

Wieser's Epistemological Position and Beyond¹

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I

Friedrich von Wieser was a student of law when he read Carl Menger's *Grundsätze der Volkswirtschaftslehre (Principle of Economics)* (Menger 1871), for the first time. As a result of this reading young Wieser got much interested in economics. In *Grundsätze* Menger repeatedly uses the phrase "experience teaches (shows; tells)" (Menger 1871 pp. 81; 82; 100 ;102; 124; 141; 153; 162; 170; 193; 254; 278; 279), and in the preface of that book claims the following:

In what follows I have endeavored to reduce the complex phenomena of human economic activity to the simplest elements that can still be subjected to *accurate observation*, to apply to these elements the measure corresponding to their nature, and constantly adhering to this measure, to investigate the manner in which the more complex economic phenomena evolve from their elements according to definite principles. (Menger 1871 preface, pp. 46- 47 my emphasis)

According to Menger, this method, which in his view is mistakenly accepted as the special method of the natural sciences only, is the 'empirical method', which is common for all fields of empirical knowledge including the social sciences (Menger 1871, p.47).

Although Menger himself had no doubt on that his main epistemological ideas of social sciences are empirical, however, after the publication of the book he confronted harsh criticisms from German historicists, who regarded the *Grundsätze* as a rather unempirical work. 12 years later, Menger published a book on the methodology of the social sciences (Menger 1883), which includes a critique of the German historical school, and this methodological confrontation between Menger and German historicists finally resulted into what is called the *Methodenstreit*.

While Menger was engaged with methodological works and discussions in the early 1880's, Wieser obtained his habilitation with the treatise *Über den Ursprung und die Hauptgesetz des Wirthschaftlichen Werthes (On the Origin and the Main Law of Economic Value)* (Wieser 1884), in which he develops Menger's theory of value and

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introduces the term “*marginal utility*” (*Grenznutzen*) for the first time ever. Five years later, he publishes *Der Natürliche Werth (Natural Value)* (Wieser 1889), that extends Menger’s idea of marginality to production theory; his economic inquiries seem to be completed with his *Theorie der Gesellschaftlichen Wirtschaft (Theory of Social Economics)*(Wieser 1914), which Hayek described as “the greatest systematic works in recent economic theories in general”(Hayek 1929) and these works supports *Methodenstreit* from the Austrian camp.

In the attempt to improve Menger’s economic theories such as value theory and production theory, Wieser frequently discusses methodological and epistemological issues. One may characterise these discussions as a reformulation of Menger’s empiricism³. In the epilogue of *Natural Value* he states,

If now, in closing, there is one thing which, more than another, I wish to repeat with special emphasis, it is the intention which has dominated me throughout the whole work, and in every part of it, -- the intention to be, in the best sense of the word, empirical. I may perhaps hope that the attainment of this object has not been disturbed by the fiction – undoubtedly unempirical -- of a natural value and of the utopian state of communism. So far as I can judge of my own work, I have nowhere pointed to any foreign non-empirical power in the actuality of economic life. (Wieser 1889, §66)

Although Wieser develops his own position, the prevailing literature indicates that interest in that position as well as in his economic theories is rather low. Perhaps this rather low interest comes from his peculiar habit to refer to Menger but not to other authors in his writings, and not to clarify the original sources of the ideas which he discusses and develops.

In this paper I suggest that Wieser’s epistemological position is an attempt to solve the problem of *demarcation* in the special situation in the social sciences. In order to solve that problem, Wieser discusses the role and the different forms experience has in the social sciences. Wieser’s position is the result of a critical analysis and the reformulation of an empirical position, which Menger develops in his *Grundsätze der Volkswirtschaftslehre*. Wieser maintains that economics is an empirical science and supports that claim by discussing the focus of subjective value theory, that is, marginal utility. He emphasizes that Menger, in contrast to Jevons and Walras, derives the idea of marginal utility from experience. According to Wieser, the theories of the Austrian school are much better than those of the classical school, because they are based on ‘experience’ and provide better explanations of the social world (Cf. Wieser 1889, Vorwort).

