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## Subreption and Institutional Inquiry: Theoretical Philosophy and Evolutionary Thinking

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Paper Title:

# SUBREPTION AND INSTITUTIONAL INQUIRY

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**Abstractus:** With this inquiry we respond to William Dugger’s assertion that “[s]ubreption is one of the least studied social phenomena of the twentieth century.” Our research seeks to fill a gap in the literature by clarifying subreption, and its origins in Philosophy to its importance in social science, and, especially, Institutional Inquiry. We conjecture that Thorstein Veblen borrows from Immanuel Kant’s understanding of *Erschleichung*. In this respect, Veblen’s understanding and use of subreption serves as conduit between its use in Roman law, through Kant’s understanding, and on to what Veblen later introduces as an approach creatively relied upon by three other, Institutional thinkers carrying on Veblen’s tradition: namely, C. Wright Mills, John Kenneth Galbraith, and William Dugger. We advance the argument that even though *subreption* remains neglected in social science, it nevertheless defines a novel approach, proving central to Classical Institutional Inquiry, particularly when considering an evolving social and economic reality. (150 words)

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**JEL Classifications:** B15, B25, B31, B41

**Keywords:** William Dugger, *Erschleichung*, John Kenneth Galbraith, Immanuel Kant, C. Wright Mills, subreption, Thorstein Veblen

*Olofi created the world. He made day and night, the pretty and the ugly, good and bad. He also made Truth and a Lie. He made truth very, very pretty and the lie, ugly, skinny, as if it was sick. Olofi felt sorry for the Lie and gave it a machete. In time, everybody loved Truth and scorned the Lie. One day Truth and the Lie met and started to fight. Truth was stronger, but the Lie had a machete. And, when truth wasn't looking, the Lie cut its head off. So truth had no eyes, no head. With its hand it looked for its head, and touched the head of the lie. So, it wrenched off the Lie's head and put it on its own neck. Ever since, Truth has been tricking people: the body of Truth, but the head of the Lie.*

*-Tomas Gutierrez Alea's Film: The Last Supper, 1976. Sebastian's Dialogue*

With this inquiry we seek to address not only what we interpret as an assertion, but also as a challenge to which we arise and respond to at some length. More than three decades earlier, and in his article “An Institutional Framework of Analysis,” William Dugger (1980, p. 901) asserts that “[s]ubreption is one of the least studied social phenomena of the twentieth century.” In his application of the concept of subreption, Dugger (1980, p. 901) goes further, noting that subreption destroys “... the foundation of a pluralistic society... [replacing] institutional autonomy ... with institutional hegemony.” In this respect, understanding subreption also proves crucial for grasping the importance of Dugger’s marking of this profound evolution from institutional autonomy to institutional hegemony -- that he cogently (1988, 1989) argues takes place over the course of the 20<sup>th</sup> century in the United States.

Indeed, our research suggests a gap in the literature, for to date no author has either offered support or challenge to Dugger’s assertion. Dugger’s contribution proves central to this inquiry. His writings from the Decade of the 1980s serve as the catalyst, goading our interests in exploring subreption as a neglected approach in social science.

### **Kant, Veblen, and Institutional Inquiry**

In his “Introduction” to the 1953 edition of this 1899 classic, *The Theory of the Leisure Class*, C. Wright Mills (1953, p. vi) asserts that Thorstein Veblen could be considered as “... the best critic of America that America has produced.” While Mills’ statement proves insightful, he fails to emphasize that Veblen’s scholarly background likely played the key role in strengthening his abilities as a critic of American life. That is, Mills fails to

stress that Veblen weighed-in as a well-schooled and talented philosopher in his own right (Footnote 1)

When Mark Blaug (1986, p. 258) teaches us that in 1884 Veblen completed his Ph.D. at Yale University, he keenly notes his discipline as “Philosophy.” In the course of his Ph.D. studies, Robert Griffen, (1998) conjectures that about three years earlier, in Fall Semester of 1881 and at Johns Hopkins University, Veblen studied under renowned logician and philosopher Charles Sanders Peirce. Among the several disciplines that Peirce sought to advance, he took an interest in evolutionary philosophy. In a similar vein, and perhaps influenced by Peirce’s aspirations (Hall and Whybrow, 2008), Veblen [1898] sought to advance an evolutionary economics.

Of philosophers that Veblen considered, Immanuel Kant (1724-1804) appears especially influential upon his thinking. A careful reading of “Kant’s Critique of Judgment,” appearing in the *Journal of Speculative Philosophy*, suggests Veblen (1890, pp. 260-274) fully capable and especially creative in his thinking as a philosopher, and for dealing critically with ideas advanced by Kant. And, it was Veblen’s contact with the writings of Kant and his late 18<sup>th</sup> century Enlightenment discourses that brought him to an understanding of *Erschleichung*.

