Subreption and Economic Evolution

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Submitted for Consideration to:
Panoeconomicus

01 May 2016

Abstract: This inquiry considers subreption as an understudied approach that should be understood as integral to the tradition of radical institutionalism. We relate subreption’s etymology and its earlier appearances and uses in Roman, Canon and Scots Law, as well as in philosophy, to its later appearances in writings first advanced by Thorstein Veblen and carried on some decades later as William Dugger explores the rise of corporate hegemony. Understood as an approach to economic evolution derivable from selected philosophical writings of Immanuel Kant, subreption is suggested to arise through the introduction of a falsehood that then sets off what we refer to as an évolution noire, defined as a type of institutional evolution, that during an era dominated by business enterprises, portends a moving away from a past governed by comparatively noble values and towards a deteriorated, debased and degraded economic and social reality overly influenced by comparatively ignoble, pecuniary values. (150 words)

JEL Classification Codes: B15, B25, B31, B41

Key Words: Erschleichung, evolutionary economics, Immanuel Kant, subreption, Thorstein Veblen, William Dugger
In his article “An Institutional Framework of Analysis,” William Dugger (1980: 901) emphasizes that “[s]ubreption is one of the least studied social phenomena of the twentieth century,” and that subreation can destroy “… the foundation of a pluralistic society.” In Dugger’s view, it is through subreation that institutional autonomy is replaced with institutional hegemony. And this is what he argues gives rise to corporate hegemony in the United States during the second half of the 20th century; an evolutionary process that once initiated and identified appears, in our view, to have continued towards the expanding of corporate control and dominance extending well beyond the American nation state to include corporate hegemony over an increasingly globalized economy in the 21st century.

But what is subreation? Can we clearly define its meaning and manifestations?

In our view, defining the meaning of subreation requires an appreciation for philosophical inquiry, as towards the end of his “Inaugural Dissertation” that was published in 1770, Immanuel Kant refers to Subreationis (in Latin) as a “metaphysical mistake.” In a Kantian view, subreation can be readily interpreted as the introduction of a falsehood that, once introduced, distorts further human understanding and reasoning. Our readings suggest that Thorstein Veblen brought Kant’s understanding of subreation into social science inquiry, as subreation is relied upon as an approach integral to The Higher Learning in America [1918]. Authored by Veblen, this book is lauded by William Dugger (1980, 901) as “… perhaps the best study of subreation ever written.” However, not until the Decade of the 1980s did Dugger begin a concerted revival of the use of subreation in social science analysis; integral to his efforts at explaining the emergence of corporate hegemony in the United States in the postwar era.

Our goal with this inquiry is to establish that in social science inquiry subreation describes a particular and unique form of economic evolution that, to date, tends to be utilized as a critical approach by two radical institutionalists: namely Thorstein Veblen and William Dugger. (Footnote 1) In order to advance into what seems not only a hardly known, but also an especially difficult topic to relate to our readers, we divide our inquiry into three major parts. Part One considers the etymology as well as the meanings of “subreation” in law and philosophy. Part Two considers how initially Thorstein Veblen integrates subreation into his understanding of changes in higher education in two distinct eras. With Part Three we consider how William Dugger integrates subreation into his research that deals
with the rise of corporate hegemony in the United States in the second half of the 20th century. We conclude by suggesting that subreption should be recognized as an approach advanced and relied upon by selected radical institutionalists for understanding processes driving economic and social evolution.

**Part One, Etymology and Uses in Law and Philosophy**

Research of Zachary Sng (2010: 78-79) indicates that subreption’s early appearance and uses can be found in Roman Law “…as a judicial term describing the introduction of false evidence into a legal proceeding.” Our research findings suggest that this idea of “false evidence” or what we shall generalize as the *introduction of a “falsehood,”* provides the foundation for understanding subpreption in all of the forms considered within this inquiry.

In the word “subreption” the –rep- root registers as especially noteworthy, and could be associated (Random House, 2001: 1636) with the Latin substantive *reptile* and the adjective *reptilis.* These words offer imagery suggesting “to creep and crawl along,” as certain reptiles are wont to do. *The Oxford Latin Dictionary* (1982: 1622) notes that the term *repatatus* translates as “the act of creeping or crawling.” An entry found in Charlton and Short [1879] (1958: 1573) equates the Latin adjective *reptilis* to “creeping.”

Centuries later and in Canon Law, the word *subreption* denotes (Random House, 2001, 1895) “… a concealment of the pertinent facts in a petition, as for dispensation or favor, that in certain cases nullifies the grant.” In Scots Law, subreption is associated with “obreption,” and with its first meaning related to: “The act of obtaining something, as an escheat by concealing pertinent facts.” In this appearance, the word *subreption* is rooted in the infinitive *rapere* and is associated with the verbs “to seize” or “to steal.”

