Thorstein Veblen

(1857-1929)

One of the most colorful of all American economists was Thorstein Veblen. He was the son of a Wisconsin farmer of Norwegian descent, and he never felt comfortable in academic society. In his writing he looked at the customs of his time with a particularly discerning eye, creating such well known terms as "conspicuous consumption" and "pecuniary emulation." He did not endear himself to presidents of universities by calling them "captains of erudition." His unconventionalism led to his leaving a variety of positions after only a few years in each, and he taught variously at the University of Chicago, Stanford, the University of Missouri, and The New School for Social Research (New York City). His most famous book is The Theory of the Leisure Class *(1899), from which this selection is taken.*

Thorstein Veblen. 1899. *The Theory of the Leisure Class*. New York: The Viking Press, Inc., pp. 36-37, 70,71, 230-32

The Theory of the Leisure Class

But it is otherwise with the superior pecuniary class, with which we are here immediately concerned. For this class also the incentive to diligence and thrift is not absent; but its action is so greatly qualified by the secondary demands of pecuniary emulation, that any inclination in this direction is practically overborne and any incentive to diligence tends to be of no effect. The most imperative of these secondary demands of emulation, as well as the one of widest scope, is the requirement of abstention from productive work. This is true in an especial degree for the barbarian stage of culture. During the predatory culture labour comes to be associated in men's habits of thought with weakness and subjection to a master. It is therefore a mark of inferiority, and therefore comes to be accounted unworthy of man in his best estate. By virtue of this tradition labour is felt to be debasing, and this tradition has never died out. On the contrary, with the advance of social differentiation it has acquired the axiomatic force due to ancient and unquestioned prescription.

In order to gain and to hold the esteem of men it is not sufficient merely to possess wealth or power. The wealth or power must be put in evidence, for esteem is awarded only on evidence. And not only does the evidence of wealth serve to impress one's importance on others and to keep their sense of his importance alive and alert, but it is of scarcely less use in building up and preserving one's self-complacency. In all but the lowest stages of culture the normally constituted man is comforted and upheld in his self-respect by "decent surroundings" and by exemption from "menial offices." Enforced departure from his habitual standard of decency, either in the paraphernalia of life or in the kind and amount of his everyday activity, is felt to be a slight upon his human dignity, even apart from all conscious consideration of the approval or disapproval of his fellows.

The archaic theoretical distinction between the base and the honorable in the manner of a man's life retains very much of its ancient force even to-day. So much so that there are few of the better class who are not possessed of an instinctive repugnance for the vulgar forms of labour. We have a realizing sense of ceremonial uncleanness attaching in an especial degree to the occupations which are associated in our habits of thought with menial service. It is felt by all persons of refined taste that a spiritual contamination is inseparable from certain offices that are conventionally required of servants. Vulgar surroundings, mean (that is to say, inexpensive) habitations, and vulgarly productive occupations are unhesitatingly condemned and avoided. They are incompatible with life on a satisfactory spiritual plane—with "high thinking." From the

days of the Greek philosophers to the present, a degree of leisure and of exemption from contact with such industrial processes as serve the immediate everyday purposes of human life has even been recognized by thoughtful men as a prerequisite to a worthy or beautiful, or even a blameless, human lift. In itself and in its consequences the life of leisure is beautiful and ennobling in all civilized men's eyes.

This direct, subjective value of leisure and of other evidences of wealth is no doubt in great part secondary and derivative. It is in part a reflex of the utility of leisure as a means of gaining the respect of others, and in part it is the result of a mental substitution. The performance of labour has been accepted as a conventional evidence of inferior force; therefore it comes itself, by a mental short-cut, to be regarded as intrinsically base.

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The ceremonial differentiation of the dietary is best seen in the use of intoxicating beverages and narcotics. If these articles of consumption are costly, they are felt to be noble and honorific. Therefore the base classes, primarily the women, practice an enforced continence with respect to these stimulants, except in countries where they are obtainable at a very low cost. From archaic times down through all the length of the patriarchal regime it has been the office of the women to prepare and administer these luxuries, and it has been the perquisite of the men of gentle birth and breeding to consume them. Drunkenness and the other pathological consequences of the free use of stimulants therefore tend in their turn to become honorific, as being a mark, at the second remove, of the superior status of those who are able to afford the indulgence. Infirmities induced by over-indulgence are among some peoples freely recognized as manly attributes. It has even happened that the name for certain diseased conditions of the body arising from such an origin has passed into everyday speech as a synonym for "noble" or "gentle." It is only at a relatively early stage of culture that the symptoms of expensive vice are conventionally accepted as marks of a superior status, and so tend to become virtues and command the deference of the community; but the reputability that attaches to certain expensive vices long retains so much of its force as to appreciably lessen the disapprobation visited upon the men of the wealthy or noble class for any excessive indulgence. The same invidious distinction adds force to the current disapproval of any indulgence of this kind on the part of women, minors, and inferiors. This invidious traditional distinction has not lost its force even among the more advanced peoples of to-day. Where the example set by the leisure class retains its imperative force in the regulation of the conventionalities, it is observable that the women still in great measure practice the same traditional concern with regard to stimulants.