Through his reading, absorbing, and also borrowing from Kant, Veblen could then introduce and integrate Kant’s notion and use of *Erschleichung* into his late 19<sup>th</sup> century and early 20<sup>th</sup> century social science analysis. In this movement from Kant to and through Veblen, the accuracy of Veblen’s transferring of meaning from the Germanic *Erschleichung* to the English and Latin based word *subreption* could offer foundation for a lengthy debate. However all dictionaries consulted concede that what Kant terms *Erschleichung* and what Veblen terms *subreption* as interchangeable words between German and English languages, and vice-a-versa. And, what interests us with this inquiry is how Veblen provided a solid foundation for an approach that has proved integral to the tradition of Classical Institutional Inquiry. (Footnote 2)

Veblen relies upon subreption as an inherently critical approach underlying his *The Theory of the Leisure Class* [1898] (Palitzsch, 1995), and registering as even bolder in his *The Higher Learning in America* [1918], and to a minor degree in *Absentee Ownership* [1923] (Footnote 3). Especially noteworthy is that decades later selected contributions of Dugger, Mills, and John Kenneth Galbraith rely upon subreption as an approach that strengthens their inquiries, and, we think, thusly increased their influence as prominent social scientists.

Though, curiously, of these three noted, only Dugger acknowledges subreption as a term and concept borrowed directly from Veblen's writings. While Mills and Galbraith rely upon subreption as an approach to their analyses, neither thinker acknowledges the term, nor that their approach in social science is borrowed from Kant with Veblen serving as a conduit. As we shall argue in more detail below: it is as if Galbraith and Mills absorbed Veblen's understanding of subreption through their readings, and then carried out their social and economic analyses with Veblen's understanding of subreption imbued in their subconscious. And, even though Stephen Dunn and Andrew Mearman (2006) carefully consider the "realist approach" of John Kenneth Galbraith, and open up the topic of Galbraith's contribution to economic methodology, it appears that their story fails to consider Galbraith's creative uses of Kantian and Veblenian understandings and uses *Erschleichung* and subreption, respectively.

In key respects Dugger's relevant contributions (1980, 1985, 1988, 1989) should be considered as different from those of Galbraith and Mills. Dugger clearly credits and also relates his understanding of subreption directly back to Veblen. After acknowledging his debt to Veblen's intellectual legacy, Dugger, then, relies upon subreption as his main approach for his initial inquiry into power (1980) that was carried forward in altered form to support his efforts to establish the dominance of corporate hegemony (1988, 1989). However, Dugger does not trace Veblen's understanding of subreption back to Kant's *Erschleichung*, and Veblen's borrowing from Kant: what we shall undertake as integral to this inquiry. In short, subreption has yet to be explicitly addressed for the ways in which it relates to institutional inquiry.

### **Etymologies of *Erschleichung* and Subreption**

About one hundred and fifty years before Veblen started to make his mark in social science, Kant explored and integrated into his thinking concepts associated with "*Erschleichung*. Unlike subreption, this word has no clear root in Latin. Rather, *Erschleichung* is rooted in German words and meanings (Wahrig, 1988, p. 434). Muret-Sanders (1910, p. 845) notes that the root-verb *zu schleichen* translates as "to creep," or "to crawl along." The verb form "*zu erschleichen*" suggests "to obtain surreptitiously." We could note that *Jemandes Gunst erschleichen*. This translates as "... someone sneaks into another person's favor." And as an adjective: *erschliches Besitztum* refers to "... property obtained by surreptitious or underhanded means." The substantive *Erschleichung* refers to a "fraudulent acquisition." To find the slippery side of *Erschleichung* requires a look

back to *Althochdeutsch* as connoted by definitions of the adjective *schleimig*: what translates as “slimy.” In addition, in *Althochdeutsch* we can find other adjectives such as *glitschig* and *schlüpfrig*: words that translate as “slick” and “slippery,” taking us closer to the Latin meaning found in the English translation of *subreption*.

Kant offers an understanding and use of *Erschleichung* early on in his career, and in the final pages of his *Inaugural Dissertation* (1770) that goes by the translated title: “Dissertation on the Form and Principles of the Sensible and Intelligible World.” As a talented philosopher and seminal exponent of the German Enlightenment (Deligiorgi, 2005, Chapter 2) from his Baltic *Hansestadt* of Königsberg (Footnote 4), Kant considers *Erschleichung* as a dichotomous relationship between an actual object located in time and space, and then the human perceptions of said object. In Kant’s view, time and space are intuitively perceived and thus should be understood to generate potential confusion. Kant’s understanding and use of *Erschleichung* that appears toward the end of his *Inaugural Dissertation* (*subreption* in Handyside’s translation, 1929, pp. 74-79) later reemerges in his *Critique of Pure Reason* [1781] and also in his *Critique of Judgment* [1790].

