Kolev, Stefan

Working Paper
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Provided in Cooperation with:
Center for the History of Political Economy at Duke University

Suggested Citation: Kolev, Stefan (2017) : The Weber-Wieser connection: Early economic sociology as an interpretative skeleton key, CHOPE Working Paper, No. 2017-22, Duke University, Center for the History of Political Economy (CHOPE), Durham, NC

This Version is available at:
http://hdl.handle.net/10419/172314

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The Weber-Wieser Connection:
Early Economic Sociology as an Interpretative Skeleton Key

By
Stefan Kolev

CHope Working Paper No. 2017-22

December 1, 2017
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Stefan Kolev

Abstract

Max Weber’s relationship to economics in general and to the Austrian School in particular has received more attention recently. However, this literature as conducted by Weber scholars and by Austrian economists exhibits two major deficiencies. First, the studies are often either purely ahistorical or use superficial historical expositions. Second, the conceptual focus is often motivated by Weber’s importance for the theoretical edifice of Ludwig von Mises, a motivation which leads the analyses in a rather narrowly confined direction. The current paper attempts to provide a solid biographical foundation of Weber’s relationship to the early Austrian School as seen from a channel rarely studied systematically before: His relationship to economist and economic sociologist Friedrich von Wieser. Such a perspective sheds light on the multiple levels of interaction between Weber and the early Austrians between 1876 and 1920: 1) Weber’s formative years at Heidelberg and his early professorship at Freiburg; 2) several institutional contexts, especially the Verein für Socialpolitik; 3) the cooperation with Wieser during the Grundriß der Sozialökonomik project 1909-1914; 4) Weber’s brief stay at the University of Vienna 1917-1918.

This portrayal shows not only biographical proximities and affinities, but also several levels of substantive overlap between Weber and Wieser. Their projects of “Social Economics” are studied comparatively, with a special focus on the concepts of power(s) and order(s) that are central for both. The goal is twofold. First, the “Heidelberg-Vienna” connection offers important insights for the development of “Social Economics” and of the early economics of the Austrian School. Second, this connection enables new interpretations of the later evolution in the German-language politico-economic discourses, especially of the “Freiburg-Vienna” connection between the ordoliberal and later generations of the Austrian School.

Keywords: Max Weber, Friedrich von Wieser, Austrian School, ordoliberalism, economic sociology, power, order

JEL Codes: A11, B13, B15, B25, B31, P16, Z13

1 University of Applied Sciences Zwickau & Wilhelm Röpke Institute, Erfurt, Germany. Contact: kolev@hwwi.org. Earlier versions were presented at the Workshop of the Center for the History of Political Economy at Duke University, February 17 2017, the History of Economics Society Annual Conference at the University of Toronto, June 22-26 2017, as well as at the Leipzig Colloquium on the Foundations of the Market Order at Leipzig University, October 19 2017. The author thanks the attendants of these presentations, as well as Daniel Brühlmeier, Erwin Dekker, Hansjörg Klausinger, Daniel Nientiedt, and Richard E. Wagner, for their helpful comments and suggestions. The efforts of Adrian Riess at the Walter Eucken Institut in Freiburg to identify and retrieve of the numerous references to Friedrich von Wieser in the Max Weber Complete Edition (MWG) are also highly appreciated.
He was the living among the shadows. […] He, however, was a leader. He was capable to lead against the tide, he was strong enough to overcome that atmosphere [of weakness and conventionality in German economics] and to let the best of his time and of his circle move ahead along with him.

(J.A. Schumpeter, “Max Weber’s Work”, Der österreichische Volkswirt, August 7 1920, pp. 831-832)

1. Introduction

Max Weber has been accorded many superlatives, before and after his passing in the summer of 1920. Following “most curious paths in the history of ideas” and initial decades of oblivion and relative disregard, the reception of his œuvre has vastly expanded over the last decades, making him “after Karl Marx the most widely known German intellectual” (Kaube 2014, p. 26). In the course of the editing efforts related to the monumental Max Weber-Gesamtausgabe (Max Weber Complete Edition, MWG) since the early 1970s (Lepsius 2016, pp. 275-276) and the ensuing consolidation of his previously fragmentary legacy, new realms of interpretation of his life and of his work have become possible. The realm most relevant for this paper is the increasing interest in Max Weber’s relationship to economics.

The paper explores a sub-section of this relationship: The link between Weber and the early representative of the Austrian School Friedrich von Wieser (1851–1926), a scholar who appears as the most direct link between the Vienna of the Austrian economists and Weber as the constitutive part of the “myth of Heidelberg”. Wieser’s and Weber’s lives show several interesting points of intersection between 1876 and 1920 which have seldom been explored systematically. These biographical nexuses are the focus of the first part of the paper (section 2). Building upon them, the next part (section 3) delineates how the commonalities in the systems of Weber and Wieser, especially in the domain of economic sociology, can provide an original perspective for reinterpretation of the two research programs in economics particularly proximate to the Weberian legacy, ordoliberalism, and Austrian economics.

The larger project to which this paper belongs is in part motivated by previous work at the intersection between German and Austrian economic thought: The “Freiburg-Vienna” connection between the political economies of ordoliberalism as seen from the works of Walter Eucken and Wilhelm Röpke, and those in the works of the Austrian economists Ludwig von Mises and F.A. Hayek was explored in an attempt to understand the proximities and divergences in their systems (Köhler/Kolev 2013; Kolev 2013; Kolev et al. 2014; Kolev 2015; Kolev 2016). This research could resolve major puzzles, but also left some important interpretative questions open. Exploring now the “Heidelberg-Vienna” connection constitutes a recursive jump in time and aims to set up a genealogy of debates. This genealogy’s interconnected layers can be instrumental to clarify open historiographical questions about German-language political economy, as well as to enrich the conceptual apparatus of political economy today.
2. The junctures in the lives of Weber and Wieser: The “Heidelberg-Vienna” connection

2.1 Socialization in the haute bourgeoisie of Vienna and Berlin

Friedrich Wieser was born in 1851 in Vienna into the family of a high imperial civil servant. His father was ennobled in the course of the Austro-Italian war of 1859, and the baron title “Freiherr” was bestowed upon him only in 1889 (Hax 1999, p. 5), so despite background in the “lower aristocracy” on his mother’s side, Wieser’s family clearly belonged to the Viennese bourgeoisie involved in the imperial administration. He received his secondary education at the elite Viennese Schottengymnasium and grew up in a family which has been portrayed as endowed with artistic inclinations (Hayek 1926, p. 514). The Schottengymnasium was formative for Wieser’s later thought: When addressing an audience at an anniversary of his school in 1907, Wieser emphasized especially the focus on history which had never left him since graduating. He decided to study law, hoping that this would equip him with systematic explanations for the historical developments he was confronted with during his high school days (Morgenstern 1927, p. 669), an approach to history which he later often portrayed as “anonymous history” (Yagi 2001, pp. 96-102).

Max Weber was 13 years Wieser’s junior. He was born in 1864 in Erfurt, a Prussian enclave amid the Thuringian principalities in Central Germany. His father had been sent there from Berlin as a civil servant in the local administration and the family returned to Berlin in 1869. Weber’s mother, to whom he would keep a life-long close relationship, came from a long line of affluent merchants. Back to Berlin, the father served in several high administrative positions in the booming capital of the newly formed German Empire and later became an active politician on the local, Prussian, and imperial level. The Webers’ house became a major meeting point for exchange of the rising Berlin bourgeoisie, especially for liberal civil servants and academic “Bildungsbürger” (Kaube 2014, pp. 46-52). Weber received his secondary education at the Kaiserin-Augusta-Gymnasium and, just like Wieser, very early on showed a special interest in history (Kaesler 2014, pp. 181-183) – an interest which, along with family tradition and career considerations, contributed to his decision to study law.

