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WHAT IF MARX AND VEBLEN MET...

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ABSTRACT: *The aim of this study is to analyse both the differences and the similarities between Marx and Veblen regarding historical specificity, evolution, and alienation. Starting with their discussions on these subjects, this article builds on the analyses of capitalism. The goal of this study is not to collapse Marx and Veblen into one another but rather to understand capitalism by presenting the complementary relationship of the two economists' analyses and to introduce an appropriate analytical framework for understanding capitalism.*

This study consists of three parts. The first part examines how Veblen regarded Marx's analysis, and how Marx especially viewed

Darwin's theory of evolution. Marx's approach to evolution and Veblen's criticism of Marx on this topic will constitute the general framework of this part. The second part of the study evaluates the level of agreement or disagreement between Veblen and Marx on the idea of historicism from the perspective of dialectical materialism. The last part analyses Marx and Veblen's different ideas of the concept of alienation. The two economists' views on the capitalist system will be determined based on these three concepts, introducing the similarities between them as well as the differences.

KEY WORDS: *Marx, Veblen, evolution, alienation, capitalism.*

JEL CLASSIFICATION: B15, B25, F59

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Acknowledgement: We are grateful to referees to the Economic Annals

The goal of man is to shape the world according to his purposes. According to Veblen, an individual has a teleological character (Veblen, 1906: 6). In order to reach the aims they define, individuals exhibit purposeful behaviours. 'Idle curiosity', a basic human instinct, exhibits the non-teleological aspect of social transformation in time.

1. INTRODUCTION

Authors who have written on the analyses of Marx and Veblen usually conclude that not only are there considerable differences between the two economists but that their views are sometimes irreconcilable. The studies that emphasise the differences and the few similarities between Veblen and Marx form an extensive Marx-Veblen literature. Although the periods during which Marx and Veblen lived and the years in which they published their works¹ mean that Marx was not physically present at the discussions of his and Veblen's ideas, his writings and his Marxist followers ensured that he was at the centre of the arguments. In order to investigate whether their views were really irreconcilable we imagine these two important economists accidentally meeting in a café in France and chatting while drinking coffee.

In joining their conversation we aim to present both the differences and the complementary relationship between the two economists regarding historical specificity, evolution, and alienation.

The conflict between Marx and Veblen is based on Veblen's two-part study, *The Socialist Economics of Karl Marx and His Followers*², which was published in the *Quarterly Journal of Economics*³ in 1907. Although Veblen especially admired the originality of Marx's work and his ideas on the functioning of capitalism (Veblen 1906-1907), he criticised Marx's way of thinking and the theories that resulted from his way of thinking. Veblen's criticisms of Marx were an obstacle, which for years has prevented a reconciliation of Marx and Veblen. Studies of Veblen's criticisms reflect two different points of view. While some writers agree with Veblen (Harris, 1934 and Hodgson, 1992, 1993, 1994, 2006). others consider

¹ While Marx lived between 1818 and 1883, Veblen lived between 1857 and 1929. Veblen's works were published after the death of Marx.

² The *Quarterly Journal of Economics*, Vol. 20, No. 2 (Aug., 1906), pp. 575-595

³ The *Quarterly Journal of Economics*, Vol. 21, No. 2 (Feb., 1907), pp. 299-322

his criticisms to be unjust (Hunt, 1979 and O'Hara, 1997). The discussion was based on Veblen's criticisms of Marx regarding Darwinian evolution and dialectical materialism. We introduce Marx and Veblen's analyses of capitalism by discussing the two economists' views on these two topics together with the concept of alienation.

The study consists of three parts. The first part looks at Veblen's criticism of Marx's views on Darwin's theory of evolution. The second part of the study evaluates the level of agreement or disagreement between Veblen and Marx on the subject of historicism from the point of view of dialectical materialism. The last part introduces the concept of alienation according to the two economists, and attempts to synthesize their different ideas. The two economists' views towards the capitalist system will be determined based on these three concepts, and we consider the similarities between them as well as the differences. "When I view from a Marxist perspective, I not only see the similarities between the two philosophers regarding their analysis of capitalism but also I see that Veblen's ideas contain many concepts which complement Marxism..." (Hunt 1979: 113). Hunt's evaluation is the starting point for our study. In term of social theory there are distinct differences between the two economists, but in other areas of thought the similarities outweigh the differences. Both philosophers emphasized the alienating nature of capitalism. In this study we intend to evaluate the ideas of Marx and Veblen and carry out an analysis of capitalism within our own appropriate analytical framework.

2. DARWINIAN EVOLUTION OR HEGELIAN DIALECTICS?

In a speech given at Harvard University in 1906 Veblen praised Marx's works, and his article written after the speech, *The Socialist Economics of Karl Marx and His Followers*, ignited an ongoing discussion about Marx and Veblen. Veblen's most important criticism of Marx is that Marx's theory and understanding of evolution is based on Hegelian dialectics rather than Darwinian evolution. Veblen's explanations of Marx's theory in his speech and then in his article are mostly based on secondary sources, that are incompatible with Marx's ideas (Hunt 1979, 116). While four out of fifteen footnotes in *The Socialist Economics of Karl Marx and His Followers* make a reference to Marx's works, fourteen footnotes included citations from the works of other Marxists, primarily Engels (Veblen, 1906 and O'Hara 1997: 67). In short, Veblen's readings and analysis of Marx were based on secondary sources. Cottret, in the preface to his life of Marx (2012), relates how confining Marx to the narrow bounds of Hegelian dialectics

meant that he effectively died two deaths. “Marx died twice....Marx first died on March 14, 1883.....then, his second death was due to as a victim of his followers. The first is the death of the tireless writer of the *Capital*, and the second one is Marx’s death who was personalised as a person trying to design the whole history with a dogmatic, nonsense, and invalid dialectical materialist history system and answer any questions including the ones which were not asked as Demiurge, the God organizing the universe in Plato’s philosophy (Cottret 2012, vii).

