

Spann's Universalism – The Foundation of the Neoromantic Theory of Corporative State

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Introduction

The end of the nineteenth and the beginning of the twentieth centuries in German-speaking countries witnessed a rejuvenation of corporative ideas. Corporatism, grounded in social idealism, became a weapon of the Austro-German conservatism in the struggle against the atomistic individualism and materialism of capitalistic society as well as against Marxian socialism. It reflected a search for a theory of society which would represent a viable alternative, a third way, between capitalism and socialism. Later, however, corporatism began to degenerate into ad hoc totalitarian collectivism under the Nazis, who, unfairly, brought the doctrine into a state of disrepute which lasts to this day.

The theory of corporative state became nowhere so well articulated as in universalism, a vast, self-contained system of knowledge in which all parts of human life are organically linked with a whole.

The foundation of modern universalism is usually associated with the teachings of the Austrian social philosopher and economist Othmar Spann (1878-1950), 'the most important and the most striking figure of the cultural life of Vienna during the interwar period'.¹ As a captivating lecturer and highly productive and versatile author, with 120 titles including 30 books, Spann must be credited with the successful propagation of the doctrine during the 1920s and 1930s in Austria and Germany. He renewed the tradition of holistic thought of ancient Greek and Eastern philosophies, Bohemian Reform Catholicism and German idealism of Fichte, Schleiermacher, Schelling, Hegel and the Romantics – especially Adam Müller.²

To indicate his debt to Müller, Spann calls his teaching 'neoromantic universalism', equivalent to a theory of totality ('Ganzheitslehre', 'Allheitslehre', 'Einheitslehre', 'Ganztum').³ In developing his doctrine Spann adopts some aspects of Dilthey's 'Lebensphilosophie' into a framework of idealistic metaphysics and attempts to rebuild on the basis of intellectual concepts the foundations of political economy, sociology, and philosophy. He contrasts his doctrine with the 'individualism'⁴ of the economic liberalism of Adam Smith and David Ricardo, utilitarianism, various social contract theories, natural law theories of social life, egalitarianism, anarchism, Machiavellism, and Marxism.

According to Spann, universalism is rooted in romanticism characterized by its concern for the objective, aprioristic, intuitive (inner), logical, irrational, metaphysical, corporative-organic and moral.⁵

Universalism explains the world where spiritual ties 'between individuals exist as an independent entity; that it is super-individual and primary, whereas the individual is derivative and secondary'. The 'individual does not derive his intrinsic essence, his mental or spiritual being and nature, from himself qua individual; he is only able to form himself, to build up his personality, when in close touch with others like

unto himself; he can only create and sustain himself as being endowed with mentality or spirituality, when he enjoys intimate and multiform communion with other beings similarly endowed'.⁶ Each mind is a torch that must be lit from outside itself. In every spiritual community, mutuality, 'Gezweigung', there arise cognitions, feelings, and powers which cannot be regarded as the outcome of a purely mechanical exchange.⁷ Mutuality is the source of, for example, the enfolding of humanity in the child through his mother and at the same time of the motherhood through the child. Similarly, the interaction between teacher and pupil, artist and audience is that of mutuality, because neither member can play his role without the other.⁸ Mental life arises and grows from mutuality with another mind, by responding to what others evoke in it, 'ein Teil ist nicht ohne den anderen'.⁹

The spiritual community is thus the true source of life for the individual and society is a spiritual union 'among the many in and through which the individual for the first time achieves birth as a spiritual being, his real selfhood . . .'.¹⁰ It is a spiritual entity sui generis, a necessary precondition of the life of the individual, and for this reason perforce an entirely ethical and not a merely utilitarian structure. Human beings are not independent, self-sufficient, mechanistic entities because the energy of their existence inheres in their spiritual interconnection in the whole, the universality, the totality.

The 'True State'

Spann was convinced that the defeat and crises of Germandom, which he personally experienced during the first decades of the twentieth century, were but temporary developments due to the weakening of the national spirit by alien materialistic ideologies of economic liberalism and Marxism.

His political model of universalism expounded in *Der wahre Staat* (1920) was meant to provide Germans with a viable and the only true German ideology to guide them to overcome the chaos, tensions and struggle caused by the state-political crisis in the newly created republic; the crisis of the individualism based on the natural rights; the crisis of capitalism; and the crisis of Marxian socialism.¹¹

Universalism asserts that for methodologically pure individualism there are only three possible forms: anarchism, Machiavellism, and the social contract. Anarchism negates the state; its ideal type of society is the union of egoists, a voluntary coalition of individuals who associate together in order mutually to enhance their individual powers.¹² The third solution, the social contract (which comes in three political variations: enlightened absolutism, constitutional liberalism and democracy), avowedly contradicts the historical experience; thus, the only possibility that remains open for individualism is Machiavellism. However, this form of the state, characterized by tyranny, cunning and duplicity, is to some extent reflected also in democracy, as one of the variations of the social contract, where one section of the populus rules while the other section is ruled.¹³ The state as a means of coercion is formed by the decision of the majority (quantity and not value) and it is thus its duty to exercise the majority's will over that of the minority. But society is not the sum-total of its members, it is the spiritual whole of the community and not only that of the majority. In this way the absolute freedom of the individual which stood at the cradle of democracy is no longer possible.¹⁴

Capitalism is economic individualism. However, the causes of its crisis are not economic but spiritual and social. Capitalism replaced the healthy organic order by atomization and externalization of life. It gave rise to insecurity, rootlessness and insignificance. Capitalism has made the worker 'standlos'. It has deprived him of his proper place in society. Social insecurity was intensified by economic insecurity and even the wealthy, fearing bankruptcy, suffer in the capitalist system the same spiritual

ills as the poor.¹⁵ However, Spann observed some encouraging countercurrents in social policy, cartels, trusts, rings, the cooperative movement, and socialism and held that all these restrictions of economic freedom underline an unconscious shift from capitalism and would contribute toward its transformation into a new corporative order.¹⁶

Spann opposed Marxian socialism. He held that '[t]he abolition of private property and the modification of economic life on collectivist lines are, in a sense, universalistic; but the insistence upon the right to the whole product of labour, taking the name of universalism in vain, is in truth wholly individualistic'.¹⁷ 'In general, socialism discloses itself as an inorganic hybrid form in which individualistic and universalistic ways of thinking are commingled'.¹⁸ This appraisal of socialism in general, and the critique of Marxian socialism in particular, is of 1919 vintage¹⁹ and does not bear comparison with the savage attack on Marx in Spann's *Der wahre Staat*. There, after an attempt to discredit Marxian economic theory, historical materialism, theory of the state, and sociology, Spann reflects on the 'Dämon Marx'.²⁰ It is perhaps not far from the truth to argue that Spann's fight against Marxism was also motivated by fear of the only viable competitor amongst alternatives to the individualistic democratic order.