2.2 Between the imperial capitals’ universities and Heidelberg: The Karl Knies connection

Wieser enrolled as a student of law at the University of Vienna in 1868, together with his Schottengymnasium school friend and later brother-in-law Eugen von Böhm-Bawerk (both born in 1851), where economics – only to come close to an autonomous program within the new “state sciences” degree as late as 1919 (Ehs 2014, pp. 173-179) – was part of their education (Sturn 2016, p. 363). It was around the time of their graduation in 1872 that both encountered Carl Menger’s *Grundsätze der Volkswirtschaftslehre* which had just been published in Vienna in 1871 in the months before Menger’s formal habilitation. It was Menger’s treatise and personality which seriously attracted the young scholars Wieser and Böhm-Bawerk to economics and, after finishing their dissertations in 1875, they envisaged habilitation...
projects under Menger’s supervision. Both projects took a while to finish for at least two reasons. First, Wieser and Böhm-Bawerk spent several years in the public administration of the Empire in the field of taxation, typical stays for law graduates of their generation (and in Menger’s generation) as opposed to immediate dedication to an academic career. Second, upon Menger’s suggestion and with his support, Wieser and Böhm-Bawerk received Austrian fellowships to extend their graduate education in Germany (Hennings 1997, pp. 9-10). This brought them from 1875 to 1877 to stays at Heidelberg, Leipzig, and Jena – universities where three of the key representatives of the “Older” Historical School were still active: Karl Knies at Heidelberg, Wilhelm Roscher at Leipzig, and Bruno Hildebrandt at Jena (Tomo 1994, pp. 44-52). While a superficial reading of the relationship between Vienna and German academia – a reading biased by the later “Methodenstreit” controversies – might interpret Menger’s sending of his habilitands to the land of his enemies as paradoxical, one should be reminded of the facts that 1) Menger had dedicated his *Grundsätze* to the head of the “Older” Historical School, Wilhelm Roscher, and that 2) the “Methodenstreit” was waged against the “Younger” Historical School with its newly expressed antipathy against theory, while the link between theory and history was much more subtle in the works of the “Older” Historical School’s representatives. Karl Knies – “the most theoretical of the elder generation” (Hennings 1997, p. 10) – provided with his Heidelberg seminar a crucial platform for the two young Viennese scholars: In the summer semester 1876, both Wieser and Böhm-Bawerk presented in Knies’ seminar papers, on the relationship between value and cost and on interest theory, respectively, which foreshadowed core ideas in their later theoretical edifices (Hayek 1926, pp. 515-516; Hennings 1997, pp. 56-60) and upon which they significantly expanded in their habilitations, published in 1881 (Böhm-Bawerk) and 1884 (Wieser). Wieser’s Heidelberg paper was considered by his student and mentee F.A. Hayek so crucial for understanding the initiation and further development of Wieser’s thought that in 1929 he decided to publish it for the first time (Wieser 1876/1929) in the posthumous volume he compiled for his deceased mentor (Wieser 1929).

It was precisely Karl Knies who attracted Max Weber’s attention to the field of economics. A highly influential teacher whose seminar had also attracted US scholars like John Bates Clark and Richard T. Ely (Yagi 2005, pp. 315-316), he became a formative figure for Max Weber who enrolled as a student of law at the University of Heidelberg in 1882. Initially aiming at a juridical career, Weber described his very first experiences in Knies’ lectures as rather boring but soon attributed this to the subject rather than to Knies’ personality. In this atmosphere, he developed early on a low opinion of Gustav Schmoller as “a vocal state socialist and one-sided protectionist” (Eisermann 1993, pp. 26-29). After a brief stay at Göttingen, in 1886 he returned to Berlin and decided to write his dissertation and his habilitation under the supervision of professors of commercial law, above all Levin Goldschmidt, and the economist August Meitzen. Weber wrote his dissertation (finished in 1889) and his habilitation (finished in 1891) in legal history and economic history at the University of Berlin, but succeeded in staying away of the orbit of the increasingly influential Schmoller (Kaube 2014, pp. 79-85; Kaesler 2014, pp. 290-298). Thus in his academic socialization as student and post-graduate he was shaped by a comparable combination of law and economics as the one formative for Wieser and Böhm-Bawerk, his early interests were similarly focused
on the study of history as those of the early Wieser, and, last but not least, he developed an early skepticism towards Schmoller, later surfacing explicitly in his reflections about the contemporaneous “Methodenstreit” of the 1880s. One of Weber’s first publications after the recovery of his health in the early 1900s would be a critical assessment of Knies’ methodology, a piece which simultaneously constituted the initiation of Weber’s own methodological inquiries and his critical treatment of historicist economics (Weber 1905/1906).

Soon afterwards, these earlier oscillations of the students in the loops Vienna-Heidelberg-Vienna and Berlin-Heidelberg-Berlin would once again reach their focal point: Heidelberg. In 1896, Karl Knies’ professorship became vacant after his retirement at the age of 75, and since the candidates placed on the two first places of the call list, Georg Friedrich Knapp and Karl Bücher, declined the offers, Weber received a call in late 1896 which he accepted in early 1897 and thus became the successor to Knies’ prestigious chair. But even ahead of his return to Heidelberg, Weber’s career had already advanced at highest speed: Before his 30th birthday he had been appointed extraordinary professor of commercial law at the University of Berlin, and in the year of his 30th birthday he became ordinary professor of economics at the University of Freiburg.

Not far from Heidelberg, in Freiburg, the trajectories of Wieser and Weber crossed visibly for the first time, and the age gap of 13 years between them closed in formal professional terms. In 1893 the Viennese economist Eugen von Philippovich (1858–1917) was in the process of returning to the University of Vienna to assume the chair of economic policy, the chair of economic theory being meanwhile occupied by Menger. As visible from the Carl Menger Papers, during his Freiburg period Philippovich was one of the most regular correspondents of Menger. When the Philippovich vacancy opened, Freiburg’s faculty presented a first call list to the ministry in Karlsruhe – the capital of the Grand Duchy of Baden – which had set Wieser on the first place, but Wieser declined and stayed in Prague. Since the other candidate also turned down the offer, a second list was compiled, and here it was Weber who was set on the first place (Tribe 2010, pp. 66-67). Interestingly, during the processing of the second list Philippovich intervened with the Karlsruhe ministerial bureaucracy in Weber’s favor, since Weber’s move from Berlin to Freiburg had encountered opposition from the powerful Prussian academic administrator Friedrich Althoff. Weber knew about Philippovich’s intervention in his favor (Eisermann 1993, pp. 34-35), but a later letter to the education minister in Karlsruhe Franz Böhm (incidentally, the father of Walter Eucken’s colleague and Freiburg School co-founder Franz Böhm) shows that Weber thought he had been placed second on the same list after Wieser (Weber to Böhm, 20.10.1911). When these formalities were resolved, Weber taught economics in Freiburg between 1894 and his move to Heidelberg in 1896/1897 (Kaube 2014, pp. 114-122; Kaesler 2014, pp. 387-397), a move between the two traditional universities of the Grand Duchy of Baden. Of the two, Heidelberg is the older one (founded in 1386, as opposed to 1457 in Freiburg’s case), one of the top 3 universities in Germany at the time (Brühlmeier 2014, p. 501), and in the field of economics certainly the more prominent one, not only because of Knies, but also due to the tradition established by Karl Heinrich Rau (1792–1870). For this exposition it is important to underscore that the
preserved syllabi of Weber’s lectures in economic theory, economic policy, and public finance at Freiburg and at Heidelberg clearly show how intimately knowledgeable he was of the contemporaneous insights generated by the Austrian School (Eisermann 1993, pp. 37-47) and to what significant extent his teaching went beyond the state of economics which he had been presented 15 years earlier by his teacher Knies (Tribe 2010, pp. 73-79).

And while Knies passed away in 1898, the succession from him to Weber in 1896/1897 added an additional trait to the “Heidelberg-Vienna” connection. The third volume of Marx’ Das Kapital was published by Friedrich Engels in 1894, five years after Böhm-Bawerk had completed the final sections of his opus magnum Kapital und Kapitalzins (Capital and Interest) at the end of his Innsbruck period in 1889 – incidentally published later in a posthumous fourth edition upon Wieser’s intermediation (Wieser 1921). Böhm-Bawerk used the opportunity of the retirement of his professor and contributed to the festschrift in honor of Knies his piece Zum Abschluß des Marxscben Systems (Karl Marx as the Close of his System or, as suggested by Paul Sweezy, On the Conclusion of the Marxian System, Sweezy 1949, p. vi). Until today a classic in the critical reception of Marx’ thought, Böhm-Bawerk’s contribution (Böhm-Bawerk 1896) spanned in the original festschrift over 120 pages, and the charge that earlier theoretical promises in Das Kapital had not been kept in its last volumes ignited decades-long debates (among others) between the Austro-Marxists and the Austrian School (Kurz 1995, pp 32-47).