In his writings in Latin, Immanuel Kant relies upon the substantive *Subreptionis.* When shifting from Latin to the German language, Kant (1959) selects the term *Erschleichung* that, according to Muret-Sanders (1910: 845), finds its root in the infinitive *schleichen,* which translates as “to crawl along.” The substantive *Schleichung* means “crawl” or “crawling.” In standard English/German dictionaries, *Erschleichung* tends to be equated with the term *subreption* and as the most direct translation between these two languages. Those translating from Latin and/or German to English also tend to rely upon the word and term *subreption.*

More than one hundred and twenty years before Veblen started generating contributions and
more than two hundred years before Dugger’s articles first appeared, through his philosophical writings the Enlightenment philosopher Immanuel Kant contributed to our understanding of subreption. Kant wrote his *Inaugural Dissertation* in order to compete for a university teaching position in the Baltic trade City of Königsburg located in Eastern Prussia, an urban and naval district known today as Kaliningrad. The English translation of the full title of this document is noted as: *Dissertation on the Form and Principles of the Sensible and Intelligible World*. (Footnote 2)

**Subreption and Kantian Philosophy**

Kant’s use of the term *subreption* flows from the ontological and epistemological frameworks that he builds in this dissertation. Accordingly, an introduction to these frameworks and in particular to the roles played by time and space, proves a necessary precursor for understanding Kant’s use of subreption.

In rough terms, Kant’s use of subreption suggests a fallacy of reasoning that is also noted above as a *metaphysical mistake*. This fallacy arises as knowledge of the tangible world is applied to purely intellectual concepts that cannot be sensuously perceived. We can note that Kant [1770] (1894: 50) divides human cognition into two types, the sensuous and the intellectual. Sensuous knowledge depends on properties of both the subject (that is, the perceiver) and the object (that is, the external object or thing perceived). Kant [1770] (1894: 51) explains that the matter of our perceptions may be supplied by the object, but the form is supplied by the subject. A Kantian understanding suggests that our minds, according to certain mental predilections, apply properties to the objects they perceive and so these mental representations are subject to features of the human mind and perception. Kant [1770] (1894: 50) explains that intellectual knowledge, by contrast, is that which cannot enter the mind through the senses. And because we acquire intellectual knowledge through our rational faculties, Kant [1770] (1894: 50) elaborates that we understand “objects and things as they are” rather than as they appear and are perceived.

Conceptions of time and space assume a particular importance in Kant’s account of sensuous knowledge. Kant [1770] (1894: 63) writes that the concept of time is “prior and superior” to all our sense perceptions and even our ability to reason. Kant [1770] (1894: 59) denies that we form our conceptions of time by observing processes of change and instances of simultaneity and then infer the existence of time. Instead Kant argues, that as human beings we would have no mental framework for making sense of change and simultaneity, that is, if we did not already
harbor a notion of time. In this line of reasoning, therefore, time must precede sense perception. By an analogous line of reasoning, Kant argues that our conception of space is also innate and relied upon prior to our sense perception. From these conclusions, Kant can then move to propositions about time and space that we find prove essential for understanding what he defines as the fallacy of subreption.

Kant [1770] (1894: 61, 65) asserts that time and space are “not something objective and real.” That is, there is no reason to suppose that time and space have any existence outside of our human minds. Rather, time and space should be more correctly understood as properties of thought necessary for the mental coordination of distinct objects and events. In this sense, human concepts of time and space belong neither to the sensuous nor intellectual knowledge. Instead, these concepts describe the aforementioned mental laws that our minds apply to sense perception and mental representations of objects. To further elaborate upon and further refine our basic understanding, we could then clarify that Kant’s notion of subreption can be understood as the fallacy arising through our applying the laws of sensuous knowledge – that includes his notions of time and space – to concepts that properly belong to the intellect and which bear the qualities of standing outside of time and space. In a Kantian sense, by doing so, we have introduced a “falsehood” into our reasoning. Then the problem emerges that, when we commit the fallacy of subreption and introduce a falsehood, we arrive at spurious conclusions upon which we can continue adding. (Footnote 3) In this sense, the fallacy of subreption that Kant identifies, takes our thinking astray and down a path of flawed reasoning.

One kind of subreption that Kant [1770] (1894: 78) considers leads us to believe that any condition that would have to hold in order for us to coherently imagine a concept must hold if that concept is true. Kant [1770] (1894: 78) offers the proposition, “Whatever is, is sometime and somewhere.” In other words, anything that exists must exist in time and space. When we visualize an object or a concept, by necessity, we can only imagine its existence in time and space. From our inability to imagine sensuously anything existing outside of time and space, we erroneously conclude that anything that exists must also exist in time and space, leading to a spurious attachment of a sensuous predicate to an intellectual object. The converse of this proposition holds true. Namely, that whatever is sometime and somewhere must exist. It is therefore possible to apply an intellectual concept—existence, in this case—to a sensuous notion.