³ According to Hayek, Wieser was sorry about that Menger did not concentrate on developing his economic theories after *Grundsätze*, but engaged in the methodological discussions with the historical school (Cf. Hayek 1929, S.VIII). Although Wieser does not refer to Menger’s methodological works, he nevertheless develops his own methodological ideas by referring to *Grundsätze*.

However, if Wieser claims that the social sciences are ‘empirical’ sciences, the question arises what he exactly meant by ‘experience’? What is his epistemological position? Is his empiricism coherent with that of Menger or not? These methodological and epistemological questions may also relate to some other problems which perhaps originate in special historical circumstances; For instance: why did Wieser, unlike other Austrian economists such as Hayek or Mises, support government intervention? Or what are the reasons for changing his field of research to sociology, and for publishing studies, which emphasize the role of leadership and which express his sympathy for totalitarianism in his later years. These are questions I hope to clarify in this paper. In order to answer them, I will briefly explain Popper’s concept and role of experience in the empirical sciences. Then I will discuss Wieser’s epistemological view of the natural sciences. After having discussed his view of the natural sciences, I will proceed discussing his view of the social sciences.

II

As already mentioned, Wieser, like Menger, believed that economics should be characterized as an empirical sciences. He states, “The method of economic theory is empirical. It is supported by observation and has but one aim, which is to describe actuality.” (Wieser 1914 p. 5) However, if he states that economics is an empirical science, the question arises what ‘experience’ exactly means for the scientific inquires.

What is ‘experience’ for the empirical sciences?

According to a prevailed view, empirical sciences can be reduced to our direct experiences, that is, our ‘perceptions’ or ‘sensations’ of the worlds perceived through our sensory organs. This kind of sensationalistic positions claims that our sensible experiences are the only origin of the empirical knowledge and empirical sciences should start with gathering sensations.

However, every description of our ‘perceptions’ uses universal terms, and is not strictly compatible with personal ‘perceptions’ or ‘sensations’. For instance, a statement ‘there is a glass of water here’ uses universal words such as ‘glass’ or ‘water’. These words do not designate concrete sensations, but they mean general ideas such as ‘transparent container’ or ‘liquid that consist of oxygen and hydrogen’. The objects such as ‘glass’ or ‘water’ are recognized as types of these universal ideas or concepts in concrete situations. As Popper points out, every description of our experience more or less bear theoretical views or standpoints.

Furthermore, one cannot derive theories of empirical sciences by dint of gathering our sensations or perceptions: Experiences are always expressed as singular statements, such as ‘at time t_1 and place l_1 , there is a white swan’; in contrast, theories are expressed as universal statement such as ‘all swans are white’. However, because of

logical imperfectness of inductive inferences, it is impossible to derive strict universal statement from singular statements. Thus one cannot derive theories of empirical sciences by dint of gathering singular statements, which describe direct experiences.

Against these kinds of sensationalistic-inductivistic positions, Popper proposes to accept 'experience' in the process of testifying theories in the empirical sciences. Although one cannot derive strictly universal statements (theories) from singular statements (experiences) on logical ground, however, singular statements can corroborate or falsify universal statements. For example, a singular statement such as 'at time t_1 and place l_1 , there is a white swan' can corroborate a universal statement 'all swans are white'; a singular statement such as 'at time t_1 and place l_1 , there is a black swan' obviously falsifies the universal statement 'all swans are white'. Experiences cannot provide singular observational statements, from which one can derive strictly universal statements, but an experience can corroborate or falsify theories of the empirical sciences as a critical standard of theories in the empirical sciences. (Cf. Popper 1949 § 25-30)

Wieser's methodological views on the natural sciences

With respect to the natural sciences, Wieser believes that one should start scientific inquires with direct observations of natural world. In Wieser's view, direct observations of natural world provide observational statements, from which one induces natural laws by generalization.

