Reconsidering the notions of process, order and stability in Veblen

Nuno Ornelas Martins

Universidade Católica Portuguesa

Católica Porto Business School and CEGE

Rua Diogo Botelho 1327, 4169-005 Porto, Portugal

E-mail: nmartins@ucp.pt

https://orcid.org/0000-0001-7966-6435

Abstract:

Tony Lawson has recently provided an original assessment of the notions of process, order and stability in the writings of Thorstein Veblen, in which he attributes to Veblen an ideational conception of order, while also arguing that Veblen changed his views on the causes of stability, which in earlier writings were attributed to institutions and the ceremonial aspects of life, and in later writings are to be found in human nature. In so doing, Lawson moves away from previous interpretations of Veblen, including Lawson's own in some respects, especially on the nature of institutions. Here I further extend Lawson's new interpretation of Veblen in some respects, while challenging some aspects of it. In particular, I discuss whether Veblen really changed his view on the causes of stability, while proposing a generalisation of the Veblenian dichotomy.

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1. Introduction

Tony Lawson (2015B) has recently provided an original assessment of Thorstein Veblen's contribution, in which he challenges previous interpretations of Veblen, including Lawson's own previous interpretation (Lawson 2003A, pp. 184-217; 2003B; 2005, 2015A). In his earlier interpretation, Lawson (2003A, 2003b, 2005, 2015A) attributed to Veblen a conception of social reality which is, implicitly at least, consistent with Lawson's own conception – on which see, for example, Lawson (2003A, pp. 28-62; 2012) – where social structures are emergent totalities which are not purely ideational and institutions are relatively enduring social structures (Lawson 2015B, p. 999). In his new interpretation of Veblen, Lawson (2015B) now argues that for Veblen, institutions are constituted by habits of thought, which are essentially of an ideational nature.

According to Lawson, this ideational nature of Veblen's conception can be best understood by noting the influence of Immanuel Kant on Veblen (Lawson 2015B, pp. 999-1000), and becomes clearer when noting the similarities between Veblen's implicit social ontology and the social ontology developed by John Searle (Lawson 2015B, p. 999, fn 2; p. 1001, fn. 5). Thus, Lawson 2015B, p. 999) argues that he was mistaken in his previous interpretation of Veblen regarding the nature of institutions, which was against the idea that Veblen interprets institutions in ideational terms, as habits of thought (Lawson 2003A, pp. 332-333, fn. 28).

Furthermore, rather than seeing habits of thought as something fixed that provides stability in the face of technological change, as in the so-called 'Veblenian dichotomy', Lawson sees habits, at least in Veblen's mature writings, in terms of a process of habituation through which change can happen. Lawson argues that the source of stability, according to Veblen's later writings, is to be found in human nature, which is relatively stable, while contrasting this view with Veblen's (1899) earlier view, in which human nature is seen as subject to change through natural selection,

and institutions constituted by habits of thought are the source of stability, as argued by many institutionalists. For Lawson, this conception of institutions as relatively fixed, constituted by relatively stable habits of thought, tends to disappear over time in Veblen's writings, where the very word 'institution' is used less and less.

Lawson's new interpretation of Veblen has important implications, especially for the Veblen-Ayres branch of the institutionalist tradition, which takes institutions as relatively fixed habits of thought, as in the Veblenian dichotomy between technology as a driver of change and habits of thought as a source of stability. Moreover, it seems to have important implications regarding the possibility for achieving a critique of capitalist society drawing on a Veblenian dichotomy where ceremonial and stable habits of thought are a constraint to human development.

Here I extend Lawson's new interpretation of Veblen in some respects, while challenging some aspects of it. In particular, I discuss whether Veblen really changed so significantly his view on habits, habituation, human nature, and the causes of stability in general. I start by describing Lawson's interpretation of Veblen and how the new interpretation differs from Lawson's previous one. I then address the similarities between Searle's social ontology and Veblen's implicit social ontology, and the influence of Kant on Veblen. I argue that Lawson's conclusion that Veblen's conception is ideational springs to a great extent from interpreting Veblen's contribution drawing on Searle's social ontology. I also argue that Veblen's interpretation of Kant leaves open possibilities that can lead beyond a merely ideational conception.

I subsequently discuss the sources of change and stability in Veblen's writings, and argue Veblen's conception provides enough instruments for a critique of capitalist society, even if we accept Lawson's new interpretation. Lawson's interpretation can be reconciled with a generalisation of the Veblenian dichotomy, in which the tension between technology and

institutions (or between instrumental and ceremonial behaviour) is a particular case of a more general tension between human nature and habits of thought. In fact, Veblen's view on the stability of human nature and its implications ends up being quite similar to Lawson's in important respects (2015C), and ultimately more akin to Lawson's social ontology than to Searle's, if we consider the ultimate sources of social order and stability.

2. Lawson's interpretation of Veblen

In his earlier interpretation of Veblen, Lawson (2003A, pp. 332-333) argues that for Veblen an institution is not merely a habit of thought. Lawson (2003A, p. 332; 2005, pp. 16-17) notes that even in Veblen's 1909 essay *The Limitations of Marginal Utility*, where a definition of institutions in terms of habits of thought is made in a famous passage, the subject of the definition is not even institutions, but rather "the habits of thought relating the principles of marginal utility analysis." (Lawson 2003A, p. 333). Lawson (2003A, p. 334) also distinguishes habits from dispositions, noting that the term habit is used to denote "a settled disposition or propensity to act in a certain way, as well as a settled way of acting". Lawson suggests using the term 'habit' only in the latter sense, while reserving the term 'disposition' for the former sense.

In so doing, Lawson argues that Veblen's notion of institution can be interpreted in line with Lawson's (2003A, 2003B, 2005) own, where an institution is a relatively enduring social structure. Social structures, in turn, are emergent totalities constituted by social positions attached to social rules, which are permanently reproduced and transformed by human agency, but are ontologically and taxonomically irreducible to human agency (Lawson 2003A). The idea that institutions are a particular case of social structures is also shared by other authors such as Geoffrey Hodgson (2006, p. 2), who argues that "[t]he original institutional economists, in the tradition of

Thorstein Veblen and John R. Commons, understood institutions as a special type of social structure with the potential to change agents, including changes to their purposes or preferences." In Lawson's (2015B) new interpretation, this definition of institutions as a relatively enduring social structure stands in contrast to Walton Hamilton's (1932, p. 84) definition of an institution as "a way of thought or action of some prevalence and permanence, which is embedded in the habits of a group or the customs of a people" which, according to Hogdson (1998, p. 179), elaborates Veblen's (1909, p. 626) earlier definition of an institution as "settled habits of thought common to the generality of men."

The definition of institutions in terms of stable habits of thought leads to the so-called Veblenian dichotomy, associated with the contributions of Clarence Ayres (1944, 1952), which is often seen as "the central analytical tool of institutional economists in the Veblen-Ayres tradition." (Waller 1982, p. 757). The central idea of the Veblenian dichotomy is that there is an enduring opposition between "the dynamic force of technology continually making for change, and the static force of ceremony-status, mores, and the legendary belief-opposing change" (Ayres 1944, p. 176) – see Lawson (2005, pp. 17-19) for a discussion.