In this manner what Kant identifies as the fallacy of subreption succeeds in leading our
thinking and reasoning astray as the fallacy resembles a different and true axiom of reasoning. The close resemblance between these true and false axioms then appears to explain why Kant chooses the particular word *Erschleichung*, or subreption, to describe the fallacy he identifies, holding that a falsehood of invalid reasoning can indeed creep and crawl into our logical thinking – largely undetected – and because of its closeness and similarity to valid reasoning.

**Part Two: From Kantian Philosophy to Veblen’s Social Science Inquiry**

Of writers whom Veblen considered in his doctoral studies in philosophy, Immanuel Kant appears especially influential upon his thinking. Research of Camic and Hodgson (2011, 4) note that Veblen focused on Kantian Philosophy in the research for his doctoral dissertation written under the supervision of Noah Porter at Yale University in the 1880s, though this document became lost. A careful reading of “Kant’s Critique of Judgment,” appearing in the *Journal of Speculative Philosophy* [1884], suggests Veblen achieved a mastery over Kant’s intellectual journey. And so we take the step and reason out that through Veblen’s contact with Kant’s Enlightenment thinking, he also became familiar with Kant’s understanding of subreption, and to the degree that he could undertake an engaging inquiry as is found in his book *The Higher Learning in America: A Memorandum on the Conduct of Universities* [1918]. In our interpretation, with this inquiry Veblen integrates Kant’s notion and use of subreption as the foundation for understanding tendencies in higher education in Europe during the medieval era, as well as in the United States at the turn of the 20th century.

Though *subreption* appears as the central method that Veblen relies upon for *The Higher Learning*, Veblen does not explicitly define his use of and meaning of subreption. To make matters even more challenging, in this movement from Kant to and through Veblen, the meaning of subreption appears to change substantially. Whereas Kant relies upon the term *subreption* to describe a fallacy that can affect human reasoning, our view is that Veblen relies upon an understanding of subreption that we interpret suggests a process of changes in values that lead to observable changes in institutions in European and American societies within generalized timeframes.

**Veblen’s Understanding and Uses of Subreption**

While selected writings of Kant introduce and consider the fallacy of subreption as a philosophical challenge and even as a *metaphysical mistake* that can serve to undermine sound reasoning, Veblen takes a mostly different tack. Starting with the first sentence of his first book, *The Theory of the Leisure Class*
Veblen emphasizes that “[t]he institution of a leisure class is found in its best development at the higher stages of the barbarian culture; as, for instance, in feudal Europe and feudal Japan.” Veblen’s understanding and use of the term institution proves so central, not only to the development of ideas found in this first book, but to his larger contribution to economic and social sciences. Relatedly, when he later deals with subreption, its meaning gets intertwined with institutions and processes of change. With the advantage of hindsight we can summarize and stress that with his writings Veblen introduces ways for us to consider institutional evolution. In sum, subreption should be considered as a form of institutional evolution that we can derive from Veblen’s writings.

We interpret Veblen’s view of subreption found in his Higher Learning as suggesting a conscious or unconscious act in which a practice that proves consistent with a certain set of values, is introduced into an institution that does not hold these values. In this manner, subreption succeeds by deceptively representing the practice in question as consistent with values sanctioned by the institution, much like Kant’s notion of a falsehood.

In his inquiry, Veblen divides knowledge into two types based upon the intended purposes of appreciating one type more than the other. Veblen [1918] (1993:4) explains that first we need to consider the existence of an intrinsically valuable form of knowledge that he terms as esoteric knowledge and also as dispassionate scholarship. Veblen elaborates that esoteric knowledge is motivated by the instinct of idle curiosity and, although it may eventually be put to practical ends, esoteric knowledge is not necessarily pursued specifically for arriving at practical ends.

In contrast and as a second form of knowledge, Veblen teaches us that practical or utilitarian knowledge is motivated by the instinct of workmanship. Initially a need or want, shaped by the other dominant institutions of the time is identified, and then utilitarian knowledge is pursued and gained in order to satisfy this need or want. In Veblen’s view, the instincts of idle curiosity and also of workmanship lead to differing levels of advances in these two forms of knowledge.

