

**Creative Destruction in Economics:
Nietzsche, Sombart, Schumpeter.**

Hugo Reinert, Cambridge University &
Erik S. Reinert

*'From the heart of all matter
Comes the anguished cry -
'Wake, wake, great Siva,
Our body grows weary
Of its law-fixed path,
Give us new form.
Sing our destruction,
That we gain new life...'*

Rabindranath Tagore, Indian Poet.

Forthcoming in Backhaus, Jürgen and Wolfgang Drechsler (editors): *Friedrich Nietzsche 1844-2000: Economy and Society*, Series *The European Heritage in Economics and the Social Sciences*, Boston, Kluwer.

Table of Contents:

Creative Destruction in Economics: Nietzsche, Sombart, Schumpeter.	1
Table of Contents:	2
1. Creative Destruction in Vogue.	3
2. Creative Destruction before Nietzsche.	4
2.1. Creative Destruction as a Universal Idea.	4
2.2. Creative Destruction as a ‘German’ Idea: From Goethe to Nietzsche and Sombart.	5
2.3. Creative Destruction, Cyclicity, and German Economics.	8
3. Nietzsche and Creative Destruction.	9
1 st Principle: Creation and Destruction.	10
2 nd Principle: The Opposite of Creation and Destruction is Stagnation.	11
3 rd Principle: The Will to Power	13
4 th Principle: Life is that which Constantly Overcomes Itself.	14
5 th Principle: Warfare is a Form of Therapy.	16
Summary and Concluding Remarks about the Principles.	18
4. Nietzsche in Economics: From Sombart to Schumpeter.	19
5. Nietzsche and Economics at the Centenary of his Death.	21
5.1. Methodology.	21
5.2. Schumpeterian and Evolutionary Economics.	24
Bibliography.	26

1. Creative Destruction in Vogue.

The 1990's brought Joseph Alois Schumpeter (1883-1950) into the center stage of the economic debate. The Austrian-born economist had been teaching at Harvard from 1932 until his death. As the phenomena surrounding the 'New Economy' temporarily seemed to have cancelled the normal laws of economic gravity, Alan Greenspan heralded Schumpeter as the theoretician and prophet of the events¹. At the core of the phenomenon was the process of creative destruction that had become associated with the name of Schumpeter. This concept seemed tailor-made to describe the process by which information and communication technology destroyed previous technological solutions and laid waste old companies in order to make room for the new.

In today's standard economic theory, Schumpeter stands out as being highly original. However, his great intellectual independence is generally misinterpreted as meaning that his ideas appear on the scene only with him. This is far from the truth (see Reinert 2002), also as it applies to the key concept of 'creative destruction'. This idea itself is a very old one. In this paper we shall argue that the idea of 'creative destruction' enters the late 19th Century *Zeitgeist* through the works of Friedrich Nietzsche. Going back further in time, the process of creation and destruction plays a central role in Hinduism, the religion which so inspired Nietzsche's *Erzieher* (educator) Arthur Schopenhauer. Nietzsche's own ideas about creative destruction, as popularized through his *Also Sprach Zarathustra*, had a profound and wide-ranging influence on generations of German-speaking artists and intellectuals (Sokel 1959). We shall further argue that – contrary to the firm beliefs of the economics profession – the term 'creative destruction' was brought into economics not by Schumpeter but by Werner Sombart (1863-1941), the economist who was probably most influenced by Nietzsche.

Nietzsche saw it as his task to bring about the regeneration of Western culture. This he sought to achieve by attacking its decadent institutions and philosophical foundations. Perceiving the impossibility of basing a modern moral system on God, and the imminent danger of nihilism, Nietzsche sought to set up an alternative, immanent morality of the 'super-human', or the *Übermensch*, to replace the old transcendental morality. In order to create this new morality, it was necessary for Nietzsche to destroy the old one: the new morality must quite literally stand on the ruins of the old. We shall argue that this new morality is based on a concept of creative destruction, insofar as it demands of each individual human being that it 'write its own tablets', thereby destroying the 'old tablets'. Nietzsche's central work *Zarathustra* is thus at the same time both a meditation on creative destruction, because it presents this new 'morality of innovation', and a practical example of the same, insofar as it attacks the existing morality and seeks to replace it with this new morality.

To Hegel certain people epitomize the spirit of the age they live in. He cites Alexander the Great, Caesar and Napoleon as examples. Although he would himself strongly have disliked the reference, Nietzsche was decidedly one of these world-historical individuals who shaped the *zeitgeist* in a decisive way, individuals about whom Hegel says that their '*...own particular purpose contain the substantial will of the World Spirit*'. (Hegel 1953:39-40). The influence of such individuals on their time goes beyond references and footnotes.

¹ In speeches of April 4 and October 24, 2001.

Schumpeter was himself somewhat of an *Übermensch*, which was definitely also an image he wished to project. In his obituary to Schumpeter, his Harvard colleague Gottfried Haberler indeed quotes Nietzsche's laudatory remark on Schopenhauer: '*Seht ihn nur an – Niemandem war er untertan*' (Haberler 1950:344). At the age of 25 Schumpeter published a book on the methodology of the economics profession (1908), at 29 he wrote his celebrated *Theory of Economic Development* (1912) and at the age of 31 he published a history of the economics profession (1914). Schumpeter was never a beginner. The most popular anecdote about Schumpeter is that he is said to have remarked that he only had three ambitions in life: to be Vienna's best lover, Austria's best horseman, and the world's best economist. With hindsight he admitted having had some problems with the horses.

Schumpeter left no school of economics, and in spite of his encyclopedic writing on the history of economic thought and the filiations of economic ideas over time, he was himself very unclear as to the origins of his own ideas. He is therefore, somewhat mistakenly, generally seen as an isolated and highly original thinker. Although Schumpeter usually is classified as a member of the Austrian school of economics, in many ways his views were not those prevailing in Vienna at the time. Schumpeter did not wish to take sides in the famous *Methodenstreit* between Carl Menger and Gustav Schmoller; in fact, in his first book the 25-year-old Schumpeter solomonically attempts to settle the dispute by suggesting, in effect, that theories at different levels of abstractions ought to be seen as complementary rather than in conflict with each other (Schumpeter 1908).

Technological innovation and the role of the entrepreneur had been standard features of German economics since its inception with Gottfried von Leibniz and Christian Wolff (Reinert & Daastøl 1997). With Nietzsche's *Übermensch* and Zarathustra's 'creative destruction', however, these ideas were brought into focus in a wider societal context, and they acquired both new heroic dimensions and a new vocabulary. Indeed, the main features of Schumpeter's economics, both the entrepreneur, the instigator of change, and his 'will to power' and creative destruction, are truly Nietzschean creatures. In the social sciences, bestsellers like Oswald Spengler's *Untergang des Abendlandes (The Decline of the West, 1939)* – influencing the intellectual climate in the period between the World Wars – and Ayn Rand's *Atlas Shrugged (1957)* – influencing the Cold War debate – reflect the Nietzschean moral value of 'create or decay'. In contrast to Schumpeter, Oswald Spengler specifically mentions Nietzsche's influence on his *Decline...* (Spengler 1939:xiv).

