



HUMAN ACTION AS THE GROUND OF ECONOMIC CHANGE: VEBLEN'S INSTITUTIONALIST CONCEPTION

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Abstract

In very broad terms, we can say that there are mainly three competing approaches to the examination of social phenomena in general and the economic phenomena in particular. One of them relies on the assumption that economic relations are governed by natural law-like regularities. In this approach, individuals as rationally motivated actors are regarded as agents of those economic relations. In this perspective, whether environment as the context of human agency may change is not a question that needs to be taken into account; hence, possible role of human agency in the change of environment is not also considered. Opposing to this position are materialist accounts that deal with the change of material conditions as the basis of human social relations. These materialist accounts do not grant human agency an autonomous role in the initiation of transformative processes of material context, and they construe human actions as motivated by the rational evaluations of existing material conditions, e.g. class actions motivated by class interests. Against these converging approaches in terms of their conception of rationalist human action, there are approaches that reject the assumption of rationalist human action as the basic form of human action. They argue for the need to explain how human beings develop particular forms of motives, if human agents are not rationally motivated by an external stimulus of the conditions. Therefore, there is also a need to give an account of how human actions and environment are interrelated in order to explain the change of environmental context.

In this article, I aim to highlight the primacy of non-rationalist and non-teleological human action in the constitution of economic phenomena and economic change by discussing Veblen's social theory. I present Veblen's critiques of the marginalist utilitarian school and Marx (and Marxism). According to Veblen, both of these approaches conceive human actors as passively responding to the stimulus of environment by means of rational calculation of their economic interests. Thus, such approaches ignore the institutional conditioning of human actions, and therefore, within the terms of such approaches, economic change becomes unexplainable in terms of cause and effect relations in which human action has a place. On the basis of Veblen's criticisms of rationalist human agency, then, I argue that human action founded on the creative, active human agency is the central explanatory tool that makes possible Veblen's non-teleological evolutionary theory. I claim that Veblen's notion of human action in terms of habituation allows us developing a conception of human action which shapes and is shaped by the physical and institutional complex. Thus, human evolution appears as a non-teleological, cumulatively caused process. Then, I explicate the primacy of human action and active human agency in Veblen's conception of technological change through a critique of David Seckler's behaviouralist interpretation of Veblen's social theory. Seckler claims that Veblen's understanding of human evolution depends on a unilinear causality flowing from thoughts to action via the mediation of technological change, in which "idle curiosity" is the primary instinct. In contrast to Seckler, I show that the instinct of idle curiosity actualizes itself within the processes of human action in continuum.

Keywords: Veblen, Evolution, Technological Change, Rational Motivation, Agency, Habit, Idle Curiosity.

1. Introduction

In very broad terms, we can say that there are mainly three competing approaches to the examination of social phenomena in general and the economic phenomena in particular. One of them relies on the assumption that economic relations are governed by natural law-like regularities. In this approach, individuals as rationally motivated actors are regarded as agents of those economic relations. In this perspective, whether environment as the context of human agency may change is not a question that needs to be taken into account; hence, possible role of human agency in the change of environment is not also considered. Opposing to this position are materialist accounts that deal with the change of material conditions as the basis of human social relations. These materialist accounts do not grant human agency an autonomous role in the initiation of transformative processes of material context, and they construe human actions as motivated by the rational evaluations of existing material conditions, e.g. class actions motivated by class interests. Against these converging approaches in terms of their conception of rationalist human action, there are approaches that reject the assumption of rationalist human action as the basic form of human action. They argue for the need to explain how human beings develop particular forms of motives, if human agents are not rationally motivated by an external stimulus of the conditions. Therefore, there is also a need to give an account of how human actions and environment are interrelated in order to explain the change of environmental context.

In this article, I argue that those approaches that question the priority and decisiveness of rationally motivated action within the context of an objective reality provide a fruitful approach in the scrutiny of economic phenomena and economic change. I claim that this allows us the recognition of the importance of human action in the examination of social change as expressed in the evolution of economic relations. In this respect, I contend that Thorstein Veblen's institutional theory most explicitly provides the necessary conceptual tools for such kind of an approach. Thus, through an evaluation of Veblen's social theory, I aim to show the primacy of active, creative human agency in the constitution and change of the economic phenomena. I first

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present Veblen's criticisms of the marginal utility school and Marx and Marxism, both of which assume the rationality of human actions. Then, on the basis of this, I give a brief conceptual scheme of Veblen's theory as a basis to his conception of human being as an active agent. Finally, as a substantiation of Veblen's perspective, by means of a critical evaluation of David Seckler's (1975) interpretation of Veblen's social theory as a behaviouralist theory, I show that human action as embodying creativity within specific institutional-cultural contexts is at the centre of technological and therewith economic change.