Veblen’s explanations of Marx’s understanding of evolution as based on Hegelian dialectic are based on Veblen’s ideas about how to approach science. In Veblen’s insistence that science must be universal it is important to stress the distinction between pre-Darwinian science and post-Darwinian science (Veblen, 1990(1919): 36-37).

Pre-Darwinian science is teleological⁴. Post-Darwinian science is no deterministic and reductionist but emphasizes process and causation. For Veblen, Darwinism is a “cumulative causation” which has no aim, no final term, and no tendency (Hodgson, 2006: 22). In this sense Marx shares Veblen’s way of thinking. Marx not only rejected Hegelian dialects but in most of his works he also criticized Hegelian metaphysics⁵ (Hunt 1979). In Marx’s view, a materialistic understanding is superior to Hegel’s idealism because it indicates the interaction and exchange of an ongoing social, political, and economic reality (Edgell and Townshend 1993).

When Marx first read *The Origin of Species* (1859) he shared his views on Darwin’s theory of evolution in a letter to Engels, in which he appraised Darwin’s work as “a scientific basis of his historical class struggle” (Marx, 1977: 525-526),

4 Teleological concepts are explained depending on goals and functions. Unlike causation, teleology identifies for what purposes the objects came about, but not why they came about. This understanding is based on the hypothesis that the system will always yield the best results. In this regard, established economics is teleological.

5 Marx stated in the epilogue of *Capital’s* (1990) second edition that his own dialectic method was not only different from Hegel’s dialectics but was its direct opposite. “Dialectics became fashionable in Germany in its mystical way because it seemed to ornament and glorify the existing state of the things. In its rational form, it is a scandal and abomination of the bourgeoisie and its doctrinaire professors, because it includes an affirmative recognition of the existing state of things, and at the same time the recognition of the negation of that state, of its inevitable breaking up.....”(Marx 1990: 102-103). For Marx, dialectics is not ontological but epistemological. In other words, it is not an existential motive, but a way of thinking (Hunt 1979).

from which it was understood that he viewed it as an approval of class struggle⁶. However, it is not possible to place Marx's social theory within the theory of Darwinian evolution because Marx rejects Darwin's socio-economic evolution because it follows a slow process of change; whereas, according to Marx, change has a revolutionary quality. In other words, Marx's evolutionary theory is a revolutionary evolution⁷ (Araz Takay 2009, 11).

Darwinian evolutionary understanding does not require Marx to adopt Hegelian dialectics. However, many thinkers believe that the main difference between Veblen and Marx is that Hegelian dialectics and the teleological approach, which underlay Veblen's criticism of Marx, composed the basis of Marx's sociological approach.

Veblen opposed dualism and as a result was against reductionism, which said that the processes of social change and transformation could be reduced to economics. Marx opposed reductionism in a similar way but with different expressions and concepts and explained social transformation by the interaction of material and ideas (Sherman, 1998 and Hunt, 1979). Thus both thinkers converged on a materialist basis. Although technology is the main impetus for both of them, the existence of a process of social transformation emerging due to the interaction of matter and idea, or technology and ideas, shows that both thinkers' approaches are away from reductionism. Technology, which emerged as a consequence of the instinct to create something, is the outcome of ideas, which are a way of thinking. If ideas are the essence of creating something, technology and ideas interact with one another. Ideas are specified with technology, but developing new technology

6 Engel's speech at Marx's funeral made an analogy between Marx and Darwin: "Just as Darwin discovered the law of development of organic nature, so Marx discovered the law of development of human history" (Engels, 1883).

7 One of the much-debated topics on the social and economic qualities of evolutionary approaches is the validity of the idea that the evolutionary process is actualized with gradual, slow, and small changes. Social and economic analyses especially seem to include radical changes, leaps, and even 'revolutions'. In this regard, the famous discussion of 'Evolution or revolution?' has become one of the burning questions of history and the social sciences. However, recent developments in biology have revealed that the principle of "Nature makes no leap" ("Natura non facit saltum") is not without criticism. In recent years, chaos and complexity theories and approaches such as "punctuated equilibrium" predict that the evolutionary process might be actualized haphazardly and discontinuously (Gould and Eldredge, 1972). In this sense, because the evolutionary process has its own history, the principles of "path dependence", meaning continuing along an already set path rather than creating a new one, and "over-determination", meaning similar causes are not required to create similar results, reveal that the evolutionary process is complex and includes uncertainties which cannot be reduced to a single formula.

changes the ideas of individuals and the world. This mutual interaction formed the basis of the industrial revolution and transformed feudalism into dynamic capitalism (Dugger and Sherman, 1994). Although both Marx and Veblen reject reductionism, Veblen's evaluation of Marx in terms of Hegelian dialectics results from him following Engel's view of dialectical materialism as the baseline of Marx's ideas (Hunt, 1979 and Veblen, 1906-1907): most of Veblen's discussions on Marx's philosophy as being based on Hegelian dialectics were in their turn based on Engel's works. His beliefs regarding Marx's teleological understanding of history and Hegelian dialectics are largely the result of Marx's teleological view of human actions. Marx states that human actions must be understood in terms of both material causation and teleological causation. Marx always perceived teleological causation as the deliberate action of a person, not as an inevitable development of history (Hunt, 1979: 115) In brief, while Marx's theories accept the existence of an individual teleology he does not accept that history operates towards a pre-determined goal. Veblen, Marx, and Marxists reject the notion of pre-determined history and state that men have always made their own history under specific conditions (Sherman, 1998). "Men make their own history, but they do not make it as they please; they do not make it under self-selected circumstances, but under circumstances existing already, given and transmitted from the past." (Marx, 1977: 188). While what people lived in the past plays a distinctive role in their future plans, neither Veblen's nor Marx's social theories are determined by the belief that societies operate towards a pre-determined goal.