2. Creative Destruction before Nietzsche.

2.1. Creative Destruction as a Universal Idea.

The idea that the birth of something new is founded on the destruction of previous existence is an old one. From the Egyptians, the Greek inherited the myth of Phoenix, the bird Bennu which was a symbol for the rising sun. This bird lived for five hundred years at a time, and at the end of that time it built its own funeral pyre and lightened it with the beating of its wings. Bennu or Phoenix was consumed to ashes, but out of the ashes grew a new Phoenix which, in time, repeated the 500 year cycle. In medieval Christian writings Phoenix was a symbol of the Resurrection of Christ, in itself a prime example of creative destruction.

Nowhere is the concept of creative destruction more clearly outlined than in Hinduism: here we find one of the most complex and certainly one of the richest cosmological illustrations of the dynamics of creation and destruction. At its heart are the three supreme godheads of the pantheon: Brahma the Creator, Vishnu the Preserver and Shiva the Destroyer. Brahma creates the universe; Vishnu protects what comes into being: his role includes rescuing mankind in times of need; Shiva, in turn, is the destroyer of the universe, fated to destroy it as it winds down in order to bring about its regeneration. After Shiva finishes his work of destruction, Brahma in turn begins the creation of the universe: thus the cycle is infinite.

In other traditions, Shiva is both the creator and the destroyer: in this capacity he is often represented as the *Shiva Nataraja*, the Lord of the Dance. His dance is the dance of the universe as it endlessly moves from creation to destruction, destruction to creation. It is in his nature to embody both, as one is not possible without the other. The reclusive philosopher-god was also said to reside in solitude on a mountaintop, from whence he gazed across the world with his eagle eyes sharpened by ascetic practices. It is said that his burning gaze once incinerated the young god of love, when the latter foolishly disturbed Shiva's meditations.

Echoes of these myths and their themes are easy to find in Nietzsche. Nietzsche himself never referred directly to the theme of creative destruction in Hindu mythology, but we know that Indian ideas and myths, including the myth of Shiva, were current and circulated in Nietzsche's intellectual milieu. Nietzsche's older colleague and close friend at the University of Basel, the historian Jacob Burckhardt discusses the regenerative role of Shiva: '*Not without cause do the Indians worship Shiva, the God of destruction. Filled with the joy of destruction, wars clear the air like thunderstorms, they steel the nerves and restore the heroic virtues, upon which states were originally founded, in place of indolence, double-dealing and cowardice.*' (Burckhardt 1979:217)

2.2. Creative Destruction as a 'German' Idea: From Goethe to Nietzsche and Sombart.

*'And the cobweb, shall it be eternal?
If the maid does not destroy it, the spider itself will tear it up.'*²

Goethe, *Zahme Xenien VIII*

Johann Gottfried Herder (1744-1803) was the philosopher who first brought the Indian myths of creative destructions into German philosophy. Herder's very positive attitude towards Indian civilization and form of government appears in the context of a four-volume *Philosophy of History of Human History (Ideen zur Philosophie der Geschichte der Menschheit)* (Herder 1790-92). Among Herder's publications we also find a book on what we could call 'science policy', with the title *On the Influence of Government on the Sciences and Sciences on the Government* (Herder 1781). His very sympathetic treatment of India (Herder 1790-92:III 41-64) contrasts sharply with his negative views on what he calls oriental despotism (*Despotismus des Orients*) (1781:17). Herder's negative judgment also extends to the hierarchical forms of government of the Hebrews and the Egyptians (1790-92:Vol. III). Also the Roman Empire failed to satisfy Herder's standards for freedom and human rights (Kantzenbach 1970:103).

² '*Und ein Gewebe, sollt es ewig sein?
Zerstört's die Magd nicht, reißt die Spinne es selber ein.*'

The man who brought Herder to the court of Archduke Carl August in Weimar was Johann Wolfgang von Goethe (1749-1832), and also in Goethe we find clear references to the need for destruction in order to create. If we are to explore intellectual filiations, in Schumpeter's tradition, the cosmology of Indian religions in all likelihood reaches Nietzsche through his 'educator' Arthur Schopenhauer (1788-1860) by way of the orientalist Friedrich Majer (1772-1818), himself a disciple of Herder.

In the following poem, Goethe powerfully relates the pain of creation, already on Day One of existence: the pain of overcoming what Nietzsche later would call the *vis inertiae*, the powers of inertia and status quo:

*'As the world, deep down
lay at God's eternal breast,
He arranged for the first hour
With sublime joy of creation (Schöpfungslust),
And he spoke the word: let there be light!
Then a cry of pain sounded,
As reality with all its power
broke into being.'*³

Goethe, *Divan, Buch Suleika*.

The key role of *Schöpfungskraft* – of the power to create – is reflected in German economics of the time, where the *productive powers* were seen as being the key to national wealth. Friedrich List (1789-1846), whose early works were written when Goethe was still alive, is a key example here. In 19th Century US economics, the term 'productive powers' is equally frequent. We have argued that during the 19th Century the term 'increasing productive powers' played a role similar to that of 'increasing competitiveness' in today's discourse: a way of increasing national wealth (Reinert 1995). The emphasis in German economics on what Werner Sombart calls '*das werdende, das ewig wirkt und lebt*' (Sombart 1930:299) ('the becoming, which forever is active and lives') stands in sharp contrast with the English barter-based theories of the time, a fact frequently emphasized by German economists.

A necessary corollary to *Schöpfungskraft* (the power to create) is the term Goethe here uses about God's creation: *Schöpfungslust* (the *desire* and *joy* of creation). The power to create is intimately tied to joy of the process of creation. This reflects the Renaissance idea that Man is created in the image of God, and it is therefore his pleasurable duty to invent (Reinert and Daastøl 1997). In the 20th Century, this same idea was to be reflected in Schumpeter's entrepreneur as a 'routine breaker' who innovates, motivated not only by profit, but also by an inner urge that this is what he or she has to do. But, as in Goethe's poem, this act is painful:

³ *'Als die Welt im tiefsten Grunde
Lag an Gottes ewger Brust
Ordnet er die erste Stunde
Mit erhabner Schöpfungslust
Und er sprach das Wort: Es werde!
Da erklang ein schmerzlich Ach!
Als das All mit Machtgebärde
In die Wirklichkeiten brach'*

As God said ‘let there be’, a ‘cry of pain’ – of what must have been the original *Weltschmerz* – was heard as the world was created.