Both individualism and universalism consider the state as a form of social life, but while individualism holds that the state is a consequence of collective interests of individuals, universalism views the state as a precondition for social life. While individualism holds that the individual is prior to sum-total of individuals, universalism attributes the priority to the state. Individualism asserts that the state's existence is determined by wills of individuals acting collectively. Universalism does not claim that the individual exists because of the state's will but that the individual existence is possible only through the state and in the state as a form of the higher order of totality.²¹

In the field of social theory, particularly the theory of the state, Spann's universalist doctrine was often interpreted as a doctrine of political justification of the social totality, which as the primary reality becomes a self-determinate, the true and the genuine and primary value. In his political theory, folk represents the totality and it is historically prior to all social classes, groups and sub-groups.²²

Spann's model of the corporative state is built on the principle of justice. To bring this principle to life, three structural laws are to be observed: the inequality of contribution of different parts (despite their equal indispensability); the value difference of different parts for the whole; society composed of the hierarchical system of self-governing decentralized functional estates.²³ Spann contrasts the principle of justice with freedom and holds that freedom in the individualistic sense causes spiritual underdevelopment and pushes the individual into isolation by freeing him from others. He holds that the glorification of freedom is the cardinal error of modern times, which severs man's line to the true life—giving forces of culture, nature and the past. It leads to frustration and disappointment because it prevents man from achieving a spiritual community.²⁴

In the same way as man was created in God's image, all organic parts are images of their wholes. The ruler creates his medium—the state; the artisan his workshop, the physician his consulting room or hospital. In their distinct functions in particular partial totalities (state, workshop, hospital), and on particular stages—in their graduated positions—(president, premier, lord mayor; master, helper, apprentice; head-surgeon, assistant surgeon, medical helper), they realize their own designs and through the functional medium they also delineate their circles of activity.²⁵ This reasoning provides universalism with the solution to the problem of free will. Spann holds that dependence and freedom are within an organic framework not opposites, only necessary complements, indispensable reciprocities.²⁶ Every organ within the

framework of his partial totality on his stage-level is independent and free. Thus freedom is created through dependence and is not absolute but limited by the contents of the partial totality and the stage, and both dependence and freedom belong ontologically and logically together.²⁷ In the universalistic system the individual does not lose his freedom as a member of the society because the spiritual community which is the heart of the organic unity ultimately includes all humanity so that the individual may move from one sub-group to another at will. Spann sees the essence of the human society in a spiritual community, which is unfolded in behaviour of the individual members of the organic unity.²⁸

Spann claims that it is necessary to realize the fact that it is the inequality of functions that creates the structure of society. Thus the meaning of justice is to define each and everyone's position in society and assign to him the appropriate status.²⁹ Structural laws replace the liberal principle of equality. Since it is evident that even the best education system cannot hope to establish a mental equality and that human beings will always vary in character and abilities, Spann argues that it is undesirable to make equality a principle.³⁰ The best form of state is that which brings the best to power.³¹ Thus the best will rule over the good, the good over the less good,³² etc. This system also satisfies the principle of indirectness because any rule can only be carried by steps from the top to the bottom, only through the mediation of intermediate steps.³³ There should be equality among equals and obedience of those spiritually less gifted toward those who are more endowed. This is the fundamental principle of the 'true state'.³⁴ The top rank, in the hierarchical structure of society, includes learned, creative and wise men, followed by leaders of the state, army and the church, industrial and business leaders, skilled workers; and the bottom rank belongs to workers whose function is to procure the material means of the community. However, Spann wishes to keep the social ranks open and thus to ensure that only the spiritually best developed individuals (regardless of their social background) will lead the society.³⁵

The leaders were to be chosen for the quality of their character and their ability to govern wisely, and their power would rest in the moral validity of the ends they pursue. The formulation of ends is not seen as an act of exercising arbitrary power, but it simply results from the knowledge of the potentialities and in the possibility of their realization through social organization.³⁶ In this sense the creative philosopher is the true organizer, and the ruler the best man. Thus, the universalist system underlines the validity of dominance of the best in a hierarchical order, a principle largely lacking in modern society except when faced by the problem of survival, and, in consonance with the great minds of the past from Plato to Hegel and from Euripides to Goethe, it rejects the principles of democracy.³⁷

On the basis of the structural laws Spann developed his hierarchical system of estates.³⁸ These estates, small in size, are composed of individuals with common interests. The position of each estate in the hierarchical structure would be determined by the value of its social function. Spann distinguishes between spiritual and active estates. The spiritual estate is the community circle in its capacity as an organic member part of the spiritual whole of the society. The purely spiritual estate is in a state of chrysalis, it is a latent estate, 'Vor-Stand'. The community spirit attains its reality, its fulfilment, in the action estate, 'Voll-Stand'.³⁹ The spiritual estate is primary to the action estates, it is the original estate. Spann bases the whole structure of society on two basic elements: spirit and action. Spirit is the purpose for action, and the mind, being conscious of the spirit, guides all action. The mode of connecting spirits is spirituality. The partial totalities emerging from the connection of spirituality are science, art, religion and philosophy. They are considered to be the founding essence of every community. Society emerges and is expressed in these partial wholes, which are the sub-totalities in which the spiritual totality becomes manifest. They are the

