

Du Bois and Veblen's concepts of relative position:
Common ground for Stratification Economics and Institutionalist Economics?

Abstract: William Edward Burghardt Du Bois and Thorstein Veblen both employed the concept of relative position. Du Bois' thinking underlies how for Stratification economics people's relative positions are central to the explaining racial discrimination and segregation. Veblen's underlies how for Institutionalist economics people's relative positions are central to the role institutions have in the evolution of the economy. Yet racism in the US marginalized Du Bois' contributions, effects of which were to have left a divide between his and Veblen's thinking and also between Stratification economics and Institutionalist economics. This also has limited the perceived importance the concept of relative position in economics, leaving it with the 'position-less' asocial individualism of Neoclassical-mainstream economics. This paper compares Du Bois and Veblen's conceptions of the concept of relative position, and discusses the potential common ground it creates for Stratification economics and Institutionalist economics.

Keywords: relative position, Du Bois, Veblen, racism, Stratification economics, Institutionalist economics

JEL codes: B15, B31, B41, Z13

1. Stratification economics, Institutionalist economics, and the concept of relative position

This paper has two principal motivations. One is to show that the concept of relative position is important in economics, despite the little attention it receives. The paper briefly comments on why this has been the case, but devotes most of its discussion to the second motivation. This is to show that two important non-mainstream approaches in economics, Stratification economics and (old) Institutionalist economics, that are not generally seen to be related, have more in common than generally thought, both in their origins in connections between the thinking of William Edward Burghardt Du Bois and Thorstein Veblen, and because they employ the concept of position in related ways. Specifically, their use and understanding of the concept is closely tied to their understanding of how social inequality underlies the functioning of modern capitalist economies, a subject which mainstream economic thinking mostly ignores, and one attention to which is important to explaining what distinguishes non-mainstream approaches in economics.

The concept of position – or relative position because being in a position refers to one location in an interrelated structure of positions – has been both important and neglected in the history of

economics. Classical economics employed the concept of class to distinguish people's different relative positions in the economy as a whole. Its behavioral, micro-level analysis of how people acted in connection with the positions they occupied was less well developed, though John E. Cairnes (1874) recognized there were barriers to entry to many labor occupations, and J.S. Mill held that such barriers were often 'almost equivalent to a hereditary distinction of caste' (Mill, 1848, vol. 1, bk 2, ch. 14, p. 480). In both cases, being in a particular position and the behaviors this involved was explained in terms of economic agents' social characteristics.¹

Thus, where the concept has been neglected in economics, economic agents' behavior is explained only in terms of their individual characteristics as if their social characteristics play no role in behavior. This view has dominated economics since 1950 in connection with neoclassicism's increasing recourse to abstract formalism. This produces a 'position-less' conception of asocial, atomistic economic agents interacting at 'arm's length' in markets in response to abstract forces of supply and demand. Economic agents consequently enter every market interaction with choice capacities that are explained fully apart from their social group identity, status, wealth, bargaining power, exposure to discriminatory practices, etc. Nothing about how some have significant disadvantages and social limitations in their ability to participate in markets precludes their having the same capacity to make 'free' choices as those with social advantages and privileges in their participation in markets.

The concept of position, then, requires that economics explain how the different locations that individuals occupy come with distinctly different sets of opportunities and levels of life well-being and accordingly involve different forms of behavior. This should be understood both in terms of how it affects the functioning of markets and economic institutions within economies and also in terms of how it affects the macro performance of entire economies. Stratification economics and Institutionalist economics both emphasize this and use the concept of relative position in doing so.

Stratification economics draws on Du Bois' thinking regarding people's different social positions to explain how capitalist economies systematically perpetuate social and economic inequalities between different social groups, especially by race, class, and gender (Darity, 2005, 2022; Stewart, 2010; Chelwa et al., 2022). The concept links its macro-structural analysis – that the economy is built upon hierarchical, caste-like social group rankings – and its micro-behavioral analysis – that individual markets discriminate systematically against individuals of lower social group status – together as a single system (Davis, 2022, 2024).

Institutional economics draws on Veblen's view of institutions as hierarchical structures of interconnected social positions with associated behaviors to which people are habituated. How technology as an expression of the instinct of workmanship influences capitalist development depends upon whether institutions and traditional social relationships inhibit its free expression. The continuous tension between institutions and technology – the Veblenian dichotomy (Waller, 1982) – drives the evolution of capitalism and its systems of social status, a tension mostly absent in Neoclassical (new) Institutional economics (Ambrosino, Fontana, and Gigante, 2018).