It has already been noticed that modern economic institutions fall into two roughly distinct categories— the pecuniary and the industrial. The like is true of employments. Under the former head are employments that have to do with ownership or acquisition; under the latter head, those that have to do with workmanship or production. As was found in speaking of the growth of institutions, so with regard to employments. The economic interests of the leisure class lie in the pecuniary employments; those of the working classes lie in both classes of employments, but chiefly in the industrial. Entrance to the leisure class lies through the pecuniary employments.

These two classes of employments differ materially in respect of the aptitudes required for each; and the training which they give similarly follows two divergent lines. The discipline of the pecuniary employments acts to conserve and to cultivate certain of the predatory aptitudes and the predatory animus. It does this both by educating those individuals and classes who are occupied with these employments and by selectively repressing and eliminating those individuals and lines of descent that are unfit in this respect. So far as men's habits of thought are shaped by the competitive process of acquisition and tenure; so far as their economic functions are comprised within the range of ownership of wealth as conceived in terms of exchange value, and its management and financiering through a permutation of values; so far their experience in economic life favours the survival and accentuation of the predatory temperament and habits of

thought. Under the modern, peaceable system, it is of course the peaceable range of predatory habits and aptitudes that is chiefly fostered by a life of acquisition. That is to say, the pecuniary employments give proficiency in the general line of practices comprised under fraud, rather than in those that belong under the more archaic method of forcible seizure.

These pecuniary employments, tending to conserve the predatory temperament, are the employments which have to do with ownership—the immediate function of the leisure class proper—and the subsidiary functions concerned with acquisition and accumulation. These cover that class of persons and that range of duties in the economic process which have to do with the ownership of enterprises engaged in competitive industry; especially those fundamental lines of economic management which are classed as financiering operations. To these may be added the greater part of mercantile occupations. In their best and clearest development these duties make up the economic office of the "captain of industry." The captain of industry is an astute man rather than an ingenious one, and his captaincy is a pecuniary rather than an industrial captaincy. Such administration of industry as he exercises is commonly of a permissive kind. The mechanically effective details of production and of industrial organization are delegated to subordinates of a less "practical" turn of mind,—men who are possessed of a gift for workmanship rather than administrative ability. So far as regards their tendency in shaping human nature by education and selection, the common run of non-economic employments are to be classed with the pecuniary employments. Such are politics and ecclesiastical and military employments.

The pecuniary employments have also the sanction of reputability in a much higher degree than the industrial employments. In this way the leisure-class standards of good repute come in to sustain the prestige of those aptitudes that serve the invidious purpose; and the leisure-class scheme of decorous living, therefore, also furthers the survival and culture of the predatory traits. Employments fall into a hierarchical gradation of reputability. Those which have to do immediately with ownership on a large scale are the most reputable of economic employments proper. Next to these in good repute come those employments that are immediately subservient to ownership and financiering,—such as banking and the law. Banking employments also carry a suggestion of large ownership, and this fact is doubtless accountable for a share of the prestige that attaches to the business. The profession of the law does not imply large ownership; but since no taint of usefulness, for other than the competitive purpose, attaches to the lawyer's trade, it grades high in the conventional scheme. The lawyer is exclusively occupied with the details of predatory fraud, either in achieving or in checkmating chicane, and success in the profession is therefore accepted as marking a large endowment of that barbarian astuteness which has always commanded men's respect and fear. Mercantile pursuits are only half-way reputable, unless they involve a large element of ownership and a small element of usefulness. They grade high or low somewhat in proportion as they serve the higher or the lower needs; so that the business of retailing the vulgar necessaries of life descends to the level of the handicrafts and factory labour. Manual labour, or even the work of directing mechanical processes, is of course on a precarious footing as regards respectability.

A qualification is necessary as regards the discipline given by the pecuniary employments. As the scale of industrial enterprise grows larger, pecuniary management comes to bear less of the character of chicane and shrewd competition in detail. That is to say, for an ever-increasing proportion of the persons who come in contact with this phase of economic life, business reduces itself to routine in which there is less immediate suggestion of overreaching or exploiting a competitor. The consequent exemption from predatory habits extends chiefly to subordinates employed in business. The duties ownership and administration are virtually untouched by this qualification. . . .