



Max Weber's Axiological Critique of the Methodology of the Human Sciences: The *Methodenstreit* and Ideal Types*

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As has been pointed out by many Weber scholars, an atomized and fragmented view of Weber has emerged due to the lack of adequate understanding of the intellectual context in which Weber wrote about the methodology of the social sciences. Although a number of monograph-length studies about Weber's methodology of the social sciences stress the importance of the Methodenstreit in understanding Weber's ideal type methodology, none of these studies seizes upon the fact that Weber's criticisms of the Historical School as well as the Austrian School were based on his particular conception of the "distinctive aim" of the human sciences. As I hope to demonstrate in this article, Weber attempted to resolve the main issues of the Methodenstreit by shifting the controversy from the methodological level to the "axiological" level, that is, by invoking the distinctive aim of the social sciences. Weber's axiological critique of the two opposing camps enabled him to develop his methodology of ideal type as an alternative strategy of theory construction in the social sciences.

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INTRODUCTION

The *Methodenstreit* or the methodological controversy in the social sciences in the German academic community became prominent with the publication of the *Problems of Economics and Sociology* ([1883] 1963) in which Carl Menger, the major exponent of the Austrian School of economics, attacked the historical method of economics, and the critical review of this book by Gustav Schmoller, the major figure of the German Historical School of economics. In the

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Problems of Economics and Sociology, Menger attacked the historical approach to economics and ardently defended his own theoretical method. With the furious reply to Menger's criticism by Schmoller, the controversy over method suddenly gained wide and deep attention. It is in this context that Max Weber, recovered from his protracted illness, started writing about the methodology of social sciences.

As Cahnman (1964) pointed out, however, an atomized and fragmented view of Weber's methodology has emerged due to the lack of adequate understanding of the historical context in which Weber wrote about the methodology of the social sciences. That "fractured image" of Weber still persists today. For Weber's methodology has been represented in mutually contradictory ways that serve the specific purposes of those scholars who "tried to appear in the guise of Weber" (Eliaeson 2000: 241).

The social and intellectual contexts of the *Methodenstreit* are extremely important because they give us many important clues to the fuller understanding of what Weber tried to tackle in his methodological writings. Although there are many articles (Watkins 1952; Cahnman 1964; Eliaeson 2000; Bruun 2001; Psathas 2005; Turner 2007) and monograph-length studies about Weber's methodology of social science (Runciman 1972; Bruun 1972; Burger 1976; Huff 1984; Hekman 1983; Collins 1986a, b; Turner and Factor 1994; Ringer 1997; Eliaeson 2002) that stress the importance of the *Methodenstreit* in understanding Weber's ideal type methodology, none of these studies seizes upon the fact that Weber's criticisms of the Historical School as well as the theoretical economics of the Austrian School were based on his particular conception of the "distinctive aim" of the human sciences.

As I hope to demonstrate in this article, Weber attempted to resolve the main issues of the *Methodenstreit* by shifting the controversy from the methodological level to the "axiological" level, that is, by invoking the *distinctive aim* of the social sciences. In the second section of this article, I shall examine the nature and the subject matters of the *Methodenstreit* so that we can situate Weber's criticism of both schools in its proper social and intellectual contexts. In the third section, I shall examine Weber's axiological critique of the methodology of historical economics. The final section of this article discusses Weber's axiological critique of the theoretical economics and shows how Weber's axiological critique of the two opposing camps enabled him to develop his methodology of ideal type as an alternative strategy of theory construction in the social sciences.

THE *METHODENSTREIT* AND THE PROBLEMS OF ECONOMICS

Following Menger's attack on the German Historical School of economics, the followers of Menger and Schmoller joined the dispute and the cleavage between the two camps deepened. We can find the seriousness of this dispute in the words of Weber himself:

The temperature of the methodological controversy in economics reached its peak in the 1880s as a consequence of Menger's *Problems of Economics and Sociology*, Schmoller's review of Menger's book, and Menger's furious response (Weber 1975: 94).