In the medieval period, what he designates as the “high era of barbarism in Europe,” Veblen asserts that the highest level of values were utilitarian. Veblen [1918] (1993: 25) writes that during this earlier era: “[s]aint and sinner alike knew no higher rule than expediency….” Because practical considerations were of the highest importance to Europeans during this era, their universities were oriented towards and reflected utilitarian values. So universities needed to be presented as and to serve as centers for disseminating practical knowledge. However, Veblen [1918] (1993: 26) stresses that esoteric knowledge did indeed find its way into Europe’s medieval university “…by a sophisticated subsumption
under some ostensibly practical line of interest and inquiry.” This wording can be thought to clarify the process through which esoteric knowledge, in a manner analogous to Kantian subreption, deceptively enters into a university where only practical knowledge is respected. This act and phenomenon is what Veblen [1918] (1993: 26) labels as subreption.

Our interpretation of Veblen’s applied understanding suggests that subreption can be viewed as a deliberate act, in this particular case, by which a practice, such as advancing and disseminating esoteric knowledge through an institution like a university during Europe’s era of barbarism, can take place even though the institution does not value the genuine aim of such a practice. Researchers and educators committed the act of subreption by introducing and carrying on the pursuits of esoteric knowledge within the medieval university, all the while presenting an image that their academic activities advanced utilitarian purposes. This is how Veblen views subreption leading to institutional change or evolution. We can cite Veblen [1918] (1993: 30) noting that:

[t]he dissimulation and smuggling-in of disinterested learning has gone on ever more openly and at an ever increasing rate of gain; until in the end, the attention given to scholarship and the non-utilitarian sciences in these establishments has come far to exceed that given to the practical disciplines for which the several faculties were originally installed.

In Veblen's view, the “dissimulation and smuggling-in” that seem to form the heart of the act of subreption in this example, can be thought of metaphorically as the introduction of a falsehood in the Kantian sense, which clearly exhibits a capability to induce changes in a well-established institution like the medieval university, in this first case, and also higher education in America, in his second case that we consider below.

According to Veblen’s thinking, only in the late 19th and early 20th century has the pursuit of knowledge for achieving a higher-level esoteric end, rather than some lower-level practical end, been endorsed as a legitimate aim in higher education. Veblen [1918] (1993: 7) observes that learning without clear utilitarian motive has been publicly avowed as a worthy endeavor of civilization only “…during the past few generations.” In addition, Veblen [1918] (1993: 8) warns that although many people, after sober thought, would rate the dispassionate acquisition of knowledge as a higher good, they tend to pursue lower-level goods taking form as: “… religious devotion, political prestige, fight capacity, gentility, pecuniary distinction, [and a] profuse consumption of goods.” So we can identify a discrepancy between
the stated and realized aims of members of American society near the turn of the 20th century. And we find this discrepancy leaves room for another appearance of subreption that Veblen’s writings seek to illuminate.

The subreption of university values in the era characterized by the rise in importance of big business proves the reverse of the subreption Veblen describes in the era of barbarism. Where once esoteric knowledge masqueraded and crept and crawled into medieval schools as practical, during the 20th century utilitarian knowledge for purposes of professional training, which simultaneously discouraged critical inquiry, began to appear in colleges and universities operating under the banner of pursuing higher-level, esoteric knowledge. Veblen’s research suggests that with their founding in the United States, institutions of higher learning were characteristically initiated and controlled by those connected with religious groups and even clergies. However, the rise of large-scale business enterprise portended the emergence of a segment of society with members judged to achieve successes according to pecuniary measures, not by ecclesiastical or spiritual qualities. Veblen [1918] (1993: 46) suggests that this more recent example of subreption emerged as boards governing universities became staffed by businessmen who were then enabled to introduce professional training schools inserted somewhat like a Kantian falsehood is introduced into and distorts human reasoning. Our interpretation is that Veblen holds the understanding that once introduced, the falsehood generates continuous effects leading towards institutional evolution that implicated higher education in America. And the gradual shifting and elevating of success measured by pecuniary values over more noble values associated with dispassionate scholarship also helped to alter what had been prevailing as commonly shared as a conventional wisdom for placing judgments on types of knowledge.

As universities came to own large estates and the leadership engaged in sizeable outlays as expenditures (Veblen [1918] (1993: 47)), it became sensible in an American culture increasingly dominated by pecuniary values that those with acquired business acumen should steadily move into positions of power within learning institutions. However, the fact remains that during those decades near the turn of the 20th century, knowledge for its own sake tended to be revered by members of the larger American society. Veblen [1918] (1993: 54) teaches us that one result of this lingering and latent value is that the businessmen sitting on governing boards could not quickly transform colleges and universities into professional training programs oriented towards turning out graduates that offered benefits to their companies. Rather, those introducing changes at the board level needed to engage in subreption, and this meant incrementally introducing pecuniary values as a falsehood largely out of place in an institution that
valued higher-level knowledge. This introduction of pecuniary measures then leads to a continuous and steady shift in values, registering as a creeping and crawling that characterizes the evolution of the institution of higher education in the United States over time, while also serving to connect Veblen’s thinking with Kant’s.

