

## Introduction

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On November 2012, a group of international specialists in Austrian economics and Austrian philosophy gathered at the University of Texas at Arlington for a conference on Austrian thought. The focus was the legacy of the schools led by Franz Brentano, in philosophy, and Carl Menger, in economics, in Vienna at the turn of the twentieth century. The discussions at the conference ranged from the themes of intentionality, scarcity, social ontology, and logic to broader interdisciplinary topics in value theory, psychology, and cognitive neuroscience. These discussions were the inspiration for this volume. The contributions to this special issue of *Axiomathes* constitute a tapestry of the various ideas advanced by Austrian economists and philosophers and indicate something of their significance today.

Although the Austrian School of economics is not well represented in present-day mainstream economics or in the growing literature on the philosophy of economics, the boundaries of this school are not difficult to describe. By contrast, Austrian philosophy is more difficult to describe or demarcate. It is not by reference to the nationality of its members, for not all were Austrian, including Brentano who was German-born. Some would argue that Austrian philosophy, as a heading, should include movements such as the Vienna Circle. However, it is the way in which Brentano and his followers did philosophy that distinguishes them from the Vienna Circle.<sup>1</sup> In this volume, all references to Austrian philosophy should be

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<sup>1</sup> See Eaton (1930), Grassl and Smith (1986), Gordon (1993), Smith (1995).

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understood to be the philosophy of the Brentano School, which extends to some members of the Göttingen Circle, such as Reinach.

Some commentators have linked the Brentanian and Mengerian branches in Austrian thought on the basis of shared fundamental characteristics of their contributions. One common ground for the philosophers and economists in this period of Austrian thought that we present in this collection is the concern with the description (as opposed to explanation) of social experience: thinking, judging, valuing, exchanging. A prominent feature of the intellectual setting at turn of the twentieth century Vienna is the tradition of the *Verstehen* method for examining phenomena. This method can be understood as having three characteristics. First, its starting point is the subjective perspective of agents when examining social phenomena. Second, it employs methodological individualism in such examinations. And, third, it seeks law-like patterns of explanation in the actions of individuals. We can indeed find the concern with the phenomenon of shared experiences in the work of Menger and Brentano. Menger's aim was to discover laws of economically relevant action by seeking patterns in the day to day activities of the markets that he observed. The influence of this tradition in economics was recognized by Friedrich A. Hayek, a third-generation member of the Menger school.<sup>2</sup> Franz Brentano's starting point in psychology was motivated by the goal of finding pattern distinctions in different sorts of mental acts. The centrality of experience is, of course, most evident in the method of phenomenology and the examination of the lifeworld that Husserl (a student of Brentano's) advanced.

Another common ground is the direction of the examinations carried out by philosophers and economists of this period, whose aim was to discover and describe the law-governed structure in each kind of social phenomenon. In the economics camp, the belief that all economic phenomena have a law-governed structure gave rise to the label 'Austrian economics' by their rival school, the German Historical School of Economics led by Gustav von Schmoller. This label was not meant as a geographical marker of their national origin but, rather, as a badge of shame for their dissenting views with the German Historical School, the leading economists in the Continent at the time. For good or bad, the term stuck and it continues to be applied to contemporary economists across the world who are followers of this school. But it is important to recognize that, as is the case for the philosophers, the term *Austrian* does not refer strictly to the nationality of its members, not even for those economists in the first four generations in Austria. Consider, for example, that some economists who were members of the Austrian School were German by birth. Others were Swiss. And some, as denizens of the multinational Austro-Hungarian Empire at the turn of the twentieth century, were also Czech, Polish, Ukrainian, and Croatian.