'objectification systems'. Actions can be either cooperative or antagonistic. The connection between actions produces only external relationship, and, together with the connection of spirituality, makes up the structure of society.⁴⁰ Spann constructs a priority ranking between the spiritual partial wholes which provide basic contents of society. Thus religion is prior to science and art, but religion itself comes to life in science and in art.⁴¹ The partial totalities—religion-philosophy, science and art—are primary categories and together they are called spiritually original ('Geistursprünglichen'). On the same level stands morality. Morality is a building substance of the order of priorities of social partial totalities so far as it guides all actions in all partial totalities towards an ideal—perfection. Morality is neither derived from spiritually original partial totalities, nor is it prior to them, but the spiritually original partial totalities can through morality attain their fulfilment. Morality is a creator of culture in that the partial totalities of religion-philosophy, science, and art drive towards perpetual self-purification and new creation.⁴²

The relationship between spirit and action shows that work is not only a result and thus a means of the spiritual, but also the condition of its fulfilment and preservation, its last finished form of social reality where it is enclosed. By this token, action is not a simple mechanical performance but also the condition where the spiritual finds its accomplishment and the place of its final rest.⁴³

Universalism recognizes the following main types of actions: 1. Constructive or accomplishing actions. They are creative or artistic actions, not present in the form of particular partial totalities, but usually serving directly for expression of individual spirits. 2. Arranging and organizing actions which can bring about other actions. They are called actions of the higher order. They assume the first place in the system of partial totalities of the social order. The highest social form of these actions is the state. Thus the state assumes the highest rung of the social ladder before the church and the school. However, by their spiritual contents, these latter partial totalities are prior to the state because religion, philosophy, science and art are spiritually original. 3. Economic actions. They serve purely as means for securing higher social objectives. They exist only for the purpose of serving the spiritual.⁴⁴

Estates in the sphere of action are divided into economic estates which function in the stratum of means, and political estates such as the state, army, church, cultural, educational and scientific institutions which fulfil organizing functions. These estates based on common activity could be subdivided vertically or horizontally.⁴⁵

The reorganization of the economic system into estates is considered to be the most important task.⁴⁶ The economic estates could be structured according to the nature of their activity into agricultural estate and mining estate; industrial estate; commercial estate; and transport estate.⁴⁷

In contrast to authoritarian corporatism, many hundreds of independent functional estates comprising the socio-economic organizational structure are to be as small and decentralized as possible and are not mere transmission levers of the state. The members, in these closely-knit communities, would know one another and the individual would be in no danger of feeling lost. It can be assumed that the community spirit would induce members of the estate to participate directly in all activities and to excel in the service of the community. On the other hand, opting out, shirking one's responsibility, and 'free-riding' would mark the member not as easy-going, but rather it would render him useless to the community. Estates would include a variety of occupations, yet performing the same function. Each estate is sovereign and unique within the realm of its activities and comprehensive planning on a large scale would not be possible. This sovereignty is not derived from wills or absolute rights of its members but it is inherent in the value of an estate's function, maintaining equality among equals, within the whole of society. The state, as the highest estate, could step in only when lower estates fail to carry out their duties.

Members of the estate are to deal directly with the governing organs of the estate, whom they would know well, and only in rare circumstances with organs of the central government. Spann was convinced that it would provide for humanization and personalization of working relationships, that it would lead to closely knit community relationships and also reduce the power of the state.⁴⁸

In the hierarchical system of estates, the state is the highest, it is the protector and leader of all other estates. However, it is but one among other independent estates. The state's highest rank in the hierarchical order is given by the unique nature of its functions: protection and leadership. The state depends morally neither on election results for its formation nor on tax collection for its survival. The uniqueness of the state's functions and the quality of their provision are the only justification for the state's existence. The state is to be financially independent. It is to possess its own sources of income such as revenue from public lands, domains and all kinds of state monopolies. Some revenues from the state ownership are to be earmarked to remunerate leaders of the state. This state is to be much smaller in size in comparison with democratic states because many functions will either disappear or be taken over by other estates. The ruling principle is decentralization and smallness.⁴⁹

The organic totality of society is constantly changing in its form as manifested by changes in the nature of the partial wholes such as art, science, religion and philosophy which change the spirit and structure of social organization and institutions. Spann refers to this as the 'kinetic universalism'.⁵⁰ Change can be desirable because, in reality, the state only realizes part of its full potential; it strives rather than arrives.⁵¹ Pressure for change, therefore, would not be suppressed as in totalitarian regimes. 'In what specific partial totalities society will express itself is a question not to be answered a priori by pure deduction but through an investigation of the facts'.⁵²

At a somewhat more concrete level, the state's responsibility was to recognize that it was a productive force in the sense that it could provide the non-material factors of production to enhance the skills and character of the workforce and create a healthy environment within which all parts of economy could operate. (The influence of Adam Müller and Friedrich List is clear.) Tariffs, monetary regulation, trade treaties, transport facilities and the non-coercive steering of production and consumption are legitimate forms of intervention, provided their purpose serves society's goals.⁵³ Although private property is preserved, Spann advocates a property form similar to the feudal fief tenure system ('Lehen'). Property cannot be used contrary to the public interest. Most of the property would be held in this form and the individual owner would be expected to render services to the community in return for benefits he might derive from its use. Property is preferably not owned by individuals but by small groups and estates.⁵⁴ 'The greater the limitation of private ownership and individualism, the more essential the group is for the community. A group which performs a very important function in society ought to be subject to severe regulation to curb individualism and the pursuit of private interests'.⁵⁵

Organization of the economic system in the 'true state' embraces different estates composed of workers and employers in branches of agriculture, manufacturing, and transport and they would take over all economic functions and many of the civic and legal functions, conducted at present by the state, thus freeing it from the influence of material interests and supporting healthy decentralization. Spann suggests the establishment of these organizations by industries and uniting them in a central body, the economic parliament, 'Ständehaus'. There the system of estates and the state would be united at the top.⁵⁶

There would be no room for traditional political parties. They would be replaced by functional parties dealing with fundamental ideas, cultural issues and problems affecting all estates. Relations with the estate, between independent sub-groups of employers and employees, and between estates would be based on collective labour

agreements covering wages, labour time and conditions. In order to retain economic vitality, some competition within the estate as well as between estates would continue, but the individuals in the 'true state' would be assured security of income and tenure. Spann was fully aware that his corporative system would be less efficient than its capitalist counterpart but he was prepared to sacrifice the material utility of individuals for the sake of peace, greater social harmony, security and stability, introspection and spirituality.⁵⁷

This completes the sketch of the social system of universalism,⁵⁸ an idyllic hierarchically structured corporative state, based on decentralization and a large degree of autonomy of estates, where everyone would live in peace and security led by a group of wise men.

