

Institutions and Culture: Thorstein Veblen's and Pierre Bourdieu's economic thought in dialogue

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Recibido: 15/01/2014

Aceptado: 15/06/2014

Abstract

This article aims to explore elements of economic thought present in Thorstein Veblen and Pierre Bourdieu from the perspective of the History of Economic Thought. These two authors, from distinct fields of analysis, produced in their theories common analytical tools that may be appropriate to understand the influence of cultural aspects in the economic process, especially when considering the concepts of habits, institutions, symbolic profit, social distinction and conspicuous consumption. In this perspective, the paper proposes to conduct an analysis of the historical and theoretical thinking of these authors, so compared in order to detect the main points of contact in their understanding of how cultural value and its institutions influence patterns of economic consumption within a society.

Key words: History of Economic Thought; Cultural Economics; Institutionalism.

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An epigraph: Cultural Economics, Institutional Economics and the symbolic aspects of consumption

The real scandal of money [...] is that it does not respect traditional hierarchies. The merest artisan can make a fortune and start strutting around in expensive crimson. The feudal order breaks down. But once made, money notoriously seeks that which cannot – supposedly – be bought. Perhaps the first generation is happy to have acquired material wealth, but the second yearns for a distinction that is not based on money, a distinction that in the past only money could give. In the end, the individual, even the richest, resists the idea that his worth is to be quantified in money terms, especially if it wasn't he who earned the cash. So we come back to the Achilles's conviction that human uniqueness has no price, and we

arrive at the roots of every snobbery: I wish to be distinguished, but how?

Tim Parks, *Medici Money*

Although cultural components are substantially representative in economic relations, the field of Cultural Economics studies with approaches that are at once historical and procedural may be considered restricted. In general terms, to speak of an economical approach to cultural goods (or of a cultural approach to economic phenomena) is something less usual when it comes to contemporary academic studies in Economics. In this context, there are mainly two forms of treating the subject from economical logic, which correspond to heterodox and orthodox readings.

The first, proposing a more wide-ranging analysis, treats culture as a substantive. In this field, we find most often interpretations on the moral values of a society, its beliefs, religion and the social-anthropological formation of elements that structure markets. It is even possible to affirm that this perspective has permeated Economics since its most remote times. De Jong (2009), for instance, considers as preceding debate on Culture and Economics Adam Smith's *Theory of Moral Sentiments* (1759) and *Wealth of Nations* (1776), as well as Max Weber's *Protestant Ethic and the Spirit of Capitalism* (1905) and Karl Marx's *Capital* (1867). To these works, it could still be added Thorstein Veblen's *Theory of the Leisure Class* (1906). Such perspective is today considered a rationale close to heterodox readings, in so far as it is detached from neoclassical analytical models centered on the utility value and on the choice based exclusively on individual utilitarian calculation.

The second understands Cultural Economics from economic products, with the particularity of them being attached to art and culture markets. This approach assumes culture as adjective and generally considers these markets as part of an orthodox perspective focusing the individual behavior. De Jong (2009) considers this reading connected to the utilitarian hardcore of Edgeworth's, Jevons's and Marshall's *Marginal Revolution*, in Anglo-Saxon tradition, and to Menger's contributions in Austrian School.¹ In this perspective, aspects external to the individual are not incorporated in analytical models.

The purpose of the present article is to retrieve the first referred tradition, by analyzing, in a comparative way, the thought of two authors that usually assume the key-idea of economic choice being guided by social context. We consider, therefore, that the theoretical approach of Old Institutional Economics, more specifically since Thorstein Veblen's work, has in the phenomenon of appropriation of symbolic value the core idea of economic behavior, determining certain social practices that underlie

¹ Explanation of economic behavior founded on the principles of self-interest and on the maximization of utility, in an environment where the consumer's preferences are sovereign and exercised with informational completeness.

the formation of institutions. Such appropriation is the main motivation in specific practices of cultural consumption that create interaction and social legitimation. Pierre Bourdieu, in turn, defines symbolic value as the element of differentiation present in certain consumption practices, established in accordance with the degree of legitimacy conferred by society and, from this, its power of distinction or discrimination. The choice, for the author, depends on the symbolic profit that the economic decision offers to agents and social categories. By offering social reputation, the symbolic profit emerging from economic practice creates the conditions to the establishment of an institution, that is, the one where a given economic decision is recognized as a sign of social distinction.

Such characters appear as the individual gain of legitimacy of a determined social status, understood as an affirmation of a certain position of both importance and economic power before society. This gain has a strong presence in the realization of certain kinds of consumption and social and philanthropic actions pro-society, with the economic agent's claim that this action is to be seen, in addition to financial impacts of the act itself. Such action, which implies mobilizing channels of personal appreciation toward society, is constructed by society itself. Thus, institutions justify economic decisions not only individually but also socially.