Drawing from Veblen’s writings we have sought to explain how an outside value that we could judge as a false value or a falsehood, might enter an existing institution and initiate a subreption of values that then leads towards institutional change. But how the introduction of an initial falsehood, a practice inconsistent with the institution’s values that deceptively enters and later snowballs into profound institutional change, appears to be neglected in Veblen’s writings. So the subject matter has tended to remain vague and also neglected as an instrument for analysis in economic inquiry—at least until it was picked up, reconsidered, and further advanced in selected writings of William Dugger.

**Part Three: From Veblen to Dugger’s Application of Subreption**

We find the research of William Dugger of particular importance as he helped to foster a revival in the school of Original Institutional Economics (OIE) and through simple connecting Thorstein Veblen with his roots. After some decades of what could be considered as complacent interpretations of Veblen’s thinking that lead to a reformist brand of institutionalism, Dugger emphasized the “red threads” that could be found running through his writings. In “Veblen’s Radical Theory of Social Evolution” (2006), Dugger develops and stresses the point that Veblen was indeed influenced by and held positions congruent with socialist and anarchist movements of his day, such as supporting a position taken by the Industrial Workers of the World (IWW) related to labor shortage during World War One.

In our reading we find no evidence that Dugger connects Veblen’s understanding and uses of subreption back to Kant’s thinking. However, Dugger (1980: 901) clearly and explicitly laud’s Veblen’s efforts and emphasizes that his *Higher Learning* “… is perhaps the best study of subreption ever written.” But wholly unlike Veblen, Dugger makes a concerted effort to clearly define his understanding of subreption, and then he engages in its applications and uses in economic analysis.

In the view of Dugger (1980: 901), and when considering a definition drawing from law, “… subreption … [involves] unfair or unlawful representation though suppression of fraudulent concealment of facts.” In moving from a legal definition to its connections with
economics and social science, Dugger (1980: 901) defines subreption as “… the process whereby the function performed by one cluster of institutions becomes the means of another cluster of institutions.” We think this definition fully consistent with Veblen’s understanding and uses of subreption, and also provides a continuation of the meaning of subreption found in the writings of Kant.

While in his understanding and uses of subreption Veblen fails to cite his debt to an earlier thinker like Kant, Dugger takes the opposite tack. That is, Dugger fully credits Veblen for his seminal contributions and highlights their importance. Then what helps to further distinguish Dugger is his emphasis upon subreption’s relationships to power. In short summary, in Dugger’s understanding is that subreption can serve as a road to economic and societal power, enabling one institution to emerge as dominant through its overtaking and controlling of other institutions. In this manner, subreption can lead to one institution altering and dominating the behavior of the members of society as well as the key institutions linked with production and distribution. In a nutshell, for Dugger the road to economic and societal power is based upon the subreption of values that govern institutions.

With the start of the 20th century subreption in higher education seems influenced more by the rise of big business and a related and simultaneous shift in values that placed emphasis upon pecuniary measures over more traditional values that previously had supported a plurality of institutions in American life. And in an evolutionary sense, this shift in values, and the rising dominance of pecuniary values as a measure, is what leads to the ascent of the businessmen to decision-making boards, with the orientations of their decisions generating changes within the institution of higher education. This was the focus of Veblen’s study.

For Dugger, as for Veblen, subreption also involves the insertion of a new set of values – that can be likened to the insertion of a falsehood that refers back to the Kantian sense – within an institution. What is unique and special regarding Dugger’s writings is his added and pointed emphasis upon the importance of power. In the view of Dugger (1980: 897), institutional structures serve as the sources of power; for it is within institutional structures that “… individuals learn motives, goals ideals, and means from their participation in society’s institutions.” Within an earlier timeframe in American history to which he refers back, Dugger suggests that through an array of relatively independent institutions, such
as: family, school, church, military, government and business, individuals could gain ideas of expected behaviors. Carrying this line of thinking further, Dugger holds the view that institutional hegemony can be achieved through subrepting the values associated with an individual’s participating in these sorts of institutions, so that the individual’s values can change unknowingly, and with the outcome of their unknowing adding support to the hegemony of one institution in particular, what Dugger singles out as the business corporation that morphed into the conglomerate. For this to occur, a set of values congruent with the business corporation needs to come in disguised – as a falsehood in the Kantian sense – and then transform (through subreption) the values held by members of society that have been associated with the relatively independent institutions of family, school, neighborhood, trade associations, and the like.

While Veblen develops his case study of higher education, Dugger relies upon his insights into subreption as a way to explain processes at work that can contribute to a snowballing and generate profound institutional change that, in our view, includes the evolution of the capitalist system in the United States during the 20th century, from being relatively decentralized to its emergence as a centralized hegemony.