A Third Way and Political Reality

Immediately preceding the rise of National Socialism, corporatism was seriously considered by intellectuals and politicians in German-speaking lands to be a viable alternative, a third way between mass democracy and totalitarian socialism.⁵⁹ Spann's 'true state', ruled by the best rather than by the many, the state where votes were to be weighed rather than counted, and where representation was to be on an occupational rather than a political basis, was viewed by many as a way of eliminating anarchy, the demagogy of political parties and the destructive class struggle plaguing democratic society.

Spann's teaching 'exercised a lasting influence on almost the entire non-marxist, politically interested younger generation' and 'by the 1930s it completely predominated among the students with national conviction'.⁶⁰ It had particular appeal for the followers of the Catholic Church who saw in the 'true state' an ideology fitting almost perfectly their religious orientation.

The Catholic Church had always occupied itself with the social question; yet it was only in the early nineteenth century that it became a distinct movement with a program of economic and social reforms to improve the position of the weak and disadvantaged in society.⁶¹ One of the first references to the corporative movement appeared in the encyclical letter of Leo XIII 'Quod Apostolici' (29.12.1878). Particularly influential was his famous encyclical letter 'Rerum novarum' (15.5.1891) which opposed individualism, self-help, competition, and the pursuit of profit at all costs. It saw the solution of the social question primarily in moral laws and in religion, and in the corporative system – vocational groups, composed of employers and of employees, regulating in sovereign fashion, and by decrees fitted to each particular industry, the conditions of labour; and invested with the rights of property as corporate bodies; and with political power through their elected representatives in the parliament.

The realization of the idea of the corporative state became a social and political objective of the Catholic Church particularly after it had been in a very general way advanced by the Pope Pius XI encyclical letters published in 1931 – 'Quadragesimo anno'.⁶²

This development made Spann's concept of the corporative state extremely popular and politically influential. In Austria, Federal Chancellor Dollfuss declared his full support for a German Christian Austria based on estates⁶³ and the 'Quadragesimo anno' became the official ideology of the 'Christian Socialists'. However, Spann's doctrine was not the only one favouring this line of thought. Within the Catholic Church there had been advanced a rival doctrine – the *solidarism* of the German Jesuit political economist Heinrich Pesch.⁶⁴

Solidarism is a 'social labour' system completely organic (or corporate) where the common weal satisfies the demands of social justice while preserving ends, existence

and responsibility of individual economic units as well as of corporations, where the market form of economic communication is replaced by agreements between vocational associations and industry groups based on close harmony of interests, and where the state exercises 'supervisory' functions.⁶⁵ However, in contrast to Spann's universalism, solidarism does not come into open conflict with the basic principles of individualism but attempts to appeal, on moral and ethical grounds, to the agents of the system to adapt it. Pesch's corporative economy would socialize men while leaving the ownership rights unchanged because private ownership is not a historical category but belongs to the natural rights of man.⁶⁶

There inevitably arose in controversy between Spann and the followers of solidarism. Spann criticizes Pesch for ignoring the views of the romanticists and the scholastics and brands solidarism as an individualistic theory, a mixture of liberalism, social policy and state-socialism.⁶⁷ He blamed solidarism for conceiving the corporative state within the framework of parliamentary democracy where the estates would be state controlled, and where the capitalist form of private ownership would be predominant.

The controversy was not only of theoretical importance but also of political significance. It can be argued that, despite the availability of a home-grown neoromantic doctrine, the Austrian Christian Socialist party preferred in practice a model of the corporative state which was closer to Italian fascism and the principles of solidarism. On the other hand, some of Spann's ideas can be recognized in the 1934 Second Austrian Constitution which planned seven occupational estates: industry, trade and communication, small enterprises, banks and insurance, the professions, agriculture, and the public service.⁶⁸

Carsten observes that '[t]he reality, however, was very different from this idealized picture of social harmony, of a society with equal rights and equal shares, in which the wolf would lie down with the lambs. No attempt was made to realize this Utopia'.⁶⁹

Spann, who never played a prominent political role, surrounded himself with a circle of his ablest students who, by the end of the 1920s, had successfully popularized his doctrines. His disciples, by ideological infiltration of mass organizations and through their appointments in academia, government and private business institutions, actively worked to create a 'true state' in Central Europe. However, they sought to achieve power not by usurpation but by re-education. In Austria the ideology of the 'Heimwehren', a militia hostile to democratic government, was influenced by Spann's teaching; in the Sudetenland, the youth movement and gymnastic clubs came under the influence of Spann's former students; and in Germany, many industrialists became interested in the theory of the corporative state.⁷⁰

Two of Spann's students, Walter Heinrich and Hans Riehl, while lecturing to the 'Heimwehren', 'assiduously made propaganda for Spann's ideas . . .'.⁷¹ This rightist militia, while hardly understanding the theory of universalism, embraced his state of estates and made it together with Italian corporatism into its own ideology. The estates were to be created above all party politics to oppose the 'red' workers', peasants' and soldiers' councils and 'the plutocracy of the rich by the democracy of the peasants and artisans'.⁷² This was to be however, not a 'democracy in the vulgar sense' as it was created by the basically 'plutocratic and ideological' French Republic, 'but a genuinely Germanic democracy . . . a democracy permeated through and through by aristocratic consciousness of rank. For truly, our genuine peasant or artisan is a prouder aristocrat than many a prince or count who does not disdain to protect with his coat of arms the doubtful manipulations of some Jewish profiteering company . . .'.⁷³