In Kant’s understanding, *subreption* involves a conflating of a sensitive condition that generates a confusing of ontological conditions with epistemological conditions. Sng (2010, p. 79) clarifies that epistemological conditions connote subjective conditions as these relate to human perception and knowledge that is won through use of the intellect. And, ontological conditions -- what Kant also notes as “sensitive” conditions -- consider the thing or object as it exists, as well as its possibilities. In short, Kantian *subreption* could be judged to occur when human subjectivity crawls over and becomes confused with the real or actual thing or object. (Footnote 5) In more philosophical terms *subreption* suggests that there could indeed take place a confusing of an object’s epistemology with its ontology. (Footnote 3) Kant (1929, p. 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, preventing  
 “... *the principles proper to sensitive apprehension from passing their boundaries and meddling with the intellectual.*  
 (Kant’s emphasis).

For Kant (1929, p. 75), “[t]he reason why the intellect is so liable to this fallacy of subreption is that the deception takes place under cover of another rule which [he notes] is genuine enough.”

Leaving aside Kant and his Germanic tradition supporting a philosophical meaning and use of *Erschleichung*, in the English language *subreption* comes to us in a few ways. Research of Sng (2010, pp. 78-79) suggests subreption’s original use can be found in Roman law “... as a judicial term describing the introduction of false evidence into a legal proceeding.” Associating subreption with “falseness” and “deceit” remains at the core of its meaning through many more hundreds of years, and this meaning certainly imbues Veblen and Dugger’s inquiries, as well as contributions of Mills and Galbraith, as we shall argue in greater detail below.

The *-rep-* in subreption registers as especially noteworthy, and should be associated (Random House, 2001, p. 1636) with words and images related to the Latin substantive *reptile* and adjective *reptilis*. These words offer imagery, which like the German verb *zu schleichen*, also suggest “to creep” and “to crawl along:” as certain reptiles are wont to do. *The Oxford Latin Dictionary* (1982, p. 1622) notes *reptatus* translates as “the act of creeping or crawling.” And, Charlton and Short [1879] (1958, p. 1573) suggests that the Latin adjective *reptilis* refers to “creeping.”

We can carry the associated imagery steps further by considering secondary meanings (Random House, 2001, p. 1897) for *reptilian*: of “groveling, debased, or despicable and contemptible.” A third meaning suggests “treacherous” and “harmful.” Veblen and Dugger’s ostensible uses of subreption, and Mills and Galbraith’s implicit uses of subreption could be argued to invoke all of these related images and associated meanings with *reptile* and *reptilis*. Their contributions suggest that reality creeps and crawls, invariably reflecting a degeneration and debasement of ideals, that exhibits a specific tendency under a hegemonic, pecuniary culture.

Subreption emerges as something that an earnest Institutionalists should be on the look-out for, and should also be motivated to report its corrupting effects: as institutions that were initiated and supported by high, even noble intended ideals creep, crawl, and degenerate into a debased reality. This is how the Institutionalists under consideration are prone to integrate subreption into their approaches to inquiry. What Veblen borrows from Kant’s contribution serves as foundation for an inherently critical and evolutionary-institutional inquiry carried on by those few earnestly carrying forward his thinking.

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### **Veblen, Dugger, and Subreption**

Our research focuses largely around meanings and applications associated with *subreption* that Veblen seems to have borrowed from Kant's notion of *Erschleichung*.

We find that Veblen transposed Kant's philosophical definition of *Erschleichung* with its application to social science analysis. Veblen's approach found in his *The Theory of the Leisure Class*, and bolder in *The Higher Learning in America* was then picked up and carried on in writings of social scientists Dugger, Mills, and Galbraith. We attribute to and also laud Veblen for bringing a working knowledge of subreption into social science inquiry.

With the 1898 publication of *The Theory of the Leisure Class*, Veblen widened the depth of social observation, while also integrating an economic analysis that challenged the narrowness of Alfred Marshall's neoclassical approach. Veblen's book remains remembered principally for its critique of consumerism, advancing the well-known term "conspicuous consumption," a term and concept that helped inspire a generation of economic and social thinkers. Veblen encouraged a holistic, and even circular social and economic analysis that sought to shed needed light on behaviors exhibited by members of the modern industrial economy of his day. His observations enabled him to grasp and also articulate interrelated concepts that had been neglected by neoclassicals, whose scientific approach could be deemed fragmentary, as efforts were made to reduce complexity to two key variables, with their relations depicted in Euclidian space and conveniently limited to the first quadrant of a two dimensional graph. In contrast, Veblen sought to address difficult questions found in political economy.

In his *Leisure Class*, Veblen introduces the importance of "emulation" considers how social relationships tend to replicate themselves, and hence expand to become adopted norms and possibly even dominate society. For example, Veblen observes "pecuniary emulation" and how material values regarding material wealth tend to emerge, replicate, and, even permeate: as values spreading within and across American society. In this manner his notion of emulation also includes social context that he argues plays a grand role in the construction and deconstruction of culture and community. Veblen developed "emulation" as a tool for analysis and especially for tracking institutional and social evolution.

