

## ***Gramsci Meets Veblen: On the Search for a New Revolutionary Class***

***Hardy Hanappi and Edeltraud Hanappi-Egger***

**Abstract:** Thorstein Veblen's class analysis implicitly was a critique of the class analysis of some Marxists, who reduced the interdependence of economic base and ideological superstructure to a causal link from the former to the latter. Veblen's emphasis on the directive to take culture into account occurs later in Antonio Gramsci's theoretical innovations: namely, class struggle for cultural hegemony and the importance of the organic intellectual as ferment for class emergence. Gramsci was experiencing the mass movement of fascism, and the (now) classic analysis of social classes became an urgently needed extension to explain class *evolution*. Today, capitalism is in deep crisis once again. This paper argues that the drivers of the next revolutionary upheaval will, once more, be the social classes – particularly, the newly emerging ones. We graft ideas of Veblen onto concepts suggested by Gramsci to enhance the theoretical toolbox necessary to understand contemporary global class dynamics.

**Keywords:** emergence of classes, evolutionary political economy, ideology

**JEL Classifications Codes:** B200, B500, P160

The process of struggle for a better society and social progress has been linked to the emergence and distribution of theories about class relationships as well as of interpretations of politico-economic dynamics. When, in the middle of the nineteenth century, Karl Marx set out to purify the concepts of class and exploitation, he already had before him a rich history of descriptive work on class struggle. Specifically, in the decades preceding the French revolution, when church dogma lost credibility, the view that history is man-made led to theories describing how humans made history. An important insight (almost self-evident for those who proposed it) was that humans in a society are organized in different groups or classes. For example, slaves in ancient regimes were distinguished from simple farmers, who, in turn, stood

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apart from nobility and the priestly class. The border lines between these classes were thought to be diverse and blurred but, in principle, the distinction was easy to draw. Each class's position in the production process, although important, was in no way decisive. Ethnic, biological, and cultural properties mixed to produce a diverse pool of classes, generating a dynamics of class conflicts too complicated to be understood analytically.

It was this confusing terrain of interpretations onto which Marx was able to bring some structure. The essential concept he initially emphasized was social value, which – using Hegel's dialectics – not only had to exist in the world of ideas about humans, but also had to appear in the material world: money. The social value transferred to money enabled Marx to define exploitation as the process of extracting social value. This is a well-organized process that takes place on a class level, and that, in turn, allows for defining classes. The exploiting and exploited classes frame the historical trajectory that Marx envisaged. To clean the ideological landscape of his time, and to prepare his theory as an ideological weapon of the exploited class, Marx stressed the primacy of the material exploitation of class members. That is, only those who are materially exploited can become a social force that can drive social progress. Marx immediately qualified that this is only a necessary and not sufficient condition for progress. Class action needs class consciousness of class members, which nurtures and is nurtured by class organization. The ferment that catalyzes this feedback of the superstructure to the economic base (a third inverted element of Hegelian logic) can only be a group of progressive individuals, who subscribe to this social function. Along these lines of reasoning, Marx and Engels founded the “Bund der Kommunisten.”

When Marx died in 1883, the dynamics of class struggle in England was already manifest in the surging labor-movement organization. New labor laws were introduced and class struggle was shifted more to the ideological battlefield. Marx's dictum, concerning the dominance of economic exploitation, became a bit difficult to interpret as British workers began to liken their status to that of slaves in the colonies. In these complex socio-economic realities, Marx's caveat regarding the important feedback of an organized progressive political leadership was all too often forgotten. Proletarian class consciousness in the advanced European countries started to deteriorate. There was a major competition for creating mental models of the exploited class put forward by ideological entrepreneurs, ranging from ultranationalists (e.g., fascists) to religious dogmatists (e.g., zionists), and beyond (Hanappi-Egger and Hanappi 2011).

In the ideological vacuum of the last decade of the nineteenth century, the American economist Thorstein Veblen argued for a return to a broader class concept, a tendency inspired by his anthropological studies. He believed that there were many dimensions along which an exploiting class could be defined, and recognizing this would pave the way to an enhancement of the exploited segments' class consciousness.

