

Symposium

“Schmoller’s Legacy for the 21st Century”

Editorial Preface

Gustav Schmoller evokes mixed reactions among economists. For many, Schmoller and his younger Historical School were an aberration in German economics. These critics see the Historical School’s focus on detailed historical analysis as contrary to a formal argumentation which seems to be free of value judgments, and furthermore as the cause of Germany’s having fallen behind the standards of modern economics for several decades. Moreover, they argue that because of the strong role Schmoller ascribed to the state, especially in the area of social policy, he also helped pave the way for National Socialism. Others, however—and among them, importantly, an increasing number of non-German speaking economists—regard Schmoller as a prophet for an economic science which, with its cultural, historical and ethical orientation, should also serve as a guiding principle in the current debate on the new (heterodox) orientation in economics.

The purpose of this special issue is to open the international debate on Schmoller’s legacy. The rigorous examination of Gustav Schmoller and his ideas that we hope to initiate here should not lead to an ideological dispute merely proving one camp right and the other wrong; rather, it should lead to in-depth discussion of substantive issues and arguments. This debate should not seek to answer the question of whether Schmoller as an economist should be glorified or rejected; instead it should focus on assessing to what extent Schmoller’s ideas can be used today to better understand current and historical trends in theory and practice. This holds true even more because Schmoller himself was working as an economist in times of rapid social and economic change—much like we are today. Or to put it in more general terms: an economic theory that sticks to well-trodden and often purely formal paths of thought cannot, in the long run, remain a dynamic force in economic policy. Schmoller’s pragmatic and realistic approach, in particular, as well as his orientation towards the social integration of the individual into society can contribute an important dimension to the current debate and may indeed be his main legacy for the 21st century.

I would like to extend my special thanks to the editors of this Journal, Gert G. Wagner and Joachim Wagner, who dared to take it upon themselves to put

together a special issue in a relatively short period of time. I also wish to thank Gabriele Freudenmann for her organizational support and Deborah Anne Bowen for the very important linguistic “quality control”.

There is probably no more fitting place for a debate on Schmoller’s legacy for the 21st century than this journal. Exactly 125 years ago, in the year 1881, Gustav Schmoller became the editor of this yearbook. Furthermore, from 1913 to 1972, its subtitle read “Schmollers Jahrbuch” (Schmoller’s yearbook), as it does again today since the relaunch of the Journal in 2000.

I am grateful to Gerold Blümle, Geoffrey M. Hodgson, Heinz Rieter, Yuichi Shionoya and Joachim Zweynert for their willingness to work on this issue. The articles we have included consistently demonstrate that dealing with Schmoller and the reception of his ideas is a worthwhile undertaking, even in the 21st century. I owe my gratitude to the referees for their prompt and helpful comments on the articles submitted.

I am particularly pleased that we have been able to publish an original text by Schmoller as well: it appears here for the first time in English, translated by Rodney Martin, with comments by Heinz Rieter. Schmoller’s autobiographical essay “My Early Years in Heilbronn”, probably the last text written by him, leads back to the beginning of his life.

Two watercolors by Schmoller reprinted in this volume are a reflection of both his personal and professional breadth: much more than a narrow-minded academic, he was a social thinker whose interest in the many diverse dimensions of life nourished his scientific thinking and political acumen.

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