In the meanwhile Wieser claims that natural sciences should start with observations, Wieser also emphasizes that 'direct observations' of the natural world always maintain supremacy with the language in the natural sciences. According to Wieser, natural scientists always have possibilities to create new terms or words, in order to express or report direct observations. For example, a universal concept 'warm' may be substituted by a special new term such as 'molecular vibration' in the natural sciences. In Wieser's view, concepts or words are only names that are labeled on recent observations in the natural sciences. He states,

Die moderne Naturforschung beschäftigt sich ausschliesslich mit den Phänomenen. Niemand, der Anspruch auf den Namen eines Forschers macht, wird glauben, dadurch, dass er die geltenden Sprachbegriffe untersucht, auch nur das Geringste zur besseren Erkenntniss des Wesens der Dinge beitragen zu können, Niemand wird glauben, eine Thatsache, welche durch unmittelbare Beobachtung erwiesen ist, deshalb bezweifeln zu müssen, weil er bemerkt, dass sie sich im Widerspruch mit dem Sinn befindet, in welchem die Menschen den Namen jener Thatsache auszusagen pflegen. Sprachgebrauche haben alle Geltung verloren, nur die Argumente aus der Sache haben Gewicht. (Wieser 1884, S.1–2)

In this sense, Wieser follows nominalist position in the natural sciences. In contrast

with the essentialist or realist position, which claims that there are something 'real' or 'essential' that corresponds to universal concepts, nominalist claims that concepts are only instruments, that are useful in order to describe the world. While essentialists claim that scientists should reveal 'essence' or 'reality' of things, nominalists asserts that the aim of sciences is to describe how events occur or how things behave. Thus in the nominalist's view, concepts or terms describing events or things can be always substituted to the other concepts if it is needed. (Cf. Popper 1957 § 10) The conclusion here is that Wieser holds a position which one may call nominalist-inductivism with respect to the natural sciences.

IV

While Wieser holds nominalist position with respect to the natural sciences, he believes that the method of the social sciences should be differentiated from that of the natural sciences. (Wieser 1884, S.4-5) As already have mentioned, Wieser claims that economics is an empirical science. However, since Wieser seems to have assumed 'experience' in various dimensions, I should like to suggest that Wieser's 'experience' can be interpreted in at least four different ways,

- 1) Wieser's 'Experience' as stored in language; Wieser argues that people's historical experiences are stored in common pre-scientific language and that language analysis is an important source of empirical (social) knowledge.
- 2) Wieser's 'Experience' as a result of introspection or inner observations of 'motive energy'. Wieser regards introspection as a special source of empirical knowledge because it provides certain knowledge. In Wieser's View, introspection provide not only certain knowledge from which one can derive universal statements, but also knowledge on 'motive energy', which internally motivates social world. He believes Menger's theory of imputation fails because it is based on observations and not on personal experiences.
- 3) Wieser's 'Experience' as mental experiment; Wieser believes that by specifying the conditions of social situations, mental experiments help to clarify the complex causal relations that exist in real social situations. This view may be seen as a result of Wieser's attempt to clarify Mengers idea of causality.
- 4) Wieser's 'Experience' as observation. Wieser is aware that observations of social phenomena are part of the empirical basis of economics. However, according to him observable social phenomena are the result of different 'motive energies'. In his view, motive energies are triggered not only by humans but also by social organizations or even nations as well. Since he applies the idea of motive energy in order to explain observable social phenomena, I would like to call this position 'methodological motivationalism'. It seems that this particular position may help to

explain his later work: his support of interventionism and his turn to sociology.

The situation will become clearer if I discuss these four possible interpretations in more detail.