In the Sudetenland, Spann's ideas became popularized among the German youth by Walter Heinrich, who together with Heinz Rutha founded the 'Arbeitskreis für Gesellschaftswissenschaften' and its inner leadership became known as

'Kameradschaftsbund'.⁷⁴ The 'Kameradschaftsbund' infiltrated Henlein's 'Deutscher Turnerbund', the greatest mass organization of Germans in Czechoslovakia, and a former student of Spann's (Walter Brand) secured appointment as Henlein's assistant.⁷⁵ The objective of the 'Kameradschaftsbund' was to gain influence in numerous organizations and actively to work for the creation of a 'true state' in Central Europe.

Different motives led the German captains of industry to pay attention to Spann's ideas. The coarse socialist propaganda of the NSDAP had made the German industrialists uneasy, and Spann's refined model appeared to be a far more attractive alternative. Under the sponsorship of Fritz Thyssen, the Spann circle set the 'Institut für Ständewesen' in Düsseldorf (28.5.1933) under the scientific direction of Spann's former student and closest collaborator, W. Heinrich. The objective of the institute was to instruct German leaders of industry in the principles and ways of the corporative state order by means of weekend lectures, seminars, conferences and publication activities.⁷⁶ The curriculum, true to Spann's spirit, laid emphasis on decentralization, autonomy and smallness of the estates. The lecturers were convinced that the present centralized system was only a transitory stage and that in the near future the economic organization would be broken down into small closely knit sovereign vocational groups. However, the political reality had been taking quite the opposite direction. The newly promulgated 'Gesetz über die Vorbereitung des organischen Aufbaus der deutschen Wirtschaft' (27.2.1934) more or less dismissed any hopes of autonomy for small and middle-size vocational groups and instead laid emphasis on large industry-wide organizations. The process of political and economic centralization began.⁷⁷ The sovereign rights of the Länder were transferred to the Reich and the highest economic authorities of the Länder became mere branches of the Reich's ministry. The 'New Plan' for the control and expansion of foreign trade was introduced, and state intervention increased. Central control of supplies of raw material and investment was followed by a general price and wage freeze.

Spann's followers in Germany were cautiously critical of these developments, yet they were losing support in both industrial and political circles. The Nazi government started its drive against Spann and his followers. Already in 1934, Heinrich's lectureship at Düsseldorf had been terminated and the institute was finally closed down in 1936.⁷⁸

The affinity of Spann's corporative state and the NSDAP corporative order has often been the subject of controversy. It can be argued that Spann might have placed his hopes in the Nazi movement because he viewed it as a representation of the conservative revolution which would help him to realize his social and political dreams. Siegfried reports that one of the founding fathers of National Socialism, Gottfried Feder, even stated that Spann's universalism had been the model for the National Socialist state and social order.⁷⁹ However, not only did the Nazi program from the very beginning differ fundamentally from that of Spann; it can also be argued that National Socialism did not have a coherent political-economic doctrine at all.⁸⁰ Röpke remarked: 'Treading the literature and the verbose documents of Fascism and National Socialism . . . one might be tempted . . . to dismiss it as economic Dadaism. . . . In vain we search for an economic programme embodying Fascist Economics. Instead of it, we find that loquacious vagueness which irritates the admirer of lucidity in style and thought as much as it seems to attract the masses'.⁸¹

It is true that the radical Twenty-Five Point National Socialist Party Programme of 1920 was based on the doctrine of the primacy of the general interest over the particular interests and that in the economic field the program demanded measures such as nationalization of syndicates and trusts, confiscation of war profits, abolition of the 'thralldom of interest' ('Zinsknechtschaft'), introduction of profit-sharing in industry, land reform through confiscation, prohibition of land speculation, abolition of interest on mortgages and improvement in old-age insurance. But it also contained

features such as centralization of the state administration and formation of centrally directed estates which were supposed to execute the central government's laws.⁸² The prominent feature of this program was the centralization of all aspects of social life and the absolute authority of the political apparatus.

However, it was not the principle of economic organization but the irreconcilable differences on the ideological front which led to the open conflict and hostility between Spann and National Socialism. It was particularly the firm opposition of the Spann circle to the anti-Semitic and racist ideology of Nazism.⁸³ This view was completely foreign to Spann's conception of the nation. Spann had a contempt for racial theories à la Gobineau which he considered to be biological and materialistic and completely wrong in explaining the phenomenon of nation.⁸⁴ He held that the fundamental mistake of these theories was the concept of race as a representation of physical characteristics, irrespective of the dominant role played by the spiritual element.⁸⁵ 'It is the spirit that builds the body'.⁸⁶ It is wrong to claim that a change in spirit is the result of a racial mix because just the reverse is true.⁸⁷ In Spann's system, there is no place for the concept of racial purity as an expression of hereditary physical characteristics. Instead, he employs another concept: the style purity of vision ('Stilreinheit des Erscheinungsbildes').⁸⁸ The 'noble Nordic race' possesses this attribute, but not because it is physically purer than other races.⁸⁹ In Spann's sociology, nationality is not identified with race. It is a representation of the spiritual community and thus neither an action community, nor an institution (the state).⁹⁰ 'The essence and the character of nationality are formed by culture' which is 'the unity of spiritually original partial totalities—philosophy, religion, science, art, and morality'.⁹¹ Thus what constitutes Germandom is the spiritual organic unity of all German tribes not conditioned by race and blood.⁹² Spann's concept of nationality, interpreted as a spiritual community, made it possible for all (also Jews), who had the 'disposition and ability' to absorb the German culture, to become fully-fledged members of the German nation.⁹³

Another source of discord was Spann's concept of rule by the best and its application in the form of the elitist groups which his followers tried to build up inside the right-wing organizations.⁹⁴

The Nazis also branded Spann as the theoretical and political representative of Austrian Catholicism.