Interpreting Veblen's view, emulation contributed to the rise of new social and material norms that changed informal rules and, ultimately, habits. And, hence, in this manner cultural practices of Americans, as many others joined in as part of a grand bandwagon effect. Veblen's observations and



inquiries into emulation serve as an initial example of subreption advanced with his account for explaining America's emerging leisure class. Veblen's uncompromising critique offers an alternative to doctrinaire-Marxian and, especially, neoclassical traditions, with the latter continuing to dominate within the academy.

William Dugger (1980, p. 901) notes in his inquiry into *power* Veblen's *The Higher Learning in America: A Memorandum on the Conduct of Universities by Business Men* [1918] as "[p]erhaps the best study of subreption ever written." In this book, Veblen demonstrates how ideals, goals, and intentions of higher education are altered overtime, and through influences related to business enterprise and their chief agents -- businessmen.

Veblen (1918, p. 1) acknowledges that *esoteric knowledge* can indeed be found within societies. Esoteric knowledge is seen to be coupled with the demands of a society's advancement, supported by divisions of labor whether those relying upon esoteric knowledge are shamans or scientists. Veblen (1918, p. 5) purports related "systems of knowledge" develop out of two impulsive traits characteristic of human nature, namely: *idle curiosity* and *instinct of workmanship*. In short, esoteric knowledge develops out of innate human proclivities, and is viewed by Veblen as what drives pursuits of knowledge for knowledge's sake.

Veblen propounds that colleges in the United States were originally founded for purposes of carrying out noble, ecclesiastical goals. That is, for educating and inspiring younger people belonging to a faith, so that they might become even better educated, and possibly consider taking on responsibilities as ministers of that faith sponsoring their college. Veblen (1918, p. 9) writes: "[t]he more emotional and spiritual virtues that once held the first place have been overshadowed by the increasing consideration given to proficiency in matter-of-fact knowledge."

Veblen observes that knowledge tends to serve a purpose linked to its timeframe. Then, he suggests the meaning and purpose of knowledge could indeed suffer from a subreptic crawl. In his 1918 inquiry, institutions of higher learning were originally founded for purposes of contributing to and also disseminating esoteric knowledge. Influenced by larger developments taking place in 20<sup>th</sup> century capitalism, businessmen gained legitimacy, power, and influence with the rise of the era in which pecuniary values came to serve as yardsticks for measuring success. Through their rising influence businessmen brought a novel set of values formed with their activities, and over time these values came to wield more and more influence. Veblen

(1918, 75) writes: “[t]here is ground for their [business administrators] contention in so far as 'university training' is (by subreption) taken to mean training in those 'practical' branches of knowledge (Law, Politics, Accountancy, etc.) that have a place within the university precincts only by force of a non-sequitur.” (Footnote 6)

But, what is “practical? Who defines these terms? In Veblen’s view (1918, p. 237), the subreption taking place in higher education is driven—not by professors or those with a scholarly bent—but by businessmen supported by a society—with its values altered through subreptic influences associated with a capitalistic economy that praises pecuniary successes above all others. This occurs as businessmen are selected to move into positions on boards for making key decisions determining directions of institutions of higher learning. In this manner, the pursuit of knowledge for knowledge’s sake becomes subrepted. This, among other university operations, detailed by Veblen, serves as clear examples of subreptic crawl. This suggests an evolution of the institutions of higher learning through changes in values that generate observable outcomes leading toward a debasement and degeneration of original, noble ideals.

One outcome is that “business success” is rendered synonymous with educational success. Over time the subreptic crawl of business values -- based upon pecuniary gain -- have come to define material and social status, slowly and subtly subverting human traditions. The end result has been the domination of pecuniary values that have altered social outlooks and also lifestyles. Values associated with the market and ideas of adopting business principles begin taking hold of a society, which could be interpreted as business enterprise gaining leverage within communities. When public institutions take up the cause of a set of subjective values, then costs becomes externalized. Veblen (1918, pp. 209-10) points this out taking place within American colleges and universities. And, Dugger (1989, pp. 103-30) generalizes, carrying this line of thinking further, with corporate hegemony as an outcome of businessmen driven by pecuniary successes and associated values. In short, colleges and universities came to reflect corporate values, and the businessman’s proverbial “bottom line” replaced intrinsic value of *idle curiosity* that Veblen held so highly, and regarded as innately human. Over time, curriculums shifted toward training students for enhancing opportunities for the world of business by offering studies concentrated on “practical knowledge” that is often dictated by the needs of businessmen. Swayed toward pecuniary interests, colleges and universities reoriented their institutions toward benefiting from tuition revenues of those

seeking degrees in fields known for practical knowledge. In many cases, students enrolling in business studies account for sizable shares of student bodies and total tuition revenues.