Although Wilhelm Roscher, Karl Knies, and Bruno Hildebrand were the founders of the Historical School, it was Gustave Schmoller, the young leader of the school, who had been involved in a series of acrimonious controversy with Carl Menger, the leader of the Austrian School of economics (Roll 1946: 335). Though these historical economists did not have exactly the same view on every issue of the historical economics, they nevertheless shared the common approach to the problems of economics. This can be called the "organic conception" of economic life.

The argument that economic life must be viewed not as an isolated phenomenon but as part of the interrelated organic social phenomena is closely related to the historical economist's approach to economics. Roscher and his successors (Knies, Hildebrand, Schmoller) saw economics as part of the broader study of an integrated and evolving society (Whittaker 1960: 206). They argued that economic theory and organization must be conceived as time and place bound. As a consequence, for them, an attempt to discover the "universal laws" which are supposed to govern economic activities is erroneous and must be discarded. Rather, they argued that, to understand economic phenomena, it is not only necessary to examine the economic aspects of social life but also to take into account the cultural, ethical, and historical aspects of the whole society.

This argument of the Historical School was diametrically opposed to that of the Austrian school of economics that derived its theory from the sole assumption of human acquisitiveness. For the historical economists, the "self-interest" or the "acquisitiveness" of actors on which the classical economists such as Adam Smith and David Ricardo placed heavy emphasis in constructing their economic theories must be regarded as just "one" factor among many other factors that influence the production of economic phenomena. Accordingly, Roscher and his followers argued that the classical economists as well as the marginal economists made a serious mistake when they argued that universal and general laws could be derived from the sole assumption about human acquisitiveness. The laws of the classical economics, they argued, should not be considered as having the status of permanent or absolute truth since they change as society changes. Since economic environment is subject to constant change and development, they add, economic laws, if found, cannot retain their original adequacy. Thus, the historical economists argued that Menger and his allies should abandon the deductive method altogether and replace it with the inductive method. For them, economic research should be based on the empirical data and the careful analysis of them by statistical methods.

As many writers have noted (Burger 1976; Cahnman 1964; Huff 1984; Collins 1986a), the

philosophical scaffolding of the historical school can be found in the then prevailing Romanticism that placed great emphasis on the “totality” of human nature, organism-like mode of life, aesthetic antipathy to standardization and so on. Related to the Romantic Movement and decisive to the development of the Historical School was the thought of the “German Historical school of Jurisprudence,” the leading figure of which was Carl von Savigny. Weber noted the influence of this school on the development of the Historical School of economics:

Roscher’s methodological model was the methodology of the German historical school of Jurisprudence. He explicitly draws attention to their method as analogous to his own (Weber 1975: 60).

According to Savigny, the development of law must be understood as the product of the slow organic growth out of customs and usages which, in turn, are closely related to and influenced by the unique cultural development. Therefore, Savigny opposed the idea that institutions and laws are the result of human rationality and planning (Cahnman 1964: 105).

We are now in a position to contrast the method of the Historical School with that of Carl Menger. Menger’s methodological viewpoint concerning economics and more broadly social sciences is expressed in his book, *Problems of Economics and Sociology* ([1883] 1963) in which he attacked the historical approach to economics. Menger’s dissatisfaction with the historical economics stemmed from its disparagement of the importance of “abstract” theory in the social sciences. Menger thought that the German economists misunderstood the nature of economic theories. The Germans did not, Menger argued, even try to understand the role of exact theory in economics. For Menger, it is essential to begin with the understanding of the characteristics and nature of economic theory. Theory deals with the “general nature” of economic phenomena; it differed from the other two branches of economics, the historical and the practical. The former described “unique” phenomena and the latter included both public and private policies by which proper policy goals can be achieved. Menger argued that exact economic theories could be derived neither from facts nor from policies, and this distinction led him to advocate his “theoretical” (marginal) economics.