2. Veblen's critique on "The Marginal Utility School"

Veblen bases his critique of marginal utility theories on their conception of human action as an economic conduct motivated by hedonistic rational calculations of pain and pleasure in the face of an environment external to human beings. As he says, in the marginal utility school, "human conduct is conceived of and interpreted as a rational response to the exigencies of the situation in which mankind is placed" (Veblen, 1909, 623). This amounts to a "passive and substantially inert and immutably given human nature" (Veblen, 1898, 389). As Veblen expresses,

The hedonistic conception of man is that of a lightning calculator of pleasures and pains, who oscillates like a homogeneous globule of desire of happiness under the impulse of stimuli that shift him about the area, but leave him intact. He has neither antecedent nor consequent. He is an isolated, definitive datum, in stable equilibrium except for the buffets of the impinging forces that displace him in one direction or another. Self-poised in elemental space, he spins symmetrically about his own spiritual axis until the parallelogram of forces bears down upon him, whereupon he follows the line of resultant. When the force of the impact is spent, he comes to rest, a self-contained globule of desire as before. Spiritually, the hedonistic man is not a prime mover. He is not the seat of a process of living, except in the sense that he is subject to a series of permutations enforced upon him by circumstances external and alien to him (1898, 389-390).

Veblen argues that taking such rational hedonistic conduct as the sole form of human action implies presupposing a natural, unchanging economic order. Therefore, the institutional framework of the rational economic conduct - ownership and free contract - remains unanalyzed and is perceived to be "part of the nature of things" (Veblen, 1909, 624). Being reduced to a passive respondent, human action is deprived of its active role in the generation of economic institutions. Hence, no explanation of the genesis and development of these institutions and their effect on the social relations can be provided.

Veblen does not deny the facticity of hedonistic, rationalist, calculative action. However, he argues against the reduction of all forms of action into rationalist action, and therefore against the analysis of human action only in this respect. Rationalist (economic) action is an aspect of human action that becomes a hegemonic form only under specific institutional contexts. As he says, it is a form of action underlying "the current, business scheme of economic life", which has attained stability in the habits of thought of mankind and therefore taken the form of institutions (Veblen, 1909, 626). And the taken-for-granted economic institutional foundations of hedonistic action themselves evolve and produce new forms of habitual actions and conventions that modify or hinder the expression of hedonistic calculative conduct. By his presentation of modern economic situation, he shows how new habitual actions develop, which cannot be simply explained by hedonistic evaluations.

He states that what defines modern economic conditions is a business system founded on the pecuniary valuations stemming from the ownership of property, and it is characterized by the price system which pervades the whole economic sphere. However, Veblen claims, the power of pecuniary valuation has been so extended that even non-commercial stuff such as art, science and religion become to be regarded in terms of pecuniary matters. He notes the example of more consideration given to the wealthy people. Veblen says that this pecuniary valuation that becomes dominating non-business sphere cannot be explained in terms of sensuous terms of pleasure and gain (Veblen, 1909, 632). Rather, pecuniary habits of thought develop out of pecuniary institutions, as a result of which humans employ pecuniary considerations in non-pecuniary matters. However, Veblen mentions, hedonistic economists disregard this phenomenon of institutional impulse in molding human action and simply discount it in their analyses. They overlook the specificity of business conditions characterized by price-based valuations, and they reduce it to "non-pecuniary hedonistic terms" (Veblen, 1909, 633). Thus, in the marginal utility school, by the naturalization of economic action and circumstances in which economic action takes place, it becomes impossible to explain the change of economic phenomena on the basis of human action and the emergence of new forms of economic action due to institutional transformations. Therefore, the co-constitutiveness of circumstances and human action is excluded from the investigation of economic phenomena.