William Dugger registers in as especially upstanding and exemplary in his approach to Institutional inquiry. In exploring the emergence, rise, and dominance of corporate control in the United States, Dugger considers four “instruments of hegemony” integral for understanding how power is gained and increased over time. In his analyses, Dugger (1980, p. 901) places special emphasis upon “subreption,” followed by “contamination,” “emulation,” and “mystification,” and in this order. Dugger skillfully develops these four instruments of hegemony by following and also adding dimension to Veblen’s approaches found in his *The Theory of the Leisure Class* [1899] and even more so in *The Higher Learning in America* [1918].

Curious to consider is that Dugger emphasizes *subreption* as the first of four instruments of hegemony in his 1980 article, “An Institutional Framework of Analysis.” Eight years later, in his 1988 article, “An Institutional Analysis of Corporate Power,” Dugger (1988, pp. 93-101) presents and terms what he designates as “invaluation processes.” He, then, leaves out the term “subreption” and instead focuses upon “contamination,” “subordination,” “emulation,” and “mystification” as his key, four invaluation processes. In his book *Corporate Hegemony*, published the following year, Dugger (1989, 129-151) develops at vastly greater length the nomenclature of these four processes and the role each has played in the evolution of American business enterprise to hegemonic dominance over other institutions. In sum, in his 1980 article Dugger emphasizes the importance of subreption, and then as he continues with his exploration of corporate power and corporate hegemony, later that decade subreption appears absent in his listings and in his considerations -- at least ostensibly.

We agree that Dugger’s thinking and assertion made in 1980 is indeed correct: namely, that subreption seems “least studied.” With this inquiry we delve deeper into the term, its meanings, and how we think it provides an approach for Institutional inquiry preceding Dugger, namely, Mills and Galbraith, and to such a degree, that we consider subreption a cornerstone of Institutional inquiry and the foundation for social and economic evolution.

Contributions of Dugger, and the formulation of the four invaluation processes deserves consideration, especially if we are to understand the meaning and applications of subreption in social and economic inquiry.

Below, we shall consider two additional and key Institutionalist thinkers and their contributions that rely upon subreption. We shall also seek to link how their thinking contributed to Dugger's arrival at and applications of the four invaluation processes.

### **Subreption and C. Wright Mills**

It would indeed register as a competition: but Mills could certainly be considered for the honor of being noted as Veblen's most enthusiastic booster. In his lengthy introduction to the 1953 edition of Veblen's *The Theory of the Leisure Class*, Mills generously stresses the relevance and importance of Veblen's thinking and its broader application to include his Discipline of Sociology. Likely, Mills also weighs-in as the very "best critic of American life" that Texas has produced – certainly Waco, Texas – where he arrived in the world in 1916 to begin his career sojourn that led him from the dusty ranges to the academy of Columbia University. His major works seem to follow Veblen's leads, contributing toward the institutionalist tradition.

While several of Veblen's musings offer reference to *subreption*, and Dugger's research clearly highlights its importance and application in understanding power, its acquisition, its increase, and its manifestations. Mill's writings offer none. Should we then interpret that Mill's omission means that his research falls short in relying upon notions of subreption? Our answer is: "Certainly not." In the two books under consideration, namely, *White Collar* (1953) and his more influential, *The Power Elite* (1956), Mills undertakes analyses strengthened through relying upon subreption that we trace back to Veblen's influences.

Both books offer tables of contents with chapter titles that mimic Veblen's *Leisure Class*. (Footnote 7) In addition, his books report a subrepted reality: that is, a noble world lost and a world regained—but in a degenerated form. The initial reality is supported by data skillfully referenced. The degenerated reality is plausible enough for a broad readership to support Mill's thinking with mass purchases. For example, in *White Collar*, Mills argues that independent farmers and small business owners characterized an era in American life, certainly in the first one hundred and fifty years after independence. How, with time, reality becomes subrepted. In Mills' view the independence of these small players becomes compromised as they shift positions in American society, from owners of their land and machinery. Mills (1953, p. x) notes that the United States were "... transformed from a nation of small capitalists into a nation

of hired employees.” Developments taking place in the service sector led toward increases in numbers of Americans working in white collar, often salaried jobs. Mills (1953, p. x) notes that the emergence of the white collar class poses a challenge to “... free professional leadership.”