1. Wieser's 'Experience' which is stored historically in common language;

I will firstly interpret Wieser's 'experience' as people's historical experiences stored in common language. In contrast with his nominalist view with respect to the natural sciences, he believes that the social sciences should *not* start with direct observations of the social world. According to Wieser, unlike the natural sciences, the social sciences concern with the knowledge on ourselves, thus social knowledge is already 'known' to our mind. „Die Bedingungen des Erkennens der Wahrheit liegen eben für uns durchaus anders, als für den Naturforscher.“ (Wieser 1884, S3)

Wieser believes that such social knowledge is historically accumulated in the common language through people's communicative processes. According to Wieser, person is more or less compelled to provide verbal explanations on what he is doing or what he wants to do to the others. Thus common language comes to contain social experiences in its formative process. He states,

Much of the store of common experience that is shared by the economic community is deposited in the national language, especially in the basic designations relating to economics and the law of economic relations. A naturalist may discover a wealth of new substances or relations, long inaccessible to naïve observation. For these he must needs find names. But economic theory, like other practical sciences, has for its subject the content of common experience, long familiar and already named. Therefore it does not seek to invent a general terminology. It is bound to preserve existing terms, to interpret the meaning of those already current and by means of the light that is shed on widely accepted concepts by the primitive roots to penetrate to the core of their meaning (Wieser 1914, p.8).

From these considerations, Wieser concludes that the social experiences should not start with observations, but language, in which people's "common experiences (gemeine Erfahrung)" are

are already given to our common language, and thus language analysis is not unempirical or aprioristic method, but rather empirical method that is necessary in order to justify economics as an empirical science.

The reason why Wieser tried to justify language analysis as an empirical method seems to me that, he has an intention to justify Menger's method in *Grundsätze*. Menger, as well as Wieser, starts with linguistic analysis that defines strict meanings of economic factors such as goods, value, money, and so on (Cf. Menger 1871). By dint of claiming

that experience is stored in common pre-scientific language and that language analysis is an important source of empirical (social) knowledge, Wieser tried to justify Menger's method of social sciences as such that are based on experiences.

2. Wieser's 'Experience' as introspection or inner observation of 'motive energy'

I will now turn to the other interpretation of 'experience' that Wieser developed in order to show economics is an empirical science. Although Wieser claims that the social sciences should start with language and its analysis, nevertheless he believed that common language in itself does not provide strictly universal statements with the social sciences.

According to Wieser, common language in itself is not in order, but in chaos, in which various kinds of experiences interact with each other. Wieser claims that, role and object of the social sciences is to 'derive (ausschöpfen)' universal laws out of such chaos of people's 'experiences' stored historically in language (Wieser 1914, S16). Wieser believes that introspections provide certain knowledge, by which one 'derive' social law out of chaos of common language in the social sciences. In the preface of his habilitation theses he states,

Die Aufgabe des Theoretikers wird es sein, gegenüber den umlaufenden theoretisierenden Meinungen und gegenüber den, den Sprachbegriffen zu Grunde liegenden Anschauungen die richtige Erkenntnis zur Geltung zu bringen.... Seine Lehre wird richtig sein, wenn sie das, was Jeder vollzieht, *in seinem innersten Zusammenhange aufklärt und zum allgemeinen Verständnis bringt*....(Wieser 1884, Vorwort S.IV, emphasis mine)

According to Wieser, introspections suggest that individuals consciously evaluate personal situations such as preferences, needs, and budgets, and judge whether certain goods have 'value' or not, and how much it is. According to Wieser, this subjective estimation of value (*subjectiven Werthschätzungen*) of human is the fundamental origins of all economic values. He also claims that 'economic value' produced in such a way motivates all economic activities. He states,

Value is the essence of things in economics. Its laws are to political economy what the law of gravity is to mechanics (Wieser 1889, preface).

In this sense, value is "the most effective motive of economy"(Wieser 1884, S.214, my trans) for Wieser.

From these considerations, Wieser might have regarded "subjective estimation of value", which is acquired through introspection as the 'motive energy' of all economic

activities⁴. In his view, although there the process of subjective evaluation cannot be observable like bservable facts such as market price, however, they can be experienced through introspections and motivate all economic activities.

By dint of emphasizing the role of introspection in economics, Wieser might have tried to reformulate Menger's economic theories that are based on observations. In order to clarify Wieser's reformation of Menger's empiricism, I discuss on Wieser's critiques to Menger with respect to the theory of imputation.