At the moment of the Heidelberg festschrift, not only the Austrians – who were already well in their 40s – but also Weber can be assumed to have reached scholarly maturity. Weber famously exhausted himself to the utmost degree by assuming public and academic assignments which led to several nervous breakdowns between 1898 and 1902 (Kaube 2014, pp. 116-133; Kaepler 2014, pp. 471-486). Wieser and Böhm-Bawerk managed to avoid such acute breakdowns, but could not avoid the strain of multiple obligations altogether. In Böhm-Bawerk’s case, his heavy involvement with the politics of the Empire in decline and his threefold assuming the position of its finance minister seriously impaired his health (Mises 1940/2013, p. 28). Wieser’s exhaustion has been portrayed at two instances of his life. First, after publishing Über den Ursprung und die Hauptgesetze des wirtschaftlichen Werthes (On the Origin and Principal Laws of Economic Value) in 1884, Der natürliche Werth (Natural Value) in 1889 and several articles in the 1890s, “fifteen years of the most intense work on the most difficult theoretical problems [...] made it impossible for quite some years to continue his theoretical work” (Hayek 1926, p. 521). Second, at Carl Menger’s 80th birthday in 1921, after his tenures as trade minister in the last imperial cabinets and amid the dire conditions of the immediate postwar years, Karl Menger portrayed in his diary Wieser at the birthday celebration of his father as a rather depressed person who “had arrived at the conclusion that his contribution to economic science was insignificant and that the discipline itself had reached something of an impasse that he was powerless to resolve” (Scheall/Schumacher 2016, p. 17). Nevertheless, in the case of the Austrians such states of mind and body were temporary (though not negligible) phenomena, whereas in the last two decades of Weber’s life states of suspense and exhaustion regularly reached existentially threatening levels.
2.3 Institutional connections: Verein für Socialpolitik’s 1909 Vienna Meeting and the sociological societies

In 1903, Wieser moved from Prague to Vienna, leaving his chair at the German Charles-Ferdinand University which he had occupied since 1889 as ordinary professor, after a term as extraordinary professor between 1884 and 1889 (Morgenstern 1927, p. 670). In Vienna, he became successor to Carl Menger who had just retired, thus occupying the most prestigious economics chair in the Empire. Apart from the abovementioned ministry-related leave during the last WWI years 1917-1919, Wieser would hold the chair until 1922 and teach as an honorary professor until his passing in 1926 (Leichter 1973, pp. 361-365; Klausinger 2016, 139-142). Interestingly enough, the successor to his chair in Prague was Max Weber’s younger brother Alfred (Kaesler 2014, pp. 717-718): While never a provable indication of continuity between the incumbent and the successor, it is not implausible to assume that in this case Wieser, after 20 years on the faculty, had a say about his succession, especially when bearing in mind that he had just served as rector of the university in the years 1901-1902.

The year 1901 marked an important twist in Wieser’s œuvre. Upon the occasion of his rectorate accession in Prague on November 6 1901, he delivered an address entitled Über die gesellschaftlichen Gewalten (On Societal Powers) (Wieser 1901/1929). For the first time in his publication record, he presented and published beyond the scope of economic theory, the domain which had fully preoccupied his writings over the last quarter of a century ever since the paper delivered in Knies’ seminar in 1876. On Societal Powers is a crucial text not only because it constituted the beginning of a multitude of writings by Wieser on what Schumpeter later characterized with the contemporaneous term “sociology of power” (Schumpeter 1954/2006, p. 763), but also because several of Wieser’s later key concepts already surfaced here: Power and violence, leadership and the masses, rule of law and constitutions, and the necessity to rethink liberalism with regard to these concepts. It is curious to observe that at the very same time, around 1900, also Carl Menger was reported to have embarked on a project in sociology – with envisaged chapters on the role of Christianity in different cultures, also on leadership and domination between different peoples – but this study would never be published (Somary 1959, pp. 30-32). Wieser’s sociology of power gained in sophistication over the next 25 years, culminating in Das Gesetz der Macht (The Law of Power) in the year of his passing (Wieser 1926), but it is illuminating to observe how present some of its core elements were in his mind as early as 1901, and how detailed he presented it to a broad audience in his Salzburg public lecture series Recht und Macht (Law and Power) a few years later (Wieser 1910). Equally important, however, is that he by no means abandoned economic theory. His inaugural lecture at Vienna on October 26 1903, when “with a special sense of agitation” he could “start teaching at the first university of the Empire, the university of my hometown” (Wieser 1903/1929, p. 164), initiated the application of marginal utility theory to monetary theory. Wieser proceeded and extended this endeavor in his presentations at the Verein für Socialpolitik’s Meeting in Vienna 1909 (Wieser 1909/1929a; Wieser 1909/1929b) – the same Verein’s Meeting which would prove of utmost importance not only for Max Weber’s career, but also for the further development of the social sciences well beyond Vienna or German-language economics.
The Verein’s Meeting in Vienna 1909 has been widely studied in the context of the “Werturteilsstreit” debate on value judgments which, after some precursor clashes (Glaeser 2014, pp. 187-209), openly unfolded there, and has occupied the social sciences ever since. For this exposition, it is noteworthy that it was most probably Weber’s first longer stay in Vienna and contributed to his very positive assessment of the city, a stance which would matter in the context of his 1917-1918 involvement with the University of Vienna (Kaesler 2014, p. 761). A second important observation is that the debate on value judgments was ignited at the Meeting by a presentation on the concept of productivity given by the same Eugen von Philippovich whose successor Weber had become in Freiburg 1894, and with whom he had heated verbal exchanges at the Meeting as recorded in the proceedings. The discussion which exploded was grounded in the rather typical debate in “Social Economics” as popular among German-language economists of the time (Tribe 2014), the core issues being whether economics (as epitomized by the concept of productivity) can be separated from ethics, culture, and the humanities, how efficiency and productivity could be objectively measured, and whether economic progress was always an ethically welcome phenomenon (Glaeser 2014, pp. 209-240). A third interesting moment is Wieser’s involvement in the Meeting. The proceedings contain two contributions of his, already referred to above in the context of his Viennese inaugural lecture: A paper The Value of Money and its Changes and an oral presentation On the Measurement of the Changes in the Value of Money (Wieser 1909/1929a; Wieser 1909/1929b). His presentation was scheduled to take place after Philippovich’s presentation and thus after the unexpectedly ensuing explosion on value judgments. Not surprising for Wieser – typically described in several obituaries as a rather silent scholar – he did not participate in the heated debate whose vivid description in the proceedings conveys the impression that it was at the brink of becoming violent (Verein für Socialpolitik 1910, pp. 563-607). But in the concluding remarks, typically granted at the end of a Meeting’s session to the main presenters, he appears as somebody keen to cool down the atmosphere by adding a rather sober observation about the critique expressed to his presentation. Wieser stressed that indeed the term “value” – in its usage in the sense of economic value, but implicitly also in the sense of normativity used during the heated debate following Philippovich – “bears too many meanings and is in need of purification”: These meanings should be carefully kept apart but their colloquial usage would often prohibit such clarity, and finally he referred to his own efforts in economic theory during the preceding decades to show how this could be achieved, at least regarding “value” in the sense of economic value, by introducing alternative terms for specific meanings (Wieser 1909/1910, pp. 616-617).

Two institutions are also of interest here: Weber’s and Wieser’s involvements in the founding and development of the two major sociological societies of the time: Deutsche Gesellschaft für Soziologie (German Society for Sociology, DGS), co-founded in 1909 by Weber, and Soziologische Gesellschaft in Wien (Sociological Society in Vienna), co-founded in 1907 by Rudolf Goldscheid, one of the main protagonists in the debate on value judgments. Weber’s role at the early DGS meetings has been portrayed as intended to found a platform for “value-free” sociological analysis, complementary to the “value-laden” debates at the Verein für Socialpolitik, but spectacularly failed precisely in this respect and led to Weber’s
retreat (Kaesler 2014, pp. 652-666). In contrast, more efforts will be needed to identify reliable sources for Wieser’s DGS activities, as well as Weber’s and Wieser’s activities in the Sociological Society in Vienna.

