may be comfortable following a moral code that allows for the excessive consumption of luxury goods and services. However, while the consumption of contemporary luxury is not subject to legal prohibition, its moral acceptability is increasingly questionable based as it is on growing inequality. The super-rich would be wise to note the increasing social fragmentation arising from inequality and the potential it holds to shatter a fundamental unified moral position. For while the super-rich are able to insulate themselves from the social deprivation upon which their growing wealth depends, their position may not be sustainable. After all, in 2016, the super-rich constituted a mere 0.22 percent of the total global population and their grip on economic and political power depends on the belief that social mobility and perpetual growth are possible. Once the fallacy of such ideas is widely recognized the status quo cannot be sustained. Moderating their consumption of luxury and contributing a greater share of their income and wealth to public resources, for instance by resisting the use of tax havens and supporting redistributive policies, would go some way to demonstrating that the super-rich seek to preserve a shared fundamental unified moral position with the wider population.

## ***Conclusion***

This article has explored the question of whether contemporary luxury is morally acceptable. Having reviewed the significant positive and negative consequences of the production and consumption of luxury, it is evident that its moral acceptability in the contemporary era is intricately linked to the growing inequality of income and wealth. For if everyone could have access to luxury in a sustainable fashion would it be morally prohibitive? Luxury has both the capacity to unify and divide communities. Where it unites community and advances human endeavor it can be defended on moral grounds. However, where luxury divides and stimulates degenerate, unethical and criminal activities it is morally indefensible. In the contemporary period, the growing inequality of income and wealth is increasingly overshadowing any positive moral impact of luxury. As the eighteenth-century proponent of luxury, Adam Smith (1982 [1776]: 96), acknowledged "No society can surely be flourishing and happy, of which the far greater part of the members are poor and miserable". Moreover, if left unchecked, the divergence between the moral norms held by the super-rich and the rest of society threaten to undermine a fundamental ethical stance recognized by all. To reverse this contemporary trend, the super-rich need to recognize their responsibilities to society and to a universal moral position which has relevance beyond their own enclosed world of secluded estates and private jets. They need to use their economic and political power to bring about a more equitable society and sustainable economy. Nevertheless, luxury consumption continues to expand as it extends from exclusive items for the super-rich to mass luxury for the aspiring middle classes. A blind eye continues to be turned to the injustices of inequality, while the super-rich ease their consciences with philanthropic acts, and, together with the middle classes, continue to indulge in their own guilty pleasures.

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## ***Endnotes***

[1] Capgemini (2017: 6) divide HNWIs into three wealth bands: “those with US$1 million to US$5 million in investable wealth (millionaires next door); those with US$5 million to US$30 million (mid-tier millionaires) and those with US$30 million or more (ultra-HNWIs)”.
[2] An international dollar would buy in a country a comparable amount of goods and services that a U.S. dollar would buy in the United States.
[3] A payment made to reduce the amount of punishment incurred by the commitment of a sin.
[4] See: https://www.lvmh.com/group/lvmh-commitments/art-culture/.
[5] Public Space Protection Orders came into existence in the UK as part of the Anti-Social Behavior, Crime and Policing Act 2014.