Another typical trait of Goethe and German philosophy at the time is the holistic emphasis, the role of *die Ganzheit*, of the *totality*. Again Werner Sombart is the economist who constructs the bridges which carry these ideas into the economics profession. The key work here is Sombart’s *Die Drei Nationalökonomien*⁴ (‘The Three Types of Economics’) (Sombart 1930), his main methodological work. In this book the many entries on *Ganzheit* are interwoven with references to Goethe and Nietzsche. In fact the Swedish economist Sven Helander, who worked and published in Germany between the two wars, refers to German economics as ‘Faustian economics’. This carries over to the emphasis by German economists on their science extending to and including whatever is relevant for the working of the economy. The last chapter, chapter seven, of Schumpeter’s *Theorie der wirtschaftlichen Entwicklung* was entitled ‘The Economy as a whole’. Characteristically, Schumpeter left this chapter out of the second 1926 edition of the book, as he was developing an economic theory that was more compatible with the rising Anglo-Saxon and neoclassical tide. (see *Industry & Innovation*, No.1-2, 2002 for discussions).

Qualitative understanding – *Verstehen*⁵ – of the totality requires the understanding of structural connection (*Strukturzusammenhänge*) of the whole economy. In his book on economic methodology, *Die Drei Nationalökonomien*, Sombart quotes from Goethe’s *Faust*:

*I acknowledge, what in the innermost
Keeps the world together,
Behold all will to power and seeds
And do no longer poke around in words.*⁶

(Sombart 1930:106)

On the same page Sombart, using a quote from *Faust*, refers to Man’s creation in the image of God, his *Gottähnlichkeit*, and the risk that Man may fear his own godlike qualities. Here Sombart uses the above quote from Goethe to express the core Renaissance insight of Man’s pleasurable duty to invent as originating in his *Gottähnlichkeit*. Noble (1997) provides a fascinating discussion on this same subject – on Man’s *Gottähnlichkeit* – as it relates to modern inventions and innovation.

In *Die Drei Nationalökonomien*, the heredity of German economics from the Renaissance via Goethe and Faust is neatly drawn in a few sentences on page 106. Goethe’s *Willenskraft* as main moving force is closely related to Nietzsche’s *Geist- und Willenskapital*, Man’s wit and will, which is the most conspicuously absent factor of production in today’s mainstream

⁴ Othmar Spann is another economist who particularly emphasizes *das Ganze*. His best-selling history of economic thought, which by 1929 has reached nineteen editions and 95.000 copies sold in German, was published in England as *Types of Economic Theory* and in the United States as *The History of Economics* (both in 1930). Notice the similarity of the English title of Spann’s book and the title of Sombart’s work (‘The Three Types of Economics’) published in the same year: in contrast to the present situation, there was at the time a generalised awareness that there were several *types* of economics.

⁵ See Drechsler (2002) in Reinert for a discussion.

⁶ ‘*Dass ich erkenne, was die Welt
Im Innersten zusammenhält,
Schau alle Willenskraft and Samen
Und tu’ nicht mehr in Worten kramen.*’

economics. It may indeed be argued that Sombart's *Drei Nationalökonomien* indeed has Zarathustra-like qualities; a somewhat rambling discourse around the essence of the creative nature of Man, filled with references to philosophers Greek and German.

2.3. Creative Destruction, Cyclicity, and German Economics.

'...denn im irdischen Kreise ist denn doch alles wiederkehrend.'

Goethe, *letter to August von Goethe, 3.6.1808.*

The vision of creative destruction leads to a particular view of history. Just as with the bird Phoenix and its 500-year cycles, creative destruction leads to cyclical rather than linear patterns of history: an example is Schumpeter's 'clustering of innovations' as the basic cause of business cycles. Early theories of human history tended to consist of such cycles, as those of the influential Arab historian Ibn-Khaldun (1332-1406). Warrior tribes conquer a city, flourish and decay, only to lose the city to a new tribe. We find a similar historical view in Niccolo Machiavelli (1469-1527). Only with Jean Bodin (1520-1596), one of the path-breakers of the Renaissance, comes the idea that historical cycles may have a cumulative and upward trend: the idea of progress (Reinert 2000).

Giovanni Battista Vico (1668-1744), an important philosopher of history, also emphasized the cyclical nature of history (Vico 1744/1984). The idea of 'creation as pain' as we quoted from Goethe, is also found in Vico. With him we also find other 'German' themes, as the Nietzschean need for Mankind to plunge himself into Man's original ignorance 'between angels and beasts' (Lilla 1993:16) in order to understand.

The birth of classical economics, also with the young Adam Smith, is tied to such cycles, to the notion of 'stages of development' (*Wirtschaftsstufen*) (Reinert 2000). In English economics, both history generally and the technical change that demolished the previous stages of history disappeared with Ricardo and his followers. In German economics, the role of stages in economic development continued to be an important feature of the historical schools. Inspired by the framework in Schumpeter (1939), today the idea of creative destruction lies at the heart of the cyclical theories of economic life associated with Carlota Perez (Perez 2002a, 2002b) and Christopher Freeman (Freeman & Louca 2001). Here history as progress as first seen by Bodin and his contemporaries is combined with the cyclicity of history that is associated with creative destruction.

A cyclical economic theory based on creative destruction is found in Vilfredo Pareto's idea of 'circulation of elites' (Pareto 1916/1935).⁷ In fiction we find the same idea with Thomas Mann, who was an author considerably influenced by Nietzsche. In Mann's first important novel, *Buddenbrooks* (1901), we find the same circulation of elites that Pareto would later use on an aggregate level: the first generation entrepreneur makes the money, the second generation vacillates between entrepreneurship and *rentier*, and the third generation, only *rentier*. In the English edition of Schumpeter's *Theory of Economic Development*, published almost 20 years after the first German one, Schumpeter has made this view into one of his metaphors on capitalism: '*In fact, the upper strata of (a capitalist) society are like hotels*

⁷ The discussion of this subject is found in paragraphs 2233 and following.

which are indeed always full of people, but people who are forever changing'. (Schumpeter 1934:156)⁸

3. Nietzsche and Creative Destruction.

Clearly, it is impossible to do justice to the vast complexity of Nietzsche's thinking on the subject of creative destruction in a brief paper. What we will try to do is chart out a rough, introductory topology of some of Nietzsche's principal ideas on the subject, so as to better understand how he may have influenced subsequent writers: in this case, Sombart and Schumpeter.