In the history of Economic Thought, one can find previous theoretical ballast to this approach. Campbell (1995), for instance, considers Bourdieu as "the most important contemporary theorist of consumption proper" (p. 9). In this context, Campbell finds important analytical similarities between the works *Theory of the Leisure Class* (1899) and *Distinction: A Social Critique of the Judgment of Taste* (1984), both central in Veblen's and Bourdieu's production, respectively. To Andrew Trigg (2001), such works represent a consistent criticism to the neoclassical theory of consumption, breaking the logic of static maximization of individual utility associated exclusively to assumed preferences as given variables. The analytical frame activated is, therefore, that preferences are socially determined (therefore by exogenous influences) according to one's position in social hierarchy.

Such key-idea is analogous to the work proposed by Canterbury (1999), who applies Veblen's analytical categories to the case study of Scott Fitzgerald's *Great Gatsby* (1925). The central argument in Fitzgerald's novel is precisely the lack of culture of a new ascending rich who wishes to conquer the refined Daisy, a young woman from a family whose wealth is ancient and established. Culture would, therefore, be an element that provides the steps to ascend and be incorporated in a new environment in social life. Thus, it is through consumption that Veblen's leisure class₂ activates a cultural capital as defined by Bourdieu. It is therefore a key factor to be considered in the measurement of acquired cultural capital determining a distinct position in the social life.

The core idea in this paper is to raise theoretical elements analogous in two authors who approach the subject consumption – and its cultural aspects – from different fields. Such comparison might offer important insights to the study of fields connected to Cultural Economics, in its substantive perspective. As a synthesis to this point, Alonso suggests that: “the approach which considers the contribution of consumption to stratification and social regulation and its reflection on complex cultural codes is seen in distinctive competition, differentiation and ostentation (in the approach that starts with Veblen and arrives at Bourdieu through the work of intermediate authors such as Norbert Elias)”. (Alonso, 2005, p. 21, our translation)

For the author, there is a consistent approach of the two thinkers here referred, especially from the key-concept of habitus as a mediator in the relation social classes engage with objects, presuming that “it can be found in Bourdieu’s work an explicative argument identic to the one formulated by Veblen: the taste and also the objects where taste is materialized are a totalizing synthesis of stratification and social mobility” (Alonso, 2005, p. 39, our translation).

In the same direction, to Hodgson “maximization itself cannot provide a complete explanation on the origin of the behavior that follows rules. [...] In such way that the question remains open: where do original rules come from? One cannot fully answer it in terms of maximization. We must include additional explanations on the origin [of rules], at least to complete the history of maximization. In the search of this “first cause”, we are forced to consider different explanations to maximization and to the fact that individuals trust habits and rules”. (Hodgson, 2000, p. 18, our translation)

According to Hodgson (2006), institutions are durable systems of established and incorporated – embedded – social standards that structure social interaction. Thus, to this approach, language, currency, measuring and weighing systems, companies and other organizations are, for instance, institutions. Such patterns obey to a movement from which individuals influence social rules, while these create, in turn, the context that influences the decision-making process. Such phenomenon, in this perspective, is called process of cumulative causation. The durability of institutions comes from the capacity of producing certain stability in expectations towards other agents’ behavior. The behavior patterns above mentioned are transmitted intertemporally to successive generations, in a circuit denominated reconstitutive downward causation. These elements are inserted in a temporal connection considered the beginning of cumulative causation, which by itself outlines the basis to a historical economic theory, connected to specific paths in each situation and historical moment of societies under analysis. In this point, habits of thought are protagonists, as outlined by Nelson & Sampat “institutional economists, from Veblen to Hayek and Schotter, have defined institutions as common and expected behavior patterns. Veblen, conceptualizing institutions, includes ‘habits of thought that are common to the totality of men” (Nelson & Sampat, 2006, p. 27, our translation).

Under this perspective, Economics can be understood as part of a whole, inserted in a given culture, whether of profit and rationality, whether distributive or communal. Therefore, the cultural environment that surrounds economic agents might be treated as an institutionalizing landmark, producing value and stimulus to a certain kind of behavior.

The author's key-idea indicates that a rational-utilitarian maximization cannot offer a totalizing explanation on human behavior nor on institutions, imposing what Hodgson calls "Neoclassical Economics imperialism".

It can thus be inferred from these analyses that the motivation to an economic exchange is wider than the rationality constraints typical of neoclassical assumptions. The mentioned authors assume some specific points in the thought of Old Institutional Economics, particularly Thorstein Veblen's production, as well as some topics in Pierre Bourdieu's structuralist thinking, which inspire the compared analysis of both authors to the light of economic thought that this article proposes in the following topics.