As Waller (1982) notes, there has been a tendency to replace the term "technology" with "instrumental", and the term "institutions" with "ceremonial" as the Veblenian dichotomy evolved until the contributions of John Fagg Foster. Waller (1982, p. 762) also notes how Hamilton (1932, p. 89), writing after Veblen and before Ayres, took institutions to be "a spur to change", which Waller interprets as a view "fundamentally different from Veblen's concept of institutions as a drag on cultural change." But the overall tendency has been to interpret the Veblenian dichotomy as a contrast between dynamic technology and static institutions (or habits of thought), or between instrumental behaviour and ceremonial behaviour.

Lawson (2003B) argues that the attribution of this dichotomy to Veblen springs from Veblen's lack of sustained ontological analysis, which would help rendering explicit the notion of social structure Veblen implicitly adopts (Lawson 2003B, pp. 199-200; 2015A, pp. 567-570). And the lack of explicit ontological elaboration on social structures, including the analysis of how they are reproduced and transformed, led to the emphasis on the Veblenian dichotomy as an analytical tool for studying change (associated with technology) and stability (associated with institutions).

However, it is important to note that Lawson (2005) also criticises Geoffrey Hodgson (2000) and Anne Mayhew (2000) for seeing a realist conception of an emergent social structure with irreducible causal powers as something evidently rooted in the history of institutionalism, including Veblen – a view which, Lawson (2005) argues, is implied in the idea of "reconstitutive downward causation" endorsed by Hogdson (2000) and Mayhew (2000) and seen as a prominent feature of institutionalism at least in the specific writings of Hodgson (2000) and Mayhew (2000) that Lawson (2005) is commenting on.

So although Lawson (2015B, p. 999) argues that he previously interpreted Veblen's conception as being similar to Lawson's own realist social theory, what Lawson actually attributes to Veblen is a notion of social structure which is implicitly compatible with a realist social ontology, but not fully elaborated at an ontological level. For Lawson (2005) actually believes that authors like Hodgson (2000) and Mayhew (2000) go too far when arguing that the notion of an emergent social structure is evidently present in the tradition of original institutionalism, when in fact "prior to recent developments in realist social theorising the institutionalist tradition did not really possess these ontological resources relating to emergence" (Lawson 2005, p. 10).

The change in Lawson's (2015B) new interpretation is that Lawson now believes that Veblen's conception of social structure is not compatible with a realist social ontology, even if

only implicitly. Rather, Veblen's conception of social structure is a purely ideational one, instead of a realist conception rooted in social practices, as Lawson's (2003A) own. In Lawson's (2015B, p. 999) realist conception, "social structures include emergent totalities (such as capitalism itself) that are not always well understood, or uncontested, let alone purely ideational (though of course always dependent on human conceptions)."

This passage seems to presuppose that a purely ideational conception of social structures is one where social structures could not be misunderstood or contested. For if social structures are constituted by our ideas and thoughts, rather than ontologically distinct from our ideas or thoughts, there is no external object to our ideas and thoughts for us to misunderstand or contest. And if Veblen sees institutions as being constituted by habits of thought, then his conception must be, Lawson (2015B) argues, a purely ideational one, where we cannot misunderstand or contest existing institutions. This view, if correct, certainly has important implications for the critical potential of the institutionalist tradition stemming from Veblen, which is typically perceived as a tradition that engages in a thorough and consistent critique of capitalist society.

According to Lawson's (2015B) new interpretation, for Veblen, in his mature writings at least, change takes place through a process of habituation. Lawson (2015B, pp. 1007-1012) argues that habituation, for Veblen, consists of adjusting habits of conduct when situations change, through "*individual* processes of desensitisation to appropriate transformed features of the environment" (Lawson 2015B, pp. 1009-1010, original emphasis). This notion of habituation stands in contrast with John Fagg Foster's conception, where habituation means, Lawson (2015B, p. 1009) argues, "a process of doing things habitually".

So Lawson distinguishes habit, as a settled form of action, from habituation which, Lawson (2015B, p. 1009) advocates, for Veblen is rather a process where there is "a gradual decline of a

response to a stimulus resulting from repeated exposure to the stimulus." Lawson's (2015B) interpretation of habituation explains why is it that, for Veblen (1909, p. 628), "institutions are an outgrowth of habit", and "the adaptation of habits of thought is the growth of institutions" (Veblen 1899, p. 213). Lawson's (2015B) new interpretation of Veblen stands in contrast with a view where habits of thought are relatively stable, subject to change through the dynamic force of technology, as in the Veblenian dichotomy as usually interpreted in the Veblen-Ayres tradition, and so raises important doubts concerning the central analytical tool of the Veblen-Ayres branch of the institutionalist tradition.

3. The similarities between Searle's and Veblen's social ontologies

Lawson's (2015B) new interpretation of Veblen has been challenged by William Waller (2016, p. 86), who notes that Veblen's (2005[1904]) analysis of the machine process presupposes that habituation is influenced by material forces connected to human activities of production. Waller (2016, p. 86) notes that "Veblen seems to be arguing that physical habits of conduct precede and create habits of thought, then habits of thought become institutions, thus the social is the result of material experiences of production." Waller (2016, p. 86) also notes that the material conditions of life lead to a division of labour through which social classes emerge, and thus social structures are influenced by material conditions, rather than being merely ideational.

Waller's argument is that if habituation is a gradual decline to a stimulus, through desensitisation, as Lawson (2015B) argues, then it is clearly influenced by the material forces of the environment, which lead to changes in the stimulus provided, and thus influence desensitisation, shaping habits of thought. In fact, it is difficult to understand why is it that habits of thought change towards a more matter-of-fact direction through the influence of the machine

process, as Veblen (1898, 2005[1904], 1914) often argues, were it not for the influence of material forces on habits of thought.

However, Lawson also accepts that Veblen recognises how material forces influence institutions. Lawson (2015B, p. 1016) argues that Veblen's (1899) assessment of the influence of material forces in his early writings even appears "to suggest that social structure is ultimately reducible to biological and physicalist factors". So Lawson (2015B, p. 1016) is aware of Veblen's acceptance of the influence of material forces. But unlike Waller (2016, p. 86), Lawson does not seem to see any reason why this influence of material forces, which he actually sees as an apparent reductionism, would lead to a non-ideational conception of institutions.

To understand why this is so, it is important to remember that Lawson (2015B, pp. 999-1001, fn. 2&5) finds important similarities between the social ontology underlying Veblen's conception, and the social ontology developed by John Searle, whose conception seems also to suggest some form of physical reductionism in some instances. In fact, Lawson's interpretation of Veblen seems to be influenced by his reading of Searle's social ontology, which Lawson (2012) has analysed when developing his own conception. So a brief summary of Searle's social ontology will help understanding Lawson's interpretation of Veblen, and why is it that, in Lawson's interpretation, recognising the influence of material forces does not seem to undermine the claim that Veblen's account of social structure is purely ideational.

Searle (1995, 2010) develops a social ontology where intentionality, that is, the fact that our mind is directed at something, plays a crucial role. Social facts are defined in terms of collective intentionality, in which the minds of various individuals are all jointly directed at some external feature or activity. So the mental state of each individual cannot be understood independently of the role that other individuals play in a given situation. That is, intentionality

springs from the mind of an individual, but intentional states involving collective intentionality cannot be understood in terms of expressions such as *I intend*. Rather, collective intentionality is an intentional state expressed through terms such as *we intend*.