In an effort to shift to and explain the direction of economic evolution of U.S. capitalism, Dugger focuses attention on the shift in corporate management practices and the structure of companies. Dugger (1988: 80-91) considers the rise of the “M” form of corporate organization and governance (management) and its replacing the “U” form. The process is noted to have started around the time of World War One, but became generalized and characteristic of corporate organization and governance in the decades after World War Two. As we consider subreption, this shift could be considered to be facilitated by the insertion of a “falsehood.” Namely, the “M” form of corporate governance became steadily introduced over time into the institutions at the core of production and distribution. One interpretation leads us to consider that the value of “efficiency” as this can be associated with pecuniary gain, proved integral to business culture long before the rise of the conglomerate that was fostered by business enterprises shifting from the “U” to the “M” form of management. This suggests that reliance upon the value of efficiency was introduced and encouraged a logically consistent shift towards a more efficient form of corporate organization. As this value of efficient corporate management and governance led to the reorganization of companies such
as General Motors, with other firms steadily following, this shift generated profound effects, and led to the evolution of the U.S. economy down the road that culminates in what Dugger (1988; 1989) describes as a full-blown “corporate hegemony.” In Dugger’s understanding, this means the small and medium-sized businesses, managed and run by individuals with their values supporting an array of relatively independent institutions, gave way as corporate values were introduced that were altered and even supported the rising dominance of large corporations and conglomerates that contributed to corporate hegemony.

Exploring and detailing the emergence, rise, and dominance of corporate power in the United States, Dugger introduces four “instruments of hegemony” that he regards as integral for grasping how power can be gained. As instruments, Dugger (1980: 901) emphasizes the importance of “subreption” that is then followed by “contamination,” “emulation,” and “mystification.” Dugger skillfully traces subreption back to Veblen and his *Higher Learning.* Some years later and in his article “An Institutional Analysis of Corporate Power,” Dugger (1988: 93-101) presents what he designates as “invaluation processes,” and he then leaves out the term “subreption.” Our reading is that subreption is closely related to all four of these invaluation processes, what Dugger (1988: 93-101) introduces and elaborates in detail as: “contamination,” “subordination,” “emulation,” and “mystification.” In his book *Corporate Hegemony,* published the following year, Dugger (1989a, 129-151) refers to “power processes,” and lists these as “emulation,” “contamination,” “subordination,” and “mystification.”

Our interpretation suggests that for Dugger, subreption can take place through these processes and simply through the quiet insertion monetary (pecuniary gain) values so characteristic of the capitalist system in the era of big business and beyond. The dominance of money as a key value can then penetrate (like a Kantian falsehood) and subrept and alter the other values that had been governing institutions. Though he does not emphasize specifically, it appears that for Dugger, as with Veblen, the rise in prominence of money as a pecuniary measure and value appears as the falsehood essential to the processes associated with subreption that penetrates and operates in line with existing values, but that, with time, tends to transform other values. In this manner, pecuniary values come to dominate other institutions. And the organizations (giant corporation) promoting the dominance of pecuniary
values, also move to the dominant position and so help to define what Dugger means by *corporate hegemony*.

Dugger (1989b) argues, and we agree, that when an institution and its values dominate a society to the exclusion of other institutional values, citizens’ capacity for ethical reasoning is degraded. In pluralistic societies, individuals have to deal with conflicting ethical imperatives from various institutions, e.g., family, school, church, etc. For example, the church pastor might emphasize turning the other cheek, while at home dad might emphasize standing fast and striking back at the schoolyard bully. In an effort to balance out conflicting values, children learn at an early age to consult their own consciences, to weigh various values, and to navigate a murky and uneven moral path. When the values of one institution subsumes the values of all other institutions, Dugger (1989b: 134) writes, the individual “is not forced to make choices and defend them, so she does not synthesize or reconstruct her own values out of the competing ones she encounters. [In short] [s]he does not acquire moral integrity.” Not only because subreption has led to the dominance of comparatively ignoble pecuniary values, but also because subreption leads away from institutional pluralism, we believe that subreption facilitates what we can describe as an *évolution-noire*.

With Dugger, as with Veblen, and what also seems congruent with Kant’s thinking, one mechanism of institutional evolution can be understood as being facilitated through the introduction of a falsehood that initiates processes. Defining this falsehood seems open to interpretation and the nature of the falsehood likely varies from case to case. However, one consistent feature is that the falsehood is used to misrepresent the true aim of some crucial practice. With the turn of the 20th century and with this century characterized by the rise and unparalleled dominance of big business, the importance placed upon pecuniary values is attendant, and Dugger and Veblen focus their attention on the influence of pecuniary values. So as we consider the subreption societal values in both Veblen and Dugger, we can narrow our focus to the proclivity for pecuniary values to replace what we consider as more noble values that were congruent with a plurality of institutions.