1. Instincts, habits and conspicuous consumption in Thorstein Veblen's Old Institutional Economics

Veblen can be considered the founder and also inspirer of the theoretical stream known as Old Institutional Economics. Since Veblen, other economists, especially John Commons (1862-1945) and Wesley Mitchell (1874-1948), have followed this approach, contributing to the consolidation of this field of analysis in the first half of twentieth century. This theoretical body, though, would not be resumed on a regular basis until the decade of 1970³.

Also in this perspective, one of the most relevant authors to the intellectual ballast of heterodox research agenda in Cultural Economics is Pierre Bourdieu, who developed the concepts of social space, cultural capital, symbolic profit and habitus in the study of the economic aspects of symbolic goods. In this paper, we intend to activate such elements focusing on the choices of an individual agent and the role played by social environment.

Old Institutional Economics' basilar theoretical structure puts in evidence some aspects external to individual, which interfere in economic and social aspects. The hard core of the analysis considers institutions as habits and formal and informal rules in an evolutionary perspective, from the assumption that the economic analysis does not operate as a general rule simplified in static equilibrium, but as an organic whole in constant transformation.

For the author, "an instinctive action is teleological, thus conscious, and the teleological range of every instinctive propensity differs characteristically from all the rest" (Veblen, 1983 p. 3, our translation). It must be stressed that in Veblen's conception there is co-acting in the process of decision-making, among tropisms (rash and unconscious actions) and teleological sense. Both, to a greater or lesser degree, tending to one side or another, compose habits of thought, which are formed from the addition of instincts and social constraints – acquired in the past – that influence the decision-making. For Veblen "This apparatus of ways and means available for the

³ For instance, Clarence Ayres (1891-1972), John Kenneth Galbraith (1908-2006), Warren Samuels (1933-2011) and Geoffrey Hodgson (1946 -), among others who are no less important.

pursuit of whatever may be worth seeking is, substantially all, a matter of tradition out of the past, a legacy of habits of thought accumulated through the experience of past generations". (Veblen, 1983, p. 7).

Instincts come, therefore, as innate propensities in human nature that end up defining the purposes of behavior, influenced by a teleological character, since it aims an end in a relatively conscious way. For the author, it is human intelligence that does the compensation between these two extremes – social demands and instinctive inclinations –, interfering reflexively in the execution of something innate. Rationality, thus, mediates tropismatic action and teleological actions.

According to Veblen, two conditions are evidenced in instincts: on the one hand, a relative stability, on the other, a non-determination. The components of immutability (relative stability) are associated with the behavior elements that are intertemporally present in humanity. These behavior propensities are adapted, however, to parameters and social demands, being at once determined from present and past institutions and determinant to future ones, stressing the evolutionary character. This characteristic confers to instincts their condition of non-determination.

Veblen goes further on the issue: "The accustomed ways of doing and thinking not only become an habitual matter of course, easy and obvious, but they come likewise to be sanctioned by social convention, and so become right and proper and give rise to principles of conduct". (Veblen, 1983, p. 7)

According to the author, the realization of purposes as atavistic objectives depends on social conventions that are incorporated as habits of thought. Norms then result from the normalization of these habits of thought, which come, in turn, from instinctive inclinations associated to a specific level of consideration.

A good synthesis of the concept of instincts is that they are influenced by tropisms and by teleology, the latter being mediated by social standards. Individually, physiological forces attract the behavior to a kind of rash pattern. Such behavior depends however on the social whole, being influenced by its rules. Both the institutional environment and the evolution constrain, therefore, the execution and the transmission of *homo oeconomicus*' behavior patterns.

Veblen brings relevant contributions to the evolutionary economic theory. In his 1898's article *Why economics is not an evolutionary Science?* we find some elements of his academic production that can be considered basilar to Institutional Economics, particularly the collective dimension of social and cultural interdependence as a motive of decision-making. Also in this work, Veblen acknowledges the cumulativeness of present and past, meaning that the present may transfer its values to the future, in a cycle of intertemporal relations that influence the human behavior.

The evolutionary character, in this sense, remains in the established habits and culture, offering an interpretation of reality (as well as to biology genes, a way of selecting for the evolution), which comes from the accumulation of elements picked not only in present time but also in a preceding path. In this circuit, social and cultural institutions matter in a very definitive way to the understanding of behavior patterns, which are dynamic due to their adaptation and appropriateness to this movement. Assuming that each individual is an institution and that the sum of these

individualities rules social life, institutional change can be considered as natural selection, with all its resistance to change and great dependence on the past, defining a society's institutional path.