According to Menger, the “aim” of economic science is to establish “exact” economic laws, exact in the sense that it can be comparable to the general or universal laws in the physical sciences. As such, Menger added, those laws should be distinguished from the empirical-realistic generalizations. How, then, could an exact law be obtained? It can be obtained by using the deductive method, that is, by deducing the laws and theorems from the fundamental assumption about the self-interested nature of economic action. To show what that “fundamental assumption” is, Menger relied on Mill, Wundt and other leading psychologists of the late 19th century who argued that human experience is “immediate” in the sense that it required no hypothesis for testing its validity (Huff 1984: 29). According to them, experience is

given to us directly and phenomenally. Wundt thus argued that psychology studies experience with the subject left in, whereas physical sciences study experience with the subjective factors removed. In contrast to the physical sciences that deal with the “mediated” experiences, that is, experiences that need “inferences” and “conceptualization” and hence “hypotheses,” social sciences deal with the immediate experiences that are given to us directly and phenomenally (Wertheimer 1970). Menger adopted this dominant paradigm of psychology of the time and asserted that economic laws could be derived from the analysis of the immediate experience, the simplest element of which is indubitable. The laws of thinking revealed through introspection enable the economists to discover the simplest and the most fundamental element of economic life – human acquisitiveness – that leads to the formulation of not hypothetical but “absolute” or “exact laws” (Menger 1963: 60).

The important thing to note here is that, according to Menger, while exact laws help explain reality, they themselves are not testable by reference to the real world, for reality contained other “non-economic” factors. Abstraction of the purely economic motives from the other, non-economic and ethical elements, Menger argued, is a theoretical device adopted to demonstrate the purely economic “interdependences” of the variables that compose the deductive model (1963: 88). In short, for Menger, the validity of an economic theory is dependent on the validity of the assumptions and not on the concrete reality as the historical economists argued.

To want to test the pure theory of economics by experience in its full reality is a process analogous to that of the mathematician who wants to correct the principles of geometry by measuring real objects (Menger 1963: 70).

WEBER'S AXIOLOGICAL CRITIQUE OF THE HISTORICAL ECONOMICS

Weber's attempt to steer a middle way between these two contrasting methodologies of economics started from the critique of the two of the most prominent advocates of the Historical School, Wilhelm Roscher and Karl Knies (Weber 1975). Although Weber's criticisms of each of these economists seemed to be different at first glance, as I will show below, they were after all the same: Roscher and Knies's argument that the “volksgeist” is causally responsible for the developmental pattern of the economy resulted in a logical contradiction they themselves could not resolve.

Weber criticized Roscher for mixing two contradictory positions in his historical methodology of economics. That is, Roscher simultaneously defended both “idiographic” and “nomothetic” explanations without clarifying their meaning for the social sciences and thereby made his whole methodology inconsistent. Given that Roscher called his method “historical,” Weber argued, Roscher must have shared the aim of the historical sciences and wanted to

provide the “concrete understanding” of the particular constellation of facts that comprises the historical individual under investigation. However, Roscher at the same time saw his task to find the “evolutionary law of historical change” (Weber 1975: 60). Therefore, while Roscher wanted to study historically ‘unique’ and ‘contingent’ phenomena, he at the same time imagined that he could also formulate the “natural laws” that govern the development of the economy. Roscher believed that he could discover such laws by establishing the “parallelism” or “correlation” between different volks. By observing and comparing a large number of volks, Roscher believed that he could arrive at the “logical natural laws which hold for all members of the class volk” (Weber 1975: 63). From such parallel developments of the observed volk economies, Roscher argued, he could find the general and universal evolutionary laws that guide the volk economies. For Roscher, such general laws are not “abstract” but “concrete” since they were obtained through the inductive procedure rather than through the deductive logic (Weber 1975: 62).