¹ This literature resurfaces in later theories of non-competing groups and dual economy models (see, Davis 2024, 478-9).

Thus, Stratification economics and Institutional economics both hold that capitalist economies are systems of inequality systematically rooted in interconnected structures of different positions people occupy. Their social rankings and differences in social status are determined by where they fall in these structures of positions, and institutionalized power relationships between social groups then determine the distribution of advantage and disadvantage across them. Du Bois and Veblen reasoned this way, and influenced Stratification economics and Institutional economics.

I turn in section 2, then, to two influential ways in which Du Bois and Veblen used the concept of position. Sections 3 and 4 discuss the theoretical frameworks Du Bois and Veblen employed. Section 5 discusses common ground between them in this connection, while section 6 turns to differences between their views. Section 7 returns to Stratification and Institutional economics to discuss possible common ground between them based on the legacies of Du Bois and Veblen.

2. Du Bois and Veblen's influential uses of the concept of relative position

Du Bois and Veblen were influenced by two intellectual currents at the end of the nineteenth century: the German Historical School's critique of the Classical economics of Ricardo and Mill and Darwin's theory of natural selection. Du Bois studied in Berlin and knew the work of Schmoller, Wagner, and others in the School (Numa and Zahran, 2024), though unlike them his focus was the race problem in America (Morris, 2015, 21-2). Du Bois accepted Darwin's theory as applied to the natural world but was critical of racist social Darwinist ideologies (Besek *et al.*, 2020). Veblen appreciated how Schmoller explained institutions in terms of how and why they came about and the rejection of individuals as his unit of analysis, but was not satisfied with his efforts to develop evolutionary theory (Veblen, 1901, 1919; Dugger, 1979). Veblen praised Darwin's view that the world was constantly in change, but his own emphasis on habit and psychological mechanisms underlying individual behavior was at odds with social Darwinist interpretations of Darwin (Hodgson, 2004, 2008).

I suggest, then, that what Du Bois and Veblen shared in their different but related engagements with these two sets of ideas was the belief that as economies evolved over time this went hand-in-hand with the evolution of their systems of social and economic organization. This implied that the types of positions people occupied and the relationships between them also evolved, and thus to understand new systems of social and economic organization one needed to explain the most important of these relationships.

Du Bois did this in his analysis of white and black wages in the post-bellum US South with his idea of a psychological wage. The standard view in Classical economics was that wages were paid according to the value of an individual's labor. However, Du Bois argued that white working class wages included a psychological, non-monetary component 'paid' for 'not being black.' This 'compensation' allowed white employers to pay white workers in pecuniary terms wages less than the value of their labor (Du Bois, 1992 [1935]). All that was necessary was that white workers' wages be higher than blacks workers' wages, affirming white and black workers relative positions.

It might seem, then, that *Neoclassical* economics with its marginal productivity view of wages shares the Classical view of wages, but Du Bois' emphasis on the psychological determinants of wages reappears in Becker's influential taste-based theory of employer discrimination (Becker, 1957). He reasons employers see whites are prejudiced against blacks and hiring blacks required white workers be paid more. The difference is a (monetized) psychological compensation for white workers for 'not being black.' Becker thus followed Du Bois in explaining the white-black wage structure as a set of interconnected positions dependent on social attitudes.²

Veblen, in his thinking about social ladders and conspicuous consumption/leisure, showed how psychological determinants underlie differences in consumption behavior across income groups. He saw that consumption at the end of the nineteenth century in the US varied by social class. Higher class individuals were psychologically motivated to exhibit what they consumed and their leisure life styles. This created a desire for those lower on the social scale to emulate their behavior (Veblen, 1899). Yet this was costly at their income levels, and worked to reinforce social differences and social ladders. Thus, consumption behavior as a whole was also explained as an interconnected structure of positions anchored by social attitudes.