There is no doubt that creation and creativity, artistic or otherwise, were among the principal themes that occupied Nietzsche throughout his life: from his early essays on Greek art and *The Birth of Tragedy*, to his prolific writings on Wagner and his art, to the mystical experiences with music that he experienced prior to his nervous breakdown in Italy. Nietzsche's specific interest in the relationship between creation and destruction underpinned his 'genealogical' enquiry into the history of moral concepts (Nietzsche 1994), as well as many of his general ideas concerning history, morality, society and evolution.

This particular discussion centers on *Thus spake Zarathustra*, written in 1883-1885, because this text is probably the closest Nietzsche himself ever got to outlining a positive alternative to what he saw as the moribund system of Christian morality. Tragedies of interpretation⁹ such as the insertion of the *Übermensch* into the racial ideologies of the Nazis have obscured the original context and meaning of the term, turning the *Übermensch* into a symbol of racial supremacy, eugenics and violence. This illicit¹⁰ appropriation of the *Übermensch* makes it doubly important for us to understand at least part of the fabric of ideas to which the *Übermensch* originally belonged.

For simplicity and the sake of argument, we have organized our discussion around a series of key ideas extracted from the texts which, when put together, form the rough outline of a 'cosmology' of creation and destruction.

These 'principles', or central ideas, are:

⁸ This metaphor is not found in the original German text.

⁹ There are well-known problems one encounters in reading Nietzsche. Some of these are inherent (his sprawling, rhetorical, aphoristic, ironical, contradictory style) and deliberate (hermetic arguments; complex use of literary personae, layered irony, rhetorical hyperbole): Nietzsche was categorically *not* writing for 'the masses'. Other difficulties arise from the long and troubled history of Nietzsche reception: his sister presided like a high priestess over his legacy after his breakdown, to the point of editing and falsifying letters and documents he left behind, enthusiastically offering her brother up as ideological fodder for the Nazi regime. Even before this, however, Nietzsche had been assimilated, ironically, by the ideologues of German nationalism: foreign commentators dubbed World War 1 the 'Euro-Nietzschean War'. These are all issues one must consider while reading Nietzsche. The most important demand Nietzsche places on the reader, however, is the suspension of immediate judgments, in favor of the willingness to investigate not just the immediate meaning of the text, but also the unspoken premises that may underlie and underpin it. Anything less, and the reader's response risks becoming merely a reflection of the 'intellectual baggage' each individual reader brings to the text. It is easy to violently disagree (or agree) with Nietzsche, but far more difficult to set aside one's initial reactions and investigate the complex web of the text.

¹⁰ For a discussion of the complex relationship between Nietzsche and his sister, and of her influence on his intellectual reception, Peters (1977) is still a relevant source.

1. **Creation and Destruction**
2. **The Opposite of Creation and Destruction is Stagnation**
3. **The Will to Power**
4. **Life is that which Constantly Overcomes Itself**
5. **Warfare is a Form of Therapy**

1st Principle: Creation and Destruction.

‘Whoever must be a creator always annihilates’ (Nietzsche 1968a:59)¹¹

Creation and destruction are inseparable to Zarathustra; the creator must always destroy. Thus it is axiomatic that new creation is always preceded by the destruction of old, existing forms. *‘The man who breaks... tables of values, the breaker, the lawbreaker; ...he is the creator’* (Nietzsche 1968a:23)¹². In more general terms, the affirmation of one thing always implies the denial, even the destruction, of something else. As Nietzsche states elsewhere: *‘affirmation requires denial and annihilation’*¹³. Zarathustra phrases this principle in specifically moral terms, but also indicates that it has a more general, ‘cosmological’ validity; the idea is also frequently echoed elsewhere in Nietzsche’s work (ie. Nietzsche 1994).

One of the key moral ideas in Zarathustra is that the ‘self’ is (or can be) self-created: as a proto-existentialist, Zarathustra demands of his disciple that he take responsibility for who he is, for creating himself and his own laws. The obvious implication of this idea, considering it in the light of the above relationship between creation and destruction, is that the old ‘self’ must be destroyed in order to make way for the new ‘self’: *‘You must wish to consume yourself in your own flame: how could you wish to become new unless you had first become ashes!’* (Nietzsche 1968a:64)¹⁴

A particularly important illustration of this doctrine of ‘ego death’ is the allegory of the Three Transformations of the Spirit, the first of Zarathustra’s discourses. The allegory tells of how the noble spirit, through a series of transformations, comes to realise itself by becoming first a camel, then a lion, then a child. The first stage is that the camel wanders into the desert, carrying the heaviest burden of moral laws. In the desert the camel transforms into a lion and the moral laws it carries are transformed into a ‘great dragon’. The lion defeats the dragon to make way for the child; the lion’s role is the ‘creation of freedom for oneself for new creation’¹⁵. With the dragon out of the way, the lion is free to transform into the creative child, who is a *‘new beginning, a game, a self-propelled wheel, first movement, a sacred yes.’* (Nietzsche 1968a:27)

Creation is thus inseparable from destruction. This relationship exists only in one direction and does not function when reversed. Denial does not imply affirmation, destruction itself

¹¹ *‘Immer vernichtet, wer ein Schöpfer sein muß.’* (Nietzsche 2000: 6427)

¹² *‘Den, der zerbricht ihre Tafeln der Werte, den Brecher, den Verbrecher - das aber ist der Schaffende’* (Nietzsche 2000: 6367)

¹³ *‘... im Jasagen ist Verneinen und Vernichten Bedingung’.* (Nietzsche 2000: 7884)

¹⁴ *‘Verbrennen mußt du dich wollen in deiner eignen Flamme: wie wolltest du neu werden, wenn du nicht erst Asche geworden bist!’* (Nietzsche 2000: 6435).

¹⁵ *‘Neue Werte schaffen - das vermag auch der Löwe noch nicht: aber Freiheit sich schaffen zu neuem Schaffen - das vermag die Macht des Löwen.’* (Nietzsche 2000: 6372)

does not lead to creation; this to Nietzsche is the case of the anarchist or the nihilist. Following the allegory of the Three Transformations, these two qualities or processes – creation and destruction – are personified in the recurrent textual figure of *Der Edle*, the ‘noble man’ who embodies Zarathustra’s moral and spiritual ideals. The ‘noble man’ is Nietzsche’s ‘utopian’ reply to what he perceives as the decadent spirit of the times; in his nobility and power he embodies Nietzsche’s hopes for the future of humanity.

The ‘noble man’ possesses numerous attributes: he is generally physically healthy, self-aware, generous, un-resentful, ‘innocent’ and prone to laughter, both cruel and kind. His most important and defining attribute however, the one that marks him off as Zarathustra’s hope for the future, is his capacity for extremes: for good and evil, worship and contempt, love and hatred, lust and revulsion, creation and destruction: ‘The great despisers are the great venerators’¹⁶.