In *The Power Elite* (1956) Mills considers the movement away from a decentralized polity relying upon decentralized institutions to a centralized polity for deciding the direction of people’s lives. Related to his considerations and through subreption key institutions that were once decentralized evolve to form an amalgam. That is, subreption manifests itself as a fusing of those higher-ups running American industry, the military, with those bearing high profiles in the entertainment industry. With Mills’ notion of subreption, there occurs an emergence as an institutional fusion, taking place over time that includes reducing and replacing the heterogeneous character of an earlier, and likely, populist era. A powerful group –what Mills dubs as a “power elite” –emerges through subreption. This contributes to their gaining ever more power—a consolidation. Subreption occurs through changes in several variables. One considers that as levels of education rise, there emerge more and more *small men* who can occupy white collar positions and join the middle classes. The emergence of dependence on salaried labor: that is, those coming to work for employers controlling large enterprises leads to their reduction, certainly with respect to their statuses as independent players bearing high degrees of agency. The evolution and also the fusion of institutions wielding power, contributes to their gaining ever more power with the formation of mass society in which the individuals importance is fully challenged, demarcates Mills’ understanding of the subreption of American life as an evolution from relative autonomy and toward institutional control.

Mills relies upon notions of cultural lag in his thinking and these ideas can be readily related to Veblen’s thinking. He notes in *White Collar* that owners of farms register as key players at the core of America’s institutions. Mills purports that even after the shifting of farm populations toward towns and cities, this group tends to wield extra-proportional power. In “The Rhetoric of Competition,” Chapter 3 of *White Collar*, Mills (1953, p. 34) notes that:

... [a]s an economic fact, the old independent entrepreneur lives on a small island in a big new world; yet, as an ideological figment and a political force he has persisted as if inhabiting an entire continent. He has become the man through whom the ideology of utopian capitalism is still attractively presented to many of our contemporaries. Over the last hundred years, the United States has

been transformed from a nation of small capitalists into a nation of hired employees; but the ideology for the nation of small capitalists persists, as if that small propertied world were still a going concern. It has become the grab-bag of defenders and apologists, and so little is it changed that in the minds of many it seems the very latest model of reality.

### **John Kenneth Galbraith and Subreption**

Author Ron Stanfield (1996, p. 153) stress that: "... with regard to his work ... Galbraith fits squarely in the American or 'old' institutionalist (OIE) tradition."

While Veblen's writings make at least limited reference to subreption, and Dugger's research highlights its importance, Galbraith writings, like Mills, offers absolutely none—a common tendency among institutionalists. Should we interpret that Galbraith's omission means that his view of reality does not rely upon Veblen's sense of *subreption*? Our answer is: "Certainly not."

Clearly, Galbraith's thinking is powerfully influenced by Veblen's, and not only in his understanding and use of subreption, but also in his Veblenian style. Ronald Stanfield (2011, p. 94) considers Galbraith's *The Affluent Society* as "...one of the most famous books of the 20<sup>th</sup> century." We would like to advance the opinion that Galbraith is so powerfully influenced by Veblen that he took on the use of subreption in his thinking underlying economic and social analyses -- but without noting. Our thoughts are that his failure to note, contrasted against his frequent reliance upon subreption as an underlying approach suggests Galbraith one of Veblen's greatest students, as someone who fully absorbed the Veblenian approach, and carried on his project.

In his *The Affluent Society*, Galbraith presents himself as a Veblenian exponent. Galbraith's concern for the university and its organization of knowledge comes to shine in a similar fashion to Veblen in *Economics, Peace, and Laughter* [1970]. Quote about "imitative scientism," "which is carried further in economics than in any other discipline."

For Galbraith organization and technology are a fundamental aspect of the institutional analysis. Galbraith seemingly played a fundamental role in Dugger's analysis of corporate power, emphasizing organizational and technological evolution. We speculate this emphasis was carried forward into Dugger's research that considers the corporate M-form organizational model inspired by Veblen's observations on corporate organization and

culture, and manifested in the development and use of four invaluation processes. Galbraith (1973, 54) writes:

But all social life is a fabric of tightly interwoven threads. The change of which the corporation is the driving force is a complex process in which many things are altered at the same time and in which cause becomes consequence and cause again. No description is uniquely correct; much depends on where one breaks into this matrix. But a starting point which has application over the whole development is technology and its yet more important counterpart which is organization.

The focus on organizational structure and technology remains fundamental in finding social and economic shifts within the market and society.

Galbraith grasps that power incorporates an understanding of subreption within institutions that then wield effects. One example within the corporation is Galbraith's (1983, p. 59) idea of "conditioned power." Conditioned power comprise of seemingly painless procedures and office norms that slowly condition employees and particularly managers into internalizing the values of corporate work. These small acts of conditioning can later accumulate a general social effect: further subrepting the larger economy and society, and could be seen as providing what we interpret as providing foundation for Dugger's understanding regarding how subreption was used to enhance corporate hegemony. Galbraith (1973, p. 56) lays out the basic formula power accumulation:

An organization acquires power, it uses that power, not surprisingly, to serve the ends of those involved.... So growth both enhances power over prices, costs, consumers, suppliers, the community, and the state and also rewards in a very personal way those who bring it about. Not surprisingly, the growth of the firm is a dominant tendency of advanced economic development.