However, to make change and the interplay between economic circumstances and human action as central to the examination of economic phenomena is not in itself what distinguishes Veblen's approach. These two dimensions can also be discerned as central in the works of Marx and his followers. Nevertheless, Veblen critiques Marx and Marxism as still preserving utilitarian rationalist conceptions in a similar way to his criticism of the marginal utility school.



3. Veblen' critique on Marx and Marxism

In Veblen's understanding, even though Marx develops a conception of historical change of social life, "[t]he ultimately active forces involved . . . are the material agencies engaged in the mechanics of production" (Veblen, 1906, 581). Therefore, for Veblen, in Marx's analysis human factor plays a secondary role, as a mediator of the unfolding of societal development, and human agency is formulated in terms of the dialectic movement of conflicting classes who are conscious of their irreconcilable economic interests "with regard to the material means of life" (Veblen, 1906, 582). Veblen states that for Marx acquiring class consciousness and one's recognition of class interest can only be possible through reflection on the material life. According to Veblen, this view of class struggle evokes a kind of utilitarian-hedonistic conception of self-interest. In Marxism, Veblen implies, as in the marginal utility theories, material economic circumstances are conceived as external to the classes in the sense that classes by their rational calculation of their interests take part in the class struggle and thereby respond to the environment, albeit an environment in movement. Therefore, Veblen argues, Marx could not develop a scientific conception of how human action is causally related to the material forces even in terms of a crude determinist account. As he says, class action is not conceived "even . . . as a tropismatic, or even instinctive, response to the impact of the material force in question. The sequence of reflection, and the consequent choice of sides to a quarrel, run entirely alongside of the range of material facts concerned" (Veblen, 1906, 582-583).

On this basis, Veblen challenges Marx's materialist conception which is based on "a selfish, calculating class interest" (Veblen, 1901, 226) as a causal factor in the examination of the relationship between material economic conditions and the institutional constituents of these conditions. Veblen says that "institutions by no means change with the alacrity which the sole efficiency of a reasoned class interest would require" (1901, 226). Against Marx's assumption of working class struggle necessarily moving towards socialism, Veblen emphasizes the decisiveness of non-rationalistic forms of action that counteracts rationalist motivations, which make the path of history non-teleological:

Under the Darwinian norm it must be held that men's reasoning is largely controlled by other than logical, intellectual force; that the conclusion reached by public or class opinion is as much, or more, a matter of sentiment than of logical inference; and that the sentiment which animates men, singly or collectively, is as much, or more, an outcome of habit and native propensity as of calculated material interest. There is, for instance, no warrant in the Darwinian scheme of things for asserting a priori that the class interest of the working class will bring them to take a stand against the propertied class (Veblen, 1907, 308).

By not being able to provide a non-teleological, causal explanation of how individual members of classes can develop class consciousness, according to Veblen, Marx "failed to connect the actor with the specific structures and institutions, and failed to explain thereby human motivation and action" (Hodgson, as cited in Campbell, 2004, 63). More importantly, on the basis of Veblen's theory, we can argue that in Marx's conception one could not discern human action as an active agent in the explanation of technological change as the driver of the historical development of economic relations.

4. Conceptual Outline of Veblen's social theory

These rationalist, utilitarian conceptions of human action which is externally related to the material circumstances are unable to explain both material change and the nature and effect of human action and motives as related to the material context. In contrast to such approaches, Veblen proposes a conception of human action grounded in the notion of human being as an active, creative agent, which is defined in terms of "a coherent structure of propensities and habits which seeks realization and expression in an unfolding activity" (Veblen, 1898, 390).

I argue that this conception of human agent displaces the notion of pre-constituted agents having pre-constituted interests, who are moving towards a definite end which is determined by the external conditions. I claim that Veblen's conception of agency suggests a dynamic interrelationship between the material-societal context and human action which is placed at the centre of this relationship. Thereby, Veblen's conception provides us a conception of change resulting from processes of human action, "one without any definable starting point, final end, or resting place" (Kilpinen, 2004, 423).

I argue that Veblen's understanding of human beings as active agents is based on his particular conception of human psychology as "a bundle of instincts" (Anderson, 1933, 603). Instincts are biological constituents of human beings that make possible human conduct to be teleological and purposive. However, instincts are not simple, mechanical impulses "determining a specific behavioural response to a given stimulus" (Brette, 2003, 460). Rather, Veblen says that "all instinctive action is intelligent to some degree . . . It involves holding to a purpose. It aims to achieve some end and involves some degree of intelligent faculty to compass the instinctively given purpose" (Veblen, 1918, 30). By this conception of instincts, Veblen can assert the notion of human being as an active human agent at the centre of scientific examination of economic phenomena and human evolution.



