

# Trivial objects, economy and 'attainable luxury'

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## **0. Introduction**

### *Aims of the paper*

This paper aims to the presentation of an ongoing enquiry based on the current global economic crisis. It is not a systematic semiotic analysis but rather a 'semiotic gaze' on a cultural and political context under creation in which global economy, trivial objects and attainable luxury are among the main participants. The analysis deals with the immaterial value created on the objects, with how this value is used and circulated in the marketplace and finally, with how it interacts with the capitals' circulation and the flow of money and 'values'.

### *The economic context*

The attenuation of the national paternalistic capitalism, the enhancement of transports and telecommunications and the dominant, liberal tendency for a drastic abolishment of toll taxes contributed to a high globalization of the commerce. It is a rather trivial observation that the aforementioned factors contributed to the massive import of material goods from labor intensity countries (e.g. China, Vietnam) to the Western countries (central and peripheral, Greece included.) In a short term, these imports created big profits for both parts, the former having the opportunity to develop the tertiary sector of their economy, consuming cheaper products and rising prosperity. For an outline of these factors and impacts, see (Friedman 2005, 160 - 168).

Nevertheless, 'tertiary sector' countries have often lost competence in their primary and secondary sectors. Capital intensity countries possess broader networks

and penetration into the global market, whereas peripheral Western countries (such as Greece and Portugal) based the distribution of their industry goods to national or local networks.

The effects were very intense; the secondary sector of the peripheral Western countries was severely hit. Industries fled to cheap labor neighboring countries, entire branches of industrial production were almost annihilated (textile, electronics), unemployment raised and recession in various areas of activity became obvious. The tertiary sector was inevitably influenced; industry and manufacturing was giving work to a great variety of tertiary sector's enterprises and entrepreneurs, who consequently entered unemployment, following the recession spiral. An attempt of a general theoretic context for the new millennium's globalized commerce is given by Lowi (2001).

#### *The dialectic context*

Greece and other peripheral countries had a strong lack of worldwide brands and hi-tech products. Both these categories have the advantage of a high marginal utility, since they are not exact competitors of the waves of the 'cheap products'<sup>1</sup>. Many high end Western countries have low influenced sectors of activity because of the two aforementioned factors. Yet, whereas high technology can be easier quantified and compared by rather measurable means, brand can be considered only with a reference to the dialectic context which creates it.

Brand techniques, which are so developed in the western countries, are not merely a vain game of the companies, but a strategic plan, which brings profit to their tills. By branding a product, the company does not only create a unique identity for it, neither does only add immaterial surplus value to it, but it also differentiates the product in a dialectic-abstract manner. Although branding is often based on the material features of the objects and its supposed advantages, it often creates imaginary qualities on them, which exist merely because consumers recognize them.

Greece, like other similar countries, was lacking this globalized branding. Its products were replaced mostly on the material and less on the dialectic level. The

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<sup>1</sup> Referring to marginal utility in this case is rather general and schematic, in order to give the concept of a raising, potential demand. That does not mean we fully adopt a utilitarian theory, agreeing, thus, with some arguments by Douglas and Isherwood (1979, xx – xxv).

aforementioned sprawl of communications further boosted the stereotypization of the products through various practices such as franchising.

### **1. The intensification of the dialectic production**

The waves of imported, low cost products in the peripheral Western countries left limited margins of economic reaction. With high technology being very expensive and difficultly accessible and with low labour cost threatening both the social status and consumption, thousands of medium and small companies along with freelancers and wannabe entrepreneurs gradually moved the field of their focus on the dialectic level.

Nevertheless, the creation of a worldwide brand was impossible for most of these agents, at least, at a first stage. Neither was attainable the creation of low cost brands (such as IKEA or H&M) given that such actions demanded strong networks between production and distribution, which for peripheral countries were already lost. The solution was elsewhere; given that high marginal utility products (which have higher prices) are characterized by limited quantities and strong demand, producers could act in this direction. The limited production was already a fact, quality could be controlled, and therefore, strong demand should be pursued. Narotzky (2000) analyzes similar cases in Spain.