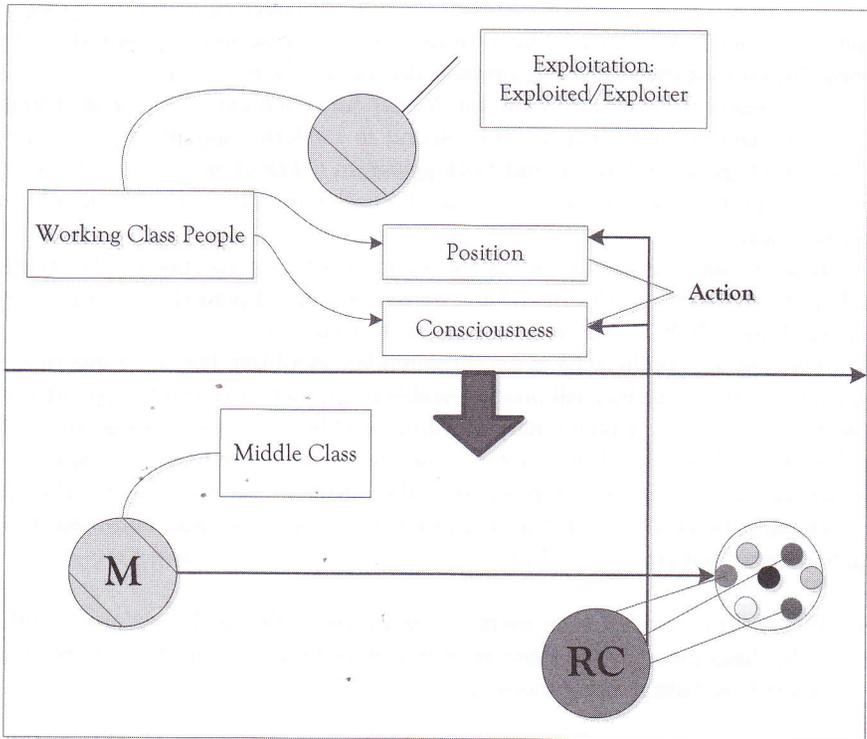
A few decades later, the Italian communist Antonio Gramsci provided a more elaborate theory, also stressing the importance of a broader view on class consciousness. While Veblen concentrated on the consciousness of the exploiting

class – the leisure class, as he termed it. Gramsci focused on the exploited class, and how its class consciousness could be organized by a progressive intellectual elite. In doing so, he ingeniously transferred class struggles into the ideological battlefield during the interwar period.

This paper provides a synopsis and sketches an update of some of the theories of these two outstanding scholars. Such an updated overview enables us to integrate Veblen and Gramsci's ideas into a hypothesis about a revolutionary class in modern capitalism, which we briefly describe in the last section of the paper.

### ***Veblen and Gramsci Revisited: An Update***

Figure 1. From the Traditional Working Class to the Evolutionary Class



Source: Hanappi and Hanappi-Egger (2012).

Both Veblen (1899) and Gramsci ([1930] 1999) highlighted the importance of Marx's concept of class and class consciousness (Marx [1859] 2002), described as the determination of consciousness (*bewußtsein*) by being (*sein*). Nevertheless, they pointed to different aspects of the class consciousness concept. Veblen focused on the class consciousness of the exploiting class – leisure class, that is – and argued that the members of this class recognize each other by being aware of the class characteristics,

in particular, of their consumption behavior and social preferences (Veblen 1899). Gramsci, on the other hand, concentrated on the exploited class, and how this class can be mobilized for class struggle by fostering a class consciousness among its members (Gramsci [1930] 1999). Using this ideological basis as a tool of analysis, (see Hanappi and Hanappi-Egger 2012 for details), we propose the idea of a new “revolutionary class,” the evolution of which we express in Figure 1.

Veblen and Gramsci defined classes as positions in the production process, specifically distinguishing between exploiting and exploited class. Both of these classes have class consciousness that enables them to stand up for their own interests. Modern capitalism resorts to a tricky ideological way of waiving the idea of social classes and class consciousness by stating that “we all are middle class.” Consequently, the middle class (M) seems to be the most representative group in Western societies, alongside a (negligibly) small upper class and lower (blue-color) class. By systematically demoting working class people to human trash (e.g., “chavs”) (Jones 2011), modern capitalist societies undermine the positive class consciousness of “working class people” by pushing them to “move upwards the social ladder.”

This begets the question: How can Veblen and Gramsci’s concept of working class be updated in a positive way to respond to modern realities? Or, as we have previously phrased it (Hanappi and Hanappi-Egger 2012): How can there be a new revolutionary class (RC) in a reality of “middle class” sensibilities? This requires a two-fold approach.

In a first step, we have to define the “position” of the revolutionary class (Figure 1). This we do by applying Veblen’s leisure class concept to the modern “middle class” idea (see Bowles 2006 for a further discussion of social preferences).

Treating the middle class as an entity hidden in a black box, we argue that, in the course of time, this box will produce visible surface data that can be systematically collected and serve as a preliminary substitute for the correct knowledge about the working of the black box. Hence, we propose the following five indices to explore the middle class and to specify the position of the different groups within it ((Hanappi and Hanappi-Egger 2012) (for a discussion of social class, see Bourdieu 1985; Hanappi-Egger and Hanappi 2011,):

- Power: The possibility to exert power by constraining the actions of other individuals living in the same environment – be it as individual or structural power (e.g., patriarchal authority).
- Wealth and income: The stock and the flow variables that measure what social value an individual possesses and how much is added to this stock in time. These are the most important components of the class index.
- Consumption: The way income and wealth turn into an individual’s consumption bundle has historically been perceived as indicative of this person’s class status. Today, consumption bundles, containing goods and services surmounting reproductive needs, might again be viewed as counter-indicative of being exploited.