Weber’s criticism of Roscher’s view of the historical evolution of the economy was directed to show that Roscher misconceived the “aim” of the social sciences. In various places of his methodological writings, Weber argued that the decisive difference between natural and social science lies not in the irrationality or unpredictability of human action but in the “aims” of each science (Weber 1949: 79-81). Weber (1975: 64) asked, “What sort of knowledge should be aim of [sociocultural] investigation?” Weber’s conception of general law is such that it becomes increasingly empty of contents and, as a result, increasingly alienated from the empirically intelligible reality (Weber 1949: 80; 1975: 64). If the aim of sociocultural science is to understand the “meaning” of unique and culturally significant phenomena, general law cannot contribute to the increase of the empirical intelligibility of the individual complexes of concrete reality. In view of this argument, Roscher’s argument that an evolutionary law of the human economy can lead us to the fuller understanding of human economic activity is evidently vacuous.

In arguing this, Weber in fact advanced an “axiological” critique of Roscher’s methodology. To make Weber’s critique of Roscher more perspicuous, let me briefly discuss Larry Laudan’s discussion of consensus change in science. According to Laudan (1984), in the history of various sciences, methodological controversies were brought to an end with recourse to what he calls a “hierarchical model of justification.” Briefly, this model states that if there are controversies at the factual and theoretical level, they can be resolved with recourse to any agreed methodology, that is, by shifting the controversy from the factual level to the next higher level, i.e., to the methodological level. Thus, for instance, logical positivism as a methodological doctrine postulated the “verification principle” by which pseudo-scientific and scientific theories could be demarcated. However, if there is no consensus at the methodological level, methodological controversies can be resolved by moving one more step up the hierarchy, that is, by reference to the “shared aims and goals” of science.

Clearly, Weber used this strategy to rebut Roscher's claim that historical economics could establish general laws by discovering the "parallelism" in the developmental patterns of various economies. Weber attempted to resolve the methodological impasse by appealing to the distinct aim of the social sciences. As conceived by Weber, social science is, as opposed to natural science, concerned with the "concrete" understanding of individual phenomena. Since the establishment of general laws, if possible at all, cannot contribute to the total reproduction of the concrete and unique constellation of facts embodying complex of meanings, Roscher's attempt to formulate the "natural laws" of the evolving economy is mistaken as well as meaningless. In Weber's view,

Historical economics must seek to uncover the *particularity of economic phenomena in their geographical and temporal settings*. If 'natural laws' are to be involved, they cannot be conceived as devices which allow the deduction of all the individual specificity of historical periods and their characteristics (Huff 1984: 38-39). [Italics added]

Weber thus argued that Roscher's inconsistency stemmed from his subscription to the "Hegelian emanatism" in which individual phenomena are interpreted as manifestations or realizations of a general law (or Spirit) and hence emanate from the latter.

[Roscher and Knies's] fallacious epistemological foundation regarding historical economics can be seen in their ... bioanthropological aspects of the various influences which the atrophied remains of the great Hegelian ideas have exercised upon the philosophy of history ... influence which remained predominant even in the middle decade of the last century (Weber 1975: 207).

Roscher's acceptance of Hegelian emanatism resulted in a contradiction in his whole methodology since he defended the determination of the particular by the general on the one hand, but denied the derivability of the particular from the general law on the other. The result, Weber said, "is an inconsistency between his [Roscher's] methodological position and his main ideas concerning the laws of historical development" (Weber 1975: 78).

Weber mounted essentially the same objection to Knies's historical methodology of economics. According to Weber, Knies failed to reconcile his thesis of the fundamental irrationality of human action with the "contradiction-free" *volksgeist* that was supposed to render individual historical phenomenon intelligible. Weber asked: if, as Knies argued, human action is fundamentally irrational, how could he conceive of the contradiction-free *volksgeist*? Knies's attempt to find the contradiction-free *volksgeist* that guides the historical development of the economy was bound to fail precisely because he, like Roscher, succumbed to the

Hegelian emanatism (Weber 1975: 128). For Weber, causal explanation should not be sought at the macro-historical level simply because he did not believe in the possibility of discovering universal (causal) laws operating at the macro-historical level.