In relation to the productive economic activity, Veblen defines three main instincts: the “instinct of workmanship”, the “parental bent”, and the “bent of idle curiosity”. The instinct of workmanship is defined as a proclivity for doing things efficiently. The parental bent is about acting for the benefit of one’s family and group, and the bent of idle curiosity is a desire for knowledge without any practical concern. These instincts, whose main element is the instinct of workmanship, are the ultimate forces behind the cumulative evolution of human productive forces. Against these positive instincts that are other-regarding, there is the predatory instinct which leads to self-regarding, aggressive, and exploitative behaviours. Human evolution is conceived in terms of a conflict between these two sets of instincts “which vie for expression in any one cultural situation” (Edgell, 1975, 272). These instincts only “define the general motives for human action,” (Brette, 2003, 460) and how and to what extent they are actualized depends on the socio-cultural and institutional form of human beings in their adaptation to the circumstances. At that point, the role of habits as dispositions emerges. Veblen says that “All instinctive behavior is subject to development and hence modification by habit” (Veblen, 1918, 38).

Human beings as instinctive agents in their confrontation with the material circumstance develop habits of action. Such habits of action make possible their adaptation to the circumstances. Then habits of action constituting habits of life shape the habits of thought of individuals and community. When habits of thought become prevalent, relatively stable and attain some degree of permanency, they take the form of institutions. Institutions, in turn, constitute the general context that conditions and reproduces a specific form of whole edifice of human action composed of instinctive behaviours, habits of action and thought in the context of material circumstances. This whole process takes place continuously downwards and upwards.

Such a conception of human action in terms of habituation forms the basis of Veblen’s notion of human evolutionary change as a non-teleological cumulative process. This conception of human agency highlights the role of creative action in the human evolution. As Han Joas says, human beings as “actors confront problems whether they want to or not; the solution to these problems, however, is not clearly prescribed beforehand by reality, but calls for creativity and brings something objectively new into the world” (Joas, as cited in Yilmaz, 2007, 846). Every novelty brought about by creative human action into the society disturbs the prevalent habits of action and thought, and initiates a new process beginning from the formation of habits of action towards the institutionalization of these newly acquired habits of action and thought. In that sense, in relation to the economic relations, Veblen says that “The economic life history of the individual is a cumulative process of adaptation of means to ends that cumulatively change as the process goes on, both the agent and his environment being at any point the outcome of the past process” (Veblen, 1898, 391). Veblen notes that the same process is also valid for the community individuals lives in.

5. Idle Curiosity and Technological Change in Veblen

David Seckler (1975) identifies the instinct of “idle curiosity” as the fundamental instinct, which retains its continuity and directing role through generations of various cultures, behind the social development and change. Through his discussion of “idle curiosity”, Seckler aims to show that Veblen’s social theory, while not determinist, is behaviourist. Seckler builds his claims on Veblen’s own words which discuss the characteristics of “idle curiosity”:

On the human plane, intelligence . . . may throw the response into the form of a reasoned line of conduct looking to an outcome that shall be expedient for the agent. . . . But that is not all. The inhibitive nervous complication may also detach another chain of response to the given stimulus, which does not spend itself in a line of motor conduct and does not fall into a system of uses. Pragmatically speaking, this outlying chain of response is immaterial and irrelevant (Veblen, as cited in Seckler, 1975, 59).

On his interpretation of this paragraph, Seckler claims that Veblen’s notion of idle curiosity relies on “a distinction between . . . practical life and thought and knowledge” (1975, 59). According to Seckler, Veblen criticizes pragmatism due to its contribution to civilization being nothing but creating “maxims of expedient conduct”, and Veblen counterposes it against science, driven by idle curiosity, which creates nothing but theories as the effective force behind the social evolution.