Veblen's conspicuous consumption thinking has also remained influential in contemporary economics in the concept of positional goods. Positional goods are goods whose possession is perceived to convey status. Contrary to the 'law' of demand, more may be demanded as their price rises, a relation later termed the 'Veblen effect' (Leibenstein, 1950; Dolfsma, 2000). For Veblen, conspicuous consumption exhibited a continuous interplay between what we now call snob effects and bandwagon effects (Rutherford, 1987). It contributes to social inequality, in Neoclassical terms generates welfare losses (Frank, 2005), and can limit economic growth (Hirsch, 1977).³

Thus, one way to look upon Du Bois and Veblen's thinking is to say that they each introduced a thinking into economics that emphasized social psychological dimensions of economic life, and thus how economies were organized around different social institutions. The focus on institutions came to be associated with Veblenian Institutional economics, but the same thinking was present in Du Bois. Veblen is seen as a founder of Institutional economics, but Du Bois has gone largely overlooked by historians of economics (Numa and Zahran, 2024; Rutherford, 2024, 9-15).⁴ Why?

What distinguishes Du Bois and Veblen, despite their theoretical and methodological affinities, is that Du Bois continually emphasized the role of race in the functioning and organization of the American economy while Veblen gave race little attention (Sassower, 2025) and limited himself to saying the South was trapped in a "barbarian stage of industrial development" (Phillips, 2000). This raises many questions. One is how did white racism influence and limit the early development of what became Institutional economics? I leave this complex question to others

² Becker did not acknowledge Du Bois' analysis. Indeed, psychological factors were ignored in mainstream economics until the emergence of behavioral economics, which Du Bois also anticipated.

³ For Veblen's place in the history of economics regarding conspicuous consumption and other economists' examination of its detrimental effects see Camatta and Salles (2025).

⁴ Few historians of economics economists today recognize his contributions. More surprisingly, since Du Bois has often been labeled a sociologist, neither did sociologists, at least until recently (Morris, 2015; Meghji et al., 2024).

(though see Prash, 2007; Stewart, 2022; Rutherford, 2024). Another question specific to the comparison of Du Bois and Veblen is might Veblen have nonetheless been influenced by Du Bois' work, particularly when he wrote his *Theory of the Leisure Class* (1899) and *Theory of Business Enterprise* (1904).⁵ There is no evidence of which I am aware that Veblen knew of Du Bois' work, but Veblen surely knew that the status of former slaves was subject to no little debate in his time, and Du Bois was a visible figure in these debates. Alternatively, then, I turn to the theoretical frameworks Du Bois and Veblen developed in order to better explain where they were in agreement and where not.

3. Du Bois' theoretical framework

Here to further explain what lies behind Du Bois' understanding of the concept of relative position I discuss his ideas of 'the veil' and 'double consciousness.' Both were briefly advanced in his early *The Souls of Black People*, though it is unclear that he remained committed to them in his later work (Pittman, 2024). Nonetheless, the ideas themselves have been highly influential, albeit much debated in their meaning and interpretation, both in relation to their possible antecedents in the history of philosophy and in regard to their meaning and significance in recent philosophy.⁶ That they had foundation in Du Bois' early thinking can be connected to his study at Harvard under William James, who while not using the term 'double consciousness' discussed a comparable distinction between primary and secondary forms of consciousnesses in his *Principles of Psychology* (1890, vol. I, 379–393).⁷

The two ideas provide an additional level of meaning to Du Bois' understanding of the concept of relative position specifically associated with the psychological effects of slavery and racial discrimination on the minds of whites and blacks. In prior economic thinking the private mental lives of individuals was thought irrelevant to how people behaved and thus generally ignored. However, for Du Bois people's states of mind reinforced and were reinforced by their external circumstances, and this underlay whole economies' hierarchical social group rankings and the discriminatory functioning of individual markets. Markets exhibit power relationships between those in authority and those over whom they exercise it. Part of what secures this is promoting states of mind that dispose people to accept this.

What 'the veil' refers to is the "problem of the color line" (Du Bois, 1903, 1) or how in American society at the time skin color determined social status, higher for whites, then more lightly complected individuals, and lower for blacks and even more for the most darkly complected individuals. Du Bois' insight was that people's self-perceptions were a product of this, and that their self-perceptions affected their behavior. In particular, 'the veil' caused blacks to perceive themselves as whites who had power over them perceived them. This produced a "double consciousness" for blacks since they also saw themselves as they were apart from how whites saw them. Thus,

⁵ I owe this question to Malcolm Rutherford.

⁶ In the history of philosophy, especially with respect to Jean Jacques Rousseau (Kirkland, 2013) and G.W.F. Hegel (Williamson, 1978), and in recent philosophy (e.g., West, 1982).