The above discussion shows that Weber definitely rejected the possibility of discovering the laws that govern the historical development of the economy. Does that however mean that Weber advocated a purely “idiographic approach” to history and society and attempted to describe what happened in history in detail without introducing “abstract conceptual apparatuses”? Although Weber agreed with Menger’s plea for the abstract theory in the social sciences, he nevertheless charged that Menger and the theoretical economists misunderstood the “aim” or “purpose” of theory construction in the social sciences and, as a result, made their theoretical endeavor “fruitless” (1949: 88). As I shall show in the next section, Weber’s conception of the aim of social science is radically different from those of Menger and the advocates of the Historical School. Weber devised ideal types to provide a genuinely causal explanation of a *unique* and *concrete historical individual* rather than to provide an overarching macro-historical general law that could explain the universal pattern of historical development.

WEBER’S AXIOLOGICAL CRITIQUE OF THE THEORETICAL ECONOMICS AND THE IDEAL TYPE

In “Objectivity in Social Science and Social Policy,” Weber (1949) mounted serious objections to the theoretical economist’s argument as to the aim and function of the abstract theory in the social sciences. According to Weber, influenced by the enormous success of the natural scientific research including Darwin’s theory of natural selection, many social scientists took the establishment of the universal laws “as their highest goal” and relegated the study of concrete, individual facts to the secondary place (1949: 86). As we have seen above, influenced by the descriptive psychology of Mill and Wundt, Menger argued that economic reality could be deduced from the fundamental laws about human acquisitiveness. Well aware of the mischievous influence of this kind of psychology on the theoretical economics, Weber argued that the theoretical economists mistakenly believed that “with the direct (i.e., immediate) awareness of the structure of human action in all their reality ... science can make human behavior directly intelligible with axiomatic evidentness and accordingly reveal its laws” (1949: 87).

In criticizing the deducibility of reality from the basic laws of human psychology, Weber deployed a strategy that was characteristic of the Historical School. For Weber, psychological laws should “not” be the starting point of the sociocultural inquiry. Rather, the methodological procedure should be the other way round. Human psychology, Weber argued, should always be

studied in its social context so that we can explain the psychology of the individuals in terms of the social institution in which they are embedded. The social and historical situations in which the actors are embedded, Weber argued, provide the social scientist with important clues to “understand” their motives for action.¹ Thus, while psychology certainly could play a role in the understanding of social phenomena, that role should be understood in light of the complex of interrelated factors that constitutes the “logic of social situation.”

[W]ith the knowledge of individual institution as a point of departure, we will learn increasingly how to understand institutions in a psychological way. We will not however deduce the institutions from psychological laws or explain them by elementary psychological phenomena (Weber 1949: 89).

Then, how do we start the inquiry from an “individual institution?” As a neo-Kantian, Weber thought that we could know empirical reality only through the imposition of the “theoretical categories” on the infinite reality. And the theoretical categories in turn can be obtained only through the process of abstraction. Thus, for Weber, without theoretical abstraction, no reality would be given to us. Weber thus agreed with the theoretical economists that theoretical abstraction is indispensable for the social scientific inquiry.

Weber disagreed with Menger, however, about the “aim” of theory construction in the social sciences. For Weber, theory construction and concept formation in the social sciences are not the “ends in themselves” but the “means” of obtaining a better understanding of the “culturally significant phenomena.” In Weber’s view, Menger was completely wrong in assuming that the aim of economic theory was the establishment of universal laws because universal laws are of no use in determining the *culturally significant* phenomena. While universal laws cannot tell us which segment of the infinite multiplicity of empirical reality we should focus on, the values embodied in our culture can tell us what are the culturally meaningful and significant phenomena. Construction of abstract theory should therefore be able to *serve the aim* of understanding these culturally significant phenomena. Rather than establishing universal laws, theoretical abstraction, for Weber, aims to construct an “ideal type” specifically designed to capture the *idea* of an epoch or an institution we are interested in as cultural beings. Thus, an ideal type is always related to the specific “ideas” and “norms” of an epoch the analyst *as a member of a society* is interested in (1949: 86-89). An ideal type is

