

Book Review

Shiro Takebayashi, *Die Entstehung der Kapitalismustheorie in der Gründungsphase der deutschen Soziologie. Von der historischen Nationalökonomie zur historischen Soziologie Werner Sombarts und Max Webers* (Berlin: Duncker und Humblot, 2003), pp. 526 + index 527-46. ISBN 3-428-10638-5. €84.00.

This work is a revised version of a dissertation originally presented to Bielefeld Faculty of Sociology during the Winter Semester 2000/2001, and bears all the usual marks of such writing: lengthy footnotes, an extensive bibliography (over fifty pages), deficient integration of the various parts into a coherent whole, and no clear conclusion. That said, it is also the best account of the 'German historical school of economics' to have been published, especially as regards the development of the 'school' during the 1880s and 1890s. The axis of Takebayashi's account is the publication of Sombart's *Der moderne Kapitalismus* in 1902, its reception among historians and economists, and its impact upon Max Weber. It is a book of two unequal halves: the genesis from the early 1880s of the material and the framework that Sombart deploys is brilliantly illuminating of what 'historical economics' was understood by its contemporaries to involve. By contrast, the attempt to link Sombart's historical account of modern capitalism to Max Weber's methodology and thence to a new German sociology is distinctly scrappy and unconvincing, even though the relentlessness of detail continues unabated to the end. In particular, the idea that what united Weber and Sombart was some affiliation to a 'historical sociology' remains an unsustainable claim.

The 'Younger German School of Historical Economics' certainly did exist during the 1890s¹—for one thing, Weber declared his membership in his Freiburg Inaugural address, and from time to time during the following two decades referred to himself as 'an economist', and wrote from that standpoint. The 'School' was however a relatively broad church whose members wrote an extraordinary, mind-numbing amount. Even Eric Grimmer-Solem's enthusiasm for the writings of Schmoller, clearly the School's pivotal figure, does not permit him to survey all of Schmoller's corpus, let alone that of his many students, nor the extensive reports of the *Verein für Socialpolitik* which can be considered the organisational hub for German historical economists.² The increasingly

1. Although the term is so loose to be of little analytical use, Heath Pearson's extravagant denial of the School's existence has little to be said for it—H. Pearson, 'Was There Really a German Historical School of Economics?', *History of Political Economy* 31 (1999), pp. 547-62.

2. Erik Grimmer-Solem, *The Rise of Historical Economics and Social Reform in Germany 1864-1894* (Oxford: Oxford University Press, 2003).

strident tone of Schmoller's critique of 'liberal' and 'socialist' economics³ could not conceal the uncomfortable fact that the principles presented in lectures to university students of law (like Max Weber) bore a striking resemblance to timeworn classical principles dating from Smith, Malthus, and Say. The project of creating a 'new, modern' economic science out of historical studies proved both unworkable and unrealisable. Commentators continue to refer confidently to the 'German Historical School of Economics' without however troubling themselves with the detail of who was in it and what they did. Anyone who actually takes up the challenge of making some kind of sense of this mass of literature quickly discovers the difficulty of finding any thread of argument, analytic or substantive, that might open a way into it.

This then is Takebayashi's first achievement. He begins with the sensible observation (p. 24) that although the connection of Weber with capitalism is recognised, commentators persist in linking Weber with Marx rather than his contemporaries. In fact he goes very much further than this might indicate, for he opens up for the first time what 'Marx' meant to Weber and his contemporaries. The very extensive commentary that has grown up around Marx's writings has almost entirely neglected its historical dimension, arguing over the significance of various parts of Marx's theoretical work⁴ without stopping to consider who read this, when, and in what version. Our understanding of Marx today is consequently a very modern one, entirely detached from what his contemporaries thought of him. Takebayashi takes note of this, and in considering the response of German scholars to Marx, remarks that that they mostly only began to read Marx after his death in 1883, and largely as a consequence of the efforts made on the part of Engels to publicise him. The first widely available and readable account of Marx's political economy was his *Wage Labour and Capital*, published separately in 1884. But this work dated back to 1849, having first been published in the *Neue Rheinsche Zeitung*. And when in 1885 the first German translation of *Poverty of Philosophy* appeared – originally published in 1847 and in which Marx embraces Ricardian economics entire more than a decade after almost everyone else had abandoned its abstractions – this was taken up by Marx's German readers as the most accessible account of Marxian political economy (p. 48 n. 83).⁵ Hence when they turned to *Capital*, they tended to read it in the light of *Poverty of Philosophy*. Given that, unlike the case of Max Weber, there is a significant shift from the 'Young' to the 'Old' Marx (especially along the dimension of political economy, with which the 'Young' Marx had only the most sketchy familiarity) this apparently modest point in publish-

3. See in particular G. Schmoller, *Wechselnde Theorien und feststehende Wahrheiten im Gebiete der Staats- und Socialwissenschaften und die heutige deutsche Volkswirtschaftlehre*, Rede bei Antritt des Rectorats gehalten in der Aula der Königlichen Friedrichs-Wilhelms-Universität am 15. Oktober 1897. Printed W. Büxenstein, Berlin 1897.