To Zarathustra, the ‘noble man’ is primarily a creator: ‘*The noble man wants to create something new and a new virtue*’ (Nietzsche 1968a:44)¹⁷. Creation demands destruction, and it is here that the capacity for extremes is at its most important: in the noble man the capacity for creation is mirrored by an equivalent potential for destruction. Driven as he is, he will never stoop to indifference: the risk is that if he cannot create he will turn to nihilism, destroying without creating: ‘*But this is not the danger of the noble man, that he might become of the good, but a churl, a mocker, a destroyer.*’ (Nietzsche 1968a:44)¹⁸

An inner necessity drives the ‘noble man’ to create, but his most important creation is himself. To create himself he must destroy his old self, and since he must constantly create, he is in some sense never more than a stage: his *present* self will be the ashes on which his *future* self is built. The promise of the ‘noble man’ is that at some point in his chain of self-overcoming he will transcend the human and achieve the *Übermensch*, the ‘super-human’ or ‘above-human’. The ‘noble man’ is therefore the prelude to the ‘super-human’.

This driving necessity is the measure both of his nobility and his power. The ‘noble man’ is powerful, not necessarily in the physical sense but morally and spiritually, and the nature of this power is such that the more powerful he is, the more powerfully he is compelled to seek growth and grow even more powerful. This inner compulsion is his ‘will to power’.

‘And whoever must be a creator in good and evil, verily, he must first be an annihilator and break values. Thus the highest evil belongs to the highest goodness: but this is creative’ (Nietzsche 1968a:114)¹⁹

2nd Principle: The Opposite of Creation and Destruction is Stagnation.

If creation and destruction are interlinked and embodied in the figure of the ‘noble’, they are in turn opposed by another principle, embodied throughout Nietzsche’s writings in the figures

¹⁶ ‘*Die großen Verachtenden nämlich sind die großen Verehrenden.*’ (Nietzsche 2000:6794)

¹⁷ ‘*Neues will der Edle schaffen und eine neue Tugend*’ (Nietzsche 2000: 6400)

¹⁸ ‘*...nicht das ist die Gefahr des Edlen, daß er ein Guter werde, sondern ein Frecher, ein Höhnender, ein Vernichter*’. (Nietzsche 2000: 6400).

¹⁹ ‘*Und wer ein Schöpfer sein muß im Guten und Bösen: wahrlich, der muß ein Vernichter erst sein und Werte zerbrechen. Also gehört das höchste Böse zur höchsten Güte: diese aber ist die schöpferische.*’ (Nietzsche 2000: 6520)

of priests, ascetics, ‘despisers of the body’ and the numerous other ‘unhealthy’ examples of the human type we could dub the ‘preserver type’. The main example of the ‘preserver type’ in Zarathustra is the human type he describes as ‘the good and the just’. These characters are fundamentally pathological profiles and personify the idea of preservation, stagnation, paralysis and decline. Sick, pale, unhealthy and weak, they are unable to overcome the *vis inertiae*, the forces of status quo. They also tend to congregate and cluster. It is significant that Zarathustra consistently refers to the ‘good and the just’ in the plural and the ‘noble man’ in the singular. The tension between the two types thus also embodies the tension between the individual and the collective, a very important point to the hermit Zarathustra.

Unable to create, ‘the good and the just’ fervently cling to the existing and resist change. ‘*The good want the old, and that the old be preserved*’ (Nietzsche 1968a:44)²⁰ This attitude leads them into paralysis, stagnation, decline and ultimately spiritual, even physical death. Their path thus leads to nihilism:

*‘The creative self created respect and contempt; it created pleasure and pain. The creative body created the spirit as a hand for its will.
Even in your folly and contempt, you despisers of the body, you serve your self. I say unto you: your self itself wants to die and turns away from life. It is no longer capable of what it would do above all else: to create beyond itself. That is what it would do above all else, that is its fervent wish.
But now it is too late for this: so your self wants to go under, O despisers of the body. Your self wants to go under, and that is why you have become despisers of the body! For you are no longer able to create beyond yourself.’* (Nietzsche 1968a:35)²¹

Their will to preserve is to Zarathustra both the function of a stunted and unhealthy life-force *and* a moral failure. In the sense that they are thwarting the unfolding of the life process and the promise of the *Übermensch*, the preserver types are both objects of pity *and* contempt, agents *and* victims of nihilism.

As we have seen so far, Nietzsche’s human typologies are orientated around the question of health, and the healthy ‘human animal’. Physical health is Nietzsche’s main metaphor for cultural, intellectual and spiritual phenomena. Health is a moral, spiritual and intellectual quality as much as a physical one, and the spiritually unhealthy ‘preserver type’, represented in Zarathustra mainly by ‘the good and the just’, is merely the prelude to the worst of all human specimens, the ‘most despicable man’, the embodiment of decline: the ‘*Letzte Mensch*’ (the Last Man), or the dull post-human remains that litter the earth at the end of time. ‘*What is love? What is creation? What is desire? What is a star?*’ thus asks the last man, *and he blinks*’ (Nietzsche 1968a:17)²². This quasi-human is Nietzsche’s bleak projection of the

²⁰ ‘*Altes will der Gute, und dass Altes erhalten bleibe.*’ (Nietzsche 2000: 6400)

²¹ ‘*Das schaffende Selbst schuf sich Achten und Verachten, es schuf sich Lust und Weh. Der schaffende Leib schuf sich den Geist als eine Hand seines Willens.*

Noch in eurer Torheit und Verachtung, ihr Verächter des Leibes, dient ihr eurem Selbst. Ich sage euch: euer Selbst selber will sterben und kehrt sich vom Leben ab.

Nicht mehr vermag es das, was es am liebsten will - über sich hinaus zu schaffen. Das will es am liebsten, das ist seine ganze Inbrunst.

Aber zu spät ward es ihm jetzt dafür - so will euer Selbst untergehn, ihr Verächter des Leibes.

Untergehn will euer Selbst, und darum wurdet ihr zu Verächtern des Leibes! Denn nicht mehr vermögt ihr über euch hinaus zu schaffen.’ (Nietzsche 2000: 6386)

²² ‘*Was ist Liebe? Was ist Schöpfung? Was ist Sehnsucht? Was ist Stern?*’ - *so fragt der letzte Mensch und blinzelt.*’ (Nietzsche 2000: 6357)

decadent human animal of modernity, the ultimate outcome of the historical process whereby humanity condemns itself to stagnation and decline by embracing the comfortable mediocrity of the existing. The last man personifies the final extinction of human will and creativity.

Differences in health as well as in ability and drive to create thus poise the ‘noble man’ against ‘the good and the just’. The tension between the two reflects the tension between the ‘last man’, the dead end of human history, and the *Übermensch*, the promise of a heroic future. If the ‘noble man’ threads the path to the *Übermensch*, compelled by the inner necessity constantly to overcome himself and eventually even his own humanity, ‘the good and the just’ thread the path towards the ‘last man’, bent on resisting the need for change. The two future types represent the two possible outcomes of the human life process as it either declines, in the former case, or ascends, in the latter. The force that governs this process, and which thus determines the future of humanity, is the ‘will to power’.