In conclusion, the process of social change and transformation is a complex relationship where economic relationships are not independent variables and other social factors are not dependent variables. In these complex relations, change might be a gradual transformation process, as asserted by Veblen based on Darwinian evolution theory, or it might also be a process where Marx's understanding of revolutionary evolution applies. Social evolution introduced by Marx's revolutionary evolution process is out of a teleological process introduced by Hegel's dialectical idealism, and it is a permanent interaction and conflict between dynamic and social power and humanistic goals and intentions. In short, Marx's historicism is an understanding of history that includes a non-teleological process similar to Veblen's. Because this understanding of historicism reflects an understanding of evolution that includes leaps and ramifications, it is not expected to create the end of a process or targeted social results. Marx's world is quite different from the worlds of Hegel and Dr. Pangloss⁸ because it is a world that shows that both history and capitalism may change vigorously, discontinuously,

⁸ A character who believes that everything will be fine in Voltaire's *Candide* 1759.

and randomly (Özel, 2009: 54). This change is not only a change but also a transformation and history is uncertain and unpredictable. A letter written by Engels to Mehring⁹ sheds light on discussions about this topic. “According to the materialistic interpretation of history, the determining factor in the final analysis is the production of materialist life and its reproduction. Neither Marx nor I said more than this. However, when anybody reads this as economy being the only factor, they make the saying a meaningless, abstract, and absurd statement. Economic conditions are fundamental, but various elements of upper structure-political forms of class struggle and their results, constitutions- legal forms, and political, legal, philosophical, and religious views which echo in the minds of all the participants participating in all the actual work... All these have an effect on the development of historical struggles and determine their forms in many conditions”. Thus, the historical understanding of Marx and Veblen is a concept expressing a process whose end is unpredictable as a result of mutual interaction between non-teleological, economic, and non-economic factors, and in this they complement each other. This complementary relationship also arises in both thinkers’ analysis of capitalism examined below.

3. ON CAPITALISM: MARX AND VEBLEN

Marx and Veblen have different opinions about the historical roots of capitalism. This difference may have arisen from the fact that Veblen’s analysis of the roots of capitalism was not as detailed as Marx’s.

Marx’s goal was to introduce the law of motion in capitalist society. The determining feature of his analysis is that production relationships depend on the conflict and struggle between labour and capital (creating surplus and exploiting surplus). Another important feature of Marx’s analysis is its historicism, discussed in the previous section. Marx explained the basic dynamics of social change by the struggles between forces of production and means of production.

“In the social production of their existence, men inevitably enter into definite relations, which are independent of their will, namely relations of production appropriate to a given stage in the development of their material forces of production. The totality of these relations of production constitutes the economic structure of society, the real foundation, on

⁹ http://www.marxists.org/archive/marx/works/download/Marx_Engels_Correspondence.pdf (source: *Marx and Engels’ Correspondence*)

which arises a legal and political superstructure and to which correspond definite forms of social consciousness. The mode of production of material life conditions the general process of social, political and intellectual life. It is not the consciousness of men that determines their existence, but their social existence that determines their consciousness. At a certain stage of development, the material productive forces of society come into conflict with the existing relations of production or – this merely expresses the same thing in legal terms – with the property relations within the framework of which they have operated hitherto. From forms of development of the productive forces these relations turn into their fetters. Then begins an era of social revolution. The changes in the economic foundation lead sooner or later to the transformation of the whole immense superstructure” (Marx, 1970: 20-21).

The style of a society’s production (basestructure) determines its awareness (superstructure) (Marx, 1977). In Marx’s analysis, the forces of production and the relations of production underlie historical change. The general ‘vision’ of Marx regarding historical materialism is dynamic, and this must not be ignored. Historical materialism emphasizes that the general overview of history has to take into account discontinuity, setbacks, and revolution, and the origins of social change are principally to be discovered in the specific mode of production. Therefore, Marx’s analysis of the inner contradictions of capitalism is an implementation of historical materialism.

The concept of historical materialism is prominent in both *The German Ideology* ((1845) 1970), written with Engels, and in Marx’s *The Preface To A Contribution to the Critique of Political Economy* ((1859)1977). For example, in *The German Ideology*, Marx and Engels stated,

“The production of ideas, of conceptions, of consciousness, is at first directly interwoven with the material activity and the material intercourse of men, the language of real life. Conceiving, thinking, the mental intercourse of men, appear at this stage as the direct efflux of their material behaviour. The same applies to mental production as expressed in the language of politics, laws, morality, religion, metaphysics, etc., of a people. Men are the producers of their conceptions, ideas, etc. – real, active men, as they are conditioned by a definite development of their productive forces and of the intercourse corresponding to these, up to its furthest forms. Consciousness can never be anything else than conscious existence, and the existence of men is their actual life-process. If in all

ideology men and their circumstances appear upside-down as in a camera obscura, this phenomenon arises just as much from their historical life-process as the inversion of objects on the retina does from their physical life-process.” (Marx and Engels, 1970: 47).

This understanding, which is later emphasized in *The Preface*, reveals that men’s mode of production and relations (basestructure) determine their mode of consciousness (superstructure). Marx seems to assert three claims in *The Preface To A Contribution* (1977). First, the basestructure, constituted of the relation between production and productive forces, determines the “definite forms of social consciousness” and the “legal and political superstructure” to which society’s “basestructure” corresponds (Marx, 1970: 20). The second claim is that base or economic structure is independent of consciousness: “It is not the consciousness of men that determine their being but, on the contrary, their social being that determines their consciousness” (Marx, 1970: 21). The third assertion, which is important in terms of our topic, is the idea which states that social change results from the conflicts between the forces of production- the impetus which constitutes men’s evolution- and the relations of production: “At a certain stage of their development, the material forces of production in society come in conflict with the existing relations of production, or-what is but a legal expression for the same thing-with the property relations within which they have been at work before” (Marx, 1970: 21). This claim highlights the idea that history also needs to be comprehended dynamically.