¹ Weber’s rejection of descriptive psychology and psychophysics is closely related to his espousal of the rational interpretability of human action. Understanding the meaning of social action, Weber argued, could not be achieved by discovering the allegedly transhistorical laws that govern human minds but by referring to the historically specific social norms to which the historical actors are subject. More specifically, Weber argued that the rational interpretation of the meaningful action can be made available by attributing “typical” motives to the actors situated in a specific historical/social context (Weber 1975: 120-121). Huff (1984) discusses in detail why Weber rejected Dilthey’s descriptive psychology and Wundt’s psychophysics in favor of the rational interpretation of social action.

thus “something that belongs to us, as part of our language of life and historical period, and for which there are no guarantees that it is transhistorically applicable or applicable to other cultures” (Turner 2007: 55).²

How then could a social scientist proceed to construct an ideal type? To answer this question, consider Weber’s definition of modern capitalism as an ideal type:

[Modern capitalism as an ideal type] offers us an ideal picture of events on the commodity market *under conditions of a society organized on the principles of exchange economy, free competition and rigorously rational conduct ...* [As such] this ideal type is ... related to the idea which one finds expressed in there (1949: 89-90).
[Italics added]

The italicized part of this quotation shows that the ideality of the concept of modern capitalism consists in the fact that the referent of the theoretical construct, i.e., modern capitalism exists *if and only if* certain social and historical conditions are fulfilled. Thus, modern capitalism can be said to exist only in a society where all the barriers to the free movement or economic transfer of labor, goods, and land are removed. Such a society must also create the institutional support for the large-scale markets, especially the appropriate system of law, finance, and property (Weber 1961: 208-9). In such an ideal typical market economy, the formation of price in the market carries all the information necessary for the entrepreneur’s investment; on the basis of such information, the individual entrepreneur can “calculate” the amount of goods produced in the longer term and could thereby maximize his/her profit by freely moving his/her capital and labor until the chance for further profit

² One might argue that, as one reviewer of this article did, since I attached too much importance to the historically variable and contingent nature of the ideal type, I lost sight of the more important fact that Weber’s main reason for constructing the ideal type was to capture the “real” rather than the “ideational” aspects of the object world. It is true, as the reviewer points out, Weber wanted more than just to capture the “ideas” and “norms” of the specific epoch by devising his concept of ideal type. As I explain in detail in the rest of this article, the ideal type of modern capitalism was devised not just to convey the ideas central to modern capitalism but to provide a “causal understanding” of the emergence and institutionalization of a wide variety of *practice* – the real, as opposed to the ideational, aspects of the world – that constitutes the modern economic organization. However, such causal understanding of a specific phenomenon cannot be obtained without taking into account the norms of the epoch shared by the public and the social scientist, for it is those norms that are used as the basis of the “rational reconstruction” of their social action. Indeed, in Weber’s ideal type, what is real is inextricably related to “what is worth knowing.” Thus, if the central values and concerns of the public and the social scientist change over time, the reality constructed in the ideal type also changes. In his recent article on the role played by values in Weber’s methodology of social science, Bruun, like Turner, puts an especial emphasis on the “relativity” of ideal types: “This unreality [of ideal type] is in turn tied not only to the principle of construction as such, but also to the logically necessary shift over time in the values on the basis of which historical concerns are formed. Cultures necessarily change, and this means that what is viewed as ‘culturally significant’, both by the public and by the historian, will also change. There will be *new* points of view, based on *new* ‘cultural interests,’ and consequently *new* concepts will be needed. In view of this essential cultural changeability historical concepts must, in Weber’s view, be sharply defined since they cannot hope to embrace all relevant aspects” (Bruun 2001: 155-156).

becomes exhausted because of the competition within in the market.