2.4 The Weber-Wieser cooperation in the Grundriß der Sozialökonomik project

Prior to the Verein’s Meeting in Vienna 1909, Max Weber went through difficult, but also highly productive years. In close sequence to his recovery from the nervous breakdowns between 1898 and 1902, he undertook extensive travels to France, Italy, and the US. Soon afterwards, in 1904, he published his probably most widely known piece, *Die protestantische Ethik und der „Geist“ des Kapitalismus* (*The Protestant Ethic and the “Spirit” of Capitalism*), as a two-partite journal article (Weber 1904/1905). The English translation of this piece has proved consequential until today: It was undertaken by Talcott Parsons in 1930 after his stay in Heidelberg in the milieu of Alfred Weber and Max Weber’s widow Marianne, and certainly represented a major leap in the Weber reception beyond the German-language countries. But since it appeared as a single piece – as opposed to Frank Knight’s plan to include it into a larger set of Weber translations (Emmett 2006, pp. 108-109) – the path-dependent results of Parsons’ translation have granted a centrality to this piece in the Weber reception which might not appear fully vindicated from today’s hindsight of the huge and highly fragmentary legacy of Weber in various fields, especially regarding his economic sociology (Swedberg 2003). Important for this exposition, he not only became in 1908 co-editor of the *Archiv für Sozialwissenschaft und Sozialpolitik*, a journal in which important contributions to economics would appear, among others Ludwig von Mises’ article on socialist calculation in April 1920 a few weeks before Weber’s passing, as well as Joseph Schumpeter’s “Socialist Possibilities of Today” of 1920 a few months after Weber’s passing. In addition, upon the intermediation of Eugen von Philippovich, in 1908/1909 Weber contracted with Tübingen publisher Dr. Paul Siebeck to become the general editor (“Schriftleiter”) of a new encyclopedia of the social sciences, which after 1914 would become famous under the title *Grundriß der Sozialökonomik* (*Outline of Social Economics*).

The *Grundriß der Sozialökonomik* initially bore the working title *Handbuch der politischen Ökonomie*, just as the earlier encyclopedia at the same publisher, J.C.B. Mohr (Paul Siebeck), which had been edited by Gustav von Schönberg (1839–1908). However, from the very beginning the project turned out far too ambitiously conceived: As compared to the initial plan for all manuscripts to be submitted by January 1912, the encyclopedia was only declared finalized in 1930, 10 years after Weber’s passing (Kaesler 2016, pp. 649-651). Apart from the war-related strains for Weber and many of the contributors, as well as the complex structure of the project with over 40 contributors and with some of them as co-editors, the significant delays were also incurred because several of the contributors failed to meet Weber’s qualitative expectations (Morlok 2013, pp. 12-16). Weber’s own contribution to the encyclopedia, a volume initially entitled *Die Wirtschaft und die gesellschaftlichen Ordnungen und Mächte* (*The Economy and the Societal Orders and Powers*), also lagged behind and was not completed when he passed away, to be posthumously published as *Wirtschaft und Gesellschaft. Grundriß der verstehenden Soziologie* (*Economy and Society. An Outline of Interpretative Sociology*) by his widow Marianne Weber (Weber 1921/1922) – a classic which has been meanwhile
decomposed within the MWG into distinct studies after decades of discussions about the coherence of the originally published volume (Schluchter 2009). The overall project consumed great amounts of Weber's time and energy – both the early biography by Marianne Weber (Weber 1926/1975, pp. 421-422) and one of the recent biographies which appeared in the year of the 150th anniversary of his birth (Kaesler 2014, pp. 647-651) report of the strains and constraints which the project imposed on Weber and his health.

As has been meticulously documented in the MWG, the different contributors were very differently reliable vis-à-vis the general editor Weber. Interesting for this exposition is that in the two very first volumes, two Austrian contributors were featured: Weber commissioned to Wieser the volume dedicated to economic theory, and to Schumpeter the sub-volume on history of economic thought. Schumpeter’s case is an interesting one: He was considered very early on (Weber to Siebeck, 3.1.1909) despite his early age (26 at this point) and constitutes an example for the generational balance intended by Weber. In the process of winning Wieser as contributor, Weber also included his brother Alfred in the communication (Weber to Siebeck, 15.6.1909), another indication that Alfred Weber and Wieser knew each other (at least) since the Prague chair succession. Both volumes were among the first of the entire project to appear, at the eve of the war in 1914. Wieser’s volume, *Theorie der gesellschaftlichen Wirtschaft* (Wieser 1914/1924), received a highly favorable review already during the war by prominent US economist Wesley C. Mitchell (Mitchell 1917), and its second edition of 1924 was translated as *Social Economics* upon Mitchell’s intermediation (Mitchell 1927; Samuels 1983a).

Studying the correspondence between Weber, the publisher Paul Siebeck (as well as his son Oskar) and Wieser in the context of their cooperation in the *Grundriß* project sheds light on the relationship between Weber and Wieser. Unfortunate for this exposition, many letters from or to Wieser mentioned in the Weber-Siebeck correspondence are reported by the MWG historians as missing, but nevertheless the correspondence between Weber and the publisher allows for quite a few traits in the intellectual portrayal of the Weber-Wieser relationship. At the very beginning of the conceptual phase of the project in 1908, Weber was very explicit to Siebeck: He identified as the crucial issue (“Centralpunkt”, italics in the original) the delegation of the theory volume, “all the rest will be figured out afterwards”, and as contributors of the theory volume “can be considered only: v. Wieser (Vienna), [Wilhelm, SK] Lexis and perhaps for some parts my brother” (Weber to Siebeck, 26.12.1908, italics in the original). It took over half a year and many letters of persuasion of Weber and Siebeck to Wieser to finally win him for the project in July 1909 – as reported by Weber, one of the reasons for hesitation expressed by Wieser was Wieser’s contemporaneous plan to focus his further research efforts singularly on sociology (Weber to Siebeck, 15.7.1909). As has been noted by one of the major MWG editors, Wolfgang Schluchter, the firm decision of Weber and his extensive time investment in convincing Siebeck that Wieser was the prime candidate for the theory volume was a clear commitment of Weber to a prominent placement of the Mengerian legacy and the Viennese scholars in the *Grundriß* – and since Weber had identified Wieser as the Viennese most open to sociology, this made Wieser uniquely important as contributor, entailing special privileges and liberties granted to him by Weber and Siebeck (Schluchter 2009, pp. 14-16). Schluchter’s analysis gains plausibility
by Weber’s 1908 article *Die Grenznutzenlehre und das „psychophysische Grundgesetz“* (*Marginal Utility Theory and the “Fundamental Law of Psychophysics“*) where he defended the Austrians against the critique of Lujo Brentano, the predecessor on Weber’s 1919-1920 chair at Munich (Weber 1908), explicitly showing respect for Menger’s achievements in the “Methodenstreit” (Weber to Brentano, 30.10.1908). In a letter to Weber and Siebeck of July 13 1909, Wieser already presented a rather detailed outline of the envisaged structure of his volume, a structure which indeed came close to the basic structure of *Theorie der gesellschaftlichen Wirtschaft* as published in 1914, and in the same letter he also described how bridging the gap between pure theory with its simplifying assumptions, and economic phenomena as they present themselves to economic policy should be the primary task of modern economic theory, of a new theory of economic policy – and of his volume, through Wieser’s method of decreasing abstraction (Wieser to Weber and Siebeck, 13.7.1909). Interestingly enough, Weber forecasted that this volume, as described by Wieser and conceived by Weber to be by far among the longest blocks of the entire project (Siebeck to Weber, 12.11.1909), would also be a commercial success for the publisher (Weber to Siebeck, 15.7.1909). In the course of the further correspondence when discussing how the assignments could be ideally distributed among Wieser and Philippovich, Weber made a noteworthy distinction of his treatment of younger and older scholars: While he, in his role of general editor, could simply tell the younger contributors what they should do in very precise terms and control them, this was not feasible towards the elderly, since he conducted the exchange with them “only as a ‘correspondent’, not as an ‘editor’” – and he was junior not only to Wieser, but also to Philippovich (Weber to Siebeck, 3.9.1909). In this vein, Wieser was also 7 years Philippovich’s senior and let both Weber and Philippovich feel his seniority: In a controversy on where the border between his theoretical assignment and the “empirical-realistic side” assigned to Philippovich should be drawn, Wieser for quite some time refused any clear statements (Weber to Siebeck, 8.11.1909) – a conduct of “indecisiveness and lack of precision which touched me very unpleasantly, despite all his [Wieser’s, SK] decency and prowess” (Weber to Siebeck, 3.10.1909). Despite this episode, the references to Wieser from the year 1911 convey the impression that Wieser’s delay and his requests for more length for his volume were assessed by Weber as modest when compared to his discussions of the conduct of other contributors like Karl Bücher or Bernhard Harms. In a letter to Siebeck jun. from May 1912 Weber yet again characterized Wieser’s volume as “the most important one” (Weber to Siebeck, 19.5.1912).