⁷ The two ideas have also been influential in literature (e.g., Styron, 1967, Morrison, 1970, and Everett, 2001, 2024).

the Negro is a sort of seventh son, born with a veil, and gifted with second-sight in this American world,—a world which yields him no true self-consciousness, but only lets him see himself through the revelation of the other world. It is a peculiar sensation, this double-consciousness, this sense of always looking at one's self through the eyes of others One ever feels his twoness,—an American, a Negro; two souls, two thoughts, two unreconciled strivings; two warring ideals in one dark body, whose dogged strength alone keeps it from being torn asunder (*Ibid.*, 3-4).

For Du Bois, in the Jim Crow world of post-bellum America seeing oneself through the eyes of those who continually demean you gives you a damaged sense of self and a self-consciousness that undermines one's "true self-consciousness" of oneself as a person of no less value than others. One's "true self-consciousness" is who one is independently of their demeaned social group identity. Thus, a "double consciousness" comes about by reducing a person's individual identity to their social group characteristics represented in a pejorative way.

Du Bois' understanding of position builds not just a psychological analysis into his understanding of the economy, but also a social psychological-social identity analysis into it, in the process tying this to social conflict and power relationships between social groups. It is not surprising that he has been seen more as a sociologist than an economist. In part this reflects the post-1950 compartmentalization of social science disciplines, and how Neoclassical-mainstream economics differentiated itself from other social sciences by eliminating psychological and sociological concepts from its 'position-less' conception of asocial, atomistic economic agents. Yet it may also be the product of how the Institutionalist economic tradition, which also employs social psychological analysis, has given relatively little attention to how Du Bois' grasp of how white racism had perverse effects on black self-consciousness and self-perception. In this light, consider Veblen's theoretical framework in relation to employment of the concept of position.

4. Veblen's theoretical framework

Veblen's social ladders and conspicuous consumption/leisure ideas had two theoretical presuppositions that conflicted with much of the economic thinking of his time. One was that economic life was embedded in social relationships whose norms, rules, and conventions were materialized in institutions. Institutions lacked importance in Classical economics because it was primarily concerned with principles that operated across different economies as if capitalism had essentially the same institutional structures everywhere. Veblen instead held that economies differed in their historical development, and one way they differed is in their development of different sets of institutions. This implied a second theoretical presupposition, namely, that what distinguished economies' different paths of institutional development was how the cultural foundations of their different institutions evolved. Cultures, the subjective side of institutions, arose out of customary, traditional expectations of desired behaviors whose evolution over time worked differently from and often resisted the logic of economic forces (Jennings and Waller, 1995; Rutherford, 2011).

Yet Veblen's emphasis on the customary nature of culture did not mean human rationality was unimportant. As an expression of the instinct of workmanship, human rationality was manifest

in the dramatic technological development of the late nineteenth century's capitalist economies, for example in their substitution of large scale machine production for small scale craft production, despite the latter's rootedness in deeply held cultural values. Human rationality, then, constituted a force distinct in character from what culture and tradition called for, and thus for Veblen there were two very different types of histories unfolding at the same time in interaction and tension with one another associated with two very different psychological states of mind. Traditional culture called for a conservative, backward-looking mindset; technological progress called for a creative, forward-looking one. One could dominate in one set of historical circumstances and the other in another set of historical circumstances, but the conflict between these two psychological states would always exist.

For individuals, one manifestation of this were social ladders and conspicuous consumption/leisure behaviors. When people emulated others higher on social ladders, they acted on reigning cultural values. Rather than their spending beyond their means that this often called for it would be rational to disregard those values. Veblen, like Du Bois, consequently made people's different conflicting psychological motives fundamental to behavior, and also showed that a person's sense of self could be the result of what others thought of them. Though not characterized as a "double consciousness," emulation (the 'bandwagon' effect) involves a person's self-rejection caused by another's condescension toward them (the "snob" effect). For Du Bois in racist society a black person lives in "a world which yields him no true self-consciousness" (Du Bois, 1903, 4). For Veblen in a world in which traditional cultural values always operate, true self-consciousness (were he to use this idea) is intermittent and fragile.

Thus, Veblen's understanding of relative position also incorporates psychological analysis and social psychological-social identity analysis, also explaining this all in relation to social conflict and power relationships between social groups. This framework was at odds with the post-1950 path Neoclassical economics took in eliminating psychological and sociological concepts from its 'position-less' conception of asocial, atomistic economic agents. There has been much debate, then, regarding why Neoclassical economics became dominant and Institutional economics less influential after 1950. An argument infrequently made, however, is that it was able to make its 'position-less' conception of economic agents the dominant view. I discuss theoretical implications associated with adopting this conception in the following section in connection with possible common ground between Du Bois and Veblen.