Based on the aforementioned, one can detect a strong tendency towards the creation of ‘attainable luxury’ products. These are objects or services that have a higher price, a strong dialectic emphasis on their brand and a focus on exclusivity and quality. In the last decade, new labels of wine (and other Protected Designation of Origin products), ‘design’ furniture and gourmet dishes entered the Greek market. Small producers found a way out of the mass by stressing the traditional values of their products (feta cheese or olive oil), by promoting design as a surplus value (Neoset etc) or by reinventing identity by hybrid names (Artisti Italiani, Achile Saridis, both Greek companies). Foster (2005) gives his examples of reinvention of quality and on existent products and their consequent surplus value added.

These objects, which are often accompanied with and promoted through multimodal texts, create typologies and categories. Thus, the “Spitiko” olive oil (*homemade* in Greek) creates an object with a low immaterial surplus value, which along with similar others, create the category of ‘traditional’ or ‘virgin’ olive oils and

added to other categories of food and beverage, form the great surplus context of the ‘Mediterranean’ or the ‘traditional’ cuisine. Van der Veen (2003) shows various cases of creation of luxury and surplus value on food.

Once formed, the surplus category (e.g. Mediterranean cuisine) tempts producers to enter directly to it, by adopting its main characteristics or stereotypes. Waves of recipes with ‘tahini’ (sesame paste) invaded the life-style magazines in a reinvention of the tradition in gastronomy. Innumerable ‘design’ objects enter the market, although ‘design’ object stylistically means nothing<sup>2</sup>. See this function on figure 1.

