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The Subject and the Method of the Social Economy of Stanisław Grabski

Przedmiot i metoda ekonomii społecznej Stanisława Grabskiego

Предмет и метод общественной экономики Станислава Грабского

The gaining of independence by the Polish nation put in front of the Polish science, but first of all in front of all social sciences, new tasks. It was necessary to work out first of all the concrete and realistic directions of the development and make a choice of the most suitable social-economic model of the reborn state.

These very problems, connected with the concrete tasks of the present moment and not with purely theoretical considerations, form the basic content of rich publicism, numerous programme descriptions, polemics and controversies in the Polish economic thought of the twenty years' period between the wars. In this period especially noteworthy are the opinions of Stanisław Grabski who, being the eminent theoretician very actively engaged in social-economic and political realm, develops the independent standpoint in the theory of economy.

Stanisław Grabski (1871—1949) is widely known as a person actively engaged in political work who underwent significant evolution from socialism to national democracy. Having resigned from PPS in 1901 he bound himself for many years with National Democratic Party in the name of which he held numerous functions in the Parliament and in the Government in the period of the IInd Republic. After the May assassination on Józef Piłsudski in 1926 Stanisław Grabski did not take part actively in political life. In 1934 he broke up with the national camp. Till the

end of his life he acted as an independent politician¹. Throughout all his life Stanisław Grabski conducted active scientific work. In 1910—1939 he was the Professor at the University of Jan Kazimierz in Lwów, and, after the IInd World War (after coming back from London in 1945) he was the Professor of social systems at the Warsaw University. The works of Stanisław Grabski, basic for the theoretical standpoint in economy, were created at the beginning and in the first decade of the XXth century. They were concerned with various problems of the theory of economy.

Stanisław Grabski's contribution to the methological-cognitive theory of political economy is the most significant one. The outlined there theory of the socioeconomic development is worth noticing. He also developed the individual theory of values trying to join the historical analysis with the elements of subjective reasoning. All these historical trends find later their development and systematization in *Social Economy* published in the years 1927—1932.²

In his theoretical treatises Stanisław Grabski developed the sociological variant of the historical trend.³ On the historical score he aimed mainly towards the sociological and psychological formulation of the assumptions of the historical school. He vigorously polemized with the

¹ More definite information about the life and activities of Stanisław Grabski may be found in the *Polish Biographical Dictionary (Polski Słownik Biograficzny)*. Furthermore: M. Kornaus: *Stanisław Grabski (1871—1949)*. „Tygodnik Powszechny” 1949, nr 28; J. Czajkowski, M. Majchrowski: *Stanisław Grabski*. „Tygodnik Powszechny” 1973, nr 50; Interesting information about the life of Stanisław Grabski are contained in his biography written by S. Grabska: *Stanisław Grabski (7 IV 1871—6 V 1949)*. „Więź” 1968, nr 10 (together with the unprinted fragment of Stanisław Grabski's diary).

² These work being Grabski's lifework consists of ten volumes which were published by Ossolineum in Lwów: Vol. I. *Sociological Basis of Economy (Socjologiczne podstawy ekonomii)*. Lwów 1927; Vol. II. *The Development of Social Economy (Rozwój nauki ekonomii społecznej)*. Lwów 1927; Vol. III. *Basic Social Economic Notions (Zasadnicze pojęcia społeczno-gospodarcze)*. Lwów 1927; Vol. IV. *The Estate and the Concern (Gospodarstwo i przedsiębiorstwo)*. Lwów 1927; Vol. V. *The Market (Rynek)*. Lwów 1927; Vol. VI. *The Capital (Kapitał)*. Lwów 1928; Vol. VII. *The Worker's Relationships (Stosunki robotnicze)*. Lwów 1928; Vol. VIII. *The Social Economic Systems (Ustroje społeczno-gospodarcze)*. Lwów 1929; Vol. IX. *The Contemporary Capitalism (Współczesny kapitalizm)*. Lwów 1930; Vol. X. *The Development Aims of the Contemporary Capitalism (Dążenia rozwojowe współczesnego kapitalizmu)*. Lwów 1932.