5. Common ground between Du Bois and Veblen

Despite their different concerns, common ground exists between Du Bois and Veblen in two respects. First, they agreed economic life produced psychological conflicts within people and social conflicts between them. Second, they agreed the economy was structured around people occupying different social and economic positions and this sustained inequality between social groups, especially by race in Du Bois' case and by class in Veblen's. An implication of this is that for both the economy bred insecurity in life and uncertainty about what the future held for people – not just the less well-off whose main concern was survival but also the better-off whose main concern was with losing their positions of advantage.

In this latter regard, both recognized what has come to be called last place aversion, or the idea that people are motivated to avoid being in the worst possible position compared to others. People occupied particular positions in life – but they could also lose them. Du Bois’s analysis of white and black wages was anchored in the idea that the “poorest Whites maintained a commitment to the White tribe because they received a psycho-emotional return from the racial advantage they held over Blacks” in that they “could never fall as low in status as the lowest-ranked Blacks” (Darity, 2022, 12). For Veblen, the less well-off worried “about one’s *relative* position, in comparison with others who also supposedly conform” to rules and norms, because when others deviated from what is expected and the less well-off attempted to do the same, the special risk of this for them was that it would even further worsen the “agent’s relative position” (Dequech, 2024, 464).

Thus, Du Bois and Veblen shared damning indictments of capitalism sharply in conflict with the idea that capitalism and markets produced the greatest happiness for all and promoted individual freedom. Both knew Marx’s thinking, and though they did not take over his framework (Stewart, 2022; Sassower, 2025), both saw that socialist ideas offered the prospect of a better world. Here though, because they differed about the nature of social inequality, they differed regarding how to how to go about producing that better world. Consider, then, their differences.

6. Differences between Du Bois and Veblen

For Du Bois, who has advantage and who has disadvantage is a matter of being white or black and the dividing lines between people based on skin color – the “problem of the color line” (Du Bois, 1903, 1). Social groups are still distinguished by class and according to wealth and occupational status in society, but race and skin color cut across this and embed society’s wealth-occupational hierarchy in a racial hierarchy. For Veblen, who has advantage and who has disadvantage is simply a matter of income and occupational status. Conspicuous consumption/leisure is the demonstration of this. Those who flaunt their lifestyles flaunt their wealth and occupations irrespective of their social group status. Veblen knew blacks were consigned to the worst positions in life, but this was only a manifestation of how the social composition of the US at the end of the nineteenth century was becoming an increasingly ethnically heterogeneous (Prasch, 2007, 158-9). Though he recognized discrimination against new immigrant groups, he did not see this as serious of a problem as Du Bois saw racial discrimination.

For Du Bois, what needed to be done was that blacks had to fight racial discrimination largely alone, since white society with its racialized mindset would not bring a halt to it. Thus they needed to both organize themselves against discriminatory practices and actively combat whites’ demeaning representation of them. The first objective led to the 1909 founding of the National Association for the Advancement of Colored People (NAACP) in which Du Bois was a leading voice. The immediate occasion for it was increasing violence against black Americans at the time, in particular, the recent race riots in August 1908 in Springfield, Illinois, and the emergence of Southern lynch laws and Jim Crow practices in northern cities. The second objective emerged in Du Bois’ debates with Booker T. Washington who called for accommodation and restraint. Du Bois argued racial division was too deeply rooted in American society for piecemeal strategies of

reform to be effective. Where Washington called for gradualism, small scale changes in economic and social practices, and limiting black training and employment to manual trades, Du Bois called for far-reaching changes aimed at altering the position of black people in the US as a social group at all levels.⁸

Veblen certainly recognized that the violent nature of post-bellum society in the South institutionalized white skin privilege and resurrected slave codes. Its economy and industrial organization were “more primitive” than the economy in the North in retaining an archaic “barbarian scheme of life” and the worst of ancient predatory habits and human behaviors – duels, feuds, brawls, gambling, etc. (Veblen, 1899, 212-213; Phillips, 2000). Capitalism represented a more peaceful, less barbaric stage of human life emphasizing business activity and profit-seeking. Yet it was still a predatory form of life not free of a distaste for human labor that the South’s ante-bellum master-slave relationship had fostered. This worked against the application of new technologies and expression of the instinct workmanship. Thus for Veblen what was needed was to promote more free expression of that instinct and criticize the backwardness of traditional cultures. This was the best that could be expected, but it did not mean social hierarchies and inequality would ever cease to exist.

