

The Critical Variable: Vol 1, Issue 1

Critiquing Capitalism: A Comparison Between Marx and Veblen

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Whether you have read the Communist Manifesto or heard the claim “there is no ethical consumption under late stage capitalism,” many of us are familiar with the ideas of Karl Marx. Less known are the ideas of Thorstein Veblen, another revolutionary economist who aimed sharp criticism at the capitalist system around the turn of the century. While Marx and Veblen never met and don’t reference each other’s works directly, they share a disdain for production under capitalism and the consumerist habits of the upper echelons of society. As both men were witnesses to the aftermath of the Industrial Revolution and the rise of American enterprise, their insights can tell us a lot about the United States’ current economic situation as well as the behaviors of the wealthiest Americans. In this piece, I will explore the connections between Marxist and Veblenian philosophies as well as how they differ, then apply these ideas to the current American economy.

Although they developed their ideas under a similar historical context, Marx and Veblen had starkly different upbringings. Karl Marx was born in 1818 in the Kingdom of Prussia—modern day Germany—into a middle class family, son to a lawyer and college-educated man. At a young age, his father introduced him to the works of Voltaire and Immanuel Kant, acquainting him with classical liberalism and a disdain for the absolute monarchy of Prussia. His father placed heavy emphasis on the importance of a college education, through which Marx discovered his taste for the radical, publishing anti-government pieces in far-left newspapers such as *The Rheinische Zeitung*. In contrast to Marx’s middle-class upbringing in Europe, Veblen was raised in a modest Norwegian farming community in Minnesota, where he was considered an outsider to greater American society. Born in 1857, his sense of cultural dissonance from American society helped him develop a cynical view of the United States that would characterize his life’s work. Like Marx, he pursued higher education, publishing his most famous work, “The Theory of the Leisure Class,” in 1899 while attending Cornell University, and spending most of his adult life teaching at prestigious institutions such as the University of Chicago and Stanford.

Through their most famous works, “The Communist Manifesto” (1848) and the “The Theory of the Leisure Class” (1899), respectively, Marx and Veblen present different but complementary critiques of the dominating capitalist system. In the “Communist Manifesto,” Marx and his co-author Friedrich Engels categorize European society into two groups: the bourgeoisie and the proletariat. The former are in control of the means of production, or the factories that were the centers of mass production across Europe and the United States. The proletariat, or the working class, are those whose labor fuels the means of production, providing the labor necessary to uphold a capitalist system. In Marx and Engel’s view, this system incentivizes the exploitation of the working class, with the bourgeoisie increasing hours

and cutting wages in order to maximize profits. By this school of thought, exploitation will inevitably lead to the revolt of the working class, which will violently transition the capitalist system to one of socialism and eventually, communism.

“The Theory of the Leisure Class” has a very different focus than the “Communist Manifesto,” exploring the consumerist habits of the upper classes rather than the means by which they uphold their power. In this work, Veblen coins the term “conspicuous consumption,” which refers to the practice of buying and using goods or services in a way that displays one’s wealth and social status. A modern-day example of this would be the Kardashians, who showcase extravagant displays of wealth through their Instagrams or their hit reality TV show, “Keeping Up With the Kardashians.” Yacht parties, Met Gala looks, costly plastic surgeries, and designer brands are all ways of showing off one’s wealth in an attempt to convey social status, despite the fact that they don’t directly relate to material wealth. For instance, a businessman wearing a \$100K Rolex and driving a Lexus doesn’t necessarily have the money to comfortably bankroll a luxury lifestyle—they merely want to give off the appearance of success and wealth.

Marx and Veblen’s visions for a better society reflect their differing focal points: Marx’s ideal centers on the empowerment of the proletariat, while Veblen’s vision hinges on the practical reorganization of production. Marx believed that the overthrow of the bourgeoisie would pave the way for socialism and eventually communism—a system where the means of production are collectively owned, and class distinctions are eliminated. This classless society would allow for equitable distribution of resources and the end of exploitation. Veblen, however, was less focused on class struggle and more concerned with efficiency and functionality. He advocated for a society where engineers, rather than businessmen, would guide economic decisions. According to Veblen, engineers are motivated by objectivity and practicality, prioritizing maximum production and societal welfare over profit. Both thinkers ultimately aspired to dismantle the inefficiencies and injustices of capitalism, though Marx imagined a revolutionary upheaval while Veblen envisioned a technocratic reformation led by experts.

Although Karl Marx and Thorstein Veblen approached the critique of capitalism from different angles, their shared disdain for its exploitative and wasteful tendencies unites their philosophies. Marx focused on the oppressive relationship between the bourgeoisie and proletariat, predicting the inevitable collapse of capitalism through class revolution. Veblen, in contrast, scrutinized the upper class’s obsession with conspicuous consumption and suggested a technocratic solution to the inefficiency of capitalist production. Together, their ideas remain profoundly relevant in examining today’s economic inequalities and consumer behaviors. As wealth continues to concentrate and displays of affluence dominate social media, both Marx and Veblen offer valuable perspectives for understanding and critiquing the flaws of modern capitalism.

Works Cited

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