4. Nobody bothers of course with the large amount of journalistic writing.

5. Takebayashi draws on Sombart's 1905 bibliography of Marx's writings to support this point concerning the way in which Marx came to the notice of German economists. However, for some reason Takebayashi persists in using the Dietz edition of Marx's writings, rather than the *Gesamtausgabe*, which is edited according to rather more modern principles. The Dietz edition of *Das Kapital* Bd. 1 is the wrong one, the fourth 1890 edition, and no account is given of the important variations between Marx's own editions of *Capital* – the original 1867 edition, the second German edition of 1872, and the French edition of 1874–5.

ing history takes on unanticipated significance. And quite separately from these works, it can be argued that it was Engels' *Origin of the Family* which had the greatest contemporary impact upon German scholars when it appeared in 1884.

These observations link into the development among German economists of an interest in early industrial forms and also the general development of social forms from pre-history. The entire discussion during the 1890s of the historical stages by which capitalism developed – and which makes up the great bulk of Sombart's 1902 book, despite its title – rests therefore not on a detailed assessment of the conditions of capitalist production and various plausible pre-existing 'modes of production',⁶ but derive more directly from Marx's early writings and Engels' summary of Marx's later research on Bachofen and Morgan. Brentano for example picked up from Marx's *Poverty of Philosophy* Ch. 2 the relation of the development of the factory to the division of labour, together with the idea that manufacture was an intermediate stage between the technical organisation of labour in craft and domestic industry on the one hand, and in the factory system on the other. In the late 1880s Brentano conceived craft work and domestic industry under the control of a family head as being technically and economically at same developmental stage; but in manufacture there is co-operation, or planful association of many in the same production process. The technical reorganisation of the labour process thus leads to a reconstruction of the commercial order, brought about by changes in the manner in which goods were bought and sold. This therefore reverses Marx's contention that large industry created the world market; for Brentano, it was the development of the world market that brought about alterations to the social organisation of labour. Takebayashi summarises the relation of Brentano's understanding of enterprise forms and their development as follows:

If one compares Brentano's view with Marx's 'industrial morphology' it is clear that, for Brentano, the decisive turning point in industrial history lay not in the development of manufacture, but instead in the transition from manual crafts to domestic industry. He is of the opinion that it was only with domestic industry that industrial organisations emerged in association with trading relationships linked to the world market. Brentano therefore sees the emergence of an 'acquisitive impulse' (*Erwerbstrieb*) in the historical transition of the economic enterprise from manual crafts to domestic industry. (p. 78)

And, notes Takebayashi, this view was shared by Schmoller.

During the 1890s Schmoller developed an analysis of enterprise forms centred upon the propagation of a calculative, gain-oriented 'commercial spirit', while an 1889 article on the division of labour clearly turned on his reading of Marx on the consequences of the division of labour. In 1893 he reviewed Bücher's *Entstehung der Volkswirtschaft*, praising Bücher for 'extending' Schmoller's own treatment of division of labour and enterprise forms. Schmoller thought that he had some sort of priority in seeking a systematic account of the genesis of commercial society, although Bücher clearly stated that the lectures from which the book was composed went back to 1886, priority in these respects being argued out in subsequent exchanges. Bücher referred back to the schemata offered by Friedrich List and Bruno Hildebrand, which, he

6. As essayed for example in Paul Hirst and Barry Hindess, *Pre-capitalist Modes of Production* (London: Routledge and Kegan Paul, 1975).

argued, presupposed an economy in which the exchange of goods had always existed, only the form of production and of transaction varying between epochs. For List and Hildebrand, therefore, the basic phenomena of economic life formed a constant over time. Bücher argued instead that the modern economy was the product of a lengthy process of development, before which there existed a very long period without exchange, or when products and services were exchanged in a manner that cannot be called economic. The problem posed by Bücher linked therefore to Brentano: to explain how European societies had evolved from earlier, non-profit-oriented forms to a modern, commercial reality. Takebayashi lays out in great detail exactly how Bücher's 'stages' were constructed around this problem, and given the priority dispute with Schmoller is able to map Bücher's conceptual schema on to Schmoller's much more discursive accounts. In so doing, he is able to show the degree to which Brentano, Schmoller and Bücher shared a common perspective with respect to conceptualisation of the evolutionary path taken by modern enterprise; and that, while they might increasingly have taken into account Marx's own arguments, there are no grounds for arguing that they were in dialogue with Marx, or that Marx had initiated an argument that they then took up.