Du Bois and Veblen thus differed considerably in their ambitions regarding what it meant to be in a position. This brings up an issue central to understanding what it means to be in a position, namely, whether, or the extent to which, people in a society can move or migrate across different positions, and particularly out of disadvantaged ones. This issue is central to how inequality is understood since a common defense of inequality is that while structures of inequality exist, they do not prevent individuals from changing their relative positions over their lifetimes or across generations. That is, inequality as seen in social structures does not constrain individuals since those who are skilled or talented can always move or migrate to more advantaged positions.

Du Bois was skeptical of this to say the least. For him, that capitalism ties class to differences in a physical characteristic of people locks-in inequality for individuals in a way very difficult to change. Social attitudes still matter since people can disregard these differences, but these attitudes historically had been slow to change in the US and in many other societies, in good part because there are always those who benefit from them.

Veblen does not say disadvantaged talented individuals will always prosper. Yet his high regard for the instinct for workmanship and perception that the economy’s evolution would ultimately favor it suggests its freeing up would likely come about with increased social mobility for many. Indeed, since differences in position are tied to income status, not physical characteristics, there were no biological barriers to people changing their relative positions in their lifetimes or across generations. In the short-run, social attitudes associated with social ladders and emulation would reinforce class relationships, but in the long-run these reinforcements were unequal to technological change.

These differences between Du Bois and Veblen can be explained in terms of how they differ regarding the importance they each attribute to social group identities. For Du Bois, social group identity by race, and by gender, is fundamental to the nature of human society and functions

⁸ The exchange and debate between Du Bois and Washington is discussed in Morris (2015).

independently of people's individual characteristics. The double consciousness hypothesis shows this in that blacks are objectified by whites as a type irrespective of their individual characteristics. Veblen did not reason in terms of social group identities. He recognized that women and blacks' social group status did much to define them and determine their self-perceptions, but he did not argue social group identity drove how capitalist economies worked, and thus implicitly left in place the idea that what mattered most were people's individual characteristics. What was central for him was the continually evolving relationship between institutions and technology, and so at most he saw people's views of others' social identities as one vestige of traditional belief.⁹

7. Common ground for Stratification and Institutional economics?

Here I draw on Du Bois and Veblen's common ground, given their differences, to identify possible common ground between Stratification economics and Institutional economics, given their differences. Comparing the former and the latter face similar questions. Just as Du Bois and Veblen have generally not been seen to share common ground, so it might seem neither do Stratification economics and Institutional economics. Yet old barriers to seeing affinities between Du Bois and Veblen may no longer operate. While white racism and most economists and social scientists' dismissal of Du Bois blocked serious attention to his research in his time, he is now recognized and respected, and contemporary Institutional economists share his concern with institutionalized racism and systemic racial discrimination. Thus, the little interaction between Stratification economics and Institutional economics may be more a matter of their past paths of development and less a matter of differences in their fundamental concerns.

I suggest, then, that how US society is currently changing could lead Stratification economics to incorporate Institutional economics' concern with the processes by which economic institutions evolve, and Institutional economics to incorporate Stratification economics' concern with race and inequitable relationships between social groups. Thus, one important way in which US society is changing is in its demographic composition, which bears on how binding it is for whole groups of people to be in disadvantaged positions in their lifetimes and for their descendants as well.

The on-going demographic change in US society I am referring to has been called a demographic 'diversity explosion' (Frey, 2015). It reflects that the non-Hispanic, European-origin white share of the population has decreased generation by generation from the baby boomer cohort to the millennials, a consequence of which is that the majority of the US population within the next few decades will be made up of a number of different social groups, Hispanic, Asian, black, and multi-racial. Note that this change has significant implications for the future growth path of the

⁹ Veblen held women have the same social ladder motivations as men, but frame their emulative behaviours and status-seeking in terms of the men to whom they are socially attached. He believed this association effectively made them the property of men, who he noted had historically treated women as trophies in their own status-seeking (Veblen, 1899, p. 4). Veblen's views about race are less clear. He criticized anti-egalitarian, 'scientific racism' views of his time and recourse to Mendelian racial typologies such as "dolicho-blond" and "brachycephalic brunet" but his concern was with problematic forms of evolutionary thinking (Veblen, 1913).