Through intentionality, human beings can impose functions on objects and persons. Some of these functions, which Searle (1995, p. 41) calls causal agentive functions, rely on the physical characteristics of objects or persons. But there are also functions that are performed regardless of the physical characteristics of objects or persons only because a *status* is collectively recognised. When this happens, we have a *status function* that presupposes collective intentionality. *Status functions* are created through what Searle (2010) calls, in his more recent writings, a status function *declaration*, which is seen by Searle (2010) as a case where the mind creates a new ontological constituent of the world, one that arises once it is represented linguistically. So institutional reality is created as declarations generate status functions, which specify deontic powers, including positive deontic powers such as rights and negative deontic powers such as duties or obligations, which must be collectively recognised through collective intentionality. It is easy to see why Lawson finds Searle's social ontology an ideational one, given that institutional reality is created through the intentional activity of our mind.

Searle's social ontology seems to play a central role in Lawson's (2015B) new interpretation of Veblen, for example when distinguishing institutions from individual habits. Lawson (2015B, p. 1010) accepts that for Veblen (1909, p. 628) "institutions are an outgrowth of habit", which means they are something arising out of habit, rather than habits themselves. Lawson (2015B, p. 1010) interprets Veblen's account as one where institutions are "shared and settled habits of thought" that "grow out of individual habits." That is, institutions arise once habits of thought become shared through a process something similar to Searle's collective intentionality.

So apparently collective intentionality is what leads us from individual habits to institutions, in Lawson's (2015B, p. 1010) new interpretation of Veblen.

Lawson also seems to interpret the word "scheme" in Veblen's writings as something which is shared through collective intentionality. "Scheme" is a central word often used by Veblen throughout his writings when addressing social activity – examples are, such expressions as "institutional scheme" (Veblen 1909, p. 629), "scheme of institutions" (Veblen 1914, p. 19), "accepted scheme of life" (Veblen 1914, p. 7), "accredited scheme of life" (Veblen 1899, p. 47), "community's scheme of life" (Veblen 1909, p. 629), "conventional scheme" (Veblen 1899, p. 146), "current scheme of common sense" (Veblen, 1914, p. 7), "approved scheme of conduct" (Veblen 1914, p. 7), or "habitual scheme of rules and principles that regulate the community's life" (Veblen 1914, p. 35). And while one can certainly point towards the role of material forces in shaping habits of thought, Veblen notes that even the "system of technology" is as "a customary scheme of ways and means" (Veblen 1914, p. 19). When discussing capital theory, Veblen (1908) also argues that the more important aspect of capital is not the material elements, but rather the knowledge of the way in which those materials can be organised into a given scheme – see also Clive Lawson (2017, p. 21).

Now, a "scheme" can be interpreted as a mental representation that can be shared through what Searle calls collective intentionality. The idea of an "accredited scheme of life" (Veblen 1899, p. 47), "approved scheme of conduct" (Veblen 1914, p. 7), or an "accepted scheme of life" (Veblen, 1914, p. 7), in particular, seems to indicate an acceptance of a scheme through what Searle calls collective intentionality. But it need not be a mental scheme. It can also refer the acceptance of collective practices (Lawson 2012, p. 360) in a non-ideational fashion, if we interpret "scheme" as referring to a mode of organisation that is ontologically distinct from the human mind,

rather than something produced by the human mind. We can find an important similarity between Veblen and Searle (as interpreted by Lawson at least) only if we interpret a "scheme" as a mere mental representation.. And there are other interesting parallels between Veblen and Searle, for example when Veblen (1899, p. 22) refers to "elements of social structure" such as "leisure" and "ownership" as "conventional facts". While this is not a reference to social structure as a whole (but rather to elements of it such as "leisure" and "ownership"), it does resonate with Searle's idea of "institutional facts", in which a rule constitutive of a given activity is recognised through collective intentionality.

Lawson (2012) interprets Searle's social ontology as an ideational one because Searle (1995, 2010) grounds his social ontology on intentionality as a mental state, through which institutions are created as we impose status functions through declarations. However, Searle also refers to the role of physical causation. In fact, Searle reserves the word "cause" to denote causation at a physical level only. Physical phenomena influence mental states through what Searle (1995, 2010) calls the Background, that is, a set of non-intentional dispositions and capacities, and causal structures in general (Searle 1995, p. 129) that enable intentional mental states to function. Searle (1995, p. 132) argues that his idea of the Background is related to notions such as Pierre Bourdieu's *habitus*, which Lawson (2003A, pp. 45-46) adopts when explaining habits and dispositions. So mental conceptions are influenced by the physical level in Searle's social ontology, which is sometimes seen as one where everything is not merely influenced by, but actually causally reducible to the physical level, since causation occurs at the physical level only.

Veblen, like Searle, also accepts that material practices influence mental conceptions. In fact, Veblen writes in the preface of *The Instinct of Workmanship and the State of the Industrial Arts*, regarding the analysis of the economy and society made in the book:

> The analysis proceeds on the materialistic assumptions of modern science, but without prejudice to the underlying question as to the ulterior competency of this materialistic conception considered as a metaphysical tenet. The inquiry simply accepts these mechanistic assumptions of material science for the purpose in hand, since these afford the currently acceptable terms of solution for any scientific problem of the kind in the present state of preconceptions on this head.
>
> (Veblen 1914, p. vii)

So Veblen explicitly states that he conducts his analysis under what he sees as a materialistic conception, without however making any explicit assessment of the validity of the underlying ontology which he presupposes. In fact, in a footnote towards the end of the book Veblen compares this materialistic or mechanistic conception of causation with the philosophy of Henri Bergson (which Veblen interprets as a reaction against the materialistic or mechanistic conception), noting "the (doubtless very substantial) merits of this system of speculative tenets" (Veblen 1914 p. 334, fn. 12), and the whole discussion is one where Veblen abstains from taking sides with the materialistic conception of modern science, or with Bergson's conception which is interpreted as an animistic conception that imputes a creative action of workmanship to nature in an animistic "speculative scheme" the roots of which reach "far into the background of human culture".

Even if Veblen, quite characteristically, wants to avoid taking sides on ontological issues, it is easy, natural, and usual to interpret his view as one where material experiences of production lead to changes in mental conceptions from an animistic one towards a more mechanistic (or materialistic) one. And like Searle, Veblen also seems to use the term causation to denote material

or mechanistic causation at a physicalist level, noting how animistic or teleological mental conceptions are replaced by matter-of-fact habits of thought influenced by observing mechanical relations of cause and effect.

But for Lawson, this is not sufficient to establish that Veblen's conception (or Searle's) is more than purely ideational. The reason is that, for Lawson (2012), the very organisation of any material components has to be more than a mental scheme, no matter how much the latter is influenced by (or possibly causally reducible to) the physical level. In Lawson's (2012) realist social ontology, the organisation of components leads to an emergent totality, and this emergent totality is itself a real entity, as real as its components. Thus, when comparing his social ontology with Searle's, Lawson (2012, p. 354) writes that "organisation has to be seen as itself an emergent phenomenon (requiring diachronic explanation), and one that significantly forecloses the possibility of (synchronic) causal and ontological reduction." This includes social organisations and their social structures, constituted through social relations, within a relational ontology.