Wieser's reformulation of Menger's theory of imputation

Wieser criticizes Menger's theory of imputation, that is, explanation how much each production factor (such as lands, capitals, labour) contributes value of a product.

Menger tries to explain imputation (*Zurechnung*) of products by dint of introducing a presupposition of 'loss' principle. According to Menger, imputation of each production factor is accounted by dint of calculating how much value (of profit) of the product loses if one unite of production factor is deprived in the production process. As Milford discusses, Menger introduces loss principle, since one can 'observe' the result in the case of loss, unlike that in the case of gain (Cf. Milford 2008). For example, if one uses production factors *a, b, c, d* in order to produce a product *p*, imputation of production factor *a* can be calculated by dint of *observing* how much value the product *p* loses if one unite of productive factor *a*. is deprived.

Wieser criticizes Menger's principle of loss, which is mainly based on observations, claiming that it is rather improper and unempirical assumption. According to Wieser, most goods are produced as a result of coordination or interactions of different kinds of production factors. Thus Menger's assumption of losing one unit of a production factor may also deprive contributions of other production factors in the production process. "...every productive factor furnishes the basis, not only for its own value, but also for that of all the other factors in the production. If any essential element is removed from any undertaking whatever, the whole undertaking must sensibly suffer." (Wieser 1889, Chap.6).

Instead of assuming the case of loss of each production factor, Wieser introduces introspection in order to account imputations of production factors that is, "by assuming an economic course of events such as owners of production goods would expect" (Wieser 1889, Chap.6). According to Wieser, introspection suggests us the process that producer tries to distribute each production factor in order to maximize benefits. Wieser states,

⁴ One may find the similar discussions in Mises's works, although he was critical of Wieser's psychological methods. Mises states, "He[Wieser] was unable to rid himself of the influence of Mill's psychologicist epistemology, which ascribed an empirical character even to the laws of thought.(Mises 1933, p.24) See (Tokumaru 2009).

...we are constantly trying to ascertain the result of the addition and division; only that, instead of calculating directly, we try to attain our end, in a somewhat circumstantial way, by a method of testing. The values obtained in the individual case are applied, so far as they appear suitable, to other cases, and corrected, the one by the other, till in the end the right division is attained.

(Wieser 1889, Chap.6)

One may say that Wieser's criticism of Menger's imputation theory come from his reformulation of Menger's empiricism based on observations.

3 . Wieser's 'Experience' as mental experiments in the social sciences

Since Wieser claims that the social sciences require experiments, his 'experience' might have interpreted as mental experiments. He actually states, "...we Austrians, while we have certainly no wish to be disciples of naturalism, are wholly set on being experimentalists." (Wieser 1891, §1) Like Menger, Wieser believes that the social sciences should provide causal explanations. He believes that mental experiments help in order to derive causal laws in the social sciences.

As already have discussed, Wieser believes that 'economic value', which stems from subjective evaluation of humans, motivates all economic activities, that is, value is "...the most effective motive of economy"(Wieser 1884, S.214, my trans). In this sense, Wieser might have regarded subjective evaluation is the main cause of economics. However, in order to derive causal laws in the social sciences, Wieser believes that one should specifies initial conditions, in which human's subjective evaluations are involved in causal relationships. In order to specify causalities in mental experiments, Wieser proposes the concept of "marginal utility (*Grenznutzen*)" as such general initial conditions, without which causalities cannot occur in economic activities.

According to Wieser, humans are already satisfied with being human by nature, thus humans are not interested in goods or things, and there is no causal relationship between human and goods in the first place. Wieser discusses that causal relationships between humans and goods may occur if possessions of goods provide humans with 'utilities (*Nutzen*)' and human recognizes that. However, according to Wieser, possessions of goods also give humans 'negative utilities' since humans are already satisfied being humans.

