

[Book Review]

**Erwin Dekker, *The Viennese Students of Civilization:
The Meaning and Context of Austrian Economics Reconsidered***

Cambridge: Cambridge University Press, 2016, 236 pp.

Modern societies with well-developed institutions allow comfortable living conditions, so much so that it seems naively assumed that the roast chicken flies in some autonomous way into our mouths, and that weeds will never grow on the neatly paved streets. In short, that civilization will never decline. But such naive assumptions are absolutely untrue. We all know that, for example, during the interwar period in Austria civilization was in acute danger.

The book under review here is about the serious thinkers of the civilizing and de-civilizing processes, commonly recognized as the economists of the Austrian school. Its central contention is that Austrian economists were engaged in thinking about the civilization of their country, and in that sense should be properly understood as 'the Viennese students of civilization' who "deny that economics is an autonomous science, and argue that our study of markets is a part of a wider study of civilization" (185). According to the author, Erwin Dekker, "their main goal is understanding rather than explanation and prediction or, stronger yet, design. The goals of their inquiry are never purely academic, but always social, cultural and economic as well" (186).

By exploring the political, cultural, and intellectual contexts of interwar Vienna, the author demonstrates how the Vien-

nese students of civilization interacted, pondered the importance of civilization, and fulfilled what they saw as their responsibilities toward it.

The book starts with a discussion of a painting depicting four men turning their backs to each other, which symbolically suggests the importance of conversation for cultivating knowledge, the main subject of the second chapter. Here, the intellectual life of Viennese students of civilization, which centered on the universities as well as such Viennese circles as Mises Kreis, Geist Kreis, and well-known Wiener Kreis, is characterized.

The next three chapters present a narrative depicting how the Viennese students of civilization reconciled the individual, or their own methodological individualism, with civilization, or social and cultural forces. Initially they were relatively optimistic regarding the autonomy of the individual and the growth of human knowledge. But faced with the frustration caused by the ignorance and limited autonomy of the individual as well as the constraints of social and cultural forces, the revolt against civilization, they argued that it must be the case that these forces and constraints enabled the individual to be free, rational, and autonomous. The revolt against the market from both left and right drove the Viennese students of civilization

to think of it in cultural and moral terms, and to argue that the market was indispensable for the individual's informed decision making, and for the moral and cultural role it played in the civilizing process. In terms of civilization, they came to realize "the strain of civilization" we should bear, namely, to submit ourselves to norms, customs, and traditions. Even if we cannot completely understand these rules, civilization depends on our submission to them. In this attitude toward civilization, however, we detect a latent tension. On the one hand, the Viennese students praised civilization, while on the other, they thought it as a spontaneously emergent order and were skeptical about actively defending it.

This tension represents the topic of the consecutive three chapters beginning with chapter six, the author ascribes the idea of 'therapeutic nihilism' to the Viennese students of civilization, scrutinizing it from the perspective of the limitation of knowledge. Defined as "diagnosing social ills without prescribing remedies for them" (111), 'therapeutic nihilism' has understanding as its primary aim, and leaves remedies to the healing powers of nature. This therapeutic nihilism of the Viennese students can be traced to their rejection of state intervention into the market process and in their stance as a spectator in the face of the decline of civilization. Faced with a real crisis of civilization, however, their position evolved into a more activist defense of civilization, displaying some of the utopian ideals of liberal society.

'Austrian economics in America' is the theme of chapter nine. The way in which the thought of the Viennese students

of civilization migrated to and was received in the New World is narrated with special attention to the unstable social, political and economic context during the interwar period and also after World War II. In the final chapter ten, the characteristics of the Viennese students of civilization are summarized as cited above.

By way of critique, had the author more carefully explained the details of and logical relations between the variety of topics and scholars chosen, a more complete miniature history of the Viennese students of civilization would have been painted. Nonetheless, the book is still very attractive and includes many enlightening insights for our understanding of the Austrian school of economics. In particular, the idea of "Viennese students of civilization" benefits the reviewer in the following senses. Firstly, it suggests a way to read Mises's *Human Action* with fresh eyes, and deepen our understanding of why the notion of economic calculation is so intensively explained. Mises is surely a student of civilization. Secondly, the book is very helpful in understanding the present state of Austrian economics in the United States, where the core idea is that context matters, and that the proper arrangement of institutions is the key to free and prosperous societies. American scholars of Austrian economics, too, should be considered students of civilization.

Hopefully, even these short notes should be sufficient to convey the reviewer's evaluation that the book under review is highly recommended for all historians of economics.

(Hiroyuki Okon: Kokugakuin University)