Searle, in contrast, seems to defend causal reductions to a physical level, even if the notion of organisation seems also to be implicitly present in Searle's conception in a realist sense (Lawson 2012, pp. 353-354). But at an explicit level at least, the organisation of matter into an emergent totality is not accepted by Searle, and such a pattern of organisation cannot be more than a cognitive scheme, as it would the case also for Veblen, according to Lawson's (2015B) new interpretation. Hence the ideational nature of Veblen's (and Searle's) conception. This is also why the influence of physical or material elements noted by Waller (2016) does not undermine Lawson's (2015B) assessment of Veblen's conception as an ideational one, if we follow Lawson (2015B) in interpreting Veblen's implicit ontology in terms of Searle's social ontology. But it remains far from clear whether there is not an implicit acceptance of a non-ideational approach to

organisation within a relational social ontology not only in Searle, as Lawson (2012, pp. 353-354) notes, but also in Veblen, as Lawson (2003A, 2003B, 2005, 2015A) argued in previous writings.

Lawson (2015B, p. 1000, fn. 3) notes that Veblen (1899, p. 193) writes that "[i]nstitutions are habitual methods of carrying on the life process", and questions whether the reference to "methods" could imply something more than mere habits of thought. As Lawson (2015B, p. 1000, fn. 3) also notes, this sentence is preceded by another where Veblen (1899, p. 193) writes: "Any community may be viewed as industrial or economic mechanism, the structure of which is made of what is called its economic institutions." So the social structure is constituted by institutions, which are in turn habitual methods. And here "methods" could mean rules of proceeding, within a relational social ontology where social relations and the social rules they presuppose are ontologically distinct from human agency.

A relational ontology similar to Lawson's seems to be implied also because Veblen's (1899, p. 44) refers often to "methods" and "system" in connection to "human relations" - examples are such passages as "human relation in such a system" (Veblen 1899, p. 47), "method of human relation" (Veblen 1899, p. 64), "methods of life and human relations" (Veblen 1899, p. 188). In later writings Veblen (1909, p 623) actually refers to "institutions" as "human relations governed by use and wont in whatever kind and connection", which can also be interpreted in terms of a relational ontology.

Lawson argues (2015B, p. 1000, fn. 3), however, that "methods" could well mean "principles" in an ideational sense. And Veblen (1914, p. 35) does indeed refer elsewhere to the "institutional apparatus" as "the habitual scheme of rules and principles that regulate the community's life", while also refering to the "scheme of human relations" (Veblen, 1899, p. 224). This means that it all hinges on how we interpret the word "scheme": as an ideational notion shared

through collective intentionality, within a Searlean interpretation of Veblen; or as something more than that.

In this regard, is important to note that in *The Theory of Business Enterprise*, Veblen (2005[1904], p. 68) refers to a "scheme of life and of thought", and also to "habits of life and of thought" (Veblen 2005[1904], p. 138). This double qualification seems to suggest that the words "scheme" and "habit" are used to refer both to thought (in an ideational sense) and also to what happens in the life process, in a non-ideational way. This double usage appears in later writings such as *Imperial Germany and the Industrial Revolution*, where Veblen refers sometimes to a "scheme of things" (Veblen 2003[1915], p. 30) and on other occasions to a "scheme of thought" (Veblen 2003[1915], p. 89). So although the word "scheme" is sometimes used in line with Lawson's (2015B) new interpretation, it seems also to be used in a way that cannot be taken in a purely ideational sense, suggesting that "scheme" is sometimes meant to denote relations lying outside thought. This is a topic to which I return in the next section.

4. The influence of Immanuel Kant

Lawson (2015B, p. 999) gives as further evidence of the ideational nature of Veblen's conception "the fact that Veblen was early on somewhat significantly influenced by Kant." Lawson (2015B, p. 1000) says, however, very little on what he calls Veblen's "Kantian training". As is well-known, Veblen's doctoral dissertation at Yale, titled *The Ethical Grounds of a Doctrine of Retribution* and submitted in 1884, drew much upon Kant's philosophy, but it has now been lost. Fortunately, an article titled "Kant's Critique of Judgment" (Veblen 1884), published in the same year, survived. And through this article it is possible to have a reasonably clear idea of Veblen's view of Kant,

and how it influenced Veblen's notion of mental conceptions, including the influence of the material world on mental conceptions.

Veblen (1884, p. 261) compares Kant's two first Critiques in the following way: "The outcome of the Critique of the Practical Reason is the notion of freedom in the person; the outcome of the Critique of Pure Reason is the notion of strict determinism, according to natural law, in the world." That is, Kant presupposes a deterministic conception of natural laws of cause and effect taking place in space and time. In order to reconcile this with the idea of human freedom, Kant adopts an ideational conception of space and time, where space and time are *a priori* forms that enable sensorial perception – see Martins (2017, pp. 1331-1332) for a more detailed discussion of Kant's position on these matters in connection with Lawson's social ontology. Moral reasoning, regarding for example what type of actions should be accepted as universal laws of conduct, such as the reasoning which leads to Kant's categorical imperative and the entailed deontology, is undertaken at a different plane outside the sensorial forms of human perception. That is, moral reasoning takes place outside ideal space and time, and thus is not subject to the deterministic laws of natural phenomena. Veblen (1884, p. 261) notes this solution found by Kant for reconciling determinism in the natural realm with freedom in the moral realm: "Kant was able to hold to the reality of personal freedom at the same time that he held to the doctrine of unavoidable determination according to natural law." Here, again, we find similarities with Searle's idea that at a physical level there is materialistic causation, but a deontology of rights and obligations can co-exist at a moral level.

However, Veblen (1884, p. 261) also notes that a mediation between the natural realm and the moral realm is indispensable. And Kant's *Critique of Judgment*, which discusses the role of the reflective judgement and is the subject of Veblen's article, deals exactly with this question in

Veblen's interpretation. For Veblen (1884, p. 263), "[t]he office of the reflective judgment is to find unity in multiplicity, or to give unity to multiplicity." But rather than explaining natural or moral phenomena under given laws, by subsuming the particular under the universal in a deductive (or determinative) judgment, the reflective judgement aims to make a synthesis that goes beyond what is given in experience. Hence, it is inductive (or reflective) reasoning, rather than deductive (or determinative).

The aim of the reflective judgement is "to systematize, and to systematize is but another expression for reducing things to intelligent order; that is, to think things as though they had been made according to the laws of an understanding", or "to think of them *as though* they had been made by an intelligent cause." (Veblen 1884, p. 264, original emphasis). This requires the "adaptation on the part of the object to the laws of the activity of our faculties of knowledge, or, briefly, adaptation to our faculties" (Veblen 1884, p. 265), within what Veblen (1884, p. 271) calls the "principle of adaptation". Now, Veblen notes that "whenever the intellect finds the objects of its knowledge to be such as to admit of the unhampered activity of the faculties employed about them, there results a gratification such as is always felt on the attainment of an end striven for." (Veblen 1884, p. 265). This happens because "the play of the faculties is free, or but little hampered by the empirical element in its knowledge." (Veblen 1884, p. 265).