3rd Principle: The Will to Power

In Nietzschean terms, the difference between these two types – the *letzte Mensch* and the *Übermensch* – must be understood in terms of their relative ‘will to power’. Elaborating this difference requires us to examine, at least in passing, some of the elements that make up Nietzsche’s notion of the ‘will to power’.

The will to power is one of Nietzsche’s most complex and contradictory concepts, easily subject to simplification or misrepresentation. It is often represented as a crude form of social Darwinism, a doctrine of ‘survival of the fittest’ that glories in power over other human beings and ruthless physical supremacy. It is primarily this interpretation, aided by simple assumptions about ‘power’ and the enthusiastic crudity of Nietzsche’s sister’s posthumous exegesis, that led Nietzsche to be incorporated into Nazi ideology (Peters 1977).

Against this reductive reading, we shall here mobilize a number of statements made by Nietzsche-Zarathustra that support a more complex, ambivalent interpretation, and suggest links between the doctrine of the ‘will to power’ and notions such as creativity and generosity.

Creativity, to Zarathustra, is a function of the will to power: *The will is a creator* (Nietzsche 1968a:141)²³. The will to something is the will to bring something into being: ‘*To will liberates, for to will is to create: thus I teach. And you shall learn solely in order to create.*’ (Nietzsche 1968a:206)²⁴. Life and the will to power are dynamic forces that seek constantly to create, and – as in the German economics tradition – there is an imperative to *learn*. The acquisition of knowledge must be a means to future creation.

The will to power is subject to decline; when it does decline, the consequence is degeneration. When the will to power is too weak, it is unable to expand beyond itself and there is stagnation; the ‘tide’ turns back and there is stagnation, physical and spiritual decadence and ultimately nihilism, which Nietzsche dubs the ‘symptom of a terminally exhausted soul’²⁵. Nietzsche dedicated one of the chapters of his *On the Genealogy of Morality* to an analysis of

²³ ‘...der Wille ist ein Schaffender’ (Nietzsche 2000: 6562)

²⁴ ‘Wollen befreit: denn Wollen ist Schaffen: so lehre ich. Und nur zum Schaffen sollt ihr lernen!’. (Nietzsche 2000: 6663)

²⁵ ‘...anzeichen einer verzweifelnden sterbensmüden Seele.’ (Nietzsche 2000: 6878)

the ascetic impulse as a nihilistic expression of the will to power as it turned on itself (Nietzsche 1994).

One of the consequences of decadence is the atrophy of the ‘gift-giving spirit’:

‘Tell me my brothers: what do we consider bad and worst of all? Is it not degeneration? And it is degeneration that we always infer where the gift-giving soul is lacking. Upward goes our way, from genus to over-genus. But we shudder at the degenerate sense which says, ‘everything for me’. (Nietzsche 1968a:75)²⁶

Thus when life is abundant and the will to power in growth, these are expressed as generosity. Selfish greed is the product of the decline or distortion of the will to power.

The will to power can thus not be reduced to the mere will to dominion over others: primarily the will to power is not a social concept but a measure of health, in the broader sense described above²⁷. As Nietzsche describes this, the ‘health’ of the organism finds expression in generosity, ‘nobility’ and the drive to create ‘beyond oneself’. Amongst other creative processes, the will to power drives the creation (and re-creation) of the self. From this, and from the discussion in the above paragraphs, self-overcoming emerges as perhaps the most important creative expression of the will to power. The will to power is therefore the driving force behind all processes of change, progress and evolution, both in the individual, in the species, and in society.

4th Principle: Life is that which Constantly Overcomes Itself.

This mechanism of the will to power governs both the individual and the species and, in a broader sense, all life processes: *‘And life itself confided this secret to me: ‘Behold’, it said. ‘I am that which must always overcome itself’.* (Nietzsche 1968a:115)²⁸

As we have seen the ‘choice’ lies between creation-destruction and preservation. One leads to greater heights, the other to decline. Even life itself is subject to this ‘law’, forced either to overcome itself or remain as it is, in slow decline. The ‘choice’ between growth and decline is essentially the same as the choice between the ‘noble’ and the ‘the good and the just’: both are aspects of the same underlying processes of the will to power.

Biological evolution is creative destruction put into practice. Life overcomes itself and creates new, higher forms for itself, passing through stages of biological evolution: man is in one sense only the ‘over-ape’, or the self-overcoming of the ape.

‘All beings so far have created something beyond themselves; and do you want to be the ebb of this great flood and even go back to the beasts rather than overcome man?’

²⁶ *‘Sagt mir, meine Brüder: was gilt uns als Schlechtes und Schlechtestes? Ist es nicht Entartung? - Und auf Entartung raten wir immer, wo die schenkende Seele fehlt. Aufwärts geht unser Weg, von der Art hinüber zur Über-Art. Aber ein Grauen ist uns der entartende Sinn, welcher spricht: ‘Alles für mich’.* (Nietzsche 2000: 6454-6455)

²⁷ There are obviously numerous possible interpretations of the will to power; for an introductory philosophical analysis of the history of the concept, and of its various academic interpretations, see Williams (2001)

²⁸ *‘Und dies Geheimnis redete das Leben selber zu mir: ‘Siehe’, sprach es, ‘ich bin das, was sich immer selber überwinden muß’.* (Nietzsche 2000: 6519)

What is the ape to man? A laughingstock or a painful embarrassment. And man shall be just that for the overman: a laughingstock or a painful embarrassment. (Nietzsche 1968a:12)²⁹

The human form is merely a stage, a transient animal that must either rise beyond itself or decline. To Zarathustra Man's implicit promise of self-transcendence and future greatness comes very close to being his essence: *'O my brothers, what I can love in man is that he is an overture and a going under.'* (Nietzsche 1968a:287)³⁰

This broadly defined transcendence of the human can and must also be moral: *'Man must become better and more evil' – thus I teach* (Nietzsche 1968a:288)³¹. Because the noble man and his indomitable will to power carry the promise of the *Übermensch*, and because nobility is measured by the capacity for extremes and the drive to create, 'goodness', which is the opposite of 'nobility', cannot be a measure of moral worth. The good must in fact be 'destroyed', because through their moral complacency and resistance to change they block the very mechanism whereby human life reaches beyond itself:

