

Original Institutional Economics and Political Anthropology:

Reflections on the nature of coercive power and vested interests in the works of Thorstein Veblen and Pierre Clastres

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Abstract: Our inquiry advances a comparison of the anthropological content of Thorstein Veblen's evolutionary perspective with the foundations of the political anthropology drawn from selected works of Pierre Clastres. We seek to establish that what can be referred to as a *clastrean* reference can simultaneously offer new perspectives on institutionalism, while maintaining a radical and emancipatory understanding of Veblen's writings. In this sense, we seek to reconsider and reevaluate the role of economic surplus drawn from Veblen's anthropology, while also offering a general and critical perspective for understanding the emergence of coercive power within societies.

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This inquiry considers contributions of Thorstein Veblen by juxtaposing them to selected contributions of Pierre Clastres, a scholar heralded as a founder of French political anthropology. Differing from Veblen, with his backgrounds in Economics and Philosophy, Clastres' generated an anthropology founded on fieldwork investigations. These investigations abetted his constructing a theoretical synthesis that considers the nature of power and, relatedly, countervailing institutions within selected indigenous societies found across the South American continent. His body of research stresses that the classless and egalitarian character of indigenous societies was not an outcome of the comparatively modest levels of technology and the lack of accumulated surpluses. Rather, their classless and egalitarian character resulted from an active and successful social struggle against the emergence of coercive power.

What we can stress is that Clastres' research parallels nicely with the thrust of Thorstein Veblen's emphasis on the emergence of power asymmetries in the development of western civilization that led to distinct patterns in institutional development. Consequently, we shall advance the idea that the anthropological perspective of Clastres may well offer new insights for better understanding Original Institutional Economics (OIE) while underlining Veblen's emancipatory message.

Veblen's Anthropology: Technology, Power and Vested Interests

Thorstein Veblen's anthropology can be approached and understood as a novel mixture of the main thought strands circulating during his day—that he drew from and incorporated into his thinking near the start of the 20th century. One central feature of Veblen's anthropology is based upon the idea that technological advancement and the generation of surplus should be understood as something on the order of an “original

sin” that initiated a rot affecting societies, giving rise to the emergence of vested interests and the transition from peaceful and classless savagery to barbarism and relentless warring related to ownership and control over surplus.

What scholars later formed into Veblen’s ‘institutionalism’ offers a starting point for inquiring into social and economic questions. We share the opinion that Veblen’s ideas outweighed the narrow limits of classical and neoclassical economics, displaying the richness of a truly interdisciplinary perspective. In this sense, we would like to stress that Veblen’s contributions contain a substantial anthropological content that remains profound, both in theory and also in method. (Footnote 1)

We can readily discern two different and complementary interpretations of Veblen’s anthropology that were transmitted into and became rooted in the OIE tradition.

The first interpretation emphasizes the proximity of Veblen’s ideas to those of the evolutionary approach found in anthropology and that is represented in selected contributions of Lewis Henry Morgan (1818-1881) and Edward Tylor (1832-1917). In the view of Roberto Simiqueli (2015: 33-37), Veblen segments the history of humankind into phases while employing convenient, racial categories; and in a manner that can also be understood as similar to the approach found in Morgan’s *Ancient Society* [1877]. Moreover, as Ann Jennings and William Waller (1998: 197) have pointed out, “Veblen followed Tylor’s use of the term culture, according to which systems of habituated belief (institutions) ordered behavior.”

Regarding the second interpretation, some scholars highlight that Veblen’s anthropology cannot be depicted as ‘evolutionist’. Advancing this perspective, Anne Mayhew (1998: 240) stresses that despite this aspect, Veblen’s anthropological ideas

are clearly in line with those of Franz Boas (1858-1942), widely appreciated as an exponent of evolutionism. According to Mayhew, Veblen's took from Boas the idea that social evolution was non-teleological and that all human beings share a common nature. In the Veblenian view, this common nature should be considered as guided by instincts, and cultures diverge with the emergence of institutions.

As William Dugger (1988: 12) teaches us, the anthropological perspectives of both Veblen's and Boas challenge the notion that humankind is on some kind of progressive and favorable path that differs based upon historically conditioned realities. Mayhew (1998) goes further, stating that Veblen's ideas follow the emergent anthropological paradigm of Boas, and this can be characterized by an orientation towards ethnography and cross-cultural comparisons. (Footnote 2) This perspective fails to appear in the contributions of Clarence Ayres and John Gambia, and thus has tended to remain neglected within the OIE tradition.