Moreover, Spann accorded an autonomous status to various German-speaking national groups in Europe because of their own separate historical, political and religious heritage (which can be best understood by their own elites), and thus threatened the central leadership of the Third Reich, which had to be accepted by all Germans living outside Germany.⁹⁵ Had German minorities in Europe adopted Spann's ideas, that would have weakened their desire to join the Reich.⁹⁶ While it is a fact that conservative and fascist elements made use of universalist doctrines, it must be also pointed out that Spann's corporative order, due to its affinity to Catholic ideology, its leadership by the 'knights of the spirit' and its criticism of racial theories, was seen not as a potential variant but as a threat to National Socialism and the Third Reich.⁹⁷ When the Germans marched into Austria in 1938, Spann and other members of his circle were thrown into prison and their writings were banned.⁹⁸ Spann's teaching career was likewise made impossible in post-war Austria where leaders of the ruling coalition could not forgive him his pan-Germanism,⁹⁹ his opposition to the idea of the Christian corporative state and his fight against Marxism. Johnston remarks that Spann's 'scholarship cut deeper than Ehrlich's, while ranging wider than Kelsen's or Schumpeter's . . . Had he lived a century earlier, Spann would have been honoured as a sage; a prodigy born too late, he deserves acclaim for having restored a tradition all but lost'.¹⁰⁰ Spann's overall concern was with the future of Germandom; he considered the greed for more material possessions and power, and

faulty judgements of the majority, to be the destructive forces threatening the traditional structure of society with disintegration. Like Plato, Isocrates and Aristotle, he wished to stop the rot from within, placing his faith mainly in education and re-education of the intellectual elite, and in the willingness of society to put its future into their hands. His 'true state' was a blue-print for the formation of a corporative society composed of a number of closely knit small and sovereign estates, in which social justice would be the basis of an internal harmony, and where through direct involvement and sense of purpose the citizens would generate intellectual and artistic energy for uplifting Germandom from the moral and spiritual abyss. However, despite the moral courage of Spann and his followers to carry their convictions to their logical conclusions, once again events proved that time was not on the side of intellectual 'dreamers', for Hitler moved with greater speed and stronger purpose, taking control of Germandom. Instead of universalism, a totalitarian holocaust swept Europe and ended the brief history of a third way, a 'völkisch' alternative between capitalism and socialism.¹⁰¹

NOTES

1. E. Molden, *Das Wort hat Österreich. Beiträge zur Geschichte der zweiten Republik* (Wien, 1953), quoted in W. Heinrich, et al., *Othmar Spann—Leben und Werk*, Gesamtausgabe, Band 21 (Graz, 1979), 17.
2. Johnston sees in Spann the continuation of Bohemian Catholicism and the heir of Leibniz, Bolzano, and the Herbartians. W.M. Johnston, *The Austrian Mind: An Intellectual and Social History 1848-1938* (Berkeley, 1972), 312-15. He credits the Austrian social philosopher, Karl Pribram, with the clarification of philosophical distinction between individualism and universalism in *Die Entstehung der individualistischen Sozialphilosophie* (Leipzig, 1912). It should be noted that Spann had contrasted individualism as a source of the individual ethos with universalism as an independent ethos of the community for the first time in 'Der logische Aufbau der Nationalökonomie und ihr Verhältnis zur Psychologie und zu den Naturwissenschaften', in *Zeitschrift für die gesamte Staatswissenschaft*, 64, 1908, 44 et seq., but he used these concepts as social theories for the first time in his *Kurzgefasstes System der Gesellschaftslehre* (Berlin, 1914), 232.
3. O. Spann, *Gesellschaftslehre*, Gesamtausgabe, Band 4 (Graz, 1969), 127.
4. Spann, however, held that his universalism is not the antithesis of individualism in the sense that individual is nothing and community everything, but in the sense that the community (the whole) logically precedes the individuals (the parts).
5. O. Spann, *Der wahre Staat*, 2nd ed. (Leipzig, 1938), 73.
6. O. Spann, *The History of Economics* (New York, 1930), 60-61.
7. Ibid., 62. Spann invented the word 'Gezweigung' to provide the opposite to the word 'Entzweigung', disunion. Just as two prongs form a fork and their functional existence is only as parts of the whole, the single human being has its existence only through mutuality or 'Gezweigung': Spann, *Der wahre Staat*, 27. Mutuality is understood as a process of community building ('Vergemeinschaftungsprozess', 'Vergemeinschaftung'). The individual's spirituality is evoked in the community or mutuality: Spann, *Gesellschaftslehre*, 301. 'Gezweigung' is the basic principle and living form of all organic structures and all spiritual essence and action exists only as 'Gezweigung' only in 'Gezweiheit': *Der wahre Staat*, 27.
8. Spann, *Der wahre Staat*, 28.
9. O. Spann, *Kategorienlehre*, Gesamtausgabe, Band 9 (Graz, 1969), 251-58.
10. Spann, *The History of Economics*, 61.
11. Spann, *Der wahre Staat*, 77.
12. See, e.g., M. Stirner, *The Ego and His Own* (John Carroll's edition, London, 1971), 215.
13. Spann, *Der wahre Staat*, 80-93.
14. Ibid., Plato held: '...[A]n excessive desire for liberty at the expense of everything else is what undermines democracy and leads to the demand for tyranny'. Plato, *The Republic* (Harmondsworth, 1974), 382.
15. Ibid., 94-97. Spann wrote: 'Mankind can put up with poverty because there always were and will be poor. But the affected part of the people will never put up with insecurity of existence, rootlessness and non-entity'. Ibid., 97.
16. Ibid., 99.
17. Spann, *The History of Economics*, 211.
18. Ibid., 212.
19. Ibid., 218-34.
20. Ibid., 100-36. For evaluation of Spann's critique of Marxism see K.J. Siegfried, *Universalismus und*