To this effect, Conceição considers that “what makes institutionalists evolutionary is their refusal to think of economy from the notion of balance or marginal adjustment, stressing the importance of the change and transformation process”. (Conceição, 2002, p. 125, our translation)

The analysis categories activated by Veblen precede what is understood by neoclassical economic theory as the *homo oeconomicus*' behavioral paradigm. Under Thorstein Veblen's perspective, the rationality measured by the making of decisions that are coherent with preferences (function, utility) emerges as an instrumental path that is meant to be rationalist, but it cannot explain the rational action. This explanation, for the author, is given by the elements that submit agents to social surroundings converted into institutions.

To Old Institutional Economics, institutions are established from standards, social values, rules and culture of a society, being these elements the most representative constraints in the decision-making process. Under these circumstances, the individual agent makes decisions guided by his instincts exposed to external stimuli and limitations, being these conditioned by institutional circumstances here assumed as cultural values. Culture, in this sense, understood as beliefs, values, symbols and behavior patterns that evolve and are transmitted intertemporally.

These elements are inserted in a temporal connection treated as the principle of cumulative causation, which can be explained as the accumulation of decision parameters that are socially rooted and gathered by the individual throughout his historical path. These parameters are activated in the process of decision-making, which by itself draws the bases to an economic theory that is historical and connected to specific paths, respecting each situation and each historical moment in a given society. Under this perspective, Economics can be considered as part of a whole, inserted in existing culture, whether it is a culture of profit and rationality, whether distributive or communal. Therefore, the cultural environment that surrounds economic agents can be considered an institutionalizing landmark, which produces value and incentives to a certain kind of behavior.

In the field of the formation of value through cultural consumption, Veblen identifies the institutional transformation process at the heart of what he calls the leisure class. In his work *The Theory of the Leisure Class: an Economic Study of Institutions*, originally published in 1899, the author attributes the emergence of this class to the period of transition from primitive savagery to barbarism in the history of humanity. These two evolutionary stages – savagery and barbarism – are each characterized by the way its social organization relates to private property and labor, elements that define three evolutionary stages: a) predatory phase: there is no private property and the division of labor is determined by genre, constituting savagery; b) almost-predatory stage: private property is instituted and the division of labor is determined by social classes, constituting barbarity; c) pacific stage: there is assured property and wage employment, conditions that establish the capitalism.

In the barbarianism stage, with the already assured subsistence through the emergence of property, there is the articulation of instruments to the existence of a leisure class, which is freed from productive activities of immediate necessity. Other economic agents who did not have this condition began to aim the belonging to this category. The general feeling, according to Veblen, is that of emulation, expressed on the consumption of goods with the purpose of showing off in relation to other groups but also to be self-assured in relation to one's own group. For this purpose, the existence of leisure class has as outcome conspicuous leisure (or consumption), where spare time is appreciated in-itself, disconnected from industrial activities (or productive activities, from an economic point of view in a broad sense). In other words, when benefiting from these two conditions, the economic agent signalizes to his peers that he has got available time allocated in non-industrial activities, such as erudition, good manners and artistic-cultural practices.

In this context, the author indicates the existence of some specific types of instincts, verifiable throughout human history. Among these instincts, the one of production, existing in savagery time, when those responsible for some efficient work would outstand in a society organized in small sedentary groups; also, the instinct of paternal inclination, associated to men's tendency to worry about his descendants; vain curiosity, instinct to seek knowledge in itself; lastly, the predatory instinct, having competition in its core. Predatory instincts are those we consider most relevant to this work, since it is in this sphere that values of differentiation and symbolic competition are displayed.

Ever since the economic surplus starts to exist in human history and private property begins to settle, individual efforts, after the satisfaction of basic needs, are directed to non-productive emulation and competition. Veblen (1983) understands the instincts of emulation and self-preservation as the two strongest and most persistent economic characteristics. We can define emulation as the individual's attitude of 'showing off' through some gesture (or consumption) in order to be more esteemed and collectively recognized in relation to other members in a community.

Through the separation of functions in society, differentiation signs start to emerge, and a class – called by Veblen the leisure class – begins to be distinguished through the conspicuous consumption of sports, arts, social meetings, dressing, architecture, weapons, games, dances, among other “non-productive” activities, since “conspicuous consumption of valuable goods is a means of reputability to the gentleman of leisure” (Veblen, 1983, p. 36).

These distinction elements are valued because habits of thought distinguish them as superior practices. Veblen's concept of habit is an explicative tool to understand the process of institutionalization of specific practices. Habits of life are consolidated by conduct patterns of life in society, which, when repeated or transferred across generations, become institutions that guide social rules. It is important to emphasize the cumulative character attributed by Veblen to habits, incorporating the notion of transference across generations and the importance of history, education, training and tradition. For Veblen “Therefore, cumulatively, habit creates uses, attitudes,

conventions, preconceptions, composes canons of conduct that influence indirectly the native predisposition of the race” (Veblen, 1983, p. 38-9, our translation).