However, the project protracted itself more and more, and by 1913 Weber called it “this goddamned treadmill which, only by its letters, has cost me a year of my life” (Weber to Plenge, 21.1.1913) and “the misfortune of my life, as it has detracted me from many things I would have easily accomplished – books” (Weber to Siebeck, 27.7.1914). Wieser’s delay increasingly annoyed him since it constituted the bottleneck for starting the publication of the *Grundriß*, and in May 1913 Wieser still had not completed “his grand editing (“Super-Redaktion”) despite his taking twice longer holidays for this work” (Weber to Zwiedineck-Südenhorst, 23.5.1913). In subsequent letters to several contributors his annoyance about Wieser’s ongoing postponements continued: In October Weber expected a submission by Wieser in December (Weber to Plenge, 29.10.1913), in November a submission by Christmas (Weber to Siebeck, 3.11.1913).
which was “1 ¾ years longer than promised by him as the latest deadline” (Weber to Siebeck, 9.11.1913). In a letter to all co-editors of the *Grundriß*, he excused “Herrn Professor von Wieser” with the elegantly ironic remark that “his misjudgment of the submission deadline by 1 ¾ years” had come about “despite investing all his time and power, taking special holidays for it and only making the most indispensable pauses in his work” (Weber to co-editors, 8.12.1913). Wieser surprised Weber and the publisher with a request in late December if he could alter some parts in case the layout process would take longer, a request which they declined (Siebeck to Weber, 29.12.1913). The layout process could only begin in late February 1914 after Wieser had finally submitted his manuscript (Siebeck to Weber, 25.2.1914). An overview of all sections of the *Grundriß* from March 1914 shows that – apart from Weber’s own section on economy and society – Wieser’s contribution was by far the longest, comprising 21 sheets (instead of 18 as envisaged at the beginning), whereas for example Schumpeter’s history of economic thought volume comprised 6 (instead of 4 envisaged at the beginning), while Weber had reserved 30 sheets for his own section (Siebeck to Weber, 20.3.1914). In March Weber could already assess Wieser’s manuscript – it was “good – but not quite as precise as I expected. Still, it is in line with the textbook character” (Weber to Siebeck, 21.3.1914). A few weeks later, he upgraded his view and wrote to the publisher that his previous assessment had only reflected the parts he had read by then – “in the section which I am now reading, he is again excellent and first-class, very delightful” (Weber to Siebeck, 2.4.1914). Two weeks later, Weber confirmed that “Wieser has only single weak passages; in general it is excellent, especially for the purpose of teaching” (Weber to Siebeck, 15.4.1914). Interestingly, in the same letter Weber was disappointed to observe that, probably due to miscommunication, Wieser had not covered in the submitted manuscript “some of the sociological problems so comprehensively dealt with in his works”, which forced Weber to extend his own block within the *Grundriß* (Weber to Siebeck, 15.4.1914).

As seen from Wieser’s perspective, one of the obituaries reports that he was not fully satisfied with *Theorie der gesellschaftlichen Wirtschaft*, “that it needed to be completed and was in need of supplements and changes” (Morgenstern 1927, p. 672). Still, in the introduction to the second edition of 1924 he confessed that despite his awareness of some deficiencies in the book, events since 1914 “pushed me in other kinds of activities, so that I could not find the leisure to formulate my thoughts in more precise terms” (Wieser 1924, p. vii), and thus the second edition only slightly differed from the first one as overseen by Weber.

### 2.5 Weber’s brief affair with the University of Vienna 1917-1918

In the aftermath of his serious health problems around the turn of the century, Weber gradually retreated from his official obligations at Heidelberg and between 1903 and 1917 served only as an unpaid honorary professor there, living from the capital income from the wealth of his family and that of his wife. This of course did not preclude him from becoming one of Germany’s most respected scholars and intellectuals, but in the course of the war his financial situation gradually deteriorated, and by 1917 he could imagine a return to a full professorship at a university – even though still anxious that his mental strains could return if teaching proved too much of a burden (Weber to Hartmann, 5.10.1917). The situation at the Viennese
Faculty of Law in the field of economics happened to be very special at the time. In 1914, Böhm-Bawerk passed away, and since his professorship had been bestowed upon him “ad personam”, it was not prolonged (Klausinger 2016, p. 118). In early 1917, Wieser was appointed minister of trade and would remain at this post in the last cabinets of Austria-Hungary, leaving his chair vacant. Finally, in June 1917, Philippovich passed away.

A series of hiring negotiations with Weber began in the fall of 1917, in which Wieser played a key role – both within the faculty as a formal holder of his chair and as a member of the cabinet vis-à-vis the minister of education. The faculty and the ministerial bureaucracy showed a clear commitment to Weber as a candidate ideally suited for either of the vacant chairs, which led to a first visit in October 1917 and a public lecture by Weber at the Sociological Society in Vienna on “Problems of the Sociology of the State” (Kaesler 2014, pp. 761-769). Eventually the negotiations were concluded by reaching consensus to grant Weber a trial semester to assess himself the compatibility of the teaching obligations with his health. With this, in the summer semester 1918 lasting from April to July, Weber became for the second time in his life Philippovich’s successor, after 1894 in Freiburg. Several meetings with Wieser, informal and formal, are extractable from Weber’s correspondence. A particularly interesting one is the informal meeting of June 2 1918, of which the MWG cites Wieser’s diary of 1917/1918 (one of the very few archival sources Wieser left behind): “Met Max Weber and his wife. One of the very few men in whose presence I feel respect. If only he knew how empty I feel in his company” (MWG II/9, p. 175, Fn. 2). Perhaps interpretable as another sign of Wieser’s depressed state of mind, comparable with his appearance at Menger’s 80th birthday in 1921 as portrayed above in section 2.2., it is certainly an important indication of Wieser’s particular esteem of Weber and his presence in Vienna in general and at his faculty in particular. But Weber’s affair with Vienna was brief: The teaching load proved too heavy and, together with the negative developments of the war in the summer of 1918, it led to new health problems, so that in June 1918 he decided not to prolong his contract (Weber to Ministry of Education, 5.6.1918). In several assessments which Weber contributed to the dean about the future of the faculty, he declared that if the first-best case of Wieser’s return to the chair did not materialize, his favorite would be Joseph Schumpeter – obviously despite their famous clash in the Café Landtmann dated in the same period (Somary 1959, pp. 170-172). Finally, it is interesting to observe with whom Weber convened in Vienna and with whom not: As a perfect fit to the beginning of this exposition, he met almost exclusively with colleagues and with the “Bildungsbürger” kind of bourgeois intelligentsia typical for his (and Wieser’s) socialization, he gave a lecture on socialism to a military club – but he showed hardly any interest in Vienna as a world-famous laboratory of the avant-garde in science and art (Kaesler 2014, pp. 778-781).
3. “Social Economics”: Common “Heidelberg-Vienna” research program with a “Freiburg-Vienna” legacy

3.1 The jungle of German economics-related terminology in the late 19th and early 20th century

Despite the increasing dominance of the “Younger” Historical School towards the end of the 19th century, German economics was anything but a monolithic enterprise. The tradition of the “Older” Historical School with its affinity to subjective value theory and its knowledge of English political economy (Streissler 1990, pp. 31-55) did not fall immediately into oblivion with the passing of its principal three protagonists Roscher (†1894), Hildebrand (†1878), and Knies (†1898).