'O my brothers, who represents the greatest danger for all of man's future? Is it not the good and the just? Inasmuch as they say and feel in their hearts, 'We already know what is good and just, and we have it too; woe unto those who still seek here!' And whatever harm the evil may do, the harm done by the good is the most harmful harm... The good must crucify him who invents his own virtue. That is the truth!... The creator they hate the most: he breaks tablets and old values. He is a breaker, they call him lawbreaker. for the good are unable to create; they are always the beginning of the end...' (Nietzsche 1968a:212-213)³²

29 *'Alle Wesen bisher schufen etwas über sich hinaus: und ihr wollt die Ebbe dieser großen Flut sein und lieber noch zum Tiere zurückgehn, als den Menschen überwinden? Was ist der Affe für den Menschen? Ein Gelächter oder eine schmerzliche Scham. Und ebendas soll der Mensch für den Übermenschen sein: ein Gelächter oder eine schmerzliche Scham.'* (Nietzsche 2000: 6349)

30 *'O meine Brüder, was ich lieben kann am Menschen, das ist, daß er ein Übergang ist und ein Untergang.'* (Nietzsche 2000: 6793-6794)

31 *'Der Mensch muß besser und böser werden' - so lehre ich.* (Nietzsche 2000: 6795)

32 The entire passage reads in German: *'O meine Brüder! Bei welchen liegt doch die größte Gefahr aller Menschen-Zukunft? Ist es nicht bei den Guten und Gerechten? -*

- als bei denen, die sprechen und im Herzen fühlen: »Wir wissen schon, was gut ist und gerecht, wir haben es auch; wehe denen, die hier noch suchen!«

Und was für Schaden auch die Bösen tun mögen: der Schaden der Guten ist der schädlichste Schaden!

Und was für Schaden auch die Welt-Verleumder tun mögen: der Schaden der Guten ist der schädlichste Schaden.

O meine Brüder, den Guten und Gerechten sah einer einmal ins Herz, der da sprach: »es sind die Pharisäer«. Aber man verstand ihn nicht.

Die Guten und Gerechten selber durften ihn nicht verstehen: ihr Geist ist eingefangen in ihr gutes Gewissen. Die Dummheit der Guten ist unergründlich klug.

Das aber ist die Wahrheit: die Guten müssen Pharisäer sein - sie haben keine Wahl!

Die Guten müssen den kreuzigen, der sich seine eigne Tugend erfindet! Das ist die Wahrheit!

Der zweite aber, der ihr Land entdeckte, Land, Herz und Erdreich der Guten und Gerechten: das war, der da fragte: »wen hassen sie am meisten?«

Den Schaffenden hassen sie am meisten: den, der Tafeln bricht und alte Werte, den Brecher - den heißen sie Verbrecher.

Die Guten nämlich - die können nicht schaffen: die sind immer der Anfang vom Ende: -

- sie kreuzigen den, der neue Werte auf neue Tafeln schreibt, sie opfern sich die Zukunft - sie kreuzigen alle Menschen-Zukunft!

Die Guten - die waren immer der Anfang vom Ende.' (Nietzsche 2000: 6673-6674)

‘The good and the just’ are the greatest danger to Man’s future, because they promise only the steady, mild, pleasant decline into spiritual paralysis, animal comfort and mediocrity of the ‘last man’.

This is the sense of Zarathustra’s plea: *‘Break, break the good and the just! O my brothers, have you really understood this word?’* (Nietzsche 1968a:213)³³ His greatest fear for the future is that humanity, under the influence of the complacent and ‘the good and the just’, should become a dead end, rather than a stepping stone to a better future. To prevent this, Zarathustra (and Nietzsche) threw themselves into battle: *‘Man is something that must be overcome’* (Nietzsche 1968a:37)³⁴

5th Principle: Warfare is a Form of Therapy.

Zarathustra is animated by a spirit of battle:

‘Your enemy you shall seek, your war you shall wage – for your thoughts. And if your thoughts be vanquished, then your honesty should still find cause for triumph in that. You should love peace as a means to new wars – and the short peace more than the long.’ (Nietzsche 1968a:47)³⁵

It is in the light of this ‘dialectic’ philosophy of ideas that Nietzsche can claim that to him, ‘attacking is proof of good will’³⁶. Life thrives on change, challenge and extremes; continuity leads to stagnation and decline. Challenge and hardship make it possible to grow stronger: *‘What does not kill me makes me stronger’* (Nietzsche 1968b:23)³⁷. Weak ideas must be pruned.

Nietzsche perceived the Western world to be in the throes of nihilism and decadence: his project was to identify the causes of this and bring about the necessary regeneration. Zarathustra’s teaching, intended as a cure for this degeneration, was a ‘tonic’, a doctrinal remedy to the comfort of modernity and the life-denying morality of obedience and subjugation that to him were obstacles to the higher man. Nietzsche was no mere ‘amoralist’ or ‘immoralist’; rather he conceived of himself as a sort of ‘dialectic therapist’ of morality and culture: his cure was the ‘highest fight’. The renewal and regeneration of culture was to be forged and achieved through a sort of cultural shock therapy:

‘For earthquakes bury many wells and leave many languishing, but they also bring to light inner powers and secrets. Earthquakes reveal new wells. In earthquakes that strike ancient peoples, new wells break open.’ (Nietzsche 1968a:211)³⁸

³³ *‘Zerbrecht, zerbrecht mir die Guten und Gerechten! - O meine Brüder, verstandet ihr auch dies Wort?’* (Nietzsche 2000: 6675)

³⁴ *‘Der Mensch ist etwas, das überwunden werden soll.’* (Nietzsche 2000: 6349)

³⁵ *‘Euren Feind sollt ihr suchen, euren Krieg sollt ihr führen, und für eure Gedanken! Und wenn euer Gedanke unterliegt, so soll eure Redlichkeit darüber noch Triumph rufen! Ihr sollt den Frieden lieben als Mittel zu neuen Kriegen. Und den kurzen Frieden mehr als den langen.’* (Nietzsche 2000: 6406)

³⁶ *‘Angreifen ist bei mir ein Beweis des Wohlwollens.’* (Nietzsche 2000: 7752)

³⁷ *‘Was mich nicht umbringt, macht mich stärker.’* (Nietzsche 2000: 7535).