³ F. Taylor considers Grabski as "the most typical" representative of historical sociology, E. Taylor: *The History of the Development of Economics*, Vol. II, (*Historia rozwoju ekonomiki*). Poznań 1958, p. 15.

individualism of the Austrian school, he considered individual methods as the derivatives of social motives. Grabski saw in economy the specific sociology of economic life.

1. THE SOCIOLOGICAL ASPECTS OF ECONOMY

"Social economy is the science about economic community life"⁴ in this way Stanisław Grabski begins his work. He explains casually the formation and the development of the totality of social norms, it means organizational forms and notions regulating economic activity and economic community life.

So widely conceived definition results from the conviction that "science of social economy is a part of social sciences. And altogether with all the respective social sciences it should be based on the results of the examinations of the totality of social life i.e. sociology or social philosophy."⁵

Each economic relation between people is at the same time legal, moral, political, and national, they cannot be isolated from one another. This kind of procedure would be unrealistic and artificial and therefore economy has sociological character. All the phenomena of social life are closely connected with one another and they form only various aspects of social communities and not separate realms, separate spheres of this social cooperation.

The social community life exists only in people multitudes. Such a multitude coexists socially only when it is joined by "common goals, aims, common activities."⁶

These phenomena exist only when a human being feels, thinks and acts as a part of certain community. Grabski proves that a human being, however, although he feels, thinks and acts as a part of certain common entirety he does not feel at the same time an individual different from other people. So a human being is at the same time an individual having a feeling of his individuality and a part of the community whose aims and tasks direct his activities. A human being lives at the same time his private life and the life of the community.

Grabski considered the society and the nation as a historical formation shaped by common history. All the individual goals and aims must be subjected to it. Assuming that every community of living individual is formed in order to maintain species he suggests that the system of

⁴ S. Grabski: *The Social Economy (Ekonomia społeczna)*. Vol. I, Lwów-1927, p. 1.

⁵ *Ibid.*, p. 13.

⁶ *Ibid.*, p. 15.

notions creating the conception of the superiority of community over an individual and common goals over individual ones is created in the mind of every human being. The moral notions which become the compulsory forms of community life "... the forms existing in the consciousness of an individual but being purposeful because of the permanence of the existence of collective communities" are created in such a climate.⁷

Such a standpoint prompted Grabski to aim at economic studies the postulate of analysing the social goals; it means examining and explaining the reasons of objectively creating purposeful forms of social economic cooperation. The fulfilling of the demands and desires of an individual and the whole society takes place within such forms.

In Grabski's notion the social activity means the planned activity aiming at the achieving the possibly greatest effects by means of the slightest effort. The purpose of this activity is providing people with material means in order to supply them with various, not only material means. He especially stresses that the aim of the economic activity is "not providing people for material needs" but "supplying with material means for providing needs."⁸ This activity provides the means for the realization of the aims resulting from the totality of the social—cultural life of people.

Grabski wants to take into consideration also the sociological aspects apart from the praxiological ones. The main aim which, in his understanding, should be accomplished by social economy would be analyzing of the development of objectively conditioned forms of economic cooperation between people of a given community in the sphere of supplying oneself with material means being in limited quantity and serving to provide for various needs. "The science of social economy has, thus, the aim to investigate and explain casually the creation and the development as well as the mutual connections of objectively purposeful forms of economic cooperation forming one organizational social system supplying individuals and communities with the means of providing for their civilization needs."⁹

Special interests of Grabski are incited by institutional frames of economic life. Economic relations are created under the influence of aims and goals among which striving for riches is the strongest one.

Pointing that economy investigates community life in economic aspects Grabski stresses that this life has also other mutually connected sides, namely moral and legal ones. Economic activity in its form is

⁷ *Ibid.*, p. 32.

⁸ *Ibid.*, p. 35.