Such an ideal market economy in turn could be made available if and only if a set of “historically contingent causes” worked favorably for the realization of it. More importantly, for Weber, these historically contingent factors are related to each other in such way that they constitute a “causal chain” that leads to the emergence of the modern capitalistic system (see Collins 1986a for more details). Thus, the bureaucratic states with the literate administrators, expanded communication technology and transportation, the monetary coinage and the establishment of the citizenship gave rise to the codification of calculable laws that in turn contributed to the emergence and expansion of the entrepreneurial organization of capital. The other side of the causal chain worked through the removal of the dualistic ethic that for a long time stood in the way to the development of the banking system that was necessary for the uninterrupted flow of capital. This is of course a very schematic picture of Weber's analysis of the causal chain that would lead to the emergence of the capitalist economy but it would be enough for the illustrative purpose.

Although such a causal picture is an “internally consistent [theoretical] system,” and therefore “brings together certain relationships and events of historical life into a [causal] complex” (Weber 1949: 90), the degree to which each of these causal factors is *actually present* in the specific historical period should be determined in each historical case. And the task of a historical sociologist using an ideal type consists in “determining in each individual case the extent to which [an] ideal construct approximates to or diverges from reality” (1949: 90). For example, Weber argued that China failed to develop modern capitalistic culture because it lacked bureaucratization which is one of the most crucial elements in the causal chain that leads to the development of modern capitalistic culture in the West.

From the foregoing discussion, it is now clear that an ideal type is designed to capture a finite segment of the flux of history we are interested in. And, as such, it does not aim to establish a general law pertaining to all the historical individuals. It is always a concrete and causal understanding of a specific historical individual rather than the establishment of universal laws Weber sought to achieve through the use of the theoretical lens of the ideal type.

Having a historically “contingent” rather than a “universal” status, the ideal type of modern capitalism approximates to reality or diverges from it depending on the presence and/or absence of the causal factors stipulated in the ideal type. As Collins (1986a: 96-97) has convincingly shown, if there is a generality in Weber's ideal type methodology, it can be at most a conditional statement like this: if the causal factors that compose the causal chain – a wide variety of political, cultural, and social factors – happen to strike the balance among themselves, the consequences expected from the ideal type would come about. If one or the other of these causal factors is absent due to historical contingencies, the causal chain would break down and the expected outcome would not come about. Weber indeed turned out to be one of the latter-day disciples of the Historical School of economics since he argued that the

degree to which the real world approximates to the utopia conjured up by the ideal type is determined by the “historically contingent” factors rather than by some universal laws.

CONCLUSION

In retrospect, Weber was torn between the two opposing camps of economics, each of which advocated the starkly different methodology of economics in particular and social science in general. As I have argued in this article, Weber’s strategy to go beyond the impasse reached by the *Methodenstreit* was to shift the controversy from the methodological level to the axiological level and criticize both the Historical School and the Austrian School for taking the *aim* of their scientific inquiry as the establishment of universal laws. Weber’s ideal type is the end product of such an endeavor to go beyond the two opposing views on the proper methodology of the social sciences. As Weber repeatedly argued, the “aim” of the abstract theory construction in the social sciences is not to produce a general law that could explain the historical/social events regardless of the time and places of their occurrence. Laws of whatever sort, Weber argued, could not satisfy our interest in some culturally significant or “value-relevant” phenomena that attract the social scientist’s attention. Rather than aiming to establish a general law, an ideal type aims to produce a picture of an *idea* that the social scientist is *interested in* as a member of the society to which he himself belongs. Its ultimate aim is to provide a concrete and causal understanding of how our institutions became what they are rather than to discover, after the manner of a natural scientist, the covariations of the abstract variables that in themselves have no culturally significant content.

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