

The Social Sources of Institutions

About: Alice Le Goff, *Introduction à Thorstein Veblen*,
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by Dimitri della Faille

Critical of capitalism and nationalism, the work of Thorstein Veblen focuses mainly on the analysis of institutions: their strengths, their weaknesses, and the way they manage to stabilize and build up in spite of their failures.

Thorstein Veblen is without question one of the pillars of the social sciences. At once philosopher, sociologist, political scientist, and economist, he developed a critical analysis of society based on the examination of institutions that considered both historical forces and individual actions. Unfortunately, the French readers who wish to read or learn about Veblen's work have too few resources at their disposal. *Introduction à Thorstein Veblen* (Introduction to Thorstein Veblen) by Alice Le Goff addresses this obvious lack. But make no mistake, this 120-page book does more than fill such gap. Written in a clear and jargon-free style, it is distinguished by its accurate, subtle, and candid analyses. Le Goff demonstrates undeniable erudition in her book. Those looking for an introduction to Veblen will find here an important overview, which, despite its conciseness, covers the major highlights of his work. The book also tackles with honesty and nuance some of the controversies surrounding Veblen himself.

Veblen the Pariah?

Born in the United States to Norwegian immigrant parents in 1857, at a time when the country was in the midst of financial panic, Veblen grew up in a rural community of the Midwestern state of Minnesota, a region known for its agricultural production and deep religiosity. In the vitriolic style for which he was to become known, Veblen identified some of the sources of what he bluntly called “imbecile institutions ” or “social pathologies.” Among other things, he criticized private property and the predatory character of institutions. Given his anarchist leanings and his marked interest in socialism, it is no surprise that his contemporaries accused him of not being a true American. Indeed, he was faulted for undermining the modern capitalist project of the United States—a project that is too often confused with the US Nation itself. Le Goff reminds us that Veblen was frequently portrayed as a pariah, as a man who had difficulties adapting to his environment, who lived on the fringes of society, and who behaved in inappropriate ways. However, she skillfully situates these preconceived views of Veblen in the context of criticisms that were levelled at his work based on biographical elements which had been deliberately fictionalized by his critics and by some of his friends and colleagues.

It should be recalled that Veblen attacked many of the institutions that constitute American modernity, whether it be capitalism, which Veblen referred to as the price system, or nationalism, which he vehemently denounced. Not only did he deplore capitalism, imperialism, and nationalism, but he did not hesitate to defend trade unions while also condemning biologically reductionist evolutionism, deterministic frameworks, and the grand narratives that some believed would inevitably follow. Given that Veblen took shots at the right and left of the political spectrum, it is understandable that he did not build up a solid support network. This may explain why criticisms of his work were so often *ad hominem*. In the light of his life, his work was rapidly placed in the same category as that of grumpy hermits who arouse a passing curiosity.

Institutions and the Sources of Power

The book aims to move beyond Veblen’s texts so as to ultimately capture what lies at the heart of his intellectual project. It is therefore more a tool for thinking than a

contribution to the encyclopedia of modern knowledge. And Le Goff does succeed in moving beyond the texts to highlight the main axes of Veblen's thought. Accessing the latter is a considerable challenge given that very few of Veblen's writings have been translated into French, that his language is dense, and that his analyses are little known. Compounding these difficulties, the one book that French speakers usually recall, *La théorie de la classe de loisir* (*The Theory of the Leisure Class*), does not necessarily constitute the core of his work. A major in-depth study was therefore necessary.

The depth of Le Goff's analysis is evident, for instance, when she draws Veblen's political thought from various elements scattered in different books and articles. While Le Goff recognizes the limits of this approach, she applies it skillfully. By moving beyond the texts while relying on the writings, she helps us better understand what animated Veblen.

Thus, Le Goff finds in Veblen an analysis of the social sources of power predicated on a theory that focuses on the actions of certain social groups (e.g., engineers or capitalist elites) but that nevertheless recognizes that the future is shaped by historical forces. This notably concerns financial speculation and the struggles over status that give form to institutions. As such, according to Veblen, the study of institutions is a better starting point for understanding the sources of power than the postulate of resource scarcity and of its ensuing conflicts. Institutions and their tendency towards *status quo*, pathology, imbecility, and animism—to use Veblen's terms—favor the elites. In his view, there is no evidence that institutions are constituted because they perform a necessary function, that they have a mission, or that they persist because of their efficacy. In his analysis of the social sources of power, Veblen identifies a succession of causal sequences and shows that there is no prior organization justifying the creation and transformation of the observed institutions. The latter take the form they do because they are embedded in power relations. And since they are produced by human beings, they cannot be seen as forces whose forward movement is inevitable. Veblen rejects determinism. For him, this also means that one cannot wait for institutions and systems to collapse. There is no guarantee that inefficient or anemic institutions like the price system, private property, imperialism, or nationalism will disappear.

The Contemporary Relevance of Veblen

While it is understandable that the aim of this book was to present Veblen's work and to highlight its main ideas, one may regret the relative absence of references to current analyses that draw on Veblen or implicitly engage with his work. Indeed, given Veblen's criticisms of the Right and the Left, of capitalism and nationalism, the contemporary relevance of his work is unquestionable. Le Goff's book is a call to lift Veblen out of the category of secondary authors of purely historical interest. It is an invitation to draw from his body of work and to move beyond it.

In reading this book, one may wonder whether Veblen was not a precursor of environmental and feminist thinking, among other things, in the social sciences. While Le Goff does not offer a definitive answer, her book does provide enough avenues to initiate such reflections. And these are relevant, as she herself demonstrates.

One will also retain from this book a certain number of epistemological elements. In particular, Le Goff emphasizes the multidisciplinary and perhaps even transdisciplinary character of Veblen's work—though without really naming it as such, as that would undoubtedly be an anachronism. Indeed, Veblen drew on social philosophy, history, economics, anthropology, and sociology (which was in its infancy at the time). His approach pushed beyond the limits of disciplines that were likely too restrictive. But it also contributed to the development of these same disciplines. Le Goff also seems to suggest that Veblen's irony and satire had heuristic value, in the sense that they were embraced by an author who was searching for methods to facilitate discovery. These are all relevant avenues of inquiry for the contemporary social sciences.

A Unique Body of Work?

Veblen's body of work is unique. And because it has not given rise to an actual school of thought, it is often seen as something of an oddity. The strength of Le Goff's book is that it situates this body of work in the intellectual context of the late 19th century. We are constantly assisted in understanding its sources. By developing a better understanding of Veblen's originality and of the ideas with which he engaged, we can avoid thinking of him as an isolated case, as an author whose work was born somewhat by chance. Indeed, the risk of overlooking the obvious intellectual links

between Veblen's ideas and the great debates that animated the 19th and 20th centuries is important. While Veblen clearly participated in contemporary reflections on institutionalism, his work was also in dialogue with functionalism, socialism, Marxism, and even anarchism. Veblen was an original intellectual, but certainly not an oddity in the social sciences. To describe him as a free electron rather than as a pillar would be a mistake, which would render trivial all current discussions of his thought. In her overview of Veblen's work, Le Goff skillfully avoids this pitfall, thereby inviting us to study and to apply the tools of this pillar of the social sciences.

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