

Veblen in Perspective: His Life and Thought, by Stephen Edgell. Armonk, N.Y.: M. E. Sharpe. 2001. Paper, ISBN: 156324117x, \$22.95. 209 pages.

Stephen Edgell has made a remarkable contribution to institutionalist literature by providing a thorough and accurate account of Thorstein Veblen's life and work. This book is a must-read for all Veblen scholars and a very good introductory book for students interested in institutionalism in general and in Veblen in particular. In less than 170 pages of text, Edgell presents Veblen's economic and social thought within its historical context and emphasizes the importance of Veblen's character and influences.

A valuable rectification to Joseph Dorfman's thesis (1934) is fully documented by Edgell. Correspondence between Dorfman and Andrew Veblen (Thorstein's brother) proved that Veblen's alleged poor economic and social background and its impact on Veblen's writing was a pure invention of Dorfman, then a PhD student writing his dissertation on Veblen. Dorfman was trying to demonstrate that Veblen's "miserable life," beginning with his impoverished childhood, greatly influenced his critical writings. Dorfman portrayed Veblen as the lonesome and deprived son of immigrant farmers who routinely went through failures and misfortunes and found revenge and comfort in criticizing the American society of his time. Unfortunately, the Dorfman argument made its way through the literature for decades, and very few scholars realize that it was nonsense. Edgell concludes that Veblen's failure to achieve academic success in the profession was due to his unconventional ideas.

If anything, Veblen's family was well to do, as demonstrated by their sending all of their children, including the girls, to college in the 1870s. Andrew Veblen wrote extensively to Dorfman trying to convince him in vain to change his "working theory" about Thorstein's life. Dorfman missed the chance on several occasions to rectify a very important historical mistake about Veblen's alleged economically impoverished upbringing and his socially and linguistically limited childhood experience. Edgell's investigation demonstrates that Dorfman was well aware of his mistake but always sought to hide it.

Edgell convincingly argues that Veblen's rich cultural and ethnic background had contributed to his knowledge of the value of workmanship and cooperation. Edgell also invites the readers to consider the influence of Henrik Ibsen and Edward Bellamy on Veblen's work, especially his *Theory of the Leisure Class*. Ibsen's use of irony and satire as intrinsic to the content and his use of rhetorical strategies such as the tendency to contradict the reader's expectations were all part of Veblen's literary arsenal and constitute a common thread in his writings (pp. 14 and 120–121).

Unlike Thomas Sowell's argument in his entry on Veblen in the *New Palgrave Dictionary of Economics* (1987), Edgell's argument is that indeed Veblen's contribution to economics is a remarkable one despite the "technical development of the discipline." Edgell draws the usual parallels between Veblen's explanation of social change and Darwinian evolution. Veblen argued that institutions emerge and persist over several time

periods, thus resulting in cultural lags and the survival of inappropriate habits of thought.

In chapters 6 and 7, Edgell presents the “problem” as being the predatory institutions and the “solution” as the workmanship institutions. Veblen was never satisfied with conventional economic theory’s use of maximizing utility as its conception of human agency. He drew from Charles Darwin a more complex conception of human behavior superior to that presented by neoclassical economics. Throughout his writings, Veblen tried to underline the importance of the interplay between human nature and socio-economic institutions. Instincts, for Veblen, range in nature across a spectrum from tropisms to habits. Social institutions are the social structures or contexts within which these instincts translate into human behavior. Predatory instincts generate pecuniary work that favors making money over making goods, whereas the instinct of workmanship translates into industrial work that emphasizes production and efficiency. In capitalist societies, predatory institutions dominate the system and undermine people’s livelihood. A permanent tension between the two instincts underlies Veblen’s theory of social and economic change.

The solution that Veblen proposed in his 1921 book, *The Engineers and the Price System*, was to have those who have the most developed instinct of workmanship and idle curiosity (the engineers) run the economy. Here Edgell provides a fair account of several interpretations of what a “soviet of technicians” meant for Veblen. Edgell then persuasively advocates a utopian interpretation of the “soviet of technicians,” citing Veblen’s influence by Sydney and Beatrice Webb among others. It is a point well taken, although one might argue that Veblen believed that the engineers were the most suited to run the economy if capitalists mishandled the price system. But he also believed that they probably were not inclined to become revolutionaries, which is exactly what happened during the Great Depression—the system collapsed, but the engineers (let alone workers) did not become radical revolutionaries. This would be a non-utopian and realistic, though negative, reading of Veblen’s “soviet of technicians.”

Edgell’s book is a very insightful and fresh, much-needed look at Veblen’s life and contribution. Institutional economists are lucky to have an excellent contemporary Veblenian sociologist like Edgell to bridge some of the interdisciplinary gaps that Veblen implicitly sought to eliminate. Edgell’s closing sentence deserves to be quoted here: “Above all, Veblen was *bien dans sa peau* (‘happy in his skin’), and the social sciences are more happy and vibrant as a result.” A challenging interdisciplinary research agenda waits ahead. Read it; you’ll enjoy it!

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