- Education: Education seen as a measure of individual access to personal development as well as to formal training in a given society at a certain point in time.
- Leisure time: Consumption needs time, and since part of each day has to be devoted to production, there only remains a limited amount of time for consumption and idle recreation. This is leisure time. The amount of leisure time per day adds yet another component to the index of class status as well as the extent of time autonomy.

These indices are interdependent because they are the results of the same global process. Combined in a consistent way, they form the “class index,” which can serve as a didactic instrument to help identify the members of the exploiting class, as well as the members of the new revolutionary class.

The second step in defining a new revolutionary class is to raise class consciousness. This clearly needs what Gramsci called “organic intellectuals,” whom we next discuss.

### ***The Revolutionary Class in Contemporary Capitalism***

In his essay, “The Intellectuals,” Gramsci correctly observed that intellectuals are not a distinct social class. Rather, they fall into two categories that are distinguishable by their social function ([1930] 1999, 131-161):

1. “Traditional” professional intellectuals necessary to run the capitalist engine – that is, the physical and spiritual capital stock, which today is a highly sophisticated system, and;
2. “Organic intellectuals,” who are not defined by the job they are doing, but by their activities as thinking and organizing elements of the class to which they organically belong.

During capitalism’s revolutionary stage (overcoming feudalism), the entrepreneur assumed the role of the “organic intellectual” in the capitalist mode of production. Thus, the special technical ability of entrepreneurs to organize production was transcended by their function as initiators and organizers of an upcoming class – the bourgeoisie, which brought about the bourgeois revolution. As Gramsci noted, these technical abilities in a limited field usually are the heralds of emerging organic intellectuals of an upcoming class.

When and if the organic intellectuals’ special ability to muster crises becomes visibly impaired, this signals that a breaking point in the mode of production is approaching. A series of crises may take more than a lifetime for organic intellectuals to repair. For example, it took more than a century and a series of crises – from the French Revolution, through 1848, to the outbreak of World War I – to finally break the feudal political hegemony in Europe and beyond. Nowadays, the downturn of

capitalism might just have begun. It is now rather evident that the possibilities for expected high profits are not really in sight. The reality of capitalism lately has revealed itself to be finite.

On the other hand, the organic intellectuals of today's new revolutionary class clearly have to excel in another socio-technical specialty. Should this new class achieve hegemony at some point in the future, these organic intellectuals have to be able to reorganize class consciousness to one of a global class of exploited. This might make it necessary to reintroduce Veblen's insights on the forces of *visible social identity* as old style enlightenment techniques are quickly reaching their limits in a world of changing language styles and modes of communication. Modern organic intellectuals will have to be the ones capable of organizing the resistance of the exploited class in this new world of global communication. In other words, they have to be the ones who "can swim in this class environment like a fish in the water," to paraphrase a famous expression of Mao Zedong. The difficulty for organic intellectuals to identify class members can be alleviated by the use of the five indices proposed above. The step following the member identification stage involves knowledge transfer and coalition building. These coalitions, which might look difficult at first, will reveal themselves to be organic coalitions of the exploited in time and through action.

These initial coalitions would eventually give rise to the new revolutionary class' *hegemony* in the global political economy. Hegemony is another central concept of Gramsci's, to which he referred as transformation process. This concept captures the fact that there exists a certain point in time, from which onwards the revolutionary class could become dominant. Yet, even after this point, there would still be remnants of the old system that could survive for a long time. However, the unity of the revolutionary class, and the coalition underlying it, would remain dominant and of utmost importance, which is just another way of emphasizing the significance of modern organic intellectuals.

Presuming the above is correct, the next question would be: Who could these organic intellectuals be? As the "Occupy Wall Street" movement in the United States and the "Pirate Parties" in Europe have shown, there is enough unrest among the population to organize mass support for a radical questioning of prevailing economic policy. At the same time, the limited impact of these movements also demonstrates that organic intellectuals – those who could organize a sustained and even growing resistance – do not exist just yet. As a consequence, organic intellectuals worldwide, consisting to a considerable extent of political economists, should strive for a permanent form of working cooperation to focus on the task of raising class consciousness. Effective organization is paramount for a sustainable impact on the design of the political system. This is to say that an updated focus on the concept of "party" is necessary, but the question of how to establish such an organization goes beyond the scope of this paper.

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