Emphasis upon organizational structure and related technology suggests that organizations and structure will indeed naturally control, steer, and even enhance a subreptic process. Institutional systems and more specifically the corporate organization guide technology, while at the same time remain conditioned by new technological programs and developments to advance the cause of their organization. Subjective organizational foundations and qualities of institutions or individuals prevent technology

from taking on a neutral character. In the case of the corporate organization this is a system built on the idea of accumulating capital and power. Galbraith's sums up institutional subreption for: “[t]he growth with the associated exercise of power, is the primal force by which economic society is altered.” I guess it is pretty simple concept on the whole; individuals and organizations seek power adaptively – and also forcefully – in order to accomplish the goals desired. How that actually manifests its self and changes overtime reflects complications associated with subreption.

### **Dugger Revisited: Four Invaluation Processes**

Dugger's approach appears to build upon early work advanced by Veblen, Galbraith, and Mills, among others. With his 1988 publication Dugger advances what could be understood as a methodological framework for deconstructing institutional subreption. The question remains, what is the goal of subreption? On an institutional level, and suggested by Dugger (1988, 92) especially is that it is the ability to alter and change an individual's values – and in expanded form --society's values in order to exert power and then increase control and dominance. For Dugger, subreption serves as a “will to power” in the *Nietzschian* sense. Under a capitalistic system, Dugger's research document's how business interests lead to corporate hegemony. Dugger (1988, 92) fully develops Galbraith's idea of conditioned power and could not have made a more difficult subject easier to grasp by emphasizing:

Slaves resist revolt because control based on coercion creates resentment and duplicity in the coerced. Slaves learn to walk with a shuffle around their masters, even while burning with resentment. Slaves can be forced to give lip service to the master's values....Social control through coercion is temporary. More permanent social control is based on the ability to alter the internal values of others to gain their willing acceptance of the control. Then the control becomes legitimate. It is deemed right and good by those over whom it is exercised. It no longer requires the whip.

The ability for altering internal values held by others, “... to gain their willing acceptance of the control” is achieved through subreption of values. Subreption implies a creeping process, externally imposed, that leads slowly



-- but with determined stealth -- changing held values, institutions and, ultimately, society, through altering social norms, habits, culture, and behavior.

The Luddites of Great Britain provide a curious example and reaction to the machine process was forced on the British population in the early 19<sup>th</sup> century. The Luddite uprising against the machines of the industrial revolutions, is better understood as a reaction to the machine process and the entrenchment of their collective, *original trauma*. (Footnote 8) *Kirkpatrick Sale, in his book Rebels against the Future: the Luddites and Their War on the Industrial Revolution* [1995] elaborates how the rural British population reacted with the loss of their craft skills, as well as their communities, and even traditional ways of life. The imposition of the machine came in the form of the subjective grounds of business principles and the economy to integrate new machines that, for example, reduced weavers and other workers to conform to newly introduced regiments demanded by working with machines. Many of these changes were challenged by the Luddites. This militant opposition from the Luddites could have come from the drastic and radical changes brought on by the increased use of mechanization of the work place that facilitated in hindsight a subreptic process. However, right under the friendly velvet glove of social progress and entrepreneurial efficacy, as was one of the pretexts for new mechanical weavers, there can be found an iron fist. With time, the Luddite uprising was designated as an insurrectionary movement by the British authorities, and was dealt with through a declaration of martial law and an intense repression. The movement was then suppressed through the mobilization of military personnel to the Nottingham region. Subjective grounds that carry forward subreptic processes tend to be backed by overt, coercive power.

What is the end game of subreption? Dugger's work on the four invaluation processes and the corporation would suggest it is the subsumption of a particular way of life based upon sets of values, by forcibly altering said values through capturing power of the institutions necessary for domination. Posed another way, a particular value system or idea subsumes individuals, communities, or even greater, a whole nation. Maybe it could be inferred that subreption serves as the pulse behind our industrial society that moves towards the ideal of "total control"? Maybe the type of institutional subrepetition, most familiar to us, is a coercive and authoritative subreptic crawl—threatening our sense of a free, decent, and just society. Possibly, there could be different degrees of social subsumption and this could register as something that social scientists could attempt to

measure. Regardless of the different interpenetrations of the subreptic crawl within society, the four invaluation processes relied upon by Dugger for his institutional analysis of power remains fundamental and deserves continued consideration.

Dugger's understanding and use of his four invaluation processes serves as the closest thing to a methodological approach to subreption. The four processes of: subordination, contamination, emulation, and mystification offer an understanding of power processes –and by extension – a subreption that points toward systemic complications with systems of power and the reproduction of power relations, with its related complications.

### **Conclusion and Discussion**

With this inquiry we have considered William Dugger's assertion that "... [s]ubreption is one of the least studied social phenomena of the 20<sup>th</sup> century." Our conclusion is that indeed Dugger's assertion is fully deserving of consideration –but might also serve as an example of over-statement.