Veblen (1884, pp. 265-267) then notes, following Kant's reasoning, that the adaptation of knowledge to our faculties can occur in two different ways. The first case in when a simple datum which is not a part of our conception of the world is apprehended. This simple datum, if it conforms to our faculties, pleases (or gratifies) in a merely subjective way. The second case is when the data of cognition may constitute part of our knowledge of reality, including our knowledge of nature, and must stand in some objective relation to other data. In the latter case, the relations of concepts

are conceived of as relations between real objects external to our understanding. But the principle of adaptation is a regulative (rather than constitutive) principle, since "[a]ll it can do is to guide us in guessing about the given data, and then leave it to experience to credit or discredit our guesses." (Veblen 1884, 271).

Since this principle of adaptation finds gratification whenever the data apprehended conforms to the laws of our understanding, for it occurs when our faculties act unhampered, there is a tendency to conceive the world as an "organic whole" subject to "laws of a character similar to that of the logical laws according to which our mind subsumes the particular under the general, and holds together all the material gained by our cognition in a systematic totality of knowledge." (Veblen 1884, p. 268). It is for this reason that we have the tendency to adhere to teleological conceptions of natural laws, as if the world had been designed by an intelligent being.

Clearly, the idea that human beings have the tendency to adopt a teleological conception of the world is one that Veblen maintains in more mature writings, while believing it will disappear gradually through engagement with matter-of-fact mechanistic processes. In fact, this tendency towards a teleological conception is instinctive, for as Veblen (1914, p. 3) notes in more mature works "[i]nstinctive action is teleological, consciously so". And it seems that this idea, which is so central to Veblen's subsequent studies on mental conceptions and history of thought, is developed early on during Veblen's doctoral studies. The idea that aesthetic gratification results from the unhampered activity of the intellect is one that Veblen (1899, p. 128; pp. 151-159) also repeats fifteen years later when discussing canons of taste in the *Theory of the Leisure Class*, noting also how habituation (Veblen 1899, p. 151), and the ensuing change of habits of thought (after pecuniary emulation begins), leads to an adaptation of how the subjective feeling of gratification manifests itself.

Veblen's study of the reflective judgement, summarised very briefly above, is essential for understanding whether Veblen's "Kantian training" really leads or not towards an ideational conception, as Lawson suggests it does. Veblen highlights how, for Kant, the faculties of our knowledge find gratification when the laws of the object of knowledge conform to the logical laws of our mind. But this gratification, or pleasure, or aesthetic feeling in general (Veblen 1884, 1899), seems to presuppose an external world that delivers empirical material that may fit or not into our faculties. So the mediation between the external world and the human mind brought by Kant's *Critique of Judgment*, as Veblen interprets it, leads to a connection between the mind and the external world, where our mind develops an activity which may or may not be hampered by external reality.

It must be noted that Kant himself noted in the first Critique, the *Critique of Pure Reason*, that knowledge involves always a mixture between the activity of our mind and the empirical data provided by phenomena. The real question is whether the result of this encounter between our faculties of knowledge and empirical data is fully determined by the former, as it would be the case in a merely ideational conception. Veblen does not seem to see things this way, and notes that Kant received "a good deal of mistaken criticism" (Veblen 1884, p. 263) because his critics failed to see that aesthetic appropriateness (influenced by the external world) guides the reflective judgement, and final causes (teleology) arise subsequently. Kant's critics believed that Kant's starting point had been a teleological notion of final cause, and thus "have taken up the Critique wrong end foremost, and it is no wonder that they have found fault with it." (Veblen 1884, p. 263).

Waller (2016, p. 86) seems to find the mere influence of external objects sufficient to render Veblen's analysis non-ideational. Lawson's (2015B) distinction between ideational and practical conceptions may generate some confusion here, since Kant, Veblen and Searle are clearly

concerned with accounting for the relevance of practical experience through various ways: for example, through Kant's regulative principles which guide practical experience, through Veblen's emphasis on how habits of thought are shaped by practical activity, or through Searle's emphasis on how the Background shapes human experience and is shaped by practical activity. If all that is required for labelling a conception as practical rather than ideational is the acceptance of an external world which influences the practical activity of human beings, this is something that Kant, Veblen and Searle readily accept.

But for Lawson (2015B) what is at stake is not the ontological status of the world as a whole, but rather the ontological status of social structures and institutions in particular. The question is whether the Kantian and Veblenian schemes of thought are capturing social structures as an ontologically entity, in which case their conception can be rendered non-ideational. This depends on the manner in which our schemes of thought interact with the external world, and whether this interaction is suggestive of the existence of such things as social structures. We have no means to find this other than making a transcendental (Kantian) inference from generalised conditions of experience to their conditions of possibility, as Lawson (2003A, pp. 28-62) himself does, and the question is whether these conditions of possibility lie entirely in our mind, or receive input from the external world that is suggestive of forms of organisation at an emergent social level. Our "schemes of thought" (Veblen 2003[1915], p. 89) can, at best, be instruments that we use when navigating in the world and making such transcendental inferences about the"scheme of things" (Veblen 2003[1915], p. 30).

In fact, there are interesting similarities between Veblen's interpretation of Kant and the pragmatist idea that our ideas are instruments that we use and may or may not help us navigate in the world. But to see those similarities, it is important to note that what Veblen (1884) calls here

"induction", guided by aesthetic judgement, is more akin to what Lawson (2003A) calls "retroduction", and is called "abduction" (as well as "retroduction") in the pragmatist tradition following Charles Sanders Peirce (who was also much influenced by Kant), since the aim is to find a universal law that gives unity to phenomena through a somewhat creative effort (which finds subjective gratification or not depending on how well the concepts used help navigating in the world) rather than through a mere generalisation from the particular to the universal, as induction is usually conceived of today.

William James (1981 [1907], pp. 32-33), in his book *Pragmatism*, refers also to the same idea of gratification, and writes: "A new opinion counts as 'true' just in proportion as it gratifies the individual's desire to assimilate the novel in his experience to his beliefs in stock." Veblen refers to James's (1890) *Principles of Psychology* in more than one occasion (Veblen 1906, p, 593; Veblen 1914, p. 37, n. 2&5; Veblen 1914, p. 102, n. 36), and he does use the term "pragmatism". But in so doing, Veblen (1906, p. 591, fn. 4) writes: ""Pragmatic" is used here in a more restricted sense than the distinctively pragmatic school of modern psychologists would commonly assign the term." By pragmatic knowledge Veblen (1906, p. 591, fn.4) means knowledge that "is designed to serve an expedient", that is, in an instrumental way, within a teleological activity. In any case, using instruments presupposes an external reality with which these instruments interact in certain ways.

Perhaps part of the reason why Veblen leaves these questions somewhat ambiguous is that they are not central to his notion of stability, as Lawson (2015B) notes. For an important insight of Lawson's (2015B) new interpretation is that for Veblen the source of stability and order lies in human nature, and more specifically in the endowment of instinctive proclivities. This is a very important aspect of Lawson's (2015B) new interpretation that I elaborate in the next section. Doing

so will help clarifying whether Veblen's conception is really ideational, and help understanding the influence of material experiences on human conceptions, an influence mediated by the endowment of instinctive dispositions.