Since goods has opposite effects on human, that is, negative and positive utilities, marginal utility, the amount of utilities gained by one additional unit of goods, decrease gradually until it reaches zero. At this point, at which an additional unit of goods brings no utility, the causal relationship between human and goods finishes as well (Wieser 1889, §7)Wieser states,

Economic selection of need-values is most accurately made by determining the

limit to which the satisfaction of needs may be pushed. Through this delimitation all values are included that are economically required, all improper ones are excluded. ...The marginal value is strictly adhered to. All adopted values are reduced to this common measure which has the extraordinary advantage of subjecting them to an objective, arithmetic computation (Wieser 1914, p.125).

From these considerations, Wieser might have concluded that causalities in economics occurs only if marginal utilities are positive; marginal principle can be general conditions for economic causalities. As mentioned previously, Wieser states that the subjective evaluation is “the essence of things in economics” (Wieser *ibidem*), and it can be interpreted as a ‘motive energy’ that triggers all economic activities. Thus one may formulate Wieser’s causal explanations in economics as follows;

T_w : If the subjective evaluation of certain person x exists as a cause (Sx), and marginal utility of x provided by certain good g , that is, $dU(x) / dg$ is positive as the initial condition, there is always causal relationships P between x and g .
 T_w' : $(\forall x)(\forall g) (Sx \wedge dU(x) / dg > 0) \rightarrow P(x, g)$

In Wieser’s view, this causal links cannot be observed, but can be obtained by dint of performing mental experiments.

“Natural value” and “simple economy” as mental experiments.

In the process one may regards mental experiments, Wieser introduces the concept of ‘natural value (*natürlich Werth*)’, that is, the value in communist states such as “...completely organic and most highly rational community” (Wieser 1889, § 17) and the natural value is decided by marginal utilities of individuals only. By dint of introducing the concept of ‘natural value’, Wieser constructs the ‘theory of simple economy (*Theorie der einfachen Wirtschaft*)’. Although Wieser states that the assumptions of ‘natural value’ as well as the ‘simple economy’ cannot be observed in the actual social world and may seem to contradict experiences, nevertheless he claims that they are empirical (Wieser 1889, § 66), and consist parts of the social world. As it will be discuss in the next interpretation, Wieser believes that observable social phenomena are triggered by various kinds of motive energies or complex causal relations. Thus Wieser believes that mental experiments help to clarify the complex causal relations that exist in real social situations; “For the theory of the simple economy only explains the condition of the isolated and idealized individual economy that follows its laws of motion without restraint (Wieser 1914, p.151).”

Wieser’s attempts to make mental experiments may be interpreted as a reformulation of Menger’s idea of causality. In the preface of *Grundsätze*, Menger claims that the aim of economics is to decide conditions in which economic laws may

occur. He states “For economic theory is concerned, not with practical rules for economic *activity*, but with the *conditions* under which men engage in provident activity directed to the satisfaction of their needs.” (Menger 1871, p.48) Menger tried to decide conditions in which causalities may occur by observing and analyzing several situations. Wieser may have introduced the marginal principle, which provides the general condition with all economic activities, and thus pre-conditions for all economic causalities.

4. Wieser's 'Experience' as observation or a result of methodological motivationalism.

The last possibility to interpret Wieser's 'experience' seems to me to interpret it as observation or a result of methodological motivationalism. Although Wieser tries to reformulate Menger's empiricism mainly based on observational experiences, he was aware that observations of social phenomena are part of the empirical basis of economics. However, unlike Menger as well as the other authors in Austrian school, Wieser does not regard observable phenomena as such 'unintended result of intended behaviours of individuals'.

As previously discussed, Wieser regards subjective evaluations of humans motivate economic activities, and he derives causalities, by dint of performing performs mental experiment. However, for Wieser, these causalities are only specified in economic sphere, and thus do not compatible with observable experiences. In Wieser's view, observable social phenomena can be explained by dint of synthesizing causal laws in the different social spheres, which are derived from mental experiments such as laws in 'simple economy' (Wieser 1924, p. 151). He discusses that the “natural value” derived from the premise of subjective evaluations and marginal principle, does not strictly correspond with actual price observed in the market. Since market price is decided not only by subjective evaluations of humans and marginal utility, but they are affected by the other social interactions such as social class, contract, customs, and so on (Wieser 1914, §77). For example, he discusses that a price of general goods (such as bread) are decided by marginal utility of poverty class, while a price of luxurious good may be affected by marginal utility of rich class (Wieser 1914, S.259-260).

