

Veblen on British Economic Thought : A Reconsideration of the Place of His Evolutionary Economics

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This paper is a reconsideration of Thorstein Veblen's interpretation of British economic thought, focusing mainly on a three-paper series entitled "The Preconceptions of Economic Science" (1899-1900). Veblen has been described as a critic of almost all economic schools. He was so iconoclastic that even Hobson, who was sympathetic, tried to restrain his attacks on orthodox economics. If we study Veblen's work carefully, however, we also find an underlying positive construction. I believe that the emphasis on his heterodoxy prevents us from understanding the full implications of his scientific conception. My objective here is not only to deal with Veblen's negative critiques, but also to lay out his positive assessments, bearing in mind the influence of his early philosophical study of Kant (1884). Little attention has been given so far to developing such a perspective.

I conclude that while Veblen had the temerity to criticize all British economic thought, he judged the values of each theoretical formulation with impartiality and offered a glimpse at the direction in which the economics of the time would evolve. First,

according to Veblen, Hume and Smith were superior to the Physiocrats in the sense that they approached their socio-economic formulations with a "matter-of-fact animus" and tended to regard human actions as the central focus. Second, he admitted that the analysis of man in post-Bentham economics represented a positive shift in viewpoint from the teleological to the causal, although it could deal only with passive economic man in the abstract, not with active human conduct in real life. Third, he understood the theoretical significance of Mill's sophisticated utilitarian psychology and Cairnes' consideration for various human motives and actions. It is, in fact, likely that these points of view were close to, if not exactly the same as, Veblen's in his analysis of the consumer in *The Theory of the Leisure Class* (1899). What I aim to demonstrate in this paper is that a reconsideration of Veblen's positive responses to orthodox theories can lead to a better understanding of his place in the history of economic thought.

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