Our research adds to Dugger's thinking by tracing back to Immanuel Kant and his emphasizing metaphysical challenges associated with *Erschleichung* that appear at the early stage of his writings in his "Inaugural Dissertation" promulgated in 1770. By noting "Kant's Critique of Judgment," published in the *Journal of Speculative Philosophy* in 1884, evidence suggests that Veblen was indeed familiar with Kant's thinking. However, we have to take a leap of faith, as Veblen fails to trace his knowledge and applications of subreption in social science back to Kant's *Erschleichung* in any of his formal publications. Our leap of faith is that: through familiarity with Kant's thinking, Veblen gained an understanding of subreption as a philosophical and metaphysical challenge. He, then, transposed subreption into an approach to social and economic analyses that underpinned his first major book, *The Theory of the Leisure Class*. About 19 years later his 1918 publication relies upon subreption as a full-blown and applied approach for explaining and even demarcating the evolution of tertiary education in America.

What strengthens Dugger's assertion is that both C. Wright Mills and John Kenneth Galbraith rely upon subreption as approaches in their inquiries. Though they acknowledge their debt to Veblen, these two authors, however, fail in acknowledging their borrowings from Veblen's understanding and uses of subreption. Veblen's debt to Kant's understanding of *Erschleichung* is clearly not mentioned. In this light, subreption seems to

be “neglected.” However, we would like to stress that William Dugger carrying forward the tradition of Veblen contributed significantly to the study of subreption, especially with his reliance upon what he introduces and uses as the four invalidation processes.

In ways, devoting so much attention to wording in Dugger’s sentence proves limited. Admittedly, subreption has been – and continues – to be neglected as an approach in social science. However, that subreption registers as neglected in social science fails to emphasize its importance as an approach that can be relied upon by talented Institutionalists to consider and explain how social and economic evolution takes place over time.

What proves interesting and also lasting is that approaches to subreption derivable from Kant, and that were introduced into social science inquiry that was clearly picked up by Dugger rely upon understandings of subreption that involves an *analyse-noire*, and suggesting that reality tends toward an *évolution-noire*. That is, a dark social and economic evolution is conjectured to take place as respectable and even noble ideals behind institutions become contaminated, promoting a reptilian-like crawl –over time -- and toward a debased and degenerated reality. During this epoch dominated by a capitalistic system, subreption is invariably depicted as a crawl away from ideals supporting independent agents and institutions in a pluralistic reality: as was found in the era of handicrafts and in competitive capitalistic economies built upon family farms and small businesses. The crawl is toward a narrowed, concentrated, and debased reality *subrepted* by a dominant pecuniary culture and an orientation toward the profit motive, stemming from the rise and hegemony of business enterprise and its chief agents – businessmen. In a nutshell, this is the intellectual legacy of Classical Institutional Inquiry stemming from Kant, Veblen, and some of Veblen’s talented exponents.

In this inquiry we have sought to deal with subreption as it has moved between Kant and Veblen, and then those carrying forward the Veblenian tradition of social science. However, there is room for additional research into subreption, as this term suggests multiple layers concerning human subjectivities and constructed realities. The subreption we have just considered could be termed “institutional subreption.” In our future research we propose to consider “ownership subreption” and also “disorientation subreption.”

### Footnotes

1. Though Mills (1953, p. xi) notes that Veblen completed his Ph.D. in 1884 at Yale University, he fails to note the discipline in which the degree was obtained.
2. What we term as “Classical Institutional Inquiry” is also termed “Original Institutional Economics, and sometimes noted by the acronym OIE.
3. See: Chapter VII (2009, p. 122, “The Case of America: The Self-made Man,” and in Chapter XII (2009, p. 356) “The Larger Use of Credit.”
4. Kant’s port city of Königsberg fell to the Red Army in the Winter of 1944-5. Its name was changed to Kaliningrad, serving as a Russian enclave and Baltic naval port located between Lithuania and Poland.
5. In his “Inaugural Dissertation” Kant refers to the actual and existing object, with an essential ontology as the “sensitive.” And, for Kant (1929, p. 74) “... illusions of the intellect in decking out sensitive concepts as intellectual markers may be called a fallacy of subreption.”
6. The term *non sequitur* comes to us from Latin and could be taken to mean a conclusion or an inference that fails to follow the premises.
7. When comparing tables of contents of Veblen’s major books with C. Wright’s two books under consideration, parallels between tables of contents registers as similar in orientation.
8. In his contributions to the literature on “original trauma,” Chellis Glendenning (1994, 64) notes it as: “... the systemic removal of our lives from previously assumed elliptical participation in nature’s world.... Original trauma is the disorientation we experience, however consciously or unconsciously, because we do not live in the natural world. It is the psychic displacement, the exile, that is inherent in civilized life. It is our homelessness.

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