In addition to this, when the assertion is taken into account that historical materialism especially introduces a general evolutionary perspective which explains the whole history of humanity, it is right to say that the goal of “historical materialism” is only to reveal a “skeleton” of history (Krieger, 1962: 375 and Özel, 2009). The categories of historical materialism must be regarded as questions which ask whether forms that can be distinguished from each other exist or not; it is misleading to view these categories as certain ‘laws’ or ‘canons’ which explain everything. As will be shown below, in Marx’s view, history, which can be regarded as an “objectification” process of men’s “own self”, is composed of conscious production activity or the “labour process”: in this sense it is an indispensable part of men’s life. In other words, no matter what the specific historical conditions, this “labour process” is mandatory in all human societies. However, the specific forms of this process have not remained the same throughout history, and will not remain the same throughout history. On the contrary, it is the properties of these modes of production, which give a particular society its distinctive quality (Özel, 2009).

Marx stated in *Grundrisse*, “some determinations belong to all epochs; other only to a few”(Marx, 1979: 143). In other words, in Marx’s general procedural approach, the differentiation between the ‘universal’ factors and the factors specific to a certain era and conditions is important if it is to be valid for the history of humanity. This condition becomes prominent in his analysis of capitalism. The idea that Marx is after a general evolutionary scheme ignores his main purpose, the analysis of capitalism, because “Marx’s analysis of history is the analysis of historical prerequisites for capital” (Hunt, 1984: 7). Marx first of all introduces a specific definition of capitalism in order to carry out his analysis, and then, using this definition, he discusses the chronological phenomenon important to his understanding. In this sense, the selection of Marx’s examples from the examples that define his own theory does not seem to be a coincidence (Hunt, 1984: 7). Another relevant point is that the conflict between the productive forces, which are regarded as the “engine” of historical change, and the relations of production seems to support the view of technological determinism. However, the idea that different modes of social organization bring about different changes depending on the productive forces and relations of production (or economic and social factors) seems to be in the foreground more than the idea which states that this transition is a necessary process.

In this regard, the dynamism predicted by Marx’s historical materialism is the unpredictable quality of the different conditions created when they come together, not suggesting a social change theory in which causal relations operate. Thus the analysis does not introduce general tendencies, or present formulae that are valid under any conditions. For example, the existing mode of production chains, extending from primitive communism to capitalism in Western European history, do not mean that the same thing applies to world history. This is what brought a dynamic quality to the understanding of historical materialism; different historical antecedents may cause different results. The same thing can be said for the analysis of capitalism, which can be viewed as an implementation of the understanding of historical materialism.

According to Marx, the capitalist system can be explained by four institutional and behavioural factors: First, production is carried out for exchange in the market; second, the means of production exists as private property; third, the majority of individuals are required to sell their products in the markets to survive; and fourth, decision-makers in the economy make an effort to be have rationally.

The first quality of capitalism is that production is carried out to sell the goods in the market. This means that the individual does not know who is going to consume the goods produced, and therefore the relation between the producer and the market establishes the consumer. This condition transforms economic and social relations between people to the relation between goods via markets. Thus individual needs become dependent on the impersonal forces of the market.

The second quality of capitalism is that the means of production exists as private property. While under capitalism a certain section of society has the right to the means of production and to use the raw material needed for production, the others have no claim on them. While such a structure causes the owners of the means of production to control and manage production and own the surplus, instead of making them join the production process directly, it causes those who do not have ownership to become producers. In other words, while owners of capital become dominant powers due to their relations of ownership, labour does not have any function in the control and management of production (Hunt, 1992: 5-6). The workers that carry out production do not own the means of production and this results in them acquiring only some of the products that they produce. The labour performed in excess of the labour necessary for production, or the surplus labour, is the main source of capital accumulation for the owners of the capital. In this regard, in capitalism labour turns into a commodity that is purchased and sold on the market and the worker can use only a certain amount of what s/he produced. Therefore, the modes of production deepen to include the contradictions between the classes and the analysis takes on a social dimension.

The fourth quality of capitalism is that individuals act rationally in economic life. Rationality, required for capitalism to work successfully, suggests that the main motive of an individual is utilitarianism/hedonism. In this regard, the capitalist system takes into account not how the owner of capital increases his profit but rather how much the owner of capital has increased his profit. Thus, the surplus that the owner of capital distains, with the help of the means of production and distribution that he owns, is regarded as the result of individuals acting rationally. According to Marx, who analysed capitalism's laws of motion, on the one hand capitalism has economic contradictions relating to distribution, and on the other hand it is a system which is prone to change and industrial development.

In his book *Instinct of Workmanship* (1946), Veblen discusses the roots of capitalism in an evolutionary framework and conducts an analysis of capitalism by explaining the history of humanity in terms of evolution theory. He explains the history of human civilization in four stages: the savage stage in the Neolithic

period characterized by peace; the barbarian stage characterized by wars and when the leisure class emerged; the period of handicraft, which Veblen described as the beginning of capitalism; and the modern era,¹⁰ called the era of machine industry (Veblen, 1964: 146-Kızılkaya, 2007:168). Veblen's view of evolutionary change is substantially determined by his theory of the stages of cultural evolution that society went through before capitalism. In his analysis, the roots of capitalism were based on the era of handicraft when the instinct of workmanship became a dominant factor that shaped thinking habits, causing individual workers to become creative factors on their own and to be in the forefront during the formation of capitalist society (Veblen, 1946: 233-234).