Veblen's anthropological description states that humankind passed through four distinct development stages. He considers the Eras of Savagery and Barbarism. He also considers a peaceful pecuniary stage depicted as the Era of Handcrafts. Then there is the more recent Machine Age (Veblen 1899, 1914). Moreover, within Veblen's framework we can note a disruptive separation between savagery and barbarism that conditioned all future institutional developments in the western world. In the view of Veblen (1899: Chap.1), during the *Era of Barbarism* the nest of institutions supporting the "vested interests" emerged. This included the institutions of private property and the leisure class. Veblen advances the perspective that our modern economic order should be considered, as Diggins (1977: 123) stresses: "... a continuation of the barbaric past, with the modern captain of industry carrying the role of the archaic chieftain of combat".

For Veblen (1899, 1914) the earlier *Era of Savagery* included an idyllic, classless society; void of hierarchies and lacking in private property. (Footnote 3). In addition, Veblen found associations between groups of various sizes and their levels of technological development, as well as their relative levels of material wealth and poverty. (Footnote 4)

With technological advancement and the generation of surpluses, social differentiation and disputes between and among groups emerged. In this sense, Veblen's understanding of the *Era of Barbarism* includes the emergence of some individuals who, driven by predatory impulses, devoted themselves to capturing resources inside and outside their society. In this sense, both private property and war emerged together. (Footnote 5) Therefore, in what Veblen understands as this stage of barbarism we find a differentiation among activities. Some activities are considered of an industrial nature while others exhibit a predatory nature and are based upon the demonstration of prowess and exploitation. Warriors, priests, athletes, and chiefs, would compose what Veblen dubbed as "Leisure Class". (Footnote 6) A new kind of social order based upon status and the imposition of power emerged during this stage of barbarism. Status emerged as society became hierarchical according to the types of prowess and associated honor for leaders. Power emerged in importance as status allowed some to impose their will on others, mainly through the appropriation of their work efforts. Subsequent to this Era of Barbarism, both power and status were related to a pecuniary form of domination arrived at through the struggle for possession of goods.

We might add that the frontier between peaceful savagery and war barbarism is marked by a material innovation: a technological change that enabled the production of economic surplus. (Footnote 7) Accordingly to Veblen (1914: 38-39), the state of the industrial arts that produced this surplus was achieved by the successive increments

within a community's technological fund. The words of Veblen (1899: 18-19) have proved definitive in this sense:

The inferior limit of the predatory culture is an industrial limit. Predation cannot become the habitual, conventional resource of any group or any class until industrial methods have been developed to such a degree of efficiency as to leave a margin worth fighting for, above the subsistence of those engaged in getting a living. The transition from peace to predation therefore depends on the growth of technical knowledge and the use of tools.

Veblen's perspective presents an anthropological paradox. Namely, social equality, cooperation, and peace are associated with relatively lower levels of technical achievement. On the other hand, the technological change that creates surpluses for a relatively richer society—at least in material terms—appears as the foundation for emerging power asymmetries, private property, and social differentiation into distinct classes. This anthropological paradox and its consequences remains exposed as an unresolved issue in Veblen's anthropology when compared to political anthropology in the tradition of Pierre Clastres.

Clastres and Political Anthropology

Pierre Clastres registers as the first anthropologist to focus mainly on political power as this relates to social life. In the view of Eduardo Viveiros de Castro (2010: 20), Clastres' ethnographical research in South America—conducted among peoples of the Guayaki, Guarani, Chulupi and Yanomami—explored political actions of indigenous societies, and these actions served as his measure of a society having a capacity for self-reflection. (Footnote 8) In this sense, Clastres challenges what had been an established

notion; namely, that indigenous societies were inherently apolitical for lacking an institution running along the lines of a “state”.

For Clastres, indigenous societies were founded upon an active rejection of both state and market as organizing institutions. David Graeber (2004: 23) supports Clastres’ view and teaches us that indigenous societies lacked the institution of the state because they organized themselves in order to block its emergence. If we follow the leads of Clastres and Graeber, we need to consider indigenous societies as “complete” and “adult societies” and not as infra-political embryos. Learning from their research, we view so-called “primitive” societies as lacking in a developed state because it was not only refused, but also fought against. In short, such societies rejected the division of the social body into those dominating and those dominated. The politics of so-called “savages” actually endeavored against the emergence of a distinct, power institution. In the view of Clastres [1980] (1994: 91), members of primitive societies sought to prevent the fatal fusing of the chieftainship and the exercising of power. (Footnote 9)

Clastres points out—and we would like to stress—that political power needs to be considered as a universal feature found in different ways in, essentially, all societies. Political power establishes itself in one of two ways. When political power emerges, it can be categorized as taking either coercive or non-coercive forms. Political power as coercion implies the introduction of hierarchical separations between members of a group or society. This type of political power as coercion establishes a ‘command–obedience’ relation. With this form of political power, divided groups display asymmetries and are victims of class exploitation.