In addition, among Younger Historicians, the animosity to general theorizing was not equally spread. An interesting case was Heinrich Dietzel (1857–1935), who has been described as a “scientific maverick” (Goldschmidt 2002, p. 146) with positions making him an “in-between” half-way between Schmoller’s and Menger’s lines of argument in the “Methodenstreit” (Goldschmidt 2002, pp. 148-163). For this exposition, Dietzel is important in at least two respects. First, in 1895 he was among the forerunners to use the term “Social Economics” as a title for his Theoretische Socialökonomik (Dietzel 1895). Even though the term, usually accorded to Jean-Baptiste Say as early as 1828, had already been used sporadically in German publications between 1848 and 1888 by Hildebrand, Roscher, Schäffle, Dühring, Knies, and Menger, it was Dietzel and his teacher Adolph Wagner whose monographs (Dietzel 1895; Wagner 1907) meant a significant breakthrough in the usage of “Sozialökonomik” (Swedberg 1998, pp. 177-179). While every author gave the term a specific twist, Dietzel was particularly keen to introduce the basic distinction of “economic phenomena” and “economic social phenomena”: While the first are rooted in the desire to appropriate commodities for the satisfaction of one’s own needs, the second have their origin in the desire to obtain power and domination over other individuals (Kasprzok 2005, pp. 61-92). The second reason why Dietzel is important for this exposition is his seminal role in the scientific socialization of Walter Eucken during Eucken’s studies at the University of Bonn (Goldschmidt 2002, pp. 162-163) – an aspect which will be consequential for the complexity of the “Freiburg-Vienna” connection as presented below.

Nevertheless, the breakthrough was never a complete one. Instead, different terms continued to coexist among the German-language economists: The traditional “Nationalökonomie”, “Volkswirtschaftslehre” as Schmoller’s favorite, “politische Ökonomie”, “Sozialökonomik” and some less important ones. As described above, “Sozialökonomik” made it into the title of Weber’s gigantic Grundriß encyclopedia project. Was the term “completely meaningless for anyone but Dietzel”, as suggested by Wilhelm Hennis, and picked only based on considerations of the publisher regarding sales prospects (Hennis 1997)? The following exposition attempts a different take which primarily relies on the writings of economic sociologist Richard Swedberg, and embeds the term and research program of “Social Economics” into the evolution of early German economic sociology.
3.2 Economic sociology in the context of late 19th and early 20th century German economics

The state of German economics in the 1900s was deplorable. While Schmoller was still active and the Younger Historical School had not yet experienced its implosion that followed WWI in successive busts, the sense of crisis and dysfunctionality was spreading, especially among the younger representatives of the profession. Weber was among the most active “young rebels”, his open confrontation with the preceding generation by initiating the “Werturteilsstreit” at the 1909 Vienna Meeting was already sketched above. But also his feverish organizational efforts in editing the *Archiv* and in coordinating the *Grundriß* have to be seen in this context: Despite the immense cost for his health and for the postponement of several of his long-term projects, most prominently of his pieces on sociology of religion as well as of *Wirtschaft und Gesellschaft*, he gave up neither the *Archiv* nor the *Grundriß* until his untimely passing in 1920. What was the motivation behind all this? As stressed in several biographical accounts, it was Weber's sense of the ruinous state of German economics and the dire necessity for a consolidation of the field that kept him committed, despite the opportunity cost at all the margins of his life and work.

What were the necessary directions of change? It is helpful to begin with a review of the first *Grundriß* volumes by Robert Liefmann, a Freiburg-based economist and former doctoral student of Weber during his Freiburg tenure (Glaeser 2014, pp. 221-225). While positive in some special respects, the review is overall lukewarm and presents one principal objection: The blending of economics and sociology. Liefmann wishes both economics and sociology a higher degree of specialization – and not integration, as intended by Weber’s project in Liefmann’s interpretation (Liefmann 1915, pp. 587-588). The conclusion contains a noteworthy statement: “The Grundriß der Sozialökonomik is in several ways characteristic for the current state of economic science and its development during the last decades. Just as economic science, it [the Grundriß, SK] develops – and this is the most striking impression – more breadth than depth” (Liefmann 1915, p. 597). Liefmann’s critical stance is an easily understandable warning for approaches like “Social Economics”. The heritage of historicism is, indeed, above all: breadth. Already the “Older” Historical School explored the links to law, religion, geography, and many other social and nonsocial phenomena, so Liefmann’s warning that simply adding breadth cannot be seen as a cure to the illnesses of economics sounds convincing.

In a next step, the most notable specialization which took place at the time deserves attention: The emancipation of sociology from economics and the formation of economic sociology as a subfield of sociology. Different from the development of French sociology, it is legitimate to state that German-language sociology emerged from within economics. It was again the Historical School, “Older” and “Younger”, which by the treatment of its subject matter very often took a methodological stance that would later be termed “sociological”. Thus historicists in Germany and in Austria can often be seen as precursors of “professional” sociology – Schmoller and Albert Schäffle are prominent examples in Germany and Austria who even defined economic theory as a subfield of sociology (Swedberg 1998, pp. 179-180). Interestingly enough, also the Austrian School with its early representatives around the Menger/Böhm-Bawerk/Wieser “great triumvirate” has been portrayed as an important incubator of
sociological thought – its individualist approach to human action, exchange, and valuation has been depicted as the first and most powerful fountain of sociology in Austria (Knoll/Majce/Weiss/Wieser 1981, pp. 63-68). This period of embeddedness and inclusion within economics can be seen as the first phase of development of sociology. The second phase was initiated around the turn of the century by a generation of younger German-language scholars who emancipated themselves methodologically as well as organizationally from economics, with Georg Simmel’s *Philosophie des Geldes* often referred to as the decisive sign and step of emancipation by these “young rebels” (Simmel 1900). Together with Simmel, the Weber brothers as well as Werner Sombart were at the core of this group. As mentioned in the biographical sketch above, the Sociological Society in Vienna was founded in 1907, followed by the German Society for Sociology (DGS) in 1909. For understanding the self-perception of the incipient community and the related tensions, it is illuminating to review the discussions at these forums during their initial decades. Regarding the early years, the meta-result from studying the topics and controversies at the DGS Meetings between 1910 and 1930 can be framed as “confusion” and “discord” – not only about the character of the DGS as the allegedly “value-free” debating club competitor of the “value-laden” debates at the Verein für Socialpolitik, but also about the nature and goals of the freshly emancipated discipline of sociology which, as bemoaned by Franz Oppenheimer in 1912, did not yet have a set of principles to rely upon (Kaesler 1981, pp. 206-207).

The further evolution until 1930 showed an increasing number of lines of conflict at the Meetings as well as an increasing degree of fragmentation of the community. Nevertheless, the leading DGS figures – most notably Ferdinand Tönnies and Leopold von Wiese – were successful in promoting the respectability of the new discipline vis-à-vis established competitors like economics, as well as in protecting the field from the ideological appropriation by those who desired to see an equivalence between the similarly sounding terms “sociology” and “socialism” (Kaesler 1981, pp. 239-242). Due to these ground-shaking battles, the terms “sociology” in general and “economic sociology” in particular appear at that stage as too broad to be used in an operational way. Therefore, in the following the core will be the specific approaches of Weber and Wieser to “Social Economics” and economic sociology, embedded in remarks about other authors’ specificities.

### 3.3 Weber and Wieser as “bridge builders” between economics and sociology

The starting point here is the claim that in principle Weber and Wieser shared a common understanding of economics and of sociology. Both understood themselves as professional economists until the end of their lives – and while this may not be surprising for Wieser, it can be ascertained also in Weber’s case for his entire life (Eisermann 1993, pp. 100-102). Four aspects constitute fundamental common characteristics. First, both characterized economic theory as an indispensable tool for understanding certain types of human action. Second, they shared a high appreciation for subjectivism as the basis for understanding and interpreting (“Verstehen”) the meaning which individuals attribute to their actions and valuations. For their specific subjectivism in economics, the concept of calculation was equally crucial
(Kolev 2017, pp. 3-7). Third, they agreed that sociological theory, also beyond economics, should follow the principle of methodological individualism – even though both deviated from it at episodes where they aimed to depict group or mass phenomena. Fourth, they opposed the purely materialistic approaches to social phenomena of their age and favored a mainly idealistic understanding of societal dynamics – even though change might come from the interplay of ideal and material factors.

Out of the three figures of the Austrian “great triumvirate”, Wieser qualifies best as “bridge builder” towards the incipient field of sociology due to the breadth of his inquiries’ scope, which also makes him the only one of the triumviri to fully qualify into today’s field of “Philosophy, Politics, and Economics”.