⁹ *Ibid.*, Vol. III, p. 5—6.

joint inseparably with the totality of human relationships, with the whole legal, moral and ethnical organization of society.¹⁰ Expressing thus in its form planned procedure aiming at achieving possibly greatest result by means of the slightest effort sociological form takes economic form.

In his conclusion Grabski demands social economy to favour first of all organizational system of historically conditioned purposeful forms which have the aim to provide individuals as well as communities with material means serving civilization. "The aim of social-economic life is providing itself with material means of our civilization life: moral, ethnical, and legal".¹¹

2. THE POSITION OF GRABSKI IN RESPECT TO THE PROBLEMS OF DISPUTE ABOUT METHOD

The theoretical works of Stanisław Grabski, created at the beginning of the XXth century and constituting the significant contribution to the economic science have the characteristics of their period. Grabski's thought was created and it developed itself under the influence of three main trends of the European economic thought at the turn of the XIXth century: the subjective economics historical and socialistic trend. The distinct revisionistic trend developed itself on the territory of Germany and Austria. All these trends left their traits in the opinions of the young at that time writer who, studying in Berlin and next in Paris and Switzerland, was bound with socialistic movement. The younger German historical school and conducted by it with the Austrian school "dispute about method" had the greatest influence on the theoretical position of Grabski.

Classical economy as well as the subjective one were of opinion that certain objective economic laws of general validity govern the economic system. The historical school was strongly against this opinion. The representatives of this school thought that such laws do not exist because other specific, national laws govern the development of each country. The task of economy is thus searching for these specific, national laws of social economic development. Economic laws, postulated historians-

¹⁰ L. Guzicki and S. Żurawicki write that in the handling of the subject of economy Grabski is close not only to Spann but also to Veblen or Schäfle (L. Guzicki, S. Żurawicki: *The History of the Polish Social-Economic Thought 1914—1945. (Historia polskiej myśli społeczno-ekonomicznej 1914—1945)*. Warszawa 1974, p. 13).

¹¹ S. Grabski: *The Social Economy*. Vol. III, p. 15.

-economists, should be considered very concretely, in connection with defined conditions of time and place. These laws are always relative, never absolute. Only the laws of nature are absolute but the laws of the development of societies cannot be treated as "the laws of nature" because there are no general regularities in a human society. Political economy cannot be, thus, treated as theoretical science but the historical one.

Considering the matter generally the representatives of historicism blamed theoretical economy for excessive development of abstract analysis and conducting it by deductive method. They opposed vulgar empirism, the description joined with elements of classification, and the method of induction to vulgar empirism.¹²

The basic divergence between methological postulates of the Austrian school (psychological) and the younger historical school led to the already mentioned "dispute about method", started in 1873—1884. The leading representatives of both schools: K. Menger and G. Schmoller were the partners in this dispute. The dispute concerned the essence of political economy as science and the basic assumptions of the investigative method. K. Menger defends the theoretical, abstract and deductive character of economy. He thinks that the task of science is formulating general laws which can be used to all the economic systems. The starting point of theoretical economy are psychic characteristics of an individual as a consumer. These characteristics have common and timeless value.

G. Schmoller gives evidence of the weak points of such a conception of political economy. He points to the historical changeability of economic life and economic laws. Contrary to the extreme individualism of the Austrian school he stresses the importance of the social point of view upon the economic phenomena and processes.

Formulating these valid critical remarks Schmoller could not, however, present the right point of view. The negation of the presented Menger way of understanding of economic laws was leading Schmoller to the negation of the possibility of formulating general laws governing economy. The postulate of taking into consideration the historical changeability of economic phenomena was expressed in vulgar empirism — the description of history of economic life. Apart from that aiming for treating economy as one of the elements of social life led to the loss of essen-

¹² The dispute about the prevalence of induction or deduction is, as it is known, aimless. In the scientific reasoning the both ways are necessary to cognizance. O. Lange: *The Political Economy*, Vol. I (*Ekonomia polityczna*, t. I). Warszawa 1967, p. 179.

tial characteristics of economic relations and deleting the demarcation line between economy and other social sciences.¹³