5. A generalisation of the Veblenian dichotomy

Veblen takes instincts to be a disposition, using frequently the expression "instinctive disposition". An important question in this regard is whether instinct is a conscious or non-conscious disposition. For Searle (1995, p. 129), for example, dispositions are non-intentional and non-conscious causal structures at a neurophysiological level. Lawson (2003A, pp. 333-335, fn. 29) also argues that a habit is a repeated or settled form of action "without necessarily involving conscious deliberation". Veblen, in contrast, reserves the word "tropism", rather than disposition or habit, for non-conscious phenomena taking place at a physiological level: ""Instinct", as contra-distinguished from tropismatic action involves consciousness and adaptation to an end aimed at" (Veblen 1914, p. 4). But Veblen also notes that: "By insensible gradation the lower (less complex and deliberate) instinctive activities merge into the class of unmistalable tropismatic sensibilities, without its being practicable to determine by any secure test where the one category should be declared to end and the other to begin." (Veblen 1914, p.5)

Lawson (2015B) argues that Veblen's views on these matters changed over time. Lawson (2015B) notes that the genetic discoveries of Gregor Mendel led to a radical revision of Veblen's conception of human nature, from a conception where human nature is variable (due to natural selection) towards a conception where human nature is stable. In Veblen's former conception, relatively fixed habits of thought are the source of stability, and Lawson (2015B) suggests that institutionalist authors in the Veblen-Ayres tradition kept this approach, but Veblen himself

changed towards a conception where a relatively stable human nature (albeit an outcome of evolution) is the sources of stability, while habits change through habituation.

However, we can find passages in Veblen's earlier writings where Veblen seems to adopt what Lawson sees as his mature view. In the *Theory of the Leisure Class*, for example, Veblen refers to the adaptation of habits of thought as the growth of institutions, and the variability of human nature is actually explained in terms of stable ethnic types:

> Social evolution is a process of selective adaptation of temperament and habits of thought under the stress of the circumstances of associated life. The adaptation of habits of thought is the growth of institutions. But along with the growth of institutions has gone a change of a more substantial character. Not only have the habits of men changed with the changing exigencies of the situation, but these changing exigencies have also brought about a correlative change in human nature. The human material of society itself varies with the changing conditions of life. This variation of human nature is held by the later ethnologists to be a process of selection between several relatively stable and persistent ethnic types or ethnic elements. Men tend to revert or to breed true, more or less closely, to one or another of certain types of human nature that have in their main features been fixed in approximate conformity to a situation in the past which differed from the situation of today. There are several of these relatively stable ethnic types of mankind comprised in the populations of the Western culture. These ethnic types survive in the race inheritance today, not as rigid and invariable moulds, each of a single precise and specific pattern, but in the form of a greater or smaller number of variants. Some variation of the ethnic types has resulted under

> the protracted selective process to which the several types and their hybrids have been subjected during the prehistoric and historic growth of culture.
>
> (Veblen 1899, pp. 213-214)

As can be seen in this passage, habits of thought, are seen as subject to change, and Veblen (1899) saw early on that such a change is the growth of institutions, as in the later writings that Lawson (2015B) refers to. A reading of this passage, and of the *Theory of the Leisure Class* in general, where the word "habituation" is also extensively used, also suggests that Veblen's conception of human nature has always been one where there are stable elements, which can be combined in various ways, and variation is explained in terms of such a combination. The real difference that Mendelian genetics brings is that in earlier writings Veblen (1899) took stable ethnic types as the stable units which can be combined in various ways, while in later writings Mendelian genetics leads Veblen (1914) to focus less on ethnic types as the stable units, while emphasising "physiological unit characters" in a "Mendelian sense" (Veblen 1914, p. 13). But in both cases natural selection acts on variation which is explained as a combination of stable units (be it ethnic types, or physiological unit characters).

In fact, Veblen's later writings still presuppose the idea of stable ethnic types, and after a discussion very similar to his earlier discussions on ethnic types, Veblen (1914, p. 21) introduces the topic of Mendelian genetics by writing that "[u]nder the Mendelian theories of heredity some qualification of these broad generalisations is called for", which suggests that Mendelian genetics does not affect the substance of the argument, but only requires qualifications regarding the components which enter into the variability or hybridity of human nature. In fact, Lawson (2015B,

p. 1024) recognises this, noting that for the mature Veblen "variety can nevertheless occur" through "Mendelian mutation" or through "recombination of the more basic units."

However, as Lawson (2015B, p. 1025) is also aware, it is not possible to establish a direct correspondence between physiological unit characters and instinctive dispositions. Veblen (1914, p. 13) writes that "instinctive dispositions would scarcely be accounted unit characters, in the Mendelian sense, but would rather count as spiritual traits emerging from a certain concurrence of physiological unit characters and varying somewhat according to variations in the complement of unit characters to which the species or the individual may owe his constitution." The step from non-conscious tropism to conscious instincts (Veblen 1914, p. 4) also brings inevitably a contamination of instincts that makes it difficult to distinguish the influence of the physiological stable units in each instinctive disposition, therefore undermining the possibility of any analysis that would presuppose a physiological reductionism of some sort. Thus when discussing the instinct of workmanship, Veblen writes:

> Neither this nor any other instinctive disposition works out its functional content in isolation from the instinctive endowment at large.
>
> The instincts, all and several, though perhaps in varying degrees, are so intimately engaged in a play of give and take that the work of any one has its consequences for all the rest, though presumably not for all equally. It is this endless complication and contamination of instinctive elements in human conduct, taken in conjunction with the pervading and cumulative effects of habit in this domain, that makes most of the difficulty and much of the interest attaching to this line of inquiry.
>
> (Veblen 1914, pp. 28-29)

Instinctive dispositions correspond to what Veblen (1914, p. 13) sees as "spiritual traits", and the word "spiritual" is often used by Veblen to designate the endowment of instinctive proclivities and dispositions in a sufficiently vague manner so as to capture the "endless complication and contamination of instinctive elements in human conduct" (Veblen 1914, p. 29). Given the ubiquitous presence of the word "spirit" in Veblen's writings when designating the instinctive endowment, and of the word "scheme" to designate whatever habits and institutions arise through habituation, I would argue that the real dichotomy in Veblen's contribution is between *spirit* and *scheme*, or more specifically, between "human spirit, that is to say the racial endowment of instinctive proclivities", and the "scheme of life" that depends upon "the complement of instinctive proclivities" (Veblen 1914, p. 6). This contrast can be observed in the following passage:

> Changes are going forward constantly and incontinently in the institutional apparatus, the habitual scheme of rules and principles that regulate the community's life, and not least in the technological ways and means by which the life of the race and its state of culture are maintained; but changes come rarely – in effect not at all – in the endowment of instincts whereby mankind is enabled to employ these means and to live under the institutions which its habits of life have cumulatively created.
>
> (Veblen 1914, p. 35)

The stability of the endowment of instincts is, however, not absolute as this passage may suggest, since it is the outcome of an evolutionary process. More specifically, it is a result of the environment provided by the evolutionary stage of peaceable savagery. Veblen's conception of

this evolutionary stage is influenced by the typology of evolutionary stages of Lewis Henry Morgan (1877), who distinguishes between savagery and barbarism in his anthropological analysis. In fact, in addition to the Mendelian influence on Veblen, one must also note the influence of anthropologists such as James George Frazer (Veblen 1914, p. 102, n. 42, 43 & 44) who was very influential in England, and Franz Boas (Veblen 1914, p. 102, n. 19; Veblen 1914, p. 137, n. 24), who became very influential in America, and held a different – indeed opposing – view to that of Morgan regarding the idea of anthropological stages. Morgan and Boas can be seen as founding figures of two different stages in American anthropology.