In Wieser's view, observable social phenomena are affected not only by subjective evaluations of individuals, but also affected by the other powers of social organizations such as even nations, enterprises, groups and so on. Wieser refers that a nation, like individuals, is an independent agent, which behaves egoistically in order to achieve its own aims (Wiser 1914, §77) In this sense individuals are no more the only agent in the economic theories and Wieser refuseses methodological individualism, according to which social facts, processes, or phenomena are satisfactorily explained only if they are explained as the unintended result of the interplay of the intended actions of individuals. Criticizing individualism of classical school, he states, “...in the social economy these individual units meet from all directions. Indeed, they clash with great force.” (Wieser

1924, p. 151)

However, it is obvious that Wieser's subjectivism does not reject the concept of individuals as important social agent, and he does not support a kind of holism like German historicists. If Wieser accepts individuals as well as social organizations as social agents, which triggers observable social phenomena, how he defines them in the social sciences? In my view, Wieser seems to have defined social agent as such that have effective motive energy to social facts. For instance, he regards nations not as a mere assemble of individuals, but as one independent agent since they have substantial force on social facts. In contrast, he discusses that mass, that is, assemble of individuals is sometimes meaningless as social agent, since it does not have substantial power on society. He discusses that "mass" will be meaningful social agents only if it has coherent will, which is given and controlled by "leader" (Cf. Wieser 1926).

From these considerations, Wieser might have concluded that the observable social facts are the result of interactions of different 'motive energies' triggered by not only individuals, but also nations, enterprises, and whatever social agent that has substantial power on society. Since he applies the idea of motive energy in order to explain observable social phenomena, I would like to call this position 'methodological motivationalism'.

IV

This particular epistemological position of Wieser may help to explain his later work, that is, his support of interventionism and his turn to sociology, which is often regarded as his deviation from his works on economics, and remained a kind of "riddle" in the research history⁵.

Wieser's methodological motivationalism and the Law of Power

In the preface of "*The law of power (Das Gesetz der Macht)*" (Wieser 1926), Wieser states that he found the sphere of 'power', in the process of his economic inquires. Although his subject is completely changed in his book, however, Wieser holds the same epistemological position with that he developed in economics; he refers the importance of language analysis and tries to analyse the concept of "power" (Wieser 1926, Chap.1 § 2); he introduces introspections in order to get knowledge on "internal power" of individuals as well as leaders; he tries to derive social causalities triggered by such "internal power". He states, "...it is not external power which determines everything, but fundamentally internal power is the core of the power phenomenon" (Wieser 1926, preface xxxvii)

From these discussions, one may reconstruct the structure of Wieser's empiricism as the table below [see Table 1]. Firstly, the social sciences start with language, in which