This dispute about method lasted for quite a long time not passing, generally, over Germany because the influences of the historical school were smaller. After some time the dispute weakened because Schmoller partly changed his view. He partly accepted the nomethical character of economy not resigning at the same time from broadly developed historical method.¹⁴

Grabski is of the opinion that the historical investigations of the social-economic phenomena do not exclude precise analysis of their general essence or their mutual relationship and its inherent regularity. The historical trend, limited to the description, classification, and comparative analysis of phenomena cannot, similarly to positivism in philosophy, give the method in the precise meaning of this word i.e. the theory of learning the phenomena, the explaining the necessity of their existence in a given form. The works of this trend i.e. collecting and a critical study of the factual material are, of course, useful and necessary for further development of economy.

On the other hand the fault of the "precise school" is, in the opinion of Grabski, free confining of the spheres of its investigations. It analyses the phenomena typical for a given period of economic development, without the connection with their historical evolution. It treats an economic entity as autonomous, living outside society and entering only occasionally and at its own descretion the contact with other autonomous entities.¹⁵

The distinctiveness of the methodological position of Grabski is seen on this background. He opposes "the naive realism" of the historical school which, dealing only with quantitative relations of goods and service between each other, made directly the content of notions, i.e. characteristics attributed to economic goods, the subject of its investigations and treated them as objective, existing independently of human consciousness facts of the outside world. The sense of the motto that economic laws

¹³ The synthetical information about the dispute about method can be found in: J. Górski, W. Sierpiński *The History of the Universal Economic Thought 1970—1950 (Historia powszechnej myśli ekonomicznej 1870—1950)*. Warszawa 1872, p. 123—124.

¹⁴ S. Grabski: *Zur Erkenntnislehre der volkswirtschaftlichen Erscheinungen*. Lipsk 1900. This paper is cited by G. Schmoller [in:] *Grundriss der allgemeinen Volkswirtschaftslehre* Vol. II, Lipsk 1904, p. 193. Schmoller's work makes the synthesis of the output of the younger historical school and it is generally considered as the peak of achievements of the German historicism; (Taylor, *The History...*, *Historia...*, p. 23).

¹⁵ S. Grabski: *Zur Erkenntnislehre...*, p. 103.

should act at their own lies in this conception because they are the consequence of the eternal order of the world. It was near hence to the negation of the real meaning of time and place conditions. The historical school, as the reaction against such "absolutism", stresses the direct dependence of economic phenomena upon conditions of place and time the consequence of which is their changing character which conditions relative importance of economic laws. The critique of this school depended, however, only on the historical investigation of final conclusions of classical economy. It did not consist, as Grabski stresses, of epistemological formulating of the relation of social economic phenomena to the individual as a subject.¹⁶

3. THE THEORETICAL CHARACTER OF SOCIAL ECONOMY

Grabski did not treat the problems of the methology of social economy as art for art's sake but was convinced that a method and a theory of learning economy undergo evolution depending of factual changes of the problems of economy.¹⁷ Real life set forth the problem of the totality of a social estate. Traditionally it was defined in the historical as "the entirety of individual and corporational estates existing in the state in the mutual hierarchal relation".¹⁸

Stanisław Grabski stresses that synthetical notion of social estate cannot be created of equiponderant and arboreal individual estates. Observed separately as well as among others individual estates reveal always only a managing man as a representative of individual needs and aims. The social character of the social estate points out to the fact that it is not the extended or complex individual estate, it is not the organized activity but the organization of relations between people developed in the process of managing. It is thus not only the product of economic activity but the assumption, the condition of this activity. As a result Stanisław Grabski defines the social estate as a totality of proper, mutually conditioned relations of identity, coordination and subordination of people and their groups. These relations are of psychic nature and they exist between individuals in connection with their estimation

¹⁶ About the Grabski's standpoint look on also: M. St. Karpiński: *The New Form of the Dispute about the Method of Economics (Nowa postać sporu o metodę ekonomiki)*. Lwów 1937, and by the same author: *The Historical Rudiments of the System of the Social Economy by prof. Stanisław Grabski (Historyczne podstawy systemu ekonomii społecznej)*, „Przegląd prawa i administracji”, R. 62, Lwów 1937.