From this definition, it is possible to consider habits as pre-dispositions to respond in a certain way facing specific situations. Such inclinations are acquired through repeated patterns that convert habits of life into habits of thought, which are much deeper constraints, for they are no longer in the everyday practice sphere but actually conducting one’s reflexive processes, through rooted social rules.

Social rules have indeed the power to establish value systems, worldviews and behavior strategies. These phenomena, products of habits of thought shared in a society, define institutions, which have an inevitable collective character, because they are, at once, resulting from social practices and guides to social behavior.

The concept of institutions to Old Institutional Economics is broadly in line with the habits and the norms of conduct (social patterns) assumed by society as an expression of individual behavior patterns (habits of thought) inside a whole social context that structures and in the same time is structured by institutions (habits of life). Such definition is an analytical solution that is functional and specific. Specific, due to the internal heterogeneities of institutional analysis that make it difficult to find a universally accepted concept; functional, because of its conditions to be appropriated as an analysis tool that could be activated in the most various fields of economic action.

Such instrumental concepts may contribute to study the value present in cultural goods, particularly to understand elements that are connected to the symbolic value of goods that are culturally relevant to a given social group. In the following topic, some theoretical tools selected from Pierre Bourdieu’s work on consumption and cultural practices in the economic field will be analyzed. In the present paper, we believe that these tools can be put in dialogue, in an instrumentally valid way, with Veblen’s categories, in the construction of theoretical benchmarks on the phenomenon here approached.

2. Habitus, social space and distinction in Pierre Bourdieu’s Sociology of Culture

The concept of field, a central line of analysis to the most various objects in Pierre Bourdieu’s work, can be defined as a particular way of social space that incorporates individuals, groups and institutions. It is possible, for instance, to speak of artistic, economic and educational fields among the main fields of modern societies. According to Bourdieu (1996), “the evolution of society tends to the emergence of universes (that I call fields) which are autonomous and have their own rules”. Differentiation, for the author, is processed within each field and in the interaction zones between them:

The theory of the process of differentiation and autonomy of social universes, each holding different rules, leads to the explosion of the notion of interest; the forms of interest are as various as the existing fields. Each field, when produced, produces its form of interest, which, from another field, might seem disinterest (or even absurd, lack of reality, madness, etc.). (Bourdieu, 1996, p. 149, our translation)

In this conjuncture, the symbolic value, associated with forms of behavior adjacent to a way of acting in a specific field, preponderates as the core of such interests. Bourdieu defines, therefore, symbolic value as any type of capital, whether economic, cultural or social, which is noticed through cognitive classificatory schemes, formed by capital distribution in the specific field. For the author: “the symbolic capital that makes us reverence Louis XV [...] exists only inasmuch as all the slightest differences, all the subtle distinction signs in the etiquette, clothing, practices, that is, everything that constitutes life in court, are noticed by people that recognize in such practices (incorporated by them) a principle of differentiation, which enables them to recognize such differences and their value”. (Bourdieu, 1996, p. 150, our translation)

The field is drawn in a process of constant reproduction or transformation, through disputes between the existing kinds of capital. For Bourdieu, these kinds of capital are, mainly, the economic and the cultural capital, as elements of differentiation. In a given social space, the difference remains on the possession of these capitals, considering two dimensions: the global volume held of the two types of capital and their relative weight in the sum of the total capital. This dispute happens in the context of a social space.

The social or symbolic space can be defined as a set of social positions attached, by homology⁴, to a set of activities (soccer or piano practices, for instance) or goods (a beach house or paintings, for example). In social space, agents are distributed according to differentiation principles focused on the economic and cultural capital held by each individual. The sum of these two types of capital results in the global capital existing in social space. There will always be agents who own global capital in a higher or lower degree, and even those who have an equal amount of global capital might differ when it comes to its composition. Some may detain a bigger amount of economic capital to the detriment of cultural capital, and vice versa. This is the case, for instance, of the dichotomy between the university professor and the small businessman. Both of them hold a similar volume of global capital, however, the former holds more cultural capital while the latter owns more economic capital, occupying therefore different positions in social space.

The space of social positions is given by the system of differential separations that define relative positions in social space (economic capital system and cultural capital system). As a result, its formation is given from positions of structurally different compositions of capital in this system.

For Bourdieu, to each class of positions there is a corresponding class of habitus (or tastes and practices) produced by social constraints associated with the position occupied by the agent. Thus, a given position class will have a specific habitus, that is, a set of goods, properties or practices linked by an affinity of style.