- Faschismus* (Wien, 1974), 52-57. It is interesting to note that Marx likewise had a strong antipathy towards Spann's ideological forerunners, the Romantics, particularly for failing to grasp the historical progressiveness of capitalism, for rejecting this system on grounds of morality, and for looking back instead of into the future for an alternative system.
21. W. Andreae, *Vom Geiste der Ordnung in Gesellschaft und Wirtschaft* (Stuttgart, 1959), 25.
 22. Spann's social philosophy, particularly his idea of self-government and corporative state, had been developed well before the rise of fascism in 'Zur Logik der sozialwissenschaftlichen Begriffsbildung' in *Festgabe für Fr. J. Neumann zur 70. Wiederkehr seines Geburtstages* (Tübingen, 1905), 161-78.
 23. Spann, *Der wahre Staat*, 151-53.
 24. *Ibid.*, 40-42.
 25. Andreae, *Vom Geiste*, 44.
 26. Spann, *Kategorienlehre*, 142.
 27. Andreae, *Vom Geiste*, 44.
 28. B. Landheer, 'Othmar Spann's Social Theories' in *Journal of Political Economy* 39, 1931, 244.
 29. 'From the Socratic point of view, the proper organization of society would be one in which every man's social status and function . . . is determined by the nature of the work, his aptitudes, understanding and character fit him to discharge'. A.E. Taylor, *Socrates* (London, 1970), 145.
 30. Spann, *Der wahre Staat*, 38-48.
 31. *Ibid.*, 163.
 32. *Ibid.*, 164.
 33. *Ibid.*
 34. *Ibid.*, 149.
 35. *Ibid.*, 175-76.
 36. *Ibid.*, 165-66. The new type of leader would be far superior to the democratic politician and capitalist entrepreneur because he would be a 'Lebensführer', not only administrator, but also judge, and commander of his armed forces. Spann, *Der wahre Staat*, 194-95.
 37. The Athenian government in Pericles' time was described by Thucydides in the following way: 'what was in name a democracy was virtually a government by its greatest citizen'. Thucydides, 'The History of the Peloponnesian War' in R.W. Livingstone (ed.), *The World's Classics* (New York, 1963), 130.
 38. Spann, *Der wahre Staat*, 160-61.
 39. *Ibid.*, 162.
 40. See B. Landheer, 'The Universalist Theory of Society of Othmar Spann and His School' in H.E. Barnes (ed.), *An Introduction to the History of Sociology* (Chicago, 1948), 390.
 41. O. Spann, 'Vorrang und Gestaltwandel in der Ausgliederungsordnung der Gesellschaft' in *Logos* 13, 1924-25, 191 et seq.
 42. Andreae, *Vom Geiste*, 28-29.
 43. Spann, 'Vorrang und Gestaltwandel', 212.
 44. Spann, *Der wahre Staat*, 54-55.
 45. *Ibid.*, 162.
 46. *Ibid.*, 203.
 47. *Ibid.*, 177.
 48. *Ibid.*, 191-93.
 49. O. Spann, *Hauptpunkte der universalistischen Staatsauffassung*, 2nd ed. (Berlin, 1931), 12-23, and *Der wahre Staat*, 184-87.
 50. Spann, *Der wahre Staat*, 26.
 51. O. Spann, 'Gesellschaftsphilosophie' in *Handbuch der Philosophie* (München, 1928), 101.
 52. Landheer, 'The Universalist Theory of Society', 390.
 53. O. Spann, *Fundament der Volkswirtschaftslehre* (Jena, 1929), 101 et seq., and also W. Andreae, *Leitfaden der Finanzwissenschaft* (Jena, 1938), 143-47.
 54. Spann, *Der wahre Staat*, 203-209.
 55. Landheer, 'The Universalist Theory of Society', 395.
 56. Spann, *Der wahre Staat*, 225.
 57. *Ibid.*, 228 et seq.
 58. The universalist doctrine was further developed and modified by Spann's former students who became prominent scholars in their own right. The most important among them were W. Andreae, J. Baxa, W. Heinrich, H. Riehl, U. Schöndorfer, Th. Surányi-Unger, A. Tautscher, and F.A. Westphalen.
 59. F.L. Carsten, *Fascist Movements in Austria: From Schönerer to Hitler* (London, 1977), 172-237.
 60. *Ibid.*, 167-68.
 61. The special role in the social movement of the Catholic Church in Germany belonged to Baader, Ketteler, Kolping and Pesch, and in Austria particularly to Karl von Vogelsang. For the analysis of the Vogelsang school and position of Spann see Alfred Diamant, *Austrian Catholics and the First Republic* (Princeton, 1960), 131 et seq.
 62. See, e.g., M. Zanatta, *I tempi e gli uomini che prepararono la 'Rerum novarum'* (Milan, 1931); E. Muhler, *Die Soziallehre der Päpste* (München, 1958); and A. Rauscher, *Subsidiaritätsprinzip und berufsständische Ordnung in 'Quadragesimo anno'* (Münster, 1958).