In key respects, Dugger follows Veblen’s lead and seeks to clarify the institutional mechanisms that propel pecuniary values to dominate, and initiate processes of subreption that engender evolutionary processes that we can then understand as institutional evolution
taking place over time. Our sense is that for the 20th and 21st centuries we can understand pecuniary values associated with big business, conglomerates, and multinational corporations as the key result of sustained subreption, and that this shift in values can be described as moving away from a past governed by comparatively noble values and towards a present and future governed by comparatively ignoble values leading to an évolution noire, meaning an evolution towards a deteriorated, debased and degraded economic and social reality governed by pecuniary values.

Considerations
Kant’s writings stress that the fallacy of subreption means that with the incongruence and confusion related to the dual character of an object or thing, human perception sneaks into and corrupts our reasoning. The false claim that what is impossible resembles so closely the correct claim, that what is unthinkable is possible. In this manner falsehoods easily creep into our metaphysical reasoning.

Crucial to Veblen’s and Dugger’s understanding is the shared notion that subreption succeeds in introducing a new set of values by first introducing a practice consistent with those values. That practice enters successfully if it is represented as consistent with values already held. Over time the practice gains legitimacy as standard procedure and values gradually shift to accommodate it. We believe this shift can be understood as a form of institutional evolution.

More specifically for Veblen, one instance of subreption occurs when an unacceptable track of inquiry leading to a specific form of knowledge enters an institution of, in his example, higher learning by purporting to be the dominant species of scholarly work. When utilitarian pursuits were valued during Europe’s era of barbarism, scholars could indulge their instincts of idle curiosity by finding a suitably practical pretext for their work. With these points in mind, Dugger’s contribution can be differentiated in that his inquiry into subreption is largely synonymous with his efforts to explain mechanisms behind the gaining of power that leads to dominance and even hegemony of one value over all others. In Veblen’s inquiry into the higher education, power seems to be implicit, though understated, through the evolution of values that offer those exhibiting pecuniary successes positions that allow them to further extend their power through subrepting college and university curricula in a direction that is congruent with their own business interests.

We could then characterize Veblen’s penetrating insights at the start of the 20th century as marking the rise in importance of big business and the associated shift from more noble values to their
subsumption under pecuniary values and with implications for higher education. Dugger seems to pick up where Veblen left off and then considers the effects over altering values on a vaster scale that involves the transformation of the American capitalistic system.

Conclusions

In Kant, Veblen and Dugger’s uses of subreption, we can readily identify elements of deception, masquerading, and slithering in. For Kant, however, subreption is unconscious—for if we were aware of its implications, we would likely try to avoid it. For Veblen, scholars (or businessmen) who have intentions discordant with the dominant institutional values must introduce subreption intentionally, at least at first. Then for Dugger, the rise in the dominance of pecuniary values can lead to specific changes made in the name of improvements in corporate governance, including efficiency gains, but that when initiated under one set of values provide sufficient foundation for the emergence of the conglomerate that steadily leads towards corporate hegemony. The resulting institutional monolith has led to a deteriorated, debased and degraded economic and social reality that emerged over the course of the 20th century, and that further advances values that contribute towards a form of globalization that would include challenges to decent wages through a “race to the bottom;” loss of national sovereignty through uncontrolled flows of capital in and out of financial centers, citizens migrating en masse across national borders, and loss of national and regional determination over environmental controls.

For all three thinkers under consideration, Kant, Veblen and Dugger’s notions and uses of subreption function as a first step that tend to wield much greater effects. For Kant, subreption leads a thinker to a false conclusion, which may potentially generate many more false beliefs. Kant writes of the damage that spurious axioms may wreak on entire systems of knowledge. For Veblen, a confluence of subreptive acts may trigger institutional change that runs deeply enough to change or reverse an institution's defining values. For Dugger, a nation built upon founding institutions such as family, church, school, pride in work, and the like, can end up completely at odds with the set of values needed for corporations to achieve hegemonic control over processes of capital accumulation.

What helps to unify the writings as these three thinkers considering subreption is that the introduction of one falsehood can lead to further false beliefs and to sequences of changes, even if no other logical fallacies are committed (for Kant) or no further intentional deceit enacted (for Veblen and Dugger) beyond the initial subreption. Less so for Kant and more so for Veblen and Dugger, processes of institutional evolution that are initiated can prove sufficient to carry the effects of subreption into an
institution's future forms like “for-profit” universities found these days in the United States, and a variant of militarized and totalitarian capitalism that remains far beyond democratic controls.

With the publication of his seminal article: “Why is Economics Not an Evolutionary Science?, Thorstein Velen opened up Evolutionary Economics as a new field for inquiry. With this 1898 article appearing in The Quarterly Journal of Economics, and drawing from other documents as well, we can distinguish three approaches that can be derived from Veblen’s writings and thinking within this field of inquiry he established.