The most important factor in Veblen's social stages is technology, which is very important for Veblen. Technology is "a cultural phenomena" and "a social process" (Veblen, 1946: 103). Technological improvement cannot be realized by "individual or private initiative" (Veblen, 1946:103). Technological advance is dependent upon the collective technical knowledge and skills of a society. To Veblen, technical advance related to community and was not a creative achievement of individuals (Veblen, 1946:103). Technological change, in fact, is the changed thought habits of society. Technology provides the dynamic dimension of change and it is an internal factor of the system. It is built on accumulated knowledge, which the society inherits over generations¹¹.

Marx and Veblen's different ideas on the roots of capitalism are hidden in the details. Veblen divided the history of humanity into stages, but he did not carry out a detailed analysis of the roots of capital accumulation, one of the most important factors that determine the institutional structure of capitalism. Veblen states that most factors that shape the institutional structure of capitalism passed from the era of handicraft¹² to the capitalist era. But Veblen's analysis does not say how capital was accumulated. Marx's analysis of capitalism is especially based

¹⁰ It is important that Veblen discusses society as having four stages. The factors that determine the stage of the peaceable savage economy of the Neolithic period are peace among people, communal ownership, and existence of primitive technology. As a result of the emergence of private ownership and wars, the barbarian stage follows the savage stage. The determining factors of this stage are private ownership and exploitation of people. Looting begins in this period and the most important looted treasure includes women and children. The most important element that differentiates this period from the previous one is the emergence of economic surplus and thus development of productivity and technological knowledge.

¹¹ Although the priority Veblen gives to technology seems to be a factor that triggers the event, it does not have a special effect (Edgell 2006). According to Veblen, social change indicates a change with an uncertain goal at the end of the process, depending on multiple reasons.

¹² This period corresponds to medieval feudalism (Kızılkaya 2007, 66).

on how primitive capital accumulation is realized. In Part 8 of *Capital I* (1990), Marx tells how this realization was a painful process as labour force was forcibly removed from their small lands and the means of production that they owned¹³: “...capital comes dripping from head to foot, from every pore, with blood and dirt” (Marx, 1990: 926).

Veblen defined capitalism as a lifestyle where money is dominant. At the roots of the formation of this lifestyle, is the social evolutionary stage of the barbarian, which includes slavery and feudalism. The features of the barbarian stage, which include monetarism, will also germinate capitalism. According to Veblen, capitalism was the natural outcome of Western European feudalism (Hunt 1979). During these historical periods of humanity slaves and then land became objects of ownership. With the adoption of a structure where ownership was dominant there was a transition from a structure based on labour where labour was superior and valued to the pecuniary gain of barbarism: “the effect of slavery in medieval and modern times was to make the community’s industrial efficiency was serve the needs of slave-owners on the one hand and land owners on the other”(Veblen, 1908, 528). In this sense, an individual’s behaviour is determined only by earning money. This condition is discovered much more distinctly in individuals’ styles of describing themselves. Wealth is defined as the criterion for success (Cummings, 1899). The predatory qualities that constitute the roots of the basic determinants of the barbarian economy and the institutional structure of capitalism also prepare the era of handicraft which will determine labour in history (Shannon, 1996: 6). According to Veblen, the modern era starts with the rise of the mode of production, which depends on handicraft (Kızılkaya 2007, 171). With technological improvements, this rise causes looting, which was inherited from the slave and feudal societies at the beginning of the 19th century and becomes stronger. Veblen makes a distinction between industry and labour or dealer and workmanship: While industry includes the instinct of workmanship, labour includes destructive and predatory tendencies. This distinction caused Veblen to discover different class structures specific to capitalism (Veblen 1946, 202).

Veblen and Marx differ on the origin of class distinctions but their ideas on class conflict are similar. Veblen’s class conflict is between “workers, craftsmen, and engineers” who have the instinct of workmanship and capitalists including “proprietors, investors, employers, and bosses who do not have to work and have

¹³ “This primitive accumulation plays approximately the same role in political economy as original sin does in theology” (Marx 1990, 873).

become slaves of the profit motive “ (Veblen, 1946, 187). Despite the economic and legal foundations of class conflict described by Marx, Veblen’s conflict was based on the psychological effects of the predatory instinct and the instinct of workmanship. However, both Marx and Veblen distinguish capitalism from other forms of society and agree on its most distinctive quality, the existence of class conflict (Hunt, 1979).

Marx and Veblen’s differences concerning the historical roots of capitalism do not mean that they differ about modern capitalism¹⁴. Both discussed modern capitalism on the basis of class struggle and they especially showed the structure of capitalism to be based on conflict regarding general working conditions, wages, and employment (Hunt 1979). This struggle not only shows the differences between Veblen and Marx in terms of the relations of production and which relation is the most important but also reveals similarities. For Marx the most important and deterministic relation is class, while for Veblen it is power relations. This difference contains a similarity. Power relations involve gaining effective political power over society. Power is the ability to make others do what you want. In capitalism, power means to extract labour from workers for a certain amount of money (Hunt, 1979, Dugger and Sherman, 1994) While Marx asserts that the basis of capitalism is a social relation based on class, the main determining factor is the force behind it. Veblen (1964) stated that while productivity stimulated by the instinct of workmanship underlies the worker’s success, the exploitive advantages gained over the workers underlie the success of the ownership of the means of production by businessmen, or capitalists in Marx’s words. The economic and political powers in the hands of the capitalists encourage exploitation. In this sense, power determines the social relationship for both of them. Thus, according to Veblen, class struggle is economic, political, and ideological.