¹⁷ S. Grabski: *The Essence of the Value as the Social-Economic Phenomenon (Istota wartości jako zjawiska społeczno-gospodarczego)*. Kraków 1904, p. 37.

¹⁸ G. Schmoller: *Grundriss...*, Vol. I, p. 98.

of economic goods as material means of fulfilling general individual needs.¹⁹

Social economy is the science about culture, the "science of spirit" concludes Grabski. The social estate is thus the totality of spiritual phenomena and their relations.

On the basis of social estate understood in this way Grabski solves the problem of relation in which the individual entity is to the social entity of spiritual life of an individual what is important for the historical method. This solution depends on introducing social sciences as a subject and the understanding objectively purposeful forms of consciousness connected with mutual relations between people.

An individual is not only a subject but also the object of society. He is under the influence of the society but as the entity in itself it also influences the society in a certain way. Because of this reason people realize that social phenomena exist outside them as objective states which influence them and people, on the other hand, influence these social phenomena on the principle of specific mutual linkage. The contents of the states of human consciousness have a repercussion on the outside life. As a result of this they are formulated not as the typical for them form of psychic relations but as the processes of the outside world which can be learned on the basis of impressions received from them and which stand outside a human being but are connected with him. These impressions can be formulated either as attributes of the outside or as the results of the influence on the environment or as the rules outside an individuality, the rules of his activities. This is thus the essential content of the category of social phenomena.²⁰

The simplest and the most determinant form of these phenomena i.e. relations between people and their groups consists in this that managing people estimate their estates in the same way i.e. from the position of the same social needs felt as their own. These phenomena are thus connected with the certain relation of identity (identity of the estimates on the social scale). The manifestations of these relations are the product taking place in human consciousness objectivization of economic judgements which manifests itself in the fact that the results of judgement have their repercussion outside an individual and are received as the immanent properties of goods and service. The consequence of this is the coordination of these impressions into the form of defined notions which can be named as "the basic economic notions" because they constitute the basis for all other economic relationships. "The most basic

¹⁹ S. Grabski: *The Social Economy*, Vol. I. p. 46—47.

²⁰ There is so-called "formula of understanding" in Stanisław Grabski's system, *Zur Erkenntnislehre*, p. 126.

social forms of economic coexistence between people are thus basic notions of economic goodness, economic value, property and riches commonly acknowledged by the main injunctions of all our economic activities, estimates and purposes.”²¹

The starting point of the considerations over the method of social economy must be the analysis of the attitude of an individual towards social phenomena, the solution of the antinomy of an individual as a subject and object of society. This search for solution in Stanisław Grabski's system is the notion of objectively purposeful forms.

A human being lives thus at the same time the social and private life.

All the economic activities undertaken because of personal reasons aim at the goodness and the permanence of the community to which he belongs. The motives of activities are individual but acting individuals establish their attitudes to others in social forms. "The form of mutual relationship between people is social, their content is individual." ²²

Historical categories are the basic economic notions in the system of social economy of Stanisław Grabski and they shape themselves differently in each historical epoch. The explanation of their mutual regularity cannot be rational but genetic (as it has been conditioned throughout the ages). The complete understanding is possible only by joining the "empirical" and "casual" explanation, stresses Stanisław Grabski. "Strictly (...) inductively only the contemporary social—economic life can be examined and even this not totally because it cannot be examined with the proper connection with the past from which it can be developed. In order to recreate this past we must use inductive and deductive analysis of the monuments which remained." ²³

We can see clearly from in this way outlined frames of the historical method worked out by Grabski how much should have been corrected and specified in the so-called historical method from the end of the XIXth century. In order to do this Grabski develops for it again the broad understanding background by establishing the notions of social economic phenomena, their categories and factors as well as the theory of social estate. The conception of the dual consciousness of an individual as the subject and object has here the central role. As a consequence of presenting Stanisław Grabski's system we must stress not this what joins him with the historical school but first of all what differentiates him from this school. The methodological standpoint of the social economy of Stanisław Grabski is the wholly individual work.