But Veblen seems to have retained much of Morgan's idea of evolutionary stages, developing a view that became itself influential – see also Raymond Maynard (2000) on Veblen's role in construing the notions of race and culture in 20th century science. For Veblen, peaceable savagery is an evolutionary stage characterized by a spiritual endowment connected to peace, solidarity and workmanship, and compatible habits of thought. Of course, the scheme of life would certainly be punctuated by episodic violence, but the point is that the habits of thought are not typically of a predatory type, as it happens subsequently in the barbarian stage.Given that humans instincts were mostly shaped during the evolutionary stage of peaceable savagery, the instincts developed in this stage are those which Veblen sees as the more stable ones towards which humans still tend to revert to (Veblen 1899, pp. 218-220; Veblen 1914, pp. 20-21), within a "scheme of reversal and survival" (Veblen 1899, p. 214) regardless of the drift institutions may have taken through habituation, leading to a contrast between (instinctive) spirit and (institutional) scheme.

The so-called Veblenian dichotomy of the Veblen-Ayres tradition can be seen as a particular case of this dichotomy between (instinctive) spirit and (institutional) scheme. John Latsis (2009, p. 609) notes that in some instances Veblen defines "'the technological system' in much

the same way that he defines institutions, that is to say, as 'habits of thought'", a view which would undermine the Veblenian dichotomy since "the categorical distinction between technology and institutions cannot be sustained if both are subsumed under this broader category". Since Veblen refers both to technological schemes and institutional schemes (which include schemes of thought and schemes of life, as noted above), the Veblenian dichotomy of the Veblen-Ayres tradition is a case of interaction within (technological and institutional) schemes, rather than between spirit and scheme. But it can be fruitfully articulated with, or indeed subsumed under, the more general dichotomy between spirit and scheme.

To see why this is so, it is important to note that the emphasis on the creative force of technology in the Veblenian dichotomy of the Veblen-Ayres tradition is aimed at showing how technology leads to matter-of-fact habits of thought which help fostering the instinct of workmanship and the concern with economy and efficiency, in order to overcome ceremonial habits which are detrimental to workmanship. But the reason why we want to foster workmanship is to advance the common good for the community, which is assessed in terms of instinctive dispositions the exercise of which promotes human well-being, and thus indicate which ends are to be achieved through the exercise of workmanship, and instrumental behaviour in general.

That is, the "spiritual" or "instinctive" elements are central in determining the ends to be achieved. As Veblen (1914, p. 6) notes, "[m]en take thought", but the "spiritual" or "instinctive" element "decides what they should take thought of, and how and to what effect." The parental bent is a key instinct in this regard. For Veblen, the parental bent is "an instinctive disposition of much larger scope than a mere proclivity to the achievement of children", and of "a much wider bearing than simply the welfare of one's own children" (Veblen 1914, p. 26), since this "instinctive disposition has a large part in the sentimental concern entertained by nearly all persons for the life

and comfort of the community at large, and particularly for the community's future welfare." (Veblen 1914, p. 27).

It is this concern with the community at large, and the welfare of the community, that leads to a "disapproval of wastefulness and useless living", and indeed the "animus for economy and efficiency is a simple expression of the parental disposition itself", within a "parental solicitude for the common good" (Veblen 1914, p. 27). This means that even instincts such as the instinct of workmanship or idle curiosity, which Veblen sees as fundamental instincts for the community, are ultimately subordinated, in what teleological action is concerned, to the ends sought by the parental bent. Thus Veblen goes as far as conceding that "the instinct of workmanship is in the main a propensity to work out the ends which the parental bent makes worth while" (Veblen 1914, p. 48).

The Veblenian dichotomy of the Veblen-Ayres tradition can be seen as a case where the emphasis is on the technological means to achieve the final ends that "the parental bent makes worth while" (Veblen 1914, p. 48). But if we assume that those final ends can be achieved through means other than technological progress, then a Veblenian dichotomy such as that emphasised by Ayres (1944) remains a particular case of the more general dichotomy between spiritual endowment and institutional schemes, even if Ayres himself seems to allow for such a generalisation given the broad reach of his analysis of well-being, and of the Veblen-Ayres tradition in general. So Lawson's emphasis on human nature as the ultimate source of stability and social order in Veblen's account need not be incompatible with the Veblenian dichotomy, if it can be interpreted in terms of a perhaps more general opposition between spiritual endowment and institutional schemes.

This also helps addressing the question of whether habits of thought are merely ideational epiphenomena determined by material forces, or a causal factor that influences material life.

Veblen (1914, p. 7) notes how "the manner, and in a great degree the measure, in which the instinctive ends of life are worked out under any given cultural situation is somewhat closely conditioned by these elements of habit, which so fall into shape as an accepted scheme of life." So it does not seem unreasonable to allow for the possibility that the environment of selection, and thus the process of change, is conditioned both by the spiritual or instinctive elements, and by habits and institutions, which must then be something more than ideational epiphenomena. Instincts, or even physiological tropisms, may actually ultimately change given the factors at play in the environment, thus changing the spiritual foundations of human behavior, even if they are evidently more stable than habits of thought.

This analysis of how *spirit* and *scheme* interact and change can also help understanding Veblen's critique of capitalism. In chapter 9 of the *Theory of Business Enterprise*, Veblen (2005[1904], p. 169) notes how "the habits of life and of thought inculcated by the machine technology" lead to the "disintegration of the spiritual foundations of our domestic institutions", noting how it brings about socialistic tendencies, a "disintegration of the patriarchal tradition" within the family, and puts in jeopardy the business principles that govern capitalism.

The business principles that govern capitalism rest on a respect for natural rights for property acquired through labour (Veblen 2005[1904]). Those natural rights emerged in a specific context characterised by production through handicraft (Veblen 1914), where the fruits of one's labour could be easily observed and seen as personal property. The respect for those natural rights is reinforced by the discipline brought by the predatory animus that finds in feudalism its highest development, a predatory animus that continues to exist after the emergence of capitalism, albeit manifest through other forms such as conspicuous consumption and conspicuous leisure aimed at attaining an honorific position and status in society (Veblen 1899). So capitalism is an hybrid

system comprised by a superposition of technological and institutional schemes stemming from previous evolutionary stages.

But Veblen (2005[1904]) notes how the scheme of business principles is in an inherently unstable situation, since the matter-of-fact habits of thought brought by the technology of the machine process after the industrial revolution(s) foster pragmatic expediency rather than authority and class prerogative, and thus undermine the foundations for discipline and respect for natural rights that are essential to business principles. The interaction between the technological and institutional scheme brings thus instability to capitalism. One solution for this unstable situation is "a consistent return to the ancient virtues of allegiance, piety, servility, graded dignity, class prerogative, and prescriptive authority" so as to "conduce to popular content and to the facile management of affairs" (Veblen 2005[1904], p. 186), especially when combined with national politics guided by the "barbarian virtues of fealty and patriotism" (Veblen 2005[1904], p. 187). But insofar as these "barbarian virtues" are inconsistent with matter-of-fact habits of thought that foster technological development through practical expediency, they would undermine the material foundations of capitalist civilization, since the activities of production and consumption within capitalism attain a large scale that requires the use of the technology of the machine process.