In Menger’s and Böhm-Bawerk’s cases, conjectures about their philosophical and political positions have been made in a large body of literature, since their writings were seldom explicit on the domains of philosophy (Böhm-Bawerk) and politics (Menger). When comparing Menger and Wieser, the Mengerian enterprise can be depicted as a self-declared search for a unified theory of prices (Menger 1871, p. xlviii), while the Wieserian one aimed at a unified theory of social phenomena – or, in Hayek’s words, at “an indepth insight into the essence of all societal processes” (Hayek 1926, p. 513).

Wieser’s economic sociology was certainly more than just the product of a fad for the “then fashionable elite theories in sociology (Pareto, Mosca, Michels, Le Bon)” (Boehm 1985, p. 254). Putting Wieser into the context of Le Bon or Pareto had been conducted already before Schumpeter’s posthumous account (Schumpeter 1954/2006, p. 763) – both in a contemporaneous review of The Law of Power (Spranger 1926) and in a seldom mentioned monograph Friedrich Wieser als Soziologe by Viennese law professor Adolf Menzel (Menzel 1927). Embedding Wieser’s sociology into the history of sociology with the vantage of several additional decades has been conducted in extensive treatises by Bonn sociologist Eugen Wilmes (Wilmes 1985) and most recently by Heidelberg sociologist Christoph Morlok (Morlok 2013). The hypothesis for exploring the Weber-Wieser relationship can be developed as follows: In a similar pattern as the one locating Weber as an in-between Schmoller and Menger (Hennis 1991), Wieser can be classified as an in-between between Menger and Weber. This possible classification rests on a twofold claim: 1) Wieser’s work on economic sociology phenomena was broader and more explicitly developed than Menger’s, and 2) Wieser’s work on technical economic phenomena was deeper and more explicitly developed than Weber’s.

In substantive terms, two particular commonalities in the “Heidelberg-Vienna” connection will be discussed here since they play a special role for the “Freiburg-Vienna” connection in the final section of the paper: 1) the notion of interdependent orders so omnipresent in Weber and in Wieser, and 2) the role of the intricate “power / domination / coercion / violence” nexus.

1) Out of the attempts in the vast literature to identify the central question in Weber’s work (Hennis 1987), this analysis joins Andreas Anter’s interpretation. Anter has identified the solution of this riddle in the categories of order(s) and power(s): More precisely, Anter has put at the center of Weber’s œuvre the question what orders and powers were causal for the emergence of the West, and what orders and powers
emerged during the evolution of the West (Anter 2004/2007, pp. 89-94). The plural in “orders” is particularly noteworthy: As has been stressed on many occasions by Weber scholars, the title of Weber's posthumously published opus magnum was imprecise as compared to Weber's own plans. Instead of *Wirtschaft und Gesellschaft* (*Economy and Society*), he intended to entitle his volume within the *Grundriß* project *Die Wirtschaft und die gesellschaftlichen Ordnungen und Mächte* (*The Economy and the Societal Orders and Power*) (Schluchter 2009, pp. 47-92). This title, which eventually only served as a headline of one of the sections, is highly illuminating about Weber's intention with this volume which should consolidate his entire economic sociology results: Here, economic sociology was the attempt to analyze the economy as a societal order and to link its properties and dynamics to the other societal orders like the state, law, or religion. This envisaged trajectory was very much in line with Liefmann's wise warning not to “blend” economics and sociology: Instead, Weber's early title – as compared to the holistically sounding misnomer *Economy and Society* – clearly communicated the aim to conduct specialized studies of the different societal orders (also called “spheres”) with their distinct logics via different methodologies as available in the apparatuses of economic theory, economic history, and economic sociology. By distinguishing between the types of interests in the relationships (material vs. ideal) and the type of action (nonsocial vs. social / rational vs. nonrational), Weber constructed a detailed roadmap for a division of labor between economic theory and economic sociology in exploring the logic of the economy (Swedberg 1998, pp. 22-53). Only after a solid analysis of the economic order – as opposed to a “blending” of various inquiries – can economic sociology explore the links between the economic order to other orders like the state, law, or religion (Weber 1921/1972, pp. 181-194). Even though less systematic, Wieser very much joined this analytical approach: In his most succinct exposition of economic sociology, Chapter I of Part II of his *Social Economics* within the *Grundriß* project, he showed the embeddedness of the economizing individual and of the economic order in the network of societal powers which determine both the socialization of the individual and the properties and dynamics of the economic order (Wieser 1914/1924, pp. 108-121).

2) The Weber-Wieser notion of order(s) and their interdependence leads directly to the second commonality of the two systems: The omnipresence of the term family “power / domination / coercion / violence”. Several questions are relevant in this context, the first being the delineation of these terms. As anthologies about the long history of these terms clearly show, the ambiguity in their usage over the centuries is ubiquitous (Popitz 1986/1992; Samuels/Buchanan 2007; Anter 2012/2013; Koloma Beck/Schlichte 2014), and very often the terms have been used interchangeably even by the same author at different points of his œuvre. Ambiguity is also partially observable in the cases of Weber and Wieser. Weber’s clear-cut system regarding “domination” as formulated in *Economy and Society* can be contrasted to his usage of “power”: He famously called power a “sociologically amorphous” category and used it for different purposes in a much less systematic way than he did with “domination”. Wieser was also far from consistent: In his early sociological writings he used “violence” in the same way he later used “power”, mostly in the sense of power over the minds of individuals. This Spinozian understanding of “power” made the key Weberian distinction between “power” and “domination” obsolete, and accordingly Wieser disregarded the Weberian distinction – resulting in a certain hypertrophy of the term “power” as super-
multifaceted, especially in *The Law of Power*. Another difference is the increasing interest of Wieser in mass phenomena, and thus he often transcended the limits of methodological individualism, a principle of utmost importance both to Weber and to Wieser’s student Schumpeter – while explicitly coined by the latter, its content had already been at the core of numerous earlier debates (Samuels 1983b). Despite these important distinctions and the necessity of further detailed research, “power” and the related categories “domination / coercion / violence” clearly constitute central elements for the sociological message of both systems: In all their ramified meanings, they stand for *influences* between individuals and groups in their interactions and thereby make action “social” in a very Weberian sense, i.e. the case when an individual purposefully directs his action towards other individuals or groups. This makes the term family “power / domination / coercion / violence” highly relevant for understanding the interactions within various societal orders, but also for the interrelations across societal orders, since it is very often exactly these power relations which serve as transmitters of impulses within the interdependent network among the economic, political, legal, religious, and other orders – very much as in the system of Bertrand Russell, who classified power to be as fundamental for the social sciences as is energy for physics (Russell 1938/2001, p. 10).

3.4 The legacy of Weber and Wieser: “Ordnungsökonomik” as “Sozialökonomik”

While in Vienna the Austrian School continuously flourished also after the passing of the triumviri (Böhm-Bawerk (†1914), Menger (†1921), Wieser (†1926)), the stance of Weberian sociology after Weber’s passing in 1920 was much more intricate and only re-emerged full of vigor owing to the increasing plenty of the gigantic Complete Edition project. It is noteworthy to observe Schumpeter’s retrospective remark in *History of Economic Analysis* that “The German equivalent of this [Economics as a term, SK], Sozialökonomie or Sozialökonomik, never caught on” (Schumpeter 1954/2006, p. 510).

This claim withstands bibliometric probes. However, perhaps less visible from the Harvard observatory of Schumpeter’s final decades, something new emerged across the Atlantic which to a surprising extent bore traits of the research agenda of “Sozialökonomik”: The program of ordoliberalism which has later been subsumed under the title of “Ordnungsökonomik”. Ordoliberalism is used here as an umbrella-term overarching the research programs of the Freiburg School around Walter Eucken and Franz Böhm, of the “half-exiles” Wilhelm Röpke and Alexander Rüstow (incidentally called later “sociological ordoliberalists” due to the breadth of their inquiries’ scope), but also of F.A. Hayek in the 1930s and 1940s (Kolev 2015) – programs which in addition exhibited a stunning proximity to the “Old Chicago” School around the Weber-fascinated Frank Knight (Köhler/Kolev 2013). While literature has discussed numerous sources for the formation of ordoliberal thought, following the above discussion of “Sozialökonomik” and economic sociology it appears as crystal-clear that this source can be classified as a particularly potent fountain. And as implied in the title of the paper, this fountain can prove a truly practical “skeleton key” for a deeper understanding of specificities for the formation and evolution of the systems in this next generation of German-language “thinking in orders”.
The two sub-sources hypothesized and sketched here as transition trajectories from “Sozialökonomik” to “Ordnungsoökonomik” constitute a curious pattern: While the one is the direct link from Weber and the Historical School to the ordoliberals, the other link is from Weber indirectly over Mises (and possibly Knight) to the ordoliberals and Hayek.