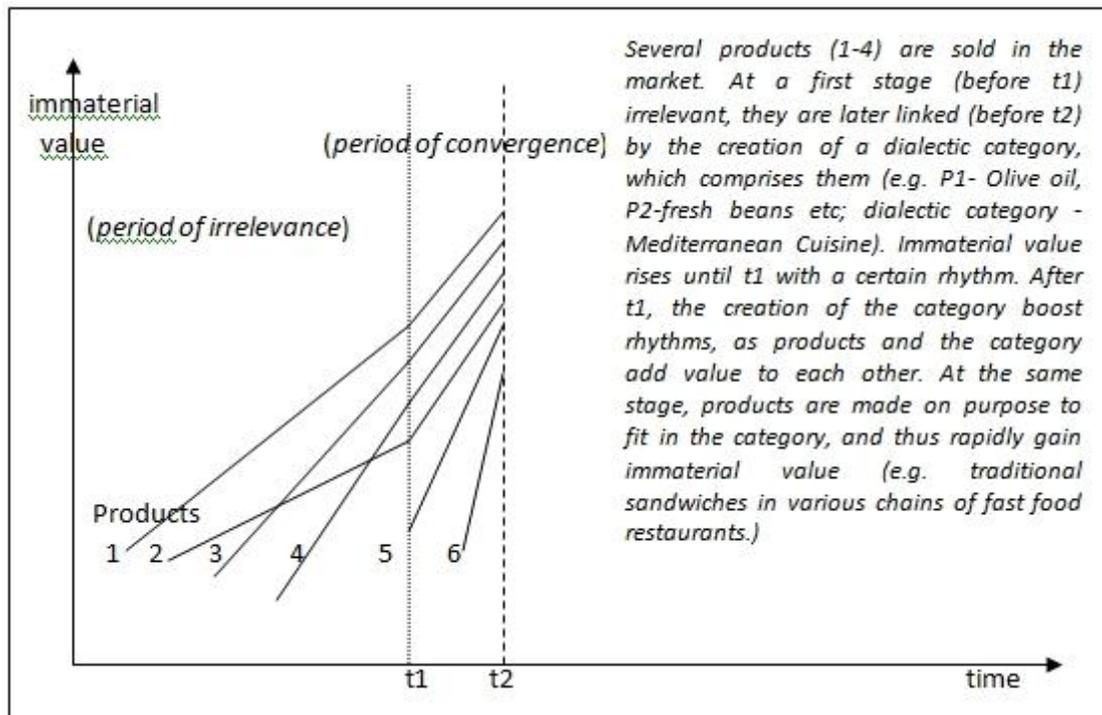


Figure 1 The Immaterial value and the creation of surplus value categories

The constant creation of categories and their speculation by the producers, with the creation of stereotyped objects, gives birth to an entropic chain between the major and the minor in a bidirectional path of mutual forming. The minor, the plethora of objects and their typologies (e.g. design objects) forms the major, the ‘design’ trend, which in its turn provokes the creation of much more ‘design’ objects completing therefore the mutuality.

<sup>2</sup> One may also observe the contrary movement in the creation of attainably luxurious objects from ‘high class’ luxurious ones. Many ‘luxurious’ companies move some of their products to broader categories, which are oriented to a wider public. Tungate (2009, 213 -220) gives many examples of attainably luxurious objects produced from high luxurious ones.

Why is the chain entropic? Because, we think, it is more disorderly on the side of the separate objects and the forms and less fluid on the side of the major trends and tendencies giving, therefore, an image of an entropic metaphor from physics.

## **2. The trivialization and the inflation of the immaterial value**

The creation of broad categories and contexts, loaded with immaterial value, provoke the proliferation of objects of attainable luxury. These are objects which, though similar in material features, have a strong individual or collective dialectic-immaterial value added and therefore they have their marginal utility raised. Many of these objects are trivial, quotidian products, which through a semiodialectic investment, have entered in a double parallel set of categories: this of their functionality as normal objects and this of the attainable luxury.

The broad pursuit, by different and highly varying agents, which belong to different sectors, to create attainably luxurious objects out of trivial objects, significantly changes quotidian life. Very soon, a whole range of services invent their 'luxurious' products. Bakeries make a whole range of different breads, which are sold at double the price of the ordinary, magazines donate 'collection' gadgets (which are reproduced in thousands of items) and famous tailor brands produce their mainstream approachable series of garments.

One could expect, and that is indeed the case, that this high offer of attainable luxury leads to phenomena of trivialization and inflation. The attainably luxurious soon becomes common and it is then, when the dialectic production should use new differences of form or text to raise the utility of the new typologies to be created. There is, thus, a constant trivialization and degradation of the immaterial value. The balsamic vinegar entered as an imported product the Greek market and was sold in special delicatessen shops. Soon, imports became bigger and competition made prices slightly lower. While Greek companies (TOP etc) started to produce their balsamic vinegar, this product entered the gourmet menu-lists, then the medium class restaurants and then, it was so much trivialized that it became almost exclusive in the 'kitchen-shows' of the Greek TV (Love Bites etc).

Inflation is not only connected to the price and the use, therefore with these more material aspects of the social sphere and the market, but also with the dialectics which describe the products. Mainstream block of flats, often in very low strata areas, were called by their constructors "luxury constructions" often because of the materials

used, which similarly belonged to the aforementioned ‘attainable luxury’ categories. When this became too common, the “super-luxurious” apartments appeared, often consisted in the same type of constructions in the same old areas. The same was the case with ‘living’ yoghurts and virgin and extra virgin olive oils<sup>3</sup>.

### *The role of the peripheral countries*

We observed, at a first stage, that the phenomenon of the ‘attainable luxury’ and its inflation is based on the peripheral Western countries. Nevertheless, this is also the case with the capital intensity Western countries and the labour intensity countries as well. ‘Attainable luxury’ brands are born lately in most of the countries. However, it is high pressure of the countries of capital or labour intensity that provokes the tendency towards the attainable luxury in the peripheral western countries almost as an obligatory solution for a whole range of sectors.