Clastres suggests that, for the most part, social scientists understand political power as essentially coercive. Thus, we tend to find descriptions of societies that fail to fit into the western paradigm as wholly without politics. For Clastres, if coercive power

cannot be found within a social structure, we should not take the step and assume that this society runs without political institutions. What Clastres stresses is that the indigenous groups he explored lacked anything similar to a state or market because they had developed other institutions for battling the emergence of coercive powers, and can thus be thought of as examples of collective action. The writings of Tânia Stolze Lima and Marcio Goldman (2017: 17) support this perspective.

One of Clastres [1976] (1994: 910) contributions to political anthropology stresses that selected indigenous societies organized their institutions as an effective “counter-power” intended to block coercion, and relatedly, the emergence of social inequality. Clastres [1980] (1994: 91) points out that such societies: “know very well that to renounce this struggle is to cease damming these subterranean forces called desire for power and desire for submission” For Clastres, the birth of the state should not be understood as the passage from the empty to the complete, but rather as the fall from the undivided to the divided society. In short, in the view of Clastres the emergence of a state should be considered as a transition fraught with deleterious consequences.

For Clastres, indigenous societies he researched were not composed of individuals actively struggling against the state in a “libertarian” fashion. Rather, Clastres takes the position that such societies were organized against the institutional foundations of coercive power and social inequalities. In fact, their fight is against the individual as the institutional prescription that all humans have a natural right to exercise coercive power through market competition. The research of Graeber (2004: 23) emphasizes that, in a real sense, these sorts of communities are inherently “anarchist societies”. As Viveiros de Castro (2010) points out, we can state that Clastre’s main

work, “*Society Against the State*”, could be renamed as “*Society Against the Individual*” without losing the meaning.

For Clastres, the leader of an indigenous society embodies a non-coercive form of power since he or she cannot impose personal will over on a community. The leader is but a spokesperson from the community, who can communicate with the external realm, and also endeavor to deal with disagreements and conflicts that might emerge within the community. Although having status and prestige, the chief or leader of an indigenous society lacks coercive powers over a unified society. Clastres [1980] (1994:104) can be cited:

From the chief’s mouth spring not the words that would sanction the relationship of command-obedience, but ... a discourse through which it proclaims itself an indivisible community and proclaims its will to persevere in this undivided being.

Moreover, Clastres points out that generosity is the main feature borne by an indigenous chief, and relatedly, the chief often registers as the person holding the fewest resources within the community. Clastres highlights that primitive societies exhibit an “egalitarian will”. This perspective is also found in what Marshall Sahlins (1972: Chapter 2) refers to as a “Domestic Mode of Production” (DMP). In his classic “*Stone Age Economics*”, Sahlins (1972) battles against what he cites as an anthropological misconception: namely, that primitive societies are unreliable and poor. On the contrary, Sahlins purports that the concept of an “Affluent Society” better describes such groups. Sahlins extends his analysis, stressing that scarcity is not a direct consequence of a technical condition. Rather, scarcity should be considered as an imbalance arising between means and ends. Therefore, Sahlins (1972: 5) stresses that: “[w]e should

entertain the empirical possibility that hunters are in business for their health, a finite objective, and that the bow and arrow are adequate to that end”. Sahlins (1972: 14) advances his argument, stressing that autochthone societies should be understood as *affluent* in the sense that their material possessions are adequate for realizing their daily necessities, permitting the enjoyment of life. Sahlins’ DMP asserts that groups that can be classified as autochthone attain their autonomy through production and consumption. The DMP understands that primitive societies seek to produce the totality of a minimum and to avoid the production of surplus that can be used for exchange. According to Clastres (1980: 111), DMP suggests that exchanges between and among groups are not guided by material necessity. On the contrary, exchanges need to be viewed as strengthening political relations so as to reassure the egalitarian character as well as the continued independence of groups. Accordingly, indigenous societies may impose a limit on production as a way of reducing the tendency for exchange relations turning against the society by generating a growing gap; that is, dividing members of the society into categories of rich and poor. These societies are known for their struggles against the alienating nature of market relations.