The first approaches the economy and the society through a duality. This approach was further refined into a dichotomy that can be viewed as one of the cornerstones of Veblen’s evolutionary thinking. Though not fleshed out in his writings, just a few decades after Veblen’s passing, and in his book, The Theory of Economic Progress [1944], Clarence Ayers (1953; 1962) expanded and expounded at length upon these early ideas and developed them into what is widely understood (Waller, 1982: 762-763) as the “ceremonial-technological distinction” and as the “Veblenian dichotomy.”

Incorporating ideas advanced by John Dewey, Ayers refers to a dichotomous relationship between the instrumental and ceremonial. In short, changes initiated as instrumental advances, which could be considered as advances in tools and their uses in a broad sense that includes their skill set, meet the counter-weight of the ceremonial, that could be thought of as habits of thought that can also become encoded in traditions, with both tending to resist change. Out of this dichotomous relation, members of a society are faced with creating and/or reforming institutions that can integrate the instrumental advances. Employing this dichotomous framework, economic and social evolution is suggested to take place.

In this seminal 1898 article that opened up inquiry in to the field of Evolutionary Economics, Veblen introduces many key ideas, including the importance what can be termed a concatenation, and that suggests the relatedness and connectedness between and among variables. We find this dimension of the Veblenian tradition is congruent and likely draws from ideas advanced by one of Veblen’s professors at Johns Hopkins University in the early 1880s (Griffen, 1998). Integral to his efforts to advance an “Evolutionary Philosophy,” Charles Sanders Peirce introduced from his readings in ancient Greek thought, an understanding of synechism, a tradition in thought that emphasizes continuity and continuousness between and among variables, and that includes both physical as well as metaphysical variables. This line of thinking can be presented with the term cumulative causation, a term that Veblen introduces and emphasizes towards the end of this 1898 article (Hall and Whybrow, 2008). As variables both physical and psychical come together, change can then take place through a cumulative causation,
which we think needs to be considered as a second and distinct form of economic evolution that can be readily derived from Veblen’s writings.

In bringing this inquiry to its close, we would like to advance the idea that subreption should be considered as a third form of economic and social evolution that can likewise be derived from Veblen’s thinking. We interpret what Veblen considers as subreption as a third approach to economic evolution introduced and established in his *Higher Learning*. However, its appearance has been neglected by those seeking to clarify and also carry on Veblen’s insights into processes of change. With this in mind, we would like to emphasize our debt to William Dugger, whose research picks up on the importance of subreption in Veblen’s thinking, especially its appearance in the *Higher Learning*. In a sense, our aspirations with this inquiry is not only to underline Dugger’s emphasis upon Veblen’s originality in social sciences, but also to clarify Dugger’s extensions that relate subreption to how power can be gained, plurality diminished, and dominance and hegemony constructed.

(appx. 6,949 words of text)

**Notes:**
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**Footnotes:**
1. In our understanding, the Original Institutional Economics (OIE) offers two clear approaches. What we would term the “reformist” approach is characterized by John R. Commons and is based upon an interests and willingness to reform capitalism in order that it functions in a way that generates sufficient support from a broad base of a
population. Institutionalist similar to Commons, supporting Franklin Roosevelt’s “New Deal” during the Depression era are symptomatic of this reformist approach. In contrast, radical institutionalism advocates the creation of a new system altogether. The writings of both Veblen and Dugger, especially, encourage the creation of a new and improved economic and social system altogether. In order to better understand key ideas behind radical institutionalism, please see, for example, Dugger’s (2008) “Veblen’s Radical Theory of Social Evolution.”

2. Kant’s Inaugural Dissertation appeared in 1770 and was presented in Latin as De Mundi Sensibilis atque Intelligibilis Forma et Principis. At a later date his dissertation appeared translated to his native tongue of German as Von der Form der Sinnen – und Verstandneswelt und ihren Gründen (For Latin and German texts, please see Kant (1959). For this inquiry we rely upon an 1894 translation to English language by William Eckhoff, as well as a 1929 translation by John Handyside. The English translation of Kant’s 1770 Inaugural Dissertation would be On the Form and Principles of the Sensible and Intelligible World.

3. Kant (1929: 73) keenly notes that:

   [t]he method of all metaphysics in dealing with the sensitive and the intellectual is reducible in the main to an all-important rule: of namely, perceiving “… the principles proper to sensitive apprehension from passing their boundaries and meddling with the intellectual.”

   (Kant’s emphasis in italics as found in Handyside (1929).

4. Dunlap (2015) discusses Dugger’s four invaluation processes as these relate to biotechnology. Though he mentions the term subreption, his inquiry does not rely explicitly on subreption for its analysis.

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