Takebayashi does not pull this aspect of his argument together very effectively, but it is at this point that we need to recall that Marx's writings first began to be read seriously in the mid-1880s, not before. When in 1891 Sombart published an article on domestic industry in Germany, he began from a study of 1879 on the Lower Rhine (p. 175), published like another from 1883 on the Taunus in Schmoller's research series. Likewise Sax's study of Thuringia was published in 1882 in a similar series directed by Johannes Conrad, Hildebrand's successor in Halle, with another in 1884 on the Voigtland. Local studies of the development of domestic industry, its origins, structure and consequences, therefore preceded discussion of Marx's own theoretical contributions to the problem. Although Marx had of course written on these issues in the 1840s, these writings did not come to the attention of German historical economists until the mid-1880s, after empirical studies of domestic industry had been published and theoretical debate initiated.

Furthermore, when by the mid-1890s such debates had turned into arguments over the origins of capitalism, the major axis to the dispute turned on the concepts most appropriate to the analysis of antiquity. When in 1895 Eduard Meyer (a historian) criticised Karl Bücher (an economist) he maintained that Bücher's stages implied a linear historical sequence, also suggesting that the focus on domestic industry derived from Rodbertus' own account of the ancient *oikos*. Here Meyer drew (selectively) on Weber's Habilitation dissertation on Roman agrarian history to dismiss the idea that the *oikos* could be used to characterise the ancient economy, seeking one presumes to use one economist to rebut another economist. The passage that Meyer cited in Weber did however continue on to praise Rodbertus's insights –given the rarity of such commendations in Weber's writings, undermining the very point that Meyer sought to make. The point at issue in the Bücher-Meyer controversy was whether it was legitimate to use modern concepts of economic organisation – concerning the development of capitalism – in study of the ancient economy. Meyer insisted that the structures of economic and social organisation could not be reduced to one of linear progress, an issue that Weber was to resolve later with the 'ideal type'; but in any case the manner in which Bücher articulated his economic stages did not presume any such linearity, as Takebayashi clearly demonstrates.

Sombart published a number of studies of domestic industry during the 1890s, and these found their way into the 1902 book, which was accurately characterised as more a study of German domestic industry than of modern capitalism. Furthermore, these elements were imperfectly integrated in the 1902 edition, so that the account of the 'capitalist spirit' to be found in chs. 14 and 15 predates the introductory exposition of concepts, weakening Sombart's efforts at a systematic causal account. Likewise the emergence of the 'capitalist spirit' is linked to that *Erwerbstrieb* already identified by Brentano so that, as far as explanation went, Sombart shared significant common ground with Brentano (and Schmoller). Certainly Sombart did seek to provide a systematic understanding of the genesis of modern capitalism, but as Takebayashi shows, the conceptual framework introduced in the early pages does not provide a uniform explanatory framework throughout the work.

In 1903, at the seventh meeting of German historians in Heidelberg, Sombart's efforts were savaged by Below. In vain Sombart sought defence in the argument that his was a theoretical (economic) work, and should not be read as a history of capitalism. Sombart cut such a poor figure in this debate that Max Weber's wish that Sombart succeed him in the Heidelberg chair of economics was fatally undermined. As noted above, from this point onward Takebayashi seeks to link the Sombart of *Moderne Kapitalismus* to Max Weber and historical sociology. Here the treatment of Max Weber is relatively conventional, failing to track the common ground between Sombart and Weber from the later 1880s, and failing to delineate the coincidence between Weber's continuing interest in ancient economy and Sombart's in craft and domestic industry. At least one thread goes unexplored: the thoroughness with which Takebayashi deals with the articulation of Bücher's 'stages' shines a bright light into what Weber saw in Bücher, what he expected from Bücher for the opening essay of the *Grundriss der Sozialökonomik*, and how eventually the second chapter of *Wirtschaft und Gesellschaft* was written to compensate for Bücher's failure to deliver. But in turn the methodical way in which Takebayashi reconstructs the debates of the later 1880s and the 1890s, debates contemporary with Weber's early intellectual formation, makes sense for the first time of Weber as member of the 'Younger' German school of historical economists.

Keith Tribe, The King's School, Worcester