Unlike for Marx, for Veblen private property is not the determining factor in the institutional structure of capitalism, because private property did not emerge as a result of capitalism but is a concept that existed much earlier than capitalism in the evolutionary stages of society. In Veblen’s anthropological approach, private property existed at the beginning of the Neolithic period and emerged as a result of men’s desire to own objects, but due to it being the determining feature of the barbarian period it is a concept which attained its meaning in capitalism. In short, private property has its roots in the behaviour of warriors and hunters in primitive times. Veblen suggests that one of the main determinants of the

¹⁴ Their ideas about pre-capitalist European society are quite similar.

institutional structure of capitalism is property rights (Diggins, 1977: 115). Veblen states that the philosophy of natural rights legitimizes private property and men qualified for private property as a result of their labour. However, as the instinct of workmanship was replaced by the predatory motive, private property emerged as a result of fraud (Veblen 1964, 155). This evolution gives private property an institutional identity.

Although Veblen's critique of capitalism lacks Marx's trenchant and pithy expression it does analyse the conflicts between poor and rich classes on the basis of motives and within a structure that considers social benefit. However, the main difference between Marx and Veblen is ideological. While Marx determines that capitalism will collapse due to its failures, Veblen thinks that capitalism will be reborn from its roots when the instinct of workmanship starts to predominate, the industry established by the engineers prevails over the predatory motive, and the era of handicraft returns to its golden days.

4. ALIENATION AND HUMAN NATURE

In his analysis of history Marx determined the prerequisites of capital and described the dehumanization of man and the process of man's alienation from his own human nature. The essence of man can remain the same in different historical periods, but his existence is determined by material conditions. In *Capital*, Marx discovers man's conflict with his essence and existence in the historical conditions of capitalism (Özel, 2009: 197-198). Under capitalism man is not only alienated from his own products but also from realising his potential force; therefore he is dehumanized.

Capitalism is a system in pursuit of increased profit margins, which is rendered legitimate by individual rationality. This is the outcome of production made for exchange in the market. The realization of production for the purpose of exchange turns labour into a commodity, subject to sale and purchase in the market just like other products. In Marx's view, the conflicts the capital accumulation process involves and production for the market lead to alienation for both capital and labour (Elliott, 1984: 385-386).

Marx has two different approaches to capitalism. One of them is that compared to former modes of production, capitalism represents a big step towards the freedom of individuals. "It is one of the civilising aspects of capital that it enforces this surplus labour in a manner and under conditions which are more advantageous

to the development of the productive forces, social relations, and the creation of the elements for a new and higher form than under the preceding forms of slavery, serfdom, etc.” (Marx, 1991: 819). Nonetheless, capitalism prepares its own end as a result of its internal conflicts and dehumanizes the individual in the production process.

In the process of capital accumulation the capitalist system leads to the alienation of the individual from the product of his labour and himself. While Marx was examining the issue of alienation, he studied the existence of the individual in capitalist society and argued that labour turned into a commodity becomes an object in capitalist property relations. This objectification, which can be defined as the crisis of the subject or the social dimension of capitalist depression considers the social aspect of the crisis of economics. In capitalist society the individual is trapped in the interrelations of goods produced for exchange as a result of market relations and is objectified. In this respect, Marx’s analysis of capitalism describes not only the “dehumanization”¹⁵ of the capitalist system but also of the individual who exists in the system and of the creator of the system.

The concept of alienation, described as the dehumanization of the individual in Marx’s *Economic and Philosophic Manuscripts of 1844* (1976), appears in two different forms. The first is the alienation of man from nature, isolating him and creating a second nature in the cultural-social sphere. The form of alienation that refers to isolation from nature is considered positive regarding man’s existence and development. The second form of alienation is inherent in the capitalist system and specific to it man is alienated from his nature/labour/product. In other words, man is alienated from his labour, social relations, world, and life. Although the means of production as private property lies behind alienation, this condition gains more importance in capitalism where in particular the labour force becomes a commodity. Under the capitalist system, because the worker is separated from the means of production, labour turns into a commodity bought by the owner of capital in the market. At the end of the production process, the worker owns only a certain part of the products of his labour, enough to reproduce itself, and the owner of the capital seizes the surplus value produced. Thus the surplus value is the result of private property on the one hand and alienation and alienated labour on the other hand. In this respect, the relation of alienation

¹⁵ Holloway (2006) takes as his starting point what he terms the ‘scream’: that is the transformation of the ‘power over’ to the ‘power to’ and brings an interesting approach to the dehumanization of the individual and alienation. For detailed information, see: “Change the World Without Taking Power”.

and private property constantly reproduces itself, separating labour from human values and turning it into a commodity.

In Capital I, Marx attempted to explain the material basis of man's alienation from his own nature with the concept of commodity fetishism, which emerged from market relations. According to Marx, once the individual begins to work for others, his labour takes a social form. As soon as labour gains a social quality, in other words, when the product is produced for the market, the product establishes a relation with the labour itself. Marx calls this process commodity fetishism, which occurs as soon as labour begins to produce commodities, commodifies itself, and becomes controlled by "commodity fetishism" (Marx, 1990:165). In fact, commodity fetishism is a natural outcome of alienation. Under this system, man's alienation not only from the products of his labour but also from his own labour and his total physical and mental capacities, is the result of his transformation into a "commodity". In other words, the alienation process in capitalism leads to the processes of "fetishism" and "reification". The individual involved in these two processes is a dehumanized individual deprived of his individual efficiency, in brief; he is a lost individual under rational rules. Therefore, alienation is the first stage of dehumanization under rational capitalism.

