

Erik S. Reinert & Francesca Lidia Viano (eds.), Thorstein Veblen.
Economics for an Age of Crises (London: Anthem, 2012)

Frequent yet allegedly unexpected crises, the sudden meltdowns of recently praised free-market ‘tigers’, and large-scale social unrest keep surfacing in the post-Thatcherite world of ‘free-trade agreements’, ‘globalisation’, ‘deregulation’, ‘privatisation’, monetary ‘great moderation’ and similar catchwords for the so-called age of ‘neo-liberalism’. Given such circumstances, a few mainstream economists have been willing to reconsider at least some of the premises upon which their discipline has operated and to rediscover the long-forgotten wisdom of a famous but largely uninfluential mind, whose contribution to the discipline’s textbooks has been reduced to a class of odd goods that moneyed people want all the more the costlier they get (i.e. so-called ‘Veblen goods’).

In this perspective, part four (of four) in Reinert’s and Viano’s book contains six exemplary chapters, penned by five seasoned academics and two outstanding young students, that focus upon the usefulness of Veblen’s diverse and different categories of thought for today’s economists, legislators and policy-makers.

Geoffrey M. Hodgson’s “Thorstein Veblen: The Father of Evolutionary and Institutional Economics” compares mainstream economics’ current usage of notions that were crucial for Veblen—such as “institutions” and “evolution” (283)—with Veblen’s original understanding of them. His conclusion is that the former, corrupted by rational choice theory and a simplistic interpretation of Darwinism, has reduced these notions to “apologetic” descriptors within a grossly distorted picture of “market competition” that pleases the adherents of “laissez faire” economics (292). On the contrary, Veblen’s understanding of them is much more nuanced, empirically perceptive, open to revision, and disciplinarily ecumenical. He therefore concludes: “We can still learn a great deal from his writings and build on them for the future.” (292)

Paul Burkander’s “Veblen’s Words Weighed” dissects the full complexity of meaning in a famously convoluted passage in Veblen’s essay “Why is Economics is Not an Evolutionary Science”, showing its author’s commitment to replace “neoclassical economics” (297) with a novel approach that may truly “scrutinise the economic actions of man” (300).

L. Randall Wray’s “The Great Crash of 2007 Viewed through the Perspective of Veblen’s Theory of Business Enterprise, Keynes’s Monetary Theory of Production and Minsky’s Financial Instability Hypothesis” brings three heterodox classics into dialogue, highlighting mutual similarities and differences, so as to provide insights in the structural economic conditions that do actually cause financial crashes like the 2007 one.

James K. Galbraith’s “Predation from Veblen until Now: Remarks to the Veblen Sesquicentennial Conference” makes use of a largely neglected concept in Veblen’s

Erik S. Reinert & Francesca Lidia Viano (eds.), Thorstein Veblen.
Economics for an Age of Crises (London: Anthem, 2012)

understanding of socio-economic phenomena, i.e. predation, in order to explain the historical origins and the well-tested beneficial functions of regulation within market economies. As he writes: "A functioning structure of regulation is the instrument... of that part of the business community that wishes, and chooses, to play by a common set of rules" that keep market economies from "predatory self-destruction." (327)

Sophus A. Reinart's and Francesca Lidia Viano's "Capitalising Expectations: Veblen on Consumption, Crises and the Utility of Waste" addresses another economic notion, i.e. "expectations" and how Veblen was capable of explaining its centrality in "systemic financial collapses" as well as "patterns of individual consumption." (329)

Robert H. Frank's "Thorstein Veblen: Still Misunderstood, but More Important than Ever" takes its moves from Veblen's enduring textbook relevance in the very specific field of positional goods. Then it proceeds to emphasising his relevance vis-à-vis the much more general claim that "evaluations of all types depend heavily on social context", hence on the necessity for "economic models" to stop assuming "that consumption decisions take place in social isolation" and start differentiating amongst the ways in which social factors affect economic evaluations and actual choices. (358)

Elements of the fourth part of the book colour the third one, in which three more social scientists explore in as many chapters Veblen's importance for the field of politics.

Sidney Plotkin's "Thorstein Veblen and the Politics of Predatory Power" focuses upon Veblen's understanding of predation in human affairs and its applicability to phenomena such as social coercion, alienation, instrumental rationality, warfare and institutional development.

Stephen Edgell's "Veblen, War and Peace" tries to fill a gap in the scholarly literature about Veblen, since the economists interested in his work are said to have largely neglected Veblen's studies on World War I and the ensuing peace agreements. By doing so, Edgell does not only offer an account of this lesser known component of Veblen's legacy, but also an application of Veblen's insights to the contemporary conflicts in the Middle East.

Eyüp Özveren's "Veblen's 'Higher Learning': The Scientist as Sisyphus in the Iron Cage of a University" approaches Veblen's research from the perspective of Veblen's assessment of the history of modern sciences, the development of academic institutions, and the failure of the latter to be truly beneficial to society at large. According to Özveren's "account, Veblen was highly sceptical of the universities' ability to produce skilled and constructive minds, because of enduring archaic habits of thought, ritual functions in costly displays of wealth

Erik S. Reinert & Francesca Lidia Viano (eds.), Thorstein Veblen.
Economics for an Age of Crises (London: Anthem, 2012)

and status, enslavement to short-term business goals, and the prevalence of institutional competition over institutional cooperation. Additionally, Özveren's account offers a depiction of academics as Sisyphus-like figures, who engage in the production of knowledge and fame that are bound to be overcome by the future academics that they nurture and instruct.

Parts one and two of the book belong primarily to 'Veblenite' historiography, as they deal with Veblen's personal biography, his family and cultural background, his education in the US, and his own controversial teaching experiences. Of the six chapters comprised in these two parts, the readers of *Nordicum-Mediterraneum* are going to find the first four (i.e. part one of the book) of particular interest, for they focus upon Veblen's Norwegian and Scandinavian background, especially in the context of late-19th-century Nordic immigrant communities in North America. These four chapters being: Kåre Lunden's "Explaining Veblen by his Norwegian Background: A Sketch"; Terje Mikael Hasle Joranger's "Valdres of the Upper Midwest: The Norwegian Background of the Veblen Family and their Migration to the United States"; Knut Odner's "New Perspectives on Thorstein Veblen, the Norwegian"; and Russell H. Bartley and Sylvia Erickson Bartley's "The Physical World of Thorstein Veblen: Washington Island and Other Intimate Spaces".

The book hereby reviewed is the result of the conference held in Valdres, Norway, upon the 150th anniversary of Veblen's birth. It contains essays that differ considerably in length, topic, methodology, and reader-friendliness. Most of them presuppose a modicum of familiarity with Veblen's work. Therefore, this volume cannot be recommended as an introduction to it. Rather, taken together, the book's essays offer a very interesting token of Veblen scholarship and an eloquent exemplification of the cross-disciplinary appeal of Veblen's genius. Furthermore, the essays comprised in the first part of the book reflect extensively upon the Nordic elements in Veblen's life experience and intellectual interests, and should appeal to our journal's Scandinavian readership, particularly in Norway.

Share this:

- [Share](#)