Seckler, then, brings into his discussion Veblen’s conceptions of habits and institutions as mediating forces between the “idle curiosity” and human behaviour. He defines habits as “a kind of socially determined tropism” (Seckler, 1975, 60), whose forms of expression are habits of thought and institutions. At this point, Seckler contends, for Veblen, the perennial philosophical-sociological problem of how to relate theory to practice, or in Seckler’s terms, the causality between thought and action, emerges. Seckler’s assessment of Veblen’s answer is that “idle curiosity (thought) creates theories which in turn create technology” (Seckler, 1975, 61). Then, technology induces a particular form of behaviour adequate to its mode of operation; this specific behavioural pattern then creates its own habits of thought. Seckler concludes that thought (idle curiosity) via mediation of technology determines human action and then habits of thought. From his presentation of Veblen’s theory, Seckler comes to the conclusion that while Veblen’s theory is not determinist in the sense that what the idle curiosity will produce is unknown, it is behaviourist due to its characterization of behaviour and habits of



thought simply as responses, primarily unconsciously, to technology as a stimuli. Therefore, Seckler claims that Veblen needs to give an explanation of how “a direct flow of causality from technology through ‘usage’ to thought” (Seckler, 1975, 63) occurs, similar to the behaviouralist account of the connection between hammer and knee jerk. According to Seckler, however, Veblen did not provide such an account.

In this context, Seckler interprets Veblen’s social theory as a behaviouralist theory, since Seckler claims that Veblen’s notion is based on a unidirectional causality from thought (idle curiosity) to behavior through the mediation of technology completely. However, I claim that Seckler misunderstands Veblen’s approach. I contend that Veblen actually proposes a new theory of human action against behaviouralism. Seckler rightly points out the primacy of “idle curiosity” in Veblen, which involves creative intelligence as the driver of knowledge accumulation. Such knowledge accumulation then leads to technological changes by means of the appropriation of knowledge by the agents in their pursuit of instincts of workmanship. However, I argue that Seckler’s interpretation of “idle curiosity” as merely thought divorced of human action misconceives Veblen’s distinctive use of intelligence. Seckler reduces idle curiosity to a mere contemplation, as being external to both human action and the institutional complex in which the thinking process takes place.

Seckler dichotomizes thought and action on the basis of Veblen’s aforementioned distinction between pragmatics and science. However, I argue that Seckler’s interpretation is a misapprehension of the meaning of Veblen’s notion of pragmatics in that context. As Anne Mayhew argues, here what Veblen actually does is to develop a distinction between two forms of human action: action with a purposeful end, which pragmatics refers to; and action without a specific purpose, implied by the idle curiosity (Mayhew, 2007, 15). Veblen’s intention in asserting such a distinction was, as Mayhew states, to emphasize the cause of the evolution of human society, which Veblen found in the idle curiosity. Veblen aimed to underline the contrast between “deliberate and purposeful action based upon a prior understanding of that world . . . with the experimentation, the playful, the idly curious actions that produced change in the ability to manipulate the world” (Mayhew, 2007, 15). Veblen clearly expresses that idle curiosity is an active factor in the process of interplay between human action and environment:

This idle curiosity formulates its response to stimulus, not in terms of an expedient line of conduct, nor even necessarily in a chain of motor activity, but in terms of the sequence of activities going on in the observed phenomena (Veblen, 1919, 7).

Erkki Kilpinen (1999) is more explicative in revealing what Veblen does in his discussion of intelligence and showing the distinctiveness of Veblen’s conception of intelligence as an expression of active human agency. Against Seckler’s accusation of Veblen being a behaviouralist, I contend that “[w]hat Veblen in fact does, is that he develops his theory of conscious and intelligent conduct in the behavioural setting of stimulus and response” (Kilpinen, 1999, 197). However, the most essential aspect of Veblen’s notion of intelligence which Kilpinen highlights but Seckler ignores is the nature of intelligence being inhibitive, as Veblen (1919, 6) clearly states in his discussion of idle curiosity. Intelligence’s inhibitory character is a clear refutation of Seckler’s reading of Veblen in terms of thought preceding action. Rather, as Kilpinen argues, such a conception of intelligence assumes an understanding of human action as an active agent whose processes of thought is internal to and activated in and through human action in the form of habits. Therefore, Veblen’s conception obviously reflects a pragmatic approach to action. Such a conception of Veblen disrupts Seckler’s unidirectional causality from thought to habits and locates creativity as an aspect of human action at the centre of how human societies evolve. In their daily life, human behaviours tend to be habitual and do not “require much reasoning in order to run smoothly and successfully” (Strübing, 2007, 590). However, when habitual human actions become to be inefficacious, then idle curiosity characterized by intelligence with its inhibitory selective function comes to the fore within the process of habitual actions in order to solve the problems human actions encountered. Then, a new line of habit formation begins to materialize, whose content and effects are unpredictable beforehand. It is important to note that this whole process takes place in a specific institutional-cultural complex which is, in turn, affected by these new forms of habituation. Thus, I argue that Veblen manages to develop a conception of non-teleological, evolutionary process of human societal development. Moreover, in Veblen, the relationship between science as non-utilitarian systematized knowledge and technology is more complicated than Seckler’s presentation of a one-way linkage between them. All forms of human activity and their products, for Veblen, become meaningful in terms of, and are subject to, individuals’ own habits of thought which are rooted in their daily life experiences. As Veblen says,