Within this framework, "commodity fetishism" comes first in Marx's criticism of capitalism as a mode of production. With commodity fetishism the physical and social existence of men is produced via the relation between commodities, and thus individuals are unable to understand their physical and social existence. According to Marx and Engels, "the production of ideas, of conceptions, of consciousness, is at first directly interwoven with the material activity and the material intercourse of men, the language of real life"(Marx-Engels, 1970: 47). In other words, under capitalism, a specific mode of production, the process of alienation leads to reification and fetishism. Due to the reduction of relations between men to relations between commodities, the relation between commodities explains the social aspect of the individual. Although private property is a phenomenon encountered in different periods, private property under capitalism is differentiated by the alienation it causes.

To summarize, according to Marx, labour is divested of its human qualities under capitalist social circumstances, and turns into an object. Capitalist society estranges the man from his human values, which means that it transforms man within the context of its capitalist values. Moreover, this transformation, or the process of fetishism, leads to instability in the social fabric. Such a process of

“dehumanization” leads to conflicts in the reproduction process of capitalist society.

Although Veblen does not mention the concept of alienation as much as Marx, he creates his own unique theory. Veblen reflects alienation from two different and interdependent viewpoints. Private property and the labour instinct depend on alienation from the outset, but his theory of the leisure class and conspicuous consumption are also related to it.

In his article *The Beginnings of Ownership* (1973(1899)) Veblen discusses the emergence of private property, and evaluates this concept differently from previous economists. According to Marx, ownership emerges with appropriation of surplus labour and creation of surplus value. According to Veblen, the emergence of private property is anthropological. Veblen discovered the roots of ownership in the behaviours of warriors/ hunters in the primitive age. Veblen emphasized that men owned objects even during the peaceful ‘savage’ period. (Diggins 1977: 136).

The stages of social evolution, which Veblen conceived in Darwinian fashion, present the emergence of ownership, in which the concept of alienation is prominent. Veblen distinguishes four main stages of evolution: the peaceable ‘savage’ economy of Neolithic times; the predatory ‘barbarian’ economy in which the institutions of warfare, property, masculine prowess, and the leisure class originated; the pre-modern period of handicraft economy; and finally the modern era dominated by the machine (Veblen, 1973(1899): 32).

In Veblen’s work *The Theory of the Leisure Class*(1973 (1899)), in the stage of social evolution when the community passes from peaceable savagery to predatory¹⁶barbarism the conditions of emulation change. Along with predatory culture, tangible evidence of prowess in the form of trophies finds a place in men’s thought habits as an essential feature of the paraphernalia of life. Booty, trophies of the chase or of the raid, comes to be prized as evidence of pre-eminent force, and as a consequence aggression becomes the accredited form of action (Veblen, 1973 (1899): 30).

¹⁶ This period is when men used tools only to cooperate with each other and worked instead of fighting battles. The most important feature of the savage period is that the workmanship instinct is the element which generates change.

The new structure brings slavery. Where free labour ends, ownership begins. Veblen argues that, “The oldest form of ownership is seizure of women by the tribal chiefs”¹⁷(Veblen, 1973 (1899) :33). Ownership appeared with the seizure of the women as slaves, who did daily chores for men. Ownership begins with slaves and continues with the seizure of objects produced by slaves (Edgell and Townshend, 1993). The slave owners do no physical work and spend their time waging war, hunting, and in religious observances, causing work to become associated with slavery and lower status. Hatred of work leads to corruption of the workmanship instinct.

Because ownership begins with captivation of slaves and continues with seizure of objects produced by them, private property appears not from alienation of labour but from the actions of barbarians in predatory societies. In this respect, Veblen differs from Marx: Possession and exploitation have nothing to do with the labour theory of value (Diggins 1977:123). Marx argues that alienation results from private property, but in Veblen the conditions of alienation are not formed in the context of private property. Alienation emerges as a consequence of social habits and institutions eroding the workmanship instinct (Veblen, 1946). Ownership results from a desire to be stronger than others during the transition from a peaceable ‘savage’ society based on work to a system where ‘barbarism’ dominates, not from need. In this respect, ownership is based more on the things that affect rivals in the social hierarchy than beneficial things. This condition leads to the formation of alienation within the context of conspicuous consumption. Alienation occurs when men are jealous of each other’s efficiency. Men use their labour not to produce but to attain higher status. Because attaining higher status involves acquisition and accumulation of goods, man is alienated from peaceable ‘savage’ life. Workmanship is no longer production; acquisition of goods and idleness are the determining social values (Veblen, 1973 (1899)). In this culture, jealousy of status and meaning and value determined by competition are attributed to commodities and consumer goods involving animistic qualities, but not to the production process (Diggins, 1977). In brief, conspicuous consumption and idleness and acquiring and using objects and time extravagantly began to find a place in the central values of the society.

17 That the majority of slaves were women is not important: because women do not go to war they are easily procured and do whatever work there is. They contribute more than they consume and, most importantly, they bring honour to the tribal chiefs. Women are the only objects that are looted but are not tied organically to those who seized them and are not consumed commonly. They are the first commodity in the predatory period (Veblen, 1973(1899)).

Veblen's emphasis on conspicuous consumption and alienation of the individual in the context of the upper class exploitation of the workmanship instinct in a predatory society corresponds to the qualities of capitalist society. Capitalism views man as an object of pleasure. An individual's behaviour in the capitalist system proposes to earn money continuously and maximize consumption but to minimize working. Veblen argues that individuals' position in society is classified according to who makes the most money with the least effort (Veblen, 1946). Wealth is a criterion of success and an indicator of social status. Each class emulates the class above it in the social scale. Veblen's critique of capitalism emerges as conspicuous consumption and the alienation of the individual who loses his instinct of workmanship. Conspicuous consumption is symbolic because it serves the individual to exhibit himself in society. Workmanship is only a means to acquire wealth (Veblen, 1946).