Even though the ordoliberals emancipated themselves from the Historical School already in the circle of the “Ricardians” in the 1920s as well as in programmatic publications in the 1930s, it is uncontroversial that their research program was related to that of the Historical School – in different interpretations, it has been depicted as having emerged either from the ruins of historicism, or in its humus (Peukert 2000; Schefold 2003). In this context, an important parallel can be drawn between Weber and Eucken. Their particularly explicit emancipation processes from Schmollerian economics have gained them a rather identical classification: Both have been called “consummators” (“Vollender”) of the Historical School, in a similar way as Mill and Marx have been located vis-à-vis classical political economy, and both aimed at a reconciliation of the Schmollerian and Mengerian “Methodenstreit” positions (Stackelberg 1940; Eisermann 1993). In this vein, their respective programs, “Sozialökonomik” and “Ordnungsoökonomik”, draw on problems posed by and concepts underscored by the Historical School – such as the “power” term family and the interdependence notion of economy and society. Even though the explicit space dedicated to Weber in the ordoliberal treatises may not impress as such and is mostly confined to the normativity domain, for the generation of Eucken (*1891) and Röpke (*1899) Weber was always “in the air” as a formative and dominant figure in various debates in the social sciences, despite the fragmentary character of his published legacy at the time of his passing and during Eucken’s and Röpke’s lifetime. To what extent Eucken’s Freiburg and Röpke’s Geneva can be seen in retrospect as laboratories refining Heidelberg’s “Sozialökonomik” is a truly intriguing inquiry. As a first analogy between these two generations of interconnected discussions, the debate which took place in correspondence between Röpke and Hayek upon Röpke’s 1942 review of Eucken’s *Die Grundlagen der Nationalökonomie (The Foundations of Economics)* in *Neue Zürcher Zeitung* about the scope of economic analysis (Kolev/Goldschmidt/Hesse 2014, pp. 13-14) very much reminds of Liefmann’s 1915 critique of Weber’s *Grundriß* project and the dangers of the blend of economics and sociology.

And it may well be that for this refining process of Heidelberg ideas in Freiburg, the other traditional university of the Grand Duchy of Baden, some Viennese or even Chicagoan “round-aboutness” was involved. The second hypothesis here is that the Weberian program was received by the Hayek-Eucken-Röpke generation not only directly, but also through the intermediation of Viennese figures like Wieser and Mises, and perhaps also through dialogue with the preeminent “Old Chicago” protagonist Frank Knight. Wieser’s works are referred to in the ordoliberal treatises more often than Mises’, but Mises was nevertheless recognized by the ordoliberals, and of course by Hayek, as a formative figure for their early positions (Kolev 2016, pp. 7-9). Especially his early analyses of economic and societal orders in *Socialism* and *A Critique of Interventionism* can be classified as an important incubator for the ordoliberal and Hayekian theories of orders from the 1930s onwards. In this vein, it is important to underscore the different
proximity of Mises and of Hayek to Weber: While to Mises Weber was the great exception in Germany’s
economics desert and even a “genius” (Mises 1978/2013, p. 72) with whom he saw himself as having
become “good friends” during Weber’s stay at Vienna 1917-1918 (Mises 1978/2013, p. 47), Hayek’s
attitude to Weber – whom he missed in Vienna 1917-1918 due to his WWI participation but whom he
intended to follow to Munich as student after the war – is much more difficult to grasp: It has been
adequately portrayed as a riddle and as a “curious relation [between Weber’s Viennese influence and
Hayek’s Munich plans, SK] to the negligence with which Hayek later ignored Weber” (Hennecke 2000, p.
44). Regarding Hayek’s cursory references to Weber, a prominent Weber scholar has characterized
Hayek’s refusal to acknowledge Weber’s understanding of emergence and of spontaneous orders as
“absurd” and “polemical” (Anter 2004/2007, p. 91). Thus the fact that Weberian notions like the
interdependence of orders are omnipresent in the Hayek-Eucken-Röpke generation’s works may well also
be attributed to the role of intermediaries and transmitters like Wieser and Mises. Another curious link
which has surfaced lately in the course of the processing of Eucken’s archival papers is his sizeable
correspondence with Knight, and it could be that a future study of this correspondence between Eucken
and the Weber-fascinated Knight (Emmett 2006) can show another transmission channel of Heidelberg
ideas over Chicago back to Freiburg. As a first result of analyzing these indirect outflows from Weber’s
legacy, a new answer to the perennial question on whether Hayek stopped doing economics in 1941 after
_The Pure Theory of Capital_ (Caldwell 2004, pp. 232-260) can be formulated: While Hayek may have stopped
doing economics as understood at Cambridge during his war-related exile there, he certainly continued
doing “Sozialökonomik” – and thus _The Road to Serfdom_ would not mean a break from economics, but
rather a move within the domain of “Sozialökonomik”: Away from economic theory to economic
sociology.

4. Concluding remarks

On a first level, this exposition presented the personal relationships between “the myth of Heidelberg”
and his Viennese contemporary Wieser. Despite the current scarcity of archival material, studying this
relationship proved fruitful to shed more light on Weber as an economist, a perspective rediscovered only
relatively recently by Weber scholars. Starting off with a similar family background and with a similar
scholarly socialization, both Weber and Wieser developed affinities to the research program of “Social
Economics” as their common perspective to the economy as one of the interdependent societal orders.
The “match” came from both directions: Weber showed early on an appreciation for the Austrian
approach to economic theory, while Wieser’s interests pointed early on not only to economic theory, but
also to the domain of incipient economic sociology.

Building upon the study of this cooperation especially during the last two decades of Weber’s life, on a
second level also the substantive proximity could receive coverage, to be followed soon by subsequent
deeper “excavations”. A detailed reading of Wieser’s largely forgotten economic sociology can clearly
profit from a systematic comparison with the Weberian system. Wieser’s volume in the _Grundriß_ project,
but also his other writings in economic sociology between 1901 and 1926, deserve a solid rereading and need a comparative foil like the components of the Weberian system. The aim of this comparison is threefold. First, it can add an important element to the portrayal of the early Austrian School. Second, it can add a nuance to the Weber scholarship on Weber’s interface with economics. Third, the conceptual results can shed new light on the political economies of later Austrian generations, but also on the political economies of the ordoliberals. As could be shown towards the end of the paper, the central “Heidelberg-Vienna” notions of interdependent societal orders as well as of the term family “power / domination / coercion / violence” already constitute bridges toward the “Freiburg-Vienna” generation. The “Sozialökonomik” à la “Heidelberg-Vienna” provides intriguing indications about the humus in which the “Ordnungsökonomik” à la “Freiburg-Vienna” emerged. If this Weberian path helps to integrate figures as diverse as Mises and Knight into a more encompassing narrative of the “thinking in orders” on both sides of the Atlantic, even the metaphor of a “skeleton key” might prove as not too pretentious.
Correspondence from the Max Weber Complete Edition (MWG)

II/5: Weber to Paul Siebeck, 26.12.1908, p. 705
II/5: Weber to Brentano, 30.10.1908, pp. 688–689.
II/6: Weber to Siebeck, 3.1.1909, p. 17.
II/6: Weber to Siebeck, 15.6.1909, p. 146.
II/7-1: Weber to Böhm, 20.10.1911, pp. 315–318.
II/7-2: Weber to Siebeck, 19.5.1912, p. 544.
II/8: Weber to Siebeck, 27.7.1914, p. 4.
II/8: Weber to Zwiedineck-Südenhorst, 23.5.1913, p. 246.
II/8: Weber to Siebeck, 3.11.1913, p. 343–344.
II/8: Weber to Siebeck, 21.3.1914, pp. 573–574.
II/8: Weber to Siebeck, 2.4.1914, pp. 586–588.
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