The tradition of political anthropology stressed in the writings of Pierre Clastres parallels Sahlins, but becomes more specific. His writings stress that the state, the market, as well as the individual; need to be understood as related to the institutionalization of coercive power within societies. For Clastres, indigenous societies develop institutions to exert social controls over politics, and the political control of economic relations. In this sense—and as Viveiros de Castro (2010:12) stresses—these sorts of societies have an “immunological system” that expels and annihilates coercive power from their social environments.

Conclusion and Discussion

Of scholars dedicated towards advancing the OIE tradition, William Dugger offers a clearly defined understanding of power. For Dugger (1980: 897), “[p]ower shall refer to the ability to tell other people what to do with some degree of certainty that they will do it.” We find Dugger’s understanding fully in line with Veblen’s, and what Clastres defines as “coercive power.” For Veblen, economic surplus registers as the material condition for the emergence of vested interests and related institutions, including the state and the market. However, despite these perceived commonalities, we could also highlight that the political anthropology of Pierre Clastres exhibits distinct foundational differences regarding the sources and nature of power asymmetries.

We would like to stress that Veblen’s perspective was fully in line with his contemporaries. In addition, Veblen’s ideas wielded influences on later scholars such as Melville Herskovits, who authored *Economic Anthropology: The Economic Life of Primitive People* (1952). In his chapter “The Economy has No Surplus: Critique of a Theory of Development”, Harry Pearson (1957: 332) stresses that: “[Herkovitz], following the lead of ... Veblen, understands that considering *surplus* opened an important avenue for the investigation of economic change in primitive societies”. However, Herskovits (1952) expressed some doubts, stating, that “... why the surplus is produced remains obscure.”

(2,783words) (2,850 words allowed)

Footnotes

1. Veblen's (1898) accusation that Neoclassical Economics depicts human behavior in essentialist terms is a realist argument that anticipated the substantivist perspective in economic anthropology as it appeared in Polanyi, Arensberg and Pearson (1957). Moreover, Veblen's (1899,1914) description of the anthropological history of humankind, is loaded of ethnographical references and stands as an anthropological abduction by itself. In this sense, Mirowski (1987: 1025) states: "In essays such as "The Economics of Women's Dress," he shows the hermeneutic practice of approaching familiar behavior as if we were producing an ethnographical report of the behavior of an alien tribe."

2. According to Mayhew (1998: 240): "The substance of all Veblen's work is Boasian. For Veblen, as for Boas, human patterns of behavior and their meaning were culturally defined and created. This was true for Veblen even as early as *The Leisure Class*". Veblen's main difference with Boasian anthropology was his focus on the description of contemporary economic order and not of autochthone societies.

3. In this sense, Veblen (1914:45) presents his vision about the peaceful origins of different societies in the savagery era: "The inference to be drawn from the available material would be that the early Neolithic culture of north Europe, the Aegean, another explored localities presumed to belong in the same racial and cultural complex, must have been of a prevailing peaceable complexion." Veblen (1899:15) identifies the same peaceful origin among other groups: "As good an instance of this phase of culture as may be had is afforded by the tribes of the Andamans, or by the Todas of the Nilgiri Hills [...]As a further instance might be cited the Ainu of Yezo, and, more doubtfully, also some Bushman and Eskimo Groups."

4. For Veblen, savagery was characterized by “small groups and of a simple (archaic) structure; they are commonly peaceable and sedentary; they are poor; and individual ownership is not a dominant feature of their economic system” (Veblen, 1899: 10)

5. In this sense, Veblen’s anthropology opposes the Hobbesian (an economic) myth of the creation of humankind, as Veblen (1914:34) states “[T]he school of Hobbes cannot be accepted. The evidence from contemporary sources, as to the state of things in this respect among savages and many of the lower barbarians, points rather to peace than to war as the habitual situation.”

6. As Veblen (1899:5) points out “The evidence afforded by the usages and cultural traits of communities at a low stage of development indicates that the institution of a leisure class has emerged gradually during the transition from primitive savagery to barbarism; or more precisely, during the transition from a peaceable to a consistently warlike habit of life.”

7. Clastres’ main contributions are reunited in two collections of articles: *Society Against the State* (1974) and *Archeology of Violence* (1980).

8. Graber (2004:23) moves forward Clastres’ argument and states that “By these lights these [societies] were all, in a very real sense, anarchist societies. They were founded on an explicit rejection of the logic of the state and of the market”.

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