All facts of observation are necessarily seen in the light of the observer’s habits of thought, and the most intimate and inveterate of his habits of thought is the experience of his own initiative and endeavours. It is to this “apperception mass” that objects of apperception are finally referred, and it is in terms of this experience that their measure is finally taken (Veblen, 1918, 53).

Murray Murphey elucidates Veblen’s argument:

The apperceptive mass comprises the whole of the instincts and habits, desired ends and formulated knowledge, which the mind contains and which it brings to bear upon sense data in the process of knowing (Murphey, as cited in Tilman,



2007, 50).

In this respect, science as a mode of habitual action is shaped by the prevailing mode of habits of thought of the community, which is reflected in the technological activities of producing material life. Only by the mediation of prevalent habits of thought of the community, scientific knowledge production can be appropriated for its utilization in the development of technological processes. As Veblen contends, regarding scientists' criteria of validity:

. . . the canons of validity under whose guidance he works are those imposed by the modern technology, through habituation to its requirements; and therefore his results are available for technological purpose. His canons of validity are made for him by the cultural situation; they are habits of thought imposed on him by the scheme of life current in the community in which he lives; and under modern conditions this scheme of life is largely machine-made (Veblen, 1919, 17).

Veblen has a broader conception of technology not reducible to simply technical artefacts and processes, in contrast to what Seckler implies in his equation of Veblen's materialism with a theory of "technological-economic substratum of society" (Seckler, 1975, 62) similar to Marx's materialism. As Veblen says:

The technological system is an organization of intelligence, as structure of intangibles and imponderables, in the nature of habits of thought. It resides in the habits of thoughts of the community and comes to a head in the habits of thought of the technicians. (Veblen, as cited in Latsis, 2010, 609).

The essential component of this technological system is technological knowledge, which Veblen defines as "immaterial equipment" (Veblen, 1908, 518), which is distinct from the material means of production. Technological knowledge is a "knowledge of ways and means" (Veblen, 1908, 521) including various stuff from language to skills, possessed by the community which inherited it from the past generations and which transfers to the future generations in a cumulatively developing form. However, only by means of material contrivances, the technological knowledge of the community is actualized. Hence, "any addition, extension, advance, or improvement in technology is a rearrangement of and a refinement upon the elements of such knowledge . . . handed down from the past" (Veblen, as cited in Tool, 1953, 146-147).

True to his conception of creative human agency, as discussed in relation to his understanding of idle curiosity, Veblen also iterates the role of individual human action in the technological change but certainly he emphasizes its embeddedness in the community's prevalent habits of thought which are embodied in the technological knowledge. He argues that individual innovations can have an effect in the development of the state of industrial arts only to the extent that such innovations become an element of the common technological knowledge stock of the community, to the extent that they evolve into the habitual thoughts of the community. As Veblen says:

The complement of technological knowledge so held, used, and transmitted in the life of the community is, of course, made up out of the experience of individuals. Experience, experimentation, habit, knowledge, initiative, are phenomena of individual life, and it is necessarily from this source that the community's common stock is all derived. . . . Individual initiative has no chance except on the ground afforded by the common stock, and the achievements of such initiative are of no effect except as accretions to the common stock (Veblen, 1908, 521).

Thus, contrary to Seckler's behaviouralist interpretation of Veblen, I contend that an institutionally shaped, non-teleological, complex dialectical process of science-technology relationship which is marked by active human agency constitutes the foundation of Veblen's evolutionary theory of economic development.