²¹ Grabski: *The Economy (Ekonomia)*. Vol. III, p. 16.

²² *Ibid.*, Vol. I, p. 18.

²³ *Ibid.*, Vol. III, p. 9.

STRESZCZENIE

Artykuł przedstawia w ogólnym zarysie poglądy Stanisława Grabskiego na przedmiot i metodę ekonomii politycznej. Stanisław Grabski (1871—1949) był czołowym ekonomistą a jednocześnie znanym działaczem politycznym już w latach poprzedzających I wojnę światową, a następnie w okresie II Rzeczypospolitej.

W teorii ekonomii S. Grabski rozwijał socjologiczną odmianę kierunku historycznego. W ekonomii (nazywanej ekonomią społeczną) widział Grabski swoistą socjologię życia gospodarczego. Definiuje ekonomię społeczną jako naukę o gospodarczym współżyciu ludzi. Jest ona częścią nauk społecznych i wraz ze wszystkimi innymi szczegółowymi naukami społecznymi powinna opierać się na wynikach badań socjologii, jako nauki ujmującej całokształt życia społecznego.

Istotne znaczenie mają rozważania S. Grabskiego dotyczące metody ekonomii społecznej. Największy wpływ na teoretyczne stanowisko Grabskiego w ekonomii miała niemiecka szkoła historyczna i toczony przez nią „spór o metodę” z austriacką szkołą psychologiczną. Spór dotyczył istoty ekonomii politycznej jako nauki i podstawowych założeń metody badawczej. K. Menger (szkoła austriacka) bronił teoretycznego, abstrakcyjnego i dedukcyjnego charakteru ekonomii. Jego oponent, G. Schmoller, wykazując słabe strony takiej koncepcji ekonomii politycznej, dochodzi do zaprzeczenia możliwości sformułowania ogólnych praw rządzących gospodarką

Częściowa zmiana stanowiska G. Schmollera (uznał on możliwość istnienia w ekonomii tzw. praw okresowych) wiąże się ze stanowiskiem S. Grabskiego w tej kwestii, który w wydanej w rozprawie w języku niemieckim zabierając głos w sporze, wykazał możliwość nomotetyczności ekonomii bez rezygnacji z szeroko rozumianej metody historycznej.

РЕЗЮМЕ

Статья представляет в общих чертах взгляды Станислава Грабского на предмет и метод политической экономии. Станислав Грабский (1871 — 1949) был выдающимся экономистом и одновременно видным политическим деятелем уже в годы перед первой мировой войной, а затем в буржуазной Польше.

В теории экономии С. Грабский развивал социологическую разновидность исторического направления. В экономии (называемой общественной экономией) он видел своего рода социологию хозяйственной жизни. Учёный определяет общественную экономию как науку о хозяйственном общежитии людей. Она является составной частью комплекса общественных наук и вместе со всеми другими частями общественными науками должно опираться на результаты исследований социологии как науки, рассматривающей общественную жизнь в целом.

Существенное значение имеют размышления С. Грабского о методе общественной экономии. Наиболее заметно влияние на теоретическую позицию С. Грабского, оказанное немецкой исторической школой и ее спором о методе о австрийской психологической школой. Спор касался сути политической экономии как науки и основных предпосылок исследовательского метода. К. Менгер (австрийская школа) ратовал за теоретический, абстрактный и додуктивный характер экономии. Его оппонент, Г. Шмоллер, обнаруживая уязвимые стороны такой концепции политической экономии, приходит в конце к отрицанию возможности сформулировать общие законы хозяйственной жизни,

Частичное изменение мнения Г. Шмоллера (признание возможности существования в экономике так называемых временных законов) связано с позицией С. Грабского в названном вопросе. В изданной на немецком языке в 1900 году работе С. Грабский, относясь к предмету спора, доказал возможность номологического характера экономики без отказа от исторического метода в широком смысле.