Individually, each school had an impact on its respective discipline. The Austrian School of economics challenged some fundamental tenets in classical economics, especially the labor theory of value. Moreover, the contributions of Austrian economists laid out fundamental principles and concepts such as the theory of subjective economic value, marginal analysis, opportunity costs, and others that

<sup>2</sup> See "Economics and Knowledge," 52; and *The Sensory Order*, 8.91. See also Smith (1995, 31).

ushered in a new era in economic science. Similarly, the contributions by Brentano, his students, and subsequent branches of the Brentano school, represent both an important stream of influence within and a break from what is known as Continental philosophy. Commentators in the literature of Austrian philosophy, or the Brentano School, have likened its approach to the Anglo-American philosophical direction, which it importantly influenced.<sup>3</sup>

With the common ground that they shared, it was not surprising that the members of the Brentano and the Menger schools in Vienna engaged in a cross-pollination of ideas that enriched their investigations. At the heart of their common ground of ideas is the subject matter of value. Brentano's students, especially Christian von Ehrenfels and Alexius Meinong, not only pursued the study of value, they both attended Menger's courses and were influenced by his marginal theory. Ehrenfels was also acquainted with economist Friedrich von Wieser, who was also Menger's pupil. Another of Menger's students, economist Eugen Böhm-Bawerk, draws from the work of Brentano and of his disciple Oskar Kraus for his psychological account of time in interest-rate formation, and also cites Ehrenfels in his monumental *Capital and Interest*. Value was thus the springboard for examinations of the mind, aesthetics, ethics, and the development of the affective sciences.

The papers in this collection are divided into two parts. Part I is titled Cognition, Logic, and Psychology. Part II is titled Praxeology, Value, and Property. Part I contains papers by Peter Simons (Trinity College, Dublin), Gregory Landini (University of Iowa), Tina Röck (University of Dundee), Maria Gyemant (Husserl Archives, Paris), and Kenneth Williford (University of Texas, Arlington).

In "Objects and Objectives, Dignitatives and Desideratives: Meinong's Objects of Cognition and Affect," Peter Simons argues that "Alexius Meinong...is one of the foremost, most independent-minded, most distinctive, most misunderstood and most unjustly maligned of all (and not just Austrian) philosophers." And he surveys "Meinong's mature theory of intentionality and its objects, with particular attention to the otherwise neglected dignitatives and desideratives..." which are core concepts in Meinong's theory of value.

In "Lessons on *De Re* Quantification from Russell and Meinong" Gregory Landini, drawing on the famous Russell–Meinong debate about non-existent objects of thought, argues that *de re* quantification into propositional attitudes has been wrongly conceived and that "one must never bind an individual variable in the context of a propositional attitude." He goes on to show that insisting upon this restriction can help us solve contingent Liar paradoxes of propositional attitudes.

In "Brentano's Methodology as a Path through the Divide: On Combining Phenomenological Descriptions and Logical Analysis," Tina Röck shows how Brentano was able to integrate descriptive philosophy and logical analysis, and how this integration relates to Brentano's concept of philosophy as a "rigorous science", a locution Husserl made famous. She shows how Brentano's metaphilosophy was inspired by his philosophy of science, with a special emphasis on sciences in which inductive and descriptive methods predominate (e.g., biology, geology). She contrasts Brentano's metaphilosophy with Frege's and argues that "...the current

<sup>3</sup> See Smith (1995).

separation of philosophy into the seemingly antithetical strands of (continental) phenomenology and analytic philosophy may be seen as a consequence of how the term ‘rigorous science’ in ‘philosophy as a rigorous science’ is interpreted...” And she concludes that Brentano’s integration of descriptive and analytical methods can still “...provide a suitable starting point for an equally successful integration of these methods in contemporary philosophy.”

In “Contrasting Two Ways of Making Psychology: Brentano and Freud”, Maria Gyemant explores the extent to which Brentano’s conceptions of psychology and consciousness influenced Sigmund Freud. She argues that “[d]espite the explicit critique of the unconscious that we find in Brentano’s *Psychology from an Empirical Standpoint*, ...Freud never truly opposed Brentano. He rather took Brentano’s descriptive psychology a step further: he introduced a dynamic component to the analysis of the psyche that is complementary to Brentano’s descriptive psychology and could be considered a type of genetic psychology.”