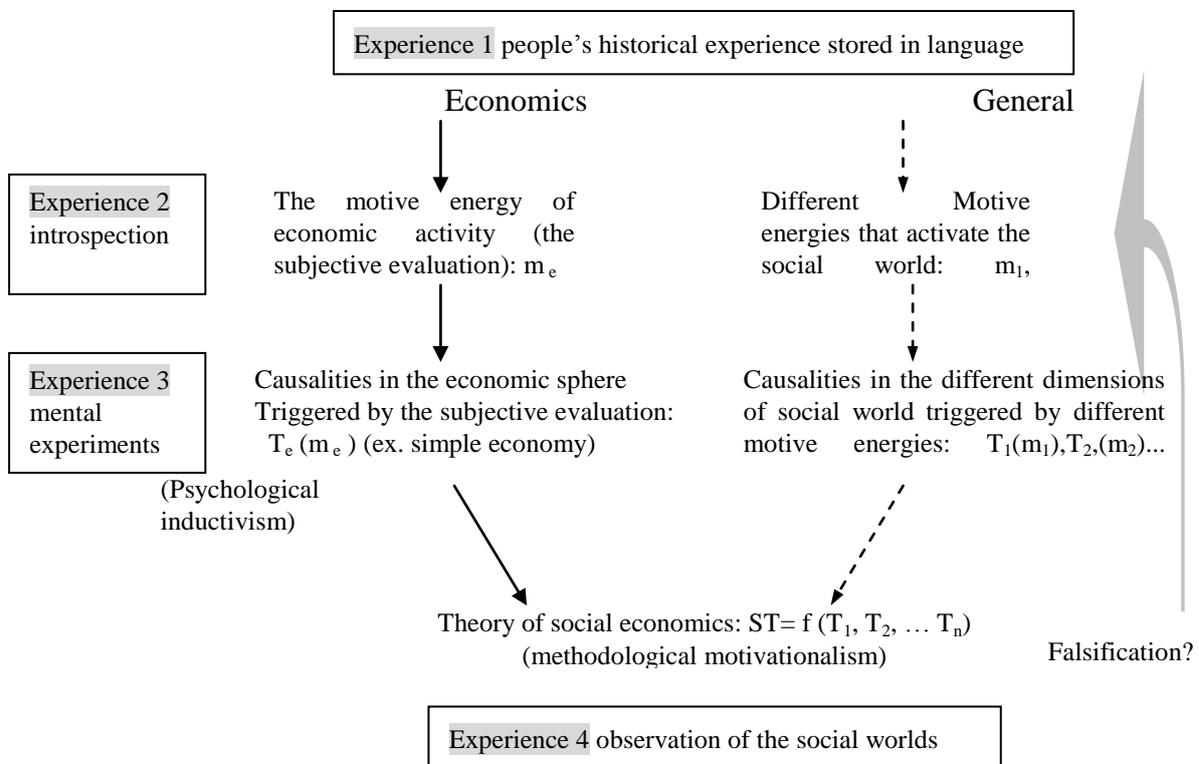
⁵ Such derivation Streissler calls "Wieser's two unbridgable directions" (Schtreissler 1986, S.82), as well as Yagi describes it as " 'two faces' of Wieser" (Cf. Yagi 1998, p.96).

people's historical experiences are stored [experience 1]. Then introspections show motive energies such as subjective evaluation of human, by which one can classify experiences into groups that belongs specific existential sphere such as economic phenomena[experience 2]. Thirdly, by dint of performing mental experiments, causalities triggered by the motive energies in specified existential sphere are derived. $T_1(m_1), T_2(m_2), T_3(m_3) \dots T_n(m_n)$ [experience 3]. In this process, statements describing introspection ought to be the basis for general statements or theories, and these statements are verified by dint of performing mental experiments ('psychological inductivism').

Finally, social phenomena are observed as the result of interactions of the different motive energies. This position may be characterized as 'methodological motivationalism', which indicates the social processes are satisfactory explained as the result of interactions of different motive energies. $ST = f(T_1, T_2, \dots T_n)$ [experience 4]

By dint of distinguishing these different dimensions of experiences, Wieser tried to reformulate Menger's empiricism which is mainly based on observations. Since Wieser claims that observation of social phenomena as a result of interaction of different motive energies if there is a contradiction between theories of social sciences and observations, it may be explained as 'the other motive energies' which are not recognized or synthesized at the recent theory.

Table 1: The structure of Wieser's empiricism



Wieser believes that social facts are satisfactorily explained as the result of interaction of different motive energies, and its laws can be derived psychologically only, that is, through introspection and mental experiments. Accordingly, falsifications of a social theory may lead to the other psychological inquiries; it might explain his sociological studies in his later years. Since Wieser regards agent of social phenomena as such that possesses satisfactory motive energies, Wieser might have emphasized the role of leaders and showed sympathies to the totalitarianism; since without leader, social group may not have motive energies.

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