The producers seem to take advantage of some of the disadvantages the economic pressure has led them to. So, reduction in production and small penetration are reversed dialectically and used to connote characteristics, usually attributed to the luxurious products<sup>4</sup>.

### **3. The immaterial capital and the attainable luxury in the economic circle**

Attainable luxury, a special aspect of the immaterial capital, causes the raise of the price in the marketplace and therefore greater gains for the enterprises that sell them. In a competitive market, the acquisition of such products may result into the broader and faster move of other commodities to the category of the inferior objects.

A raise of income may provoke a bigger raise in spending on attainable luxury goods. There is, however, another aspect of luxury, which is not so broadly described by mainstream economics; the income remains stable but the consumption of luxury goods rises, due to the reordering of the consumption priorities. It is, in this case, an amalgam of personal choices and social pressures on the individual, which leads to a ‘static’ creation of luxury goods within a stable economic condition.

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<sup>3</sup> See: (Charitatos 2008, 165-170)

<sup>4</sup> In this analysis there is a risk underlying, which has been noted by Lagopoulos and Boklund (1992). They point out the difficulty to bring in reconciliation Marxism and Semiotics, in their case for the semiotics of space (32-33). The same problem is always present in this paper, in dealing with the attempt of reconciliation between semiotics and the implicit – throughout this text – Marxist concept of the fetishism of the commodity.

The economic view on luxury has an exact but retrospective definition of the term. It judges the nature of the commodity through its demand. Thus, a disproportional raise on demand classifies a product to the category of luxurious commodities. This is not a wrong practice given that it gives the opportunity for a quantification of the phenomenon. Nevertheless, it judges inevitably the event only when it has been already manifested. In other words, when the luxury products fulfill the economic definition of their kind, the whole dialectic procedure has already reached half the way. In figure 2 we show the different concept we propose, which supposes a shift of the factors rather than a shift of the supply-demand curves (P-price, Q-quantity, D-demand, S-supply).