⁴ The author makes use of the biologic concept of homology, which is the study of similarities between structures in different organisms.

Habitus can therefore be defined as the style unity that binds practices and goods of a single agent or a class of agents. In such way, it is a “structuring structure, which organizes practices and the perception of practices” (Bourdieu, 2007a, p. 164). Material elements of differentiation and its justification through practices established in the past and projected in the present. Therefore, two capacities define habitus: a) to produce practices and works that can be objectively classified and b) to differ and appreciate these practices through the formation of taste, that is, the production of judgments. From the sum of these two properties, is formed what Bourdieu denominates social space of life-styles. For the author: “The habitus is necessity internalized and converted into a disposition that generates meaningful practices and meaning-giving perceptions [...] that’s why an agent’s whole set of practices (or those of a whole set of agents produced by similar conditions) are both systematic, inasmuch as they are the product of the application of identical (or interchangeable) schemes [...]” (Bourdieu 2007b, p. 163)

The product of these behavior schemes can be defined as the life-style, which is the system of signs socially qualified within a social space. An economic agent that lives (in social terms) around a certain social space is predisposed to approach his peers. People inscribed in a restricted sector of this space will be closer, due to taste and properties. For Pierre Bourdieu, however, this does not mean that they constitute a class in the sense of a social group seeking common objects, but as people who have similar life-styles and coexist in the same social space.

Habitus is not tropismatic (as in biological instincts), but a spontaneous and limited action. For Bourdieu, it is “an intelligent reaction to aspects of reality that are actively selected” and has a historical character, for “it is inertia, ballast of its own past”, besides being “an action that is at the same time determined and spontaneous, given by conventional and conditional stimuli” (Bourdieu, 1997, p. 63).

From the three instrumental concepts here introduced, it is possible to observe that the dynamic defined by the relation between social space, habitus and cultural capital contributes to the construction of an economic theory in the vision of the two authors here studied. Such similitudes are instrumentally explored in this work, aiming a careful association of specific elements of two distinct theoretical bodies will be treated in the following topic.

3. An integrated instrumental approach: from Veblen’s Institutional Economics to Bourdieu’s Economy of symbolic exchanges

Along the preceding topics, some analytical tools selected from Thorstein Veblen’s and Pierre Bourdieu’s works – instincts, habits and conspicuous consumption; field, social space, habitus and cultural capital – have been introduced. It is assumed that an approach of these two analytical categories can produce an efficient theoretical justification to a dialogue of the theories here studied. Of course, Veblen’s and Bourdieu’s are two wide-ranging works that activate explicative tools in different fields. Nonetheless, one can find a precise association line of some concepts that may be approached in order to find a common explanation.

Conceição (2002), enumerating elements that integrate the body of institutionalist knowledge, synthetizes the analytical core supporting such study: “[...] the institutionalists’ “theory of value” is not concerned with the relative prices of merchandise, but with the process through which values are incorporated and projected on institutions and social structures and behaviors; culture plays a dual role in the process of “cumulative causation” or co-evolution, for it is a product of the continuous interdependence between individuals and subgroups; [...] and institutionalism is holistic, which allows the use of tools that belong to other areas, its object of study being necessarily multidisciplinary. (Conceição, 2002, p. 127)

The critical position towards the methodological individualism and the atomism of Economics’ assumptions may be considered the initial approaching point between Pierre Bourdieu’s understanding of economic thought and Thorstein Veblen’s institutionalism. There is a conception common to both authors regarding the environment – field – where economic relations take place and social forces operate in the creation of symbolic values that affect reality.

The perspective of how value projects itself in institutions is present in Economics since the most ancient ways of civilization. The exchanges in markets are realized between agents and involve not only rational economic elements but also symbolic values that are intrinsic to goods, imprinted on them through habits, ways of consumption or social symbols of this practice. These elements condition behavior tendencies and transfer their web of meanings to future generations.

Considering this problematization, it is also relevant to mention the work of Mauss (1999), who analyzed the most important aspects in exchanges when studying the institutions that governed human groupings still in primitive stages of development. The exchange model described by the author, the potlatch, a natives’ ceremony in Melanesia, is an example: when a clan hands a gift to another, the receptor contracts a debt and must pay it back with a gift of superior value. However, it is not possible to reduce this institution to an exclusively economic phenomenon, since it interferes in all social spheres, such as religious, politic, artistic and legal spheres. Potlatch may be considered a kind of primitive contract which reveals habit patterns strongly drawn in the expectation *facio ut facias*⁵ which has to do with the aim of differentiation and competition, and not necessarily with the rationality inscribed in the proposition of economic advantages logic.