63. Siegfried, *Universalismus und Faschismus*, 123.
64. See, e.g., Th. Brauer, 'Solidarismus' in *Handwörterbuch der Staatswissenschaften*, 7, 4th ed. (1926), 503-507; also K. Diehl, 'Sozialismus und Kommunismus' in *ibid.*, 580. For the appraisal of Pesch's economic contributions (in English) see e.g. A.L. Harris, 'The Scholastic Revival. The Economics of Heinrich Pesch' in *The Journal of Political Economy* 54, 1946, 38-59; and R.E. Mulcahy, SJ, 'The Welfare Economics of Heinrich Pesch' in *Quarterly Journal of Economics* 63, 1949, 342-60.
65. Consumers, producers, managers, workers and state administrators are but 'limbs' of the community who through Christian ethics coordinate their activities for the purpose of achieving material welfare of the nation as a whole. H. Pesch, *Allgemeine Volkswirtschaftslehre*, 2, (Freiburg i. Br., 1909), 192-96.
66. *Ibid.*, 1-2.
67. Spann, *The History of Economics*, 277. For criticism of universalism from the solidarist's viewpoint, see O.V. Nell-Breuning, 'Die Falsche Ganzheitslehre: Universalismus' in *Das neue Reich*, 14 (Wien, 1932), and 'Zwei Ganzheitslehren' in *ibid.*
68. The state, it was officially claimed, would 'not be a state in which the one enjoys much, and the other little, but a state in which the Estates are called upon to participate with equal rights in legislation, and partly too in administration, in which the state will only intervene to create a just balance between the Estates. And the Estates will no longer be divided into employers and employees, but will sit together at the same table, promoting the common weal, no longer enemies, but . . . fighting for a common goal.' Quoted in Carsten, *Fascist Movements in Austria*, 236-37.
69. *Ibid.*, 237. See also H. Bayer, *Der berufsständische Aufbau in Österreich* (Innsbruck, 1936); J. Messner, *Die berufsständische Ordnung* (Innsbruck, 1936); and E. Voegelin, *Der autoritäre Staat* (Wien, 1936).
70. J. Haag, 'Othmar Spann and the Quest for a "True State"' in *Austrian History Yearbook* 12-13, 1976-77, 239.
71. Carsten, *Fascist Movements in Austria*, 168. The Heimwehr leader, Dr Steidle, stated: 'We are determined to take over power in the state and to reshape it and the economy in the interests of the whole nation . . . We reject Western democratic parliamentarianism and the party state! We are determined to put into its place the self-government of the Estates and a strong leadership which develops, not from the representatives of the parties, but from the leading personalities of the large Estates . . . We are fighting against the subversion of our nation by the marxist class struggle and the shaping of the economy by liberal capitalism. We are determined to bring about an independent development of the economy on a corporate basis. We shall overcome the class struggle . . .' Quoted in *ibid.*, 172.
72. A pamphlet 'Die Stände', 8-9, 1919, quoted in *ibid.*, 169-70.
73. *Ibid.*
74. J. Haag, '"Knights of the Spirit": The Kameradschaftsbund' in *Journal of Contemporary History* 8, 3, 1973, 140.
75. *Ibid.*
76. Siegfried, *Universalismus und Faschismus*, 175-77.
77. Hitler held: 'Let them own land or factories as much as they please. The decisive factor is that the State, through the party, is supreme over them, regardless whether they are owners or workers. All that . . . is unessential. Our Socialism goes far deeper . . . it establishes the relation of the individual to the State, the national community . . . Why need we trouble to socialize banks and factories? We socialize human beings'. H. Rausching, *The Voice of Destruction*, 193, quoted in R.S. Pinson, *Modern Germany—Its History and Civilization*, 2nd ed. (New York, 1966), 499.
78. Siegfried, *Universalismus und Faschismus*, 195.
79. *Ibid.*, 175-77. See also W. Abelshauser, 'The First Post-Liberal Nation: Stages in the Development of Modern Corporatism in Germany' in *European History Quarterly* 14, 1984, 301.
80. Germany did not even experience attempts for the establishment of a coherent doctrine similar to Mussolini's labour charter (1927), corporative state (1930-31), and corporations themselves (1934). See, e.g., B. Mussolini, *Vom Kapitalismus zum korporativen Staat. Reden und Gesetze* (Köln, 1936), and his *Der Korporationsstaat* (Florenz, 1936).
81. W. Röpke, 'Fascist Economics' in *Economica*, February 1935, 86.
82. See G. Feder, *Hitler's Official Programme, and Its Fundamental Ideas* (London, 1934), 38-43.
83. Some members of the Spann circle were bold enough to criticize openly the racist ideology of the NSDAP and oppose the policy of physical liquidation of Jews. Siegfried, *Universalismus und Faschismus*, 201-205.
84. Spann, *Gesellschaftslehre*, 554 et seq.
85. *Ibid.*, 433.
86. *Ibid.*
87. *Ibid.*, 439
88. *Ibid.*, 436.
89. *Ibid.*, 437.
90. *Ibid.*, 554.
91. *Ibid.*, 554-55.
92. A. Rosenberg attacked Spann for his 'pure intellectualism', 'tyranny of intellectual schemes', his

- catholicism and his disregard for the primary 'blood-soulish' source of nationality. A. Rosenberg, *Selected Writings* (London, 1970), 93-96. See also Herman Lebovics, *Social Conservatism and the Middle Classes in Germany 1914-1933* (Princeton, 1969), 134-35.
93. Spann, *Gesellschaftslehre*, 560. Spann considered the Jewish 'critical and rational spirit' to be a positive asset in the spiritual life of a nation. Spann, *Kurzgefasstes System der Gesellschaftslehre*, 216, quoted in Siegfried, *Universalismus und Faschismus*, 201.
 94. Carsten, *Fascist Movements in Austria*, 171.
 95. Ibid.
 96. Haag, 'Knights of the Spirit', 148-49.
 97. Ibid., 148-53.
 98. It was not without irony. The jubilant scientist who saw his dreams come true was suddenly trampled by the juggernaut he had helped to build. It had been his writing which both incited and justified Germany's subjugation and enslavement of small European nations. In 1920, Spann urged his compatriots not to lose heart but believe in the early return to greatness which comes when Germany performs her 'natural duty' and imposes a lasting order over the small unruly nations of Balkanized Europe. Spann, *Der wahre Staat*, 78.
 99. Spann, together with other conservative Austrian academics was a member of a pan-German organization, the 'Verein Mitteleuropäischer Staatenbund', also known for its anti-Hungarian and anti-Slav policies. See G. Ramhardt, *Geschichtswissenschaft und Patriotismus – Österreichische Historiker im Weltkrieg 1914-1918* (Wien, 1973), 43 and 167.
 100. Johnston, *The Austrian Mind*, 314-15.
 101. However, since the second half of the 1960s there has been a notable increase of interest in Spann and universalism in almost all branches of social sciences, particularly in Austria but also in Germany and in the United States and Japan. Since 1965, twenty-two volumes of Spann's collected works have appeared alongside a few dissertations and about two dozen articles by his followers and critics.