6. Conclusion

In this article, I aimed to highlight the primacy of non-rationalist and non-teleological human action in the constitution of economic phenomena and economic change by discussing Veblen's social theory. I began the discussion by presenting firstly Veblen's critiques of the marginalist utilitarian school and then his criticism of Marx and Marxism. Thereby, I put forward the distinctiveness of Veblen's approach. Veblen was able to show the commonality between these two opposing schools of economic thought. For Veblen, both of these approaches share a hedonistic, utilitarian conception of human agency. What unites these approaches in this respect is that they conceive human actors as passively responding to the stimulus of environment by means of their rational calculation of their economic interests. Thus, such approaches ignore the institutional conditioning of human actions and they consider human agency as self-enclosed. Therefore, within the terms of such approaches, economic change also becomes unexplainable in terms of cause and effect relations in which human action has a place. This is also the case for Marx's theory which claims to provide an explanation of the forces behind the historical development of economic relations. According to Veblen, Marx was not able to give an account of how human agency in the form of class actors as the mediators of economic change emerges from the material economic relations which are founded on technological developments.

On the basis of Veblen's criticisms of rationalist human agency, then, I presented briefly the conceptual framework of Veblen's social theory of human evolution. In this section, I argued that human action founded on the creative, active human agency is the central explanatory tool that makes possible Veblen's non-teleological evolutionary theory. I claimed that Veblen's notion of human action in terms of habituation allows us



developing a conception of human action which is continuous within the whole process of evolution, and therefore, a conception of human action which shapes and is shaped by the physical and institutional complex. Thus, human evolution appears as a non-teleological, cumulatively caused process. Then, I explicated the primacy of human action and active human agency in Veblen's conception of technological change through a critique of Seckler's behaviouralist interpretation of Veblen's social theory. Seckler claimed that Veblen's understanding of human evolution depends on a unilinear causality flowing from thoughts to action via the mediation of technological change. Seckler identified idle curiosity as the primary instinct behind the social change. Idle curiosity develops theories; then these theories lead to technological changes, and these changes create human behaviours proper to the new structure; and after that these behaviours result in the formation of habits of thought. Seckler's portrayal implies that Veblen failed to provide an account of change as grounded in human action. I argued that Seckler's interpretation is strictly mistaken. I showed that the instinct of idle curiosity actualizes itself within the processes of human action in continuum. I substantiated my argument on the basis of Veblen's reference to intelligence as inhibitive, as the defining characteristic of idle curiosity. I argued that the inhibitory aspect of intelligence implies a conception of thinking activity as an integral component of habitual human actions. Secondly, I argued that science as the product of idle curiosity itself is contextual, given that all human action takes place under definite institutional frameworks. Therefore, the use of scientific theories for the technological development depends on their selective adoption by the habits of thought of the community in the process of eliminating the barriers habitual actions of the community encountered. Moreover, I argued that Veblen does not identify technology simply with the material technical forces, in contrast to what Seckler's argument implies. Rather, I argued that the primary constituent of technology is technological knowledge which relies on the habits of the community and makes up the basis of the human productive development. In this sense, in Veblen, human action in the form of habits of thought is at the centre of the technological change. Lastly, I mentioned the role of individual human creative action in the development of technological change. I claimed that Veblen gives individual human action its due role by making its effect contingent upon the habits of thought of the community.

In a sense, the interpretation of Veblen I presented here agrees with George Liagouras's critique of Veblen that "what he did do with his Darwinian method was to abolish the notions of structure and agency in favour of an immanent and incremental process of change" (Liagouras, 2009, 1053). However, I strongly disagree with Liagouras's assertion that "Veblen cannot be counted on to provide a solution to the modern structure-agency dilemma" (Liagouras, 2009, 1053). In contrast to Liagouras, I argue that by grounding human action on habituation, Veblen's distinctive pragmatic conception of human action is able to locate human agency at the centre of a non-teleological evolutionary process of social and economic change. As Veblen himself states, his problematic is "how the human agent deals with his means of life, not of the how the forces of the environment deal with man" (Veblen, 1908, 542).

In conclusion, by discussing Veblen's social theory, I demonstrated the primacy of human action in the transformation of social contexts which is manifested in the evolution of economic relations - through the development of technological knowledge which is materialized in the state of industrial arts.

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