In “A Brief on Husserl and Bayesian Perceptual Updating,” Kenneth Williford argues that “...Husserl’s description of perceptual updating actually fits very nicely into the Bayesian Brain paradigm, articulated by Karl Friston and others, and that this paradigm, in turn, can be taken as an excellent example of Neurophenomenology.” He further argues that “[t]he apparently un-phenomenological Helmholtzian component of the Bayesian Brain paradigm according to which what one consciously seems to see is a product of unconscious causal reasoning to the best explanation of one’s sensory stimulations can be finessed...in a way that makes it compatible with a phenomenological orientation.”

Part II of this collection contains papers by Michael Oliva Córdoba (Universitat Hamburg), Wolfgang Grassl (St. Norbert College), Gloria Zuniga y Postigo (Ashford University), and Olivier Massin (Universite de Geneve).

In “Uneasiness and Scarcity: An Interpretation of Mises’ Praxeology,” Michael Oliva Cordoba presents a bridge connecting Menger and Mises. Although members of the same Austrian School of economics, their views have been understood by some as incompatible. One of these, according to Oliva Cordoba, is Barry Smith, who charges “that in praxeology ‘other core notions, in addition to the concept of action, have been smuggled in and the theory is therefore not purely analytic’.” In response, Oliva Cordoba, offers Mises’s uneasiness theorem and the scarcity theorem as counterexamples and concludes that these also serve “to support Mises’s controversial claim that economics is a priori founded in action theory.”

One of the major developments in Austrian thought at turn-of-the twentieth century Vienna is the formation of the first and second schools of value. Menger and the economists constituted the former, and Brentano and his students the latter. Wolfgang Grassl observes in “Toward a Unified Theory of Value: From Austrian Economics to Austrian Philosophy” that the contributions in value theory from both schools of value would serve cutting-edge marketing, as well as business, more generally. “Under one understanding of marketing,” Grassl explains, “this discipline focuses on the creation of customer value. Although nobody doubts today that value is subjective and it emerges from consumer judgment, the causality is less clear.” Grassl argues that both schools of value “share enough common

ground that, by drawing on some essential assumptions in each camp, a general theory of value can be developed.”

The next paper, by Gloria Zúñiga y Postigo, addresses Menger’s theory of subjective economic value. Zúñiga y Postigo argues in her paper “On the Transformation of Economic Value” that although both Austrian economists at the turn of the 20th Century and contemporary economists alike accept the view that economic value is subjective, both presuppose a different causality and even a different bearer of such value. But these differences have gone unnoticed, largely because today subjective value is accepted without the examination of the theory behind it. Lacking a common ground in theory, then, Zúñiga y Postigo observes that the neoclassical understanding of value has taken an orthogonal direction from its Austrian foundations.

The last paper in the collection—“The Metaphysics of Ownership: A Reinachian Approach”—presents an example of Brentano’s far-reaching sphere of influence, beyond Vienna. Adolf Reinach started attending Husserl’s lectures at Göttingen in 1905 and soon became one of the founding members of the *Göttingen Philosophische Gesellschaft*, also referred to as the Göttingen Circle. In his paper, Olivier Massin links Reinach’s theory of ownership to the Brentanian lineage of Austrian Aristotelianism. Ownership, for Reinach, is a primitive and indivisible relation between a person and a thing. This suggests an application of the notion of intentional action. According to Massin, this relation not only *grounds* property rights, it is also a pre-legal structure that is presupposed by positive law. Massin argues that Reinach’s theory of ownership offers a far superior alternative to any rival theory of ownership.

The variety of topics examined by the authors for this collection thus show the wealth of the contributions from economists and philosophers of the period in Austrian thought at the turn of the twentieth century and, indeed, the import that these contributions have for contemporary work. There is still much more to be explored, and we hope that this collection helps spur the attention that Austrian thought merits.

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Guest Editors

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