In developed capitalist societies, conspicuous consumption, wealth, and property represent power more than need and are the main goals in life. More consumption is indicative of belonging to a higher class. A desire to own things is displayed to develop jealousy in other individuals, - consumption is a means of displaying the buyer's superiority. Consumption that goes beyond necessity gets ahead of production, creating a condition that underrates work. In a capitalist society, a social class excluded from production and work activities expresses itself in conspicuous consumption. This class tries to display its power not by working, but by spending (Veblen, 1946).

Veblen discovers the roots of capitalism in the era of handicraft. That the era of handicraft followed the predatory-barbarian period is important, because he discovered the individual's workmanship instinct. The workmanship instinct is the only factor that will shape and transform society and emancipate the individual from alienation.

The collective interest of each modern society lies in the individual's interest in production related to work. The values which best serve this collective interest are honesty, diligence, and peacefulness, which the individual has during the 'savage' period, the first stage of social evolution; and the individual protects these values inherent in him in the forthcoming social periods without involving animistic beliefs. When the workmanship instinct predominates, collaboration and production take precedence over competition in shaping individuals' thought habits, especially in the era of handicraft (Veblen, 1946).

In conclusion, Veblen, who explains alienation on the basis of conspicuous consumption and loss of the workmanship instinct, argues that there are two basic weaknesses that lead to the alienation of man. The first weakness is the impact of animism and the second and most important is society's contempt for workmanship. Man's salvation from alienation depends on acceptance of the workmanship instinct as the most valuable phenomenon. The machine age enables salvation from this alienation. In Veblen's view, the machine and the engineer who designs it is productive, profitable and less lavish lifestyle and the society that sustains them best, develops (Veblen 1973 (1899)).

“If a product is only produced to be exchanged with goods produced by the others, the worker may assume that he can actualize himself not in production but in consumption. Thus, alienation starts with the loss of instinct of workmanship, which is unique to the man. This condition results from his socialization under comparative competitive pressure, but not from his exploitation” (Diggins 1999: 132).

Veblen states that the desire to acquire goods will never disappear and that this phenomenon is a dark and stubborn side of human nature.

5. CONCLUSION

The study, which is based on the fiction of what Marx and Veblen would say about capitalism if they met in a café, primarily examined evolution, historicism, and alienation, and considered the complementary relation between the analyses of the two thinkers in addition to the differences, in the belief that concentrating on the similarities will present a better analytical framework for the analysis of capitalism.

Veblen criticized Marx's evolutionary theory as being based on Hegelian dialectics instead of Darwinian evolution. However, these views come from secondary sources and are mostly incompatible with Marx's own views (Hunt 1979, 116). Veblen overemphasizes the distinction of science as pre- and post-Darwinian, where pre-Darwinian science is teleological but with causation process, and post-Darwinian science emphasizes process rather than determinism and reductionism. Here Marx agrees with Veblen, as Marx himself rejects Hegel's dialectics. Marx rejects the application of Darwinism to socio-economic evolution theory because it follows a gradual change process and for Marx change is revolutionary. But that Marx does not adopt Darwinian evolutionary theory does

not mean that he has to adopt Hegelian dialectics. At this point, Veblen remarks that dualism, reductionism, and societies' change or transformation processes cannot be reduced to only economics. Similarly, but using different concepts and expressions, Marx particularly opposed reductionism, and explained social transformation as the mutual interaction of material and thought. Both thinkers agree on materialism. Although for both of them technology is the main impetus in terms of the economy in general, the social transformation process coming out of the interaction between material and thought, or out of a mutual interaction between technology and ideas, reflects both thinkers' rejection of reductionism. The general 'vision' of Marx, his understanding of "historical materialism" which he adopted and used to analyse capitalism, is dynamic, which must not be ignored. Marx's analysis of capitalism can be considered as an implementation of historical materialism stressing especially the internal conflicts of the system.

Marx and Veblen's different opinions about the roots of capitalism are hidden in details. Although Veblen divided the history of humanity into periods, he did not conduct a detailed analysis of the roots of capital accumulation, one of the most important elements that determine the institutional structure of capitalism. Veblen's critique of capitalism is not as trenchant and pithy as Marx's, and it discusses the conflicts between the rich and the poor on the basis of motives. Undoubtedly, the main difference between Marx and Veblen is ideological. While Marx believes that capitalism will collapse due to its internal contradictions, Veblen assumes that industry designed by engineers and where the instinct of workmanship predominates will override the predatory instinct.

The concept of alienation has similar but different meanings for Marx and Veblen. For Marx, the capital accumulation process in the capitalist system led to alienation of the individual from his product and himself. While Marx was analysing the concept of alienation he also discussed the existence of the individual in a capitalist society and argued that labour became a commodity within capitalist property relations and thus was objectified. Veblen did not mention the concept of alienation as much as Marx but he created his own theory. Veblen has two different interdependent points of view on alienation. Private property and therefore workmanship instinct constitute the starting point, and his theory of the leisure class and conspicuous consumption are also relevant. For both thinkers the process of capitalist development contains within itself the process of dehumanization.

Table 1. Similarities and differences between Marx and Veblen.

<i>Differences/ Similarities</i>	<i>History/evolution</i>	<i>Capitalism</i>	<i>Alienation/human nature</i>
<i>Marx</i>	Non-teleological	Dynamic/ destructive	Private property
<i>Veblen</i>	Non-teleological	Dynamic/creative	The loss of instinct of workmanship

Source: Author's calculation

The capitalist system has a dynamic historical nature and the direction of change in the system cannot be estimated. The main analytical framework that supports this view has adopted the mutual interaction between economics and other fields. Thus, the process of capitalist development usually contains within itself the unintentional results of the intended actions of the man. When considered from this aspect, we imagine that Marx and Veblen's discussion will concentrate mainly on historicism, teleology, and alienation and, despite their differences, their conversation will end up in a friendly way due to their analyses of capitalism complementing one another.

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Received: June 04, 2014

Accepted: September 03, 2014