For Veblen “Costly entertainments, such as the potlatch [...] are peculiarly adapted to serve this end. The competitor with whom the entertainer wishes to institute a comparison is, by this method, made to serve as a means to the end. He consumes vicariously for his host at the same time that he is witness to the consumption of that excess of good things which his host is unable to dispose of single-handed, and he is also made to witness his host’s facility in etiquette. (Veblen 1983, p. 36)

⁵ I do that you may do.

Marcel Mauss' approach indicates the importance of symbolic elements involved in exchanges that seem, at first, purely economic. This symbolic aspect becomes considerably more relevant and notable when we assume that the choice made by an economic agent does not necessarily reflect the computational-rationalist decision-making estimate.

The core of the theories that are being compared is that mental habits tend to establish valuation through distinction signs. The choice, therefore, is linked to this inspiration of symbolic profits of differentiation much beyond utilitarian rationality. Such approach is in the essence of both Bourdieu's and Veblen's critics to Neoclassical theory, in a specific cutout of the understanding of the economic field to both authors.

In his analysis on the economic field, Pierre Bourdieu considers the patterns of determination of parameterized rational principles of the *homo economicus* a kind of self-accomplishable creation, hostage to the scholastic fallacy, that is, to an "intellectualist mistake [...] through which a scientist inserts in the heads of the agents he studies the theoretical constructions he has had to elaborate to the understanding of their practices" (Bourdieu, 1997, p. 61-62, our translation). Bourdieu, such as Veblen, criticizes Economics' orthodox approach, arguing that the rationality assumptions considered by economic orthodoxy as *ex-ante* are a social construction that depends on historical and present processes within the agents' life context. Pierre Bourdieu understands as inadequate an analysis that refrains from understanding the genesis of economic field through the history of the process of differentiation and empowerment of the agents that constitute it. The author criticizes how neoclassical approach understands economy, as a sphere that follows its own rules, having its own kind of rationality.

A great part of Thorstein Veblen's theory basis is founded on the break with neoclassical assumptions such as the opposition to the idea of the individual as a maximiser having a computational capacity constantly activated to make decisions. The author also criticizes the hedonist-utilitarianism, which attributes to man an individualist and socially passive posture, and the idea that assumptions of the decision-making are a guide to human conduct. Conceição (2002) synthesizes this approach:

For institutionalists, the main mistake of neoclassical thought is the "methodological individualism", which considers individuals as independent, self-subsistent, having their given preferences, when individuals are instead culturally and mutually interdependent, which implies the analysis of the market from the "methodological collectivism". (Conceição, 2002, p. 126, our translation).

One infers, therefore, from this analysis, that the motivation to an economic exchange is wider than the rationality constraints typical of neoclassical assumptions. Within this perspective, the concept of habitus is instrumentally important, because it allows a breaking with the Cartesian logic contained in the traditional assumptions of rational decision. The formation of the system of preferences is the outcome of a historical path, in other words, "the habitus is socialized subjectivity, transcendental

history whose categories of perception and appreciation (preference systems) are the outcome of collective and individual history” (Bourdieu, 1997, p. 62, our translation).

Regarding cultural goods, an *ex ante* evaluation of the consumption process can be observed, particularly through the attachment of economic value of cultural goods to a historical process of social validation of these goods. In such goods, we also acknowledge an *ex post* evaluation by experimentation and the formation of habits. This creates a particular rationality, which, according to Maurice Godelier, may be divided into two types: an intentional one, expressed by individuals; and a non-intentional one, regarding systems and convivial space.

For Godelier, the rationality principle would be, to mainstream, “an invariable fact of human nature, like an everyday banal fact that goes back to a non-historical *a priori*” (Godelier, 1979, p. 73). This rationality proposed to the capitalist economic system is limited, mainly because in theoretical terms it operates in a context of specific and unidirectional maximization.

The incentives added to the economic agent’s decision come, thus, from two forces that add up in the decision-making process: the first one emanates explicitly from the own individual preferences (Veblen’s instincts or Bourdieu’s habitus), while the second emerges implicitly from the nature of social structure, being subjected to institutional legitimation of a distinction process.

Veblen identifies in such process an immediate heritage from the barbarian past, where the last finality would be the acquisition of goods without having work as an intermediate. In barbarian past, it was signaled by strength; in the present, by wealth or social power: “In order to be respected by the community, one must achieve a certain pattern of wealth, just as in the primitive predatory stage men would have to achieve the pattern of physical strength and the ability with the tribe’s weapons”. (Veblen, 1983, p. 25, our translation)

According to the author, it is an evident fact that the accumulation of goods most often goes beyond the rational measure of needs, what makes primitive irrationality more present in human behavior than rationality patterns preconceived in the definition of *homo oeconomicus*. For Veblen, throughout human history, the appearing of leisure class happens simultaneously to the emergence of private property, and both result from the same group of economic forces and are attached to a strong sense of distinction, for: “The motive that lies at the root of ownership is emulation; and the same motive of emulation continues active in the further development of the institution to which it has given rise and in the development of all those features of the social structure which this institution of ownership touches”. (Veblen, 1983, p. 13-14).