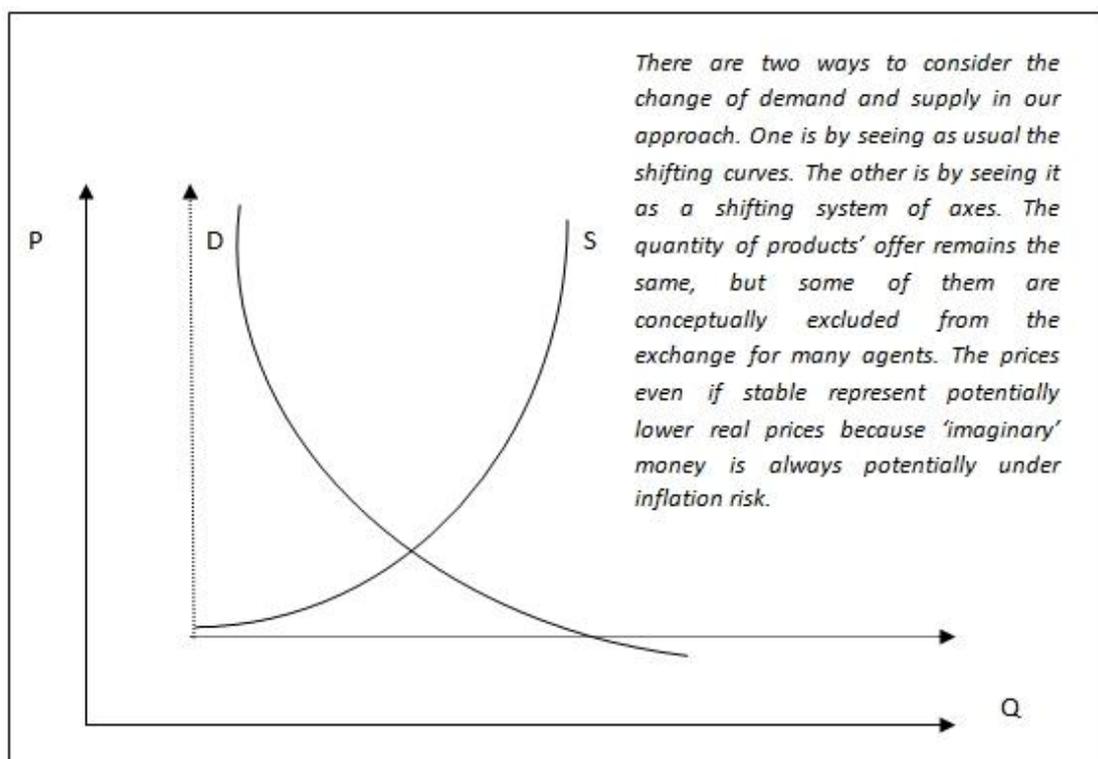


Figure 2 The dialectic shift of the supply demand balance

Economists are not unaware of this issue; most of them see a twofold nature of the commodity: the material and the immaterial. They also approach the issue from both parts: either the material through diagrams of demand and offer or by immaterial approaches such as those connected to branding. A critique of the economic approaches, which ignore the social factors, is given by Brekke and Howarth (2000).

At this point one question may come in mind; which is the influence of the dialectic and semiotic factors on the economic circle? If the amount of money in circulation remains unchanged, the change of the immaterial value of the object

would provoke a redistribution of the currency flows in the marketplace. Yet, in like manner dialectic values of the object can change the flow of money, dialectics of the marketplace can change the size of these flows and create currency capitalizations. In other words, the abstraction of money permits the unlimited credit; money is a matter of faith, so it can be borrowed from the future or from the faith to it. Browning and Crossley (2000) offer alternative insights on elasticity and the distribution of capital.

In this manner great, borrowed 'dialectical' amounts of money can enter the economic circle to buy imaginary values and capitalizations. Money has the strong semiotic feature to stand for something else. Either standing merely for the amount of work on a commodity or the ambition of people to possess it, money is an object (or often a concept) that represents the relations of the objects in a network of commodities. Given its abstract function, money can be produced in the dialectic sphere to connote work and ambitions concentrated on the objects, be the objects material or not.

Money can, therefore, be produced in unlimited quantities, if there is somebody who will recognize its connotative function and to whom it will be useful as a currency. The proliferation of money in the marketplace may create phenomena of inflation. In case imaginary qualities, such as luxury can be bought, inflation phenomena are moderated by being invested on immaterial commodities. This may create a perpetual circle of an immaterial exchange in the marketplace. In other words, immaterial values on objects and services and immaterial entities of money cause a circle of disinflation which may aid to prevent deflation.

#### **4. Conclusions**

Economic pressure on the peripheral Western countries and some sectors of activity in the Western countries has caused, as a reaction, a big stream towards attainable luxury. Small and medium producers attempt to reverse the disadvantages of the crisis and dialectically convert them in superiority. The mainstream luxurious objects enter the marketplace and cause a redistribution of the expenses' priorities. This massive creation of new luxurious objects creates a new material environment,

which influences the quotidian life by constantly introducing distinction elements and trends<sup>5</sup>.

The proliferation of mainstream luxurious commodities in a certain category of activities or objects causes phenomena of inflation and degradation of the categories to the status of simple mainstream objects. The high connotative ability of money to stand for something else leads to a raising loop between the creation of imaginary money and the formation of new luxurious categories, which moderates the inflation phenomena. The classic economic approach to luxury is partially retrospective since it defines the phenomenon at the point when it is already manifested.

The tendency towards attainable luxury seems to be not only an option but also one of the few alternatives for small and medium entrepreneurs under pressure. Their massive adherence to rising luxurious trends creates broad categories of objects with immaterial values. The broadening of these categories influences the cultural context and the way everyday life is considered.

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<sup>5</sup> For the creation of mainstreams and broad categories out minor immaterial entities and opinions see: (Christodoulou, 2003).

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