VEBLEN, Thorstein (July 30, 1857- August 3, 1929)

Thorstein Veblen was an American economist, sociologist, and social critic. He earned his Ph.D. in philosophy in 1884. After a six-year stint on his family’s farm, he found employment at the University of Chicago, where he remained for fourteen years. He is best known for *The Theory of the Leisure Class* (1899), his penetrating and idiosyncratic analysis of the upper-middle class. Whereas classical economic theory assumes that humans behave as rational, self-interested agents, Veblen argued that their desire for self-respect trumps all other factors. “Conspicuous consumption” originates in the ancient practice of taking war trophies; property serves to arouse the envy and esteem of one’s neighbors. In *The Theory of Business Enterprise* (1904), Veblen argued that businessmen are “predatory” and achieve pecuniary gain by disturbing the balance of the industrial system. “Veblen goods” are goods whose value stems from their high price or capacity for granting status to the owner. Veblen’s analysis of waste and pecuniary emulation is of interest to environmental sociologists. He is regarded as a founder of the American school of institutionalist economics.

For further reading, see: John Patrick Diggins, *Thorstein Veblen, Theorist of the Leisure Class*. Princeton: Princeton University Press, 1999.

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