Therefore, pecuniary society has in emulation the determinant institution in the framework of productive efforts. Certainly, the production aiming subsistence persists, but everything exceeding such level becomes an object of emulation of the life model and consumption patterns socially formed. Such typification of the act of consumption forms the Veblenian category of conspicuous consumptions as a consequence of conspicuous leisure, radicalizing the emulative sign that this economic agent is different, superior to others. Thus, for the author, the practice of

sports, religion and art consumption become as relevant as wars or productive efficiency when comparing economic agents.

The emulation phenomenon takes place within a certain social space, in the force fields where agents face differentiated means and ends according to their position in the field⁶. These disputes contribute to the maintenance or to the transformation of the structure, inside what Bourdieu (2007b) came to call the club effect: by penetrating a given space, individuals must comply with the conditions established to its occupants, almost always associated with the possession of capital, in its various kinds. The author synthetizes: “[the spaces] provide social capital and symbolic capital, through the club effect [which results from the durable association of people and things that, being different from the majority, have in common not being usual, that is, as they exclude all those that do not present all required characteristics or that present (at least) one of the unwanted characteristics.” (Bourdieu, 2007b, p. 165, our translation)

In this matter, cultural capital comes as a requirement to enter some spaces. For Bourdieu, “it might be the possession of a certain cultural capital, whose lack may prevent the real appropriation of goods considered public⁷ or even the intention of such appropriation.” (Bourdieu, 2007b). Therefore, the club effect and the dimension of emulation contribute to understand the gesture of economic consumption. In such gesture, is highlighted a stimulus that justifies an act within a rational paradigm that is typically cultural.

5. Some conclusive elements

The general lines adopted in the analysis of the two authors here compared denote a consistent approach that we understand can be, for the sake of comparison, synthetically articulated as shown in the following table:

Table 1. Instrumental approach of Thorstein Veblen’s and Pierre Bourdieu’s concepts

Categories of analysis	Bourdieu	Veblen
Structuring and structured behavior patterns guiding the agents’ actions	Habitus	Institutions (habits of thought)
Evaluation of similar behaviors in individuals that see themselves as being part of certain social stratum and aim differ-	Distinction through cultural capital	Emulation through conspicuous consumption

⁶ In terms of the composition of the agent’s total capital (cultural and economic) and disputes.

⁷ Public goods understood in the sociological sense (social information goods), and not in its strict economic sense (indivisible and non-excluding).

entiation in relation to others		
Space where social relations take place	Practiced lifestyles	Habits of life
Evolution and dependence on history	Construction of habitus from transformations in the space of lifestyles according to the changes of the economic field; dependent on the past	Cumulative causation Evolution
Change and evolution	Adhesion to certain lifestyles due to the need of being accepted in a given field (reconversion)	Human instincts shaping institutions intertemporally

Source: elaborated by the authors (2013)

Before this analysis, we consider that selected elements in the work of the two authors in dialogue offer some relevant theoretical tools to the economic theory of consumption. Undoubtedly, economic practices depend on the social surrounding where they take place in order to happen. There is an *ex post* evaluation which seems relevant to the *ex ante* evaluation of the positioning assumed by an agent. Such evaluation (by those who practice it and also by those who value such practice) is given through the feeling of emulation in the search of distinction within certain spaces of social relationships, not only within the social space, regarding its coexisting agents, but also externally, regarding agents who do not inhabit the same social space.

In this paper, we have proposed an instrumental approach of two authors that are significant to the economic thought. In spite of it being an initial study, full of methodological constraints, we consider this kind of analysis to be coherent with a contemporary necessity that is the resumption of elements that have an impact on wellness and are essential to the understanding of economic processes but are often ignored in paradigms considered central in economic theory.

Thus, the materialization of taste in economic decisions of consumption can be apprehended by a structural and institutionalist analysis of consumption, through the work of the two authors here revisited. Of course, we must acknowledge the constraints of such analysis, for it is a collection of specific points in two greatly broad theories.

Nevertheless, we cannot ignore the importance of understanding the formation of value in the consumption sphere apart from the neoclassical utilitarian precepts of strict rationality. Such instrumental concepts are of great significance to the treatment of value in cultural goods, especially to understand elements that are linked to the symbolic value of culturally relevant goods to a specific social group, from consumption and cultural practices in the economic field.

4. References

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