US economy in the coming decades. Labor productivity growth has a significant impact on economic growth and labor productivity growth depends on the education, training, and the health of the workforce. Yet the social groups who will constitute the majority of the US population in the future have historically had less access to education, training, and healthcare than the white population. Why? Education, training, and healthcare depend on institutions, and these groups' lesser access has been institutionalized in hierarchical social structures that provide good access to advantaged social groups and poor access to disadvantaged groups. Further, not only does institutional change come about slowly, as Veblen emphasized, but it can be actively resisted by social groups benefitting from existing institutions, as Du Bois emphasized.¹⁰

Thus, how the US is changing at the macro level is bringing its social group structure, a concern of Stratification economics, and its institutional evolution, a concern of Institutional economics, into increasing proximity, and attention to either subject arguably requires attention to the other to understand this. This is also the case at the micro level, since accompanying the country's overall change in social composition are changes in where people live that are associated with social groups' spatial diffusion, both regional and local. Thus, regionally minority social groups are moving disproportionately to the Southern, Southwestern, and Western parts of the US, and locally moving disproportionately from urban to suburban and exurban areas (Frey, 2006). These locations have historically had institutional structures different from the North, East, and Midwest. In many instances, they have employed a variety of discriminatory institutions (Jim Crow, segregation, zoning laws, etc.) to limit access to education, training, and healthcare. How those institutional structures will evolve in the current circumstances is an open question. They could be resistant to population changes or accommodating.¹¹

Consider how these demographic processes bear on the issue of how difficult it is for people in disadvantaged social positions to migrate out of those positions. One measure of the extent of immobility is the racial wealth gap (Darity and Mullen, 2022; Dernancourt *et al.*, 2023). A recent study, then, has shown that spatial diffusion processes have improved mobility for some social groups which could affect racial wealth gaps through intergenerational change in income growth (Chetty *et al.*, 2024). Thus, there is recent evidence that the earnings of white children born between 1978 and 1992 increased relative to their parents for high-income families but decreased for white children from low-income families relative to their parents. At the same time, earnings of black children relative to their parents increased at all parental income levels. Thus, for this recent cohort while class income gaps grew (since white families are a larger share of population), the black-white income gap shrank. The analysis given is that black families from all income groups have been more mobile than white families in moving regionally and locally to communities with higher employment rates and better educational facilities, and this has had positive effects for black children in educational attainment, standardized test scores, and mortality rates.

Regarding the intergenerational effects of institutions, considerable research has also shown that early childhood education has long-term positive effects on earnings, education, crime, and other

¹⁰ An aspect of this is that earlier generations have less reason to be concerned about education and training and thus less likely to support it for later generations.

¹¹ Regarding health care in the special circumstances of the COVID crisis, see Buder and Jennings (2023).

well-being outcomes for black children (e.g., García, Heckman, and Ronda, 2023). Regional and local segregation has confined many disadvantaged individuals to low income communities where such programs are few and under-supported. The recent greater willingness and ability of families to move to higher income communities has the potential to change this. Still, it is fair to ask whether further in-migration to communities that historically have excluded people by social group status might cause advantaged individuals in those communities to develop new exclusionary practices adapted to the changing situation.

This is all an open subject of investigation, but it could become a shared program of research between Stratification economics and Institutional economics. For Stratification economics this would mean more attention to how institutions evolve, including in light of the Institutionalist argument that institutional inertia conflicts with technological progress and economic growth. For Institutional economic this would mean more attention to how the evolution of institutions is affected by conflict and power relationships between social groups, including their effects on people's senses of self. What arches over these two possible research paths is the whole matter of what it means for people to be in a position in socially stratified society, not just at a point in time but through time intergenerationally, and thus what social mobility across positions involves in terms of freedom, capabilities, and identity.

The historical rationale behind this suggestion is that Du Bois and Veblen, though usually seen to have had little in common, shared more than appreciated, and their influences on Stratification economics and Institutionalist economics have possible, new implications for both. Du Bois and Veblen's common ground was a reflection of the economy of their time, but the economy of their time remains with us today in many fundamental respects. This paper makes this argument is by focusing on a concept that been both important and neglected in the history of economics: the concept of position.

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