This means that instead of a return to these "barbarian virtues", a more viable solution for the inherent instability of capitalism resting on business principles would be a further development of the matter-of-fact habits of thought brought by the machine process, fostering the material basis of capitalist civilization, but undermining the discipline and respect for natural rights that is required for business principles to hold. In this case, capitalism would be transformed into something else. Here the tension captured by the Veblenian dichotomy as interpreted in the Ayresian tradition is evident. The technological scheme is the cause of the change in an

institutional scheme inherited from feudalism (the highest stage of barbarism), undermining human relations of servility and class prerogative. This is usually interpreted as a positive effect brought by technological change in the Ayresian interpretation of Veblen.

But even the idea that technological development is inherently good must be seen with caution. Veblen makes a distinction between the "workman as extended by the tools which his hands make use of" (Veblen 1914, p. 304) and the case where "[h]is work supplements the machine process rather than makes use of it" (Veblen 1914, p. 307), which is a case where "the machine process makes use of the workman" (Veblen 1914, p. 307). Veblen seems to be noting that while in the handicraft era tools contributed to an extension of human capabilities, the machine process stemming from the industrial revolution(s) brings a situation where the machine is the driving force, forcing human beings to adapt to its rhythm, which is not necessarily compatible with the spiritual endowment of instincts, and can thus disrupt human well-being. Here the role of technicians such as engineers in designing technology is crucial, a topic that Veblen (1921) discusses extensively when highlighting the role of engineers in bringing about social change. Clive Lawson (2017, pp. 21-22) notes how Veblen was influential on movements centred on how the design of technology may bring social change, and also notes how "the term 'technology' became a central component of Veblen's critique of capitalism", in particular of Veblen's (1908) claim that absentee owners take advantage of the technical knowledge generated in the community – see however Latsis (2009, p. 607, fn. 1) on why Veblen's support for engineers as designers must be seen as a qualified one, especially when taking into account its place in Veblen's overall contribution.

Veblen's reference to the case when tools extend the workman's activity is also connected to Lawson's (2017, pp. 99-113) discussion on how technology extends human capabilities, but

Veblen's more negative assessment of the way in which the machine process makes use of the workman also stresses a more negative side of technology. Lawson (2017, pp. 177-201) notes also how an instrumental attitude brought by technical activity may colonise the lifeworld (or, as Veblen would put it, the life process) in ways that may not be desirable, a view that in some respects stands in contrast with the more positive assessment of the instrumental attitude brought by technology expounded by Ayres (Lawson 2017, pp. 82-83).

Regarding this more negative side of technology, the contrast at stake is between the technological scheme and the spiritual endowment of instincts. It is a case where the technological scheme may enter into conflict with the spiritual endowment acquired in previous evolutionary stages. The more general dichotomy between scheme and spirit enables us to conceptualise this contrast, as well as tensions within schemes, such as the one between the technological scheme and the institutional scheme, which corresponds to the original (Ayresian) version of the Veblenian dichotomy. And there may also be tensions within technological schemes (between various technologies developed in different contexts that overlap at a given moment in time), within institutional schemes (between various institutions that arise in different historical and geographical contexts that overlap too at a given moment in time), and within the spiritual endowment of instincts, tensions that become manifest in the environment of selection – see Martins (2009) on the need of broadening the original version of the Veblenian dichotomy in order to take these various cases into account, while drawing on Lawson's (2003A) Population-Variety-Reproduction-Selection (PVRS) model to do so.

So Veblen's approach can be useful for understanding capitalism, even after placing an emphasis on the spiritual endowment of instincts as Lawson (2015B) does when analysing the causes of stability. But a more general approach is necessary, taking into account that the "system

of technology", as a "customary scheme of ways and means" (Veblen 1914, p. 39) may bring positive or negative changes, depending on how the technological scheme interacts with the institutional scheme and the spiritual endowment of instincts. This interaction is best conceived of as one that presupposes that technical and institutional schemes are not purely ideational phenomena, but rather real entities within the overall scheme of life that interact with schemes of thought and habits of thought.

6. Concluding remarks

Lawson's (2015B) new interpretation of Veblen raises many important questions not only for the interpretation of Veblen's thought, but also for the institutionalist tradition of economic thought he founded. Sometimes when presenting a new interpretation, there is a tendency to overstate the new elements, and neglect the continuity with previous elements. It seems that this is the case of Lawson's (2015B) new interpretation of Veblen, which is presented as being more different from Lawson's (2003A, 2003B, 2005; 2015A) previous interpretations than it really is. Lawson never argued that Veblen developed explicitly a realist approach to emergence and social structures (in fact he criticised other contributors for going too far in this direction), and the new interpretation does not completely rule out the possibility that Veblen may have seen things in such a way, even when we take into account the influence of Kant, or even when we interpret Veblen's approach in terms of Searle's social ontology, which certainly can be interpreted as ideational on some instances, and reductionist on other instances, but also relies implicitly on the idea that the organisation of components is a fundamental aspect of reality, as Lawson (2012, pp. 353-354) notes.

For Veblen, social order and stability can be explained in terms of the spiritual instinctive dispositions of mankind, and change can be explained through habituation as elaborated by Lawson. But the relationship between these elements is not a linear one, since habits of thought are not mere epiphenomena, and play a causal role in the dichotomy between human spirit and institutional schemes, co-shaping the environment of selection.

And if the real contrast (or "dichotomy") is between instinctive spiritual traits (or dispositions) and the habitual schemes we develop, there is still the possibility of engaging in a critical analysis of the economy and society, assessing the extent to which the current institutional schemes and habits of thought promote or undermine the spiritual development of human instinctive dispositions which foster a peaceable environment within a community concerned with the common good of the current and future generations. This requires also a critical assessment of the role of technology (Lawson, 2017) within a more general approach to the Veblenian dichotomy, as argued above.

Furthermore, if stability is to be found in this human tendency towards solidarity with the community, then Veblen's conception on this matter is not that different from Lawson's (2015C), who also argues, when advocating what he calls *critical ethical naturalism*, that the more basic human tendency is one for solidarity with the community, while also noting that attitudes against the community are always parasitic on the more basic human tendency for solidarity and trust. In a similar vein, Veblen also notes how predatory attitudes are parasitic on the more fundamental tendency for peaceable life driven by the parental bent and a care for the community.

So we find both in Veblen and Lawson a dichotomy between a "spiritual" tendency towards solidarity and the institutional "schemes" or habits of thought that sometimes go against it. And this dichotomy, expressed in his critical ethical naturalism, can be seen as a fundamental one in

Lawson's own writings, as argued elsewhere (Martins, 2017). Moreover, Lawson's (2015C) emphasis on trust and solidarity as the more basic principle that holds society together contrasts with Searle's claim that society depends ultimately on a deontological scheme of rights and obligations that lead to "desire-independent reasons for action" (Searle 2010, p. 9). Whilst both solidarity and deontology are important for social stability, it seems that when addressing the ultimate grounds for social stability, Veblen's ontological conception would be ultimately more akin to Lawson's (2015C), which ultimately rests on the former, than to Searle's (2010), which ultimately rests on the latter.

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