³⁸ *‘Das Erdbeben nämlich - das verschüttet viel Brunnen, das schafft viel Verschmachten: das hebt auch innre Kräfte und Heimlichkeiten ans Licht. Das Erdbeben macht neue Quellen offenbar. Im Erdbeben alter Völker brechen neue Quellen aus.’* (Nietzsche 2000: 6672)

Christianity, because of its origins in the slave revolt, preached a metaphysic and a morality of submission, self-denial and subjugation, but at the heart of the structure of Christianity lay the dead body of God. Nietzsche's critique aimed to clear away the fragmentary remnants of the Christian system, destroying them³⁹ to make way for a new morality that replaced the transcendent with the immanent, Heaven with earth, God with Man:

'Let your spirit and your virtue serve the sense of the earth, my brothers; and let the value of all things be posited newly by you. For that shall you be fighters! For that shall you be creators!' (Nietzsche 1968a:77)⁴⁰

The obedient Christian man, 'the good and the just', and the morality that he slavishly obeyed had to be destroyed in order to make way for the possible future 'higher' man: *'Dead are all gods: now we want the overman to live'* (Nietzsche 1968a:79)⁴¹. This was the promise of the *Übermensch*, the 'man of the future':

*'This man of the future, who will redeem us both from the reigning ideal and from that which was bound to grow out of it, from the great nausea, from the will to nothingness, from nihilism; this bell-stroke of noon and of the great decision, which again liberates the will and restores to the earth its goal and to man his hope; this Antichrist and antinihilist, this conqueror of God and of nothingness - he must come one day.'*⁴²

Nietzsche's attacks against morality, culture, the German nation and institutions were in a very real sense attempts at creative destruction: not a negation so much as an affirmation of what *could* be or become instead; *Übermensch* rather than God, Europe rather than Germany, effort rather than complacency, genius rather than mediocrity:

'Whether we immoralists do virtue any harm? – As little as anarchists do princes. Only since they have been shot at do they again sit firmly on their thrones. Moral: one must shoot at morals.' (Nietzsche 1968b:26)

Morality must be shot at: partly because challenge and opposition foster strength, partly because only through destruction can the new be brought into being. According to Nietzsche's own logic, the affirmation of one thing required the negation of another. His problem, however, was that he was generally far more eloquent, versatile and persuasive as a critic than he ever was as an architect. Destruction eclipsed creation: directions for change were drowned out by the sound of cannons.

³⁹ Perhaps ironically, perhaps not, Christian theology has survived, recuperated from and even grown stronger after Nietzsche and his onslaughts: theologians now submit doctorates on Nietzsche. Did Nietzsche secretly predict this?

⁴⁰ *'Euer Geist und eure Tugend diene dem Sinn der Erde, meine Brüder: und aller Dinge Wert werde neu von euch gesetzt! Darum sollt ihr Kämpfende sein! Darum sollt ihr Schaffende sein!'* (Nietzsche 2000: 6457)

⁴¹ *'Tot sind alle Götter: nun wollen wir, daß der Übermensch lebe'* (Nietzsche 2000: 6460)

⁴² (Zur Genealogie der Moral, second essay, our translation) *'Dieser Mensch der Zukunft, der uns ebenso vom bisherigen Ideal erlösen wird als von dem, was aus ihm wachsen mußte, vom großen Ekel, vom Willen zum Nichts, vom Nihilismus, dieser Glockenschlag des Mittags und der großen Entscheidung, der den Willen wieder frei macht, der der Erde ihr Ziel und dem Menschen seine Hoffnung zurückgibt, dieser Antichrist und Antinihilist, dieser Besieger Gottes und des Nichts - er muß einst kommen...'* (Nietzsche 2000: 7354)

Summary and Concluding Remarks about the Principles.

We have seen so far that:

- Zarathustra's perspective on creative destruction can be meaningfully described as a tension between the three concepts of creation, destruction and preservation.
- These three terms are represented principally in the relationship between the two figures of the 'noble', who embodies creation and destruction, and 'the good and the just', who embody preservation, stagnation and decline.
- The difference between these two figures can be explained as a relative difference in the 'will to power': whereas the 'noble' is driven to create by his will to power, 'the good and the just' lack the ability to create, and consequently have a vested interest in maintaining the existing order.
- The idea of 'power' that underpins the doctrine of the 'will to power' is neither simple nor immediately evident; rather it is a complex 'metaphysical' concept constituted of distinct elements; in abundance, this power expresses itself as creativity and generosity.
- Because the nature of the will to power is that it is either in the ascendant or in decline, life must constantly overcome itself; the 'noble man', in overcoming himself, abides by this and consequently comes to represent the future hope of mankind overcoming itself.
- This purpose is aided by challenge and battle, but not necessarily in the simple physical sense. Nietzsche's 'higher' war is fought for symbols, values and ideals; the therapeutic function of his entire cultural enterprise is dependent on his general philosophy of creation and destruction.

'Like the sun, Zarathustra too wants to go under; now he sits there and waits, surrounded by broken old tablets and new tablets half covered with writing.'
(Nietzsche 1968a:198)⁴³

Nietzsche's project was never completed: perhaps it was by definition impossible to complete. Nevertheless we are left with the task of digesting his tablets, *'half-covered with writing'*, and his dwarfing legacy, both in the form of his writings and in the enormous body of texts that constitute the history of his intellectual reception.

To conclude this section, we might quote Williams:

'I agree with a remark made by Michel Foucault in a late interview, that there is no single Nietzscheanism, and that the right question to ask is 'what serious use can Nietzsche be put to?'' (Williams, in Schacht 1994:238)

⁴³ *'Der Sonne gleich will auch Zarathustra untergehen: nun sitzt er hier und wartet, alte zerbrochene Tafeln um sich und auch neue Tafeln - halbbeschriebene.'* (Nietzsche 2000: 6651)

Among the many uses to which Nietzsche has been put in the century since his death, some have indeed been very, very serious; others, however, have been playful or artistic: the ghost of Zarathustra dances equally through the arts, the sciences, the poetry and the war rhetoric of the 20th Century, from America to Japan, from Expressionism to post-structuralism.

For many reasons, this influence is sometimes disguised. In many circles, Nietzsche still carries the stigma of Nazism, of irrationalism, *Blut und Boden* mysticism and Superman eugenics. His influence is therefore often subterranean, particularly in discourses and disciplines that reject the values for which he is taken to stand. Keeping these things in mind, the question we lead into the next section with is this: is economics really as unfazed by Nietzsche as it generally claims to be?

4. Nietzsche in Economics: From Sombart to Schumpeter.

‘Creative destruction’ has almost become the trademark of Joseph Schumpeter. However, the first use of the term ‘creative destruction’ in economics must be attributed to Werner Sombart: Here on the century-long shortage of wood in Europe through the mass destruction of forests; the destruction of the forests created the very foundation for 19th Century capitalism:

‘Again, however, from destruction a new spirit of creation arises; the scarcity of wood and the needs of everyday life... forced the discovery or invention of substitutes for wood, forced the use of coal for heating, forced the invention of coke for the production of iron. That these events, however, made possible the enormous development of capitalism in the 19th Century, is beyond doubt for any well-informed person. Thus even here, in this decisive point, the invisible threads of commercial and military interests appear closely intertwined’. (Sombart 1913:207)⁴⁴

Werner Sombart (1863-1941) was the leading economist of the Younger German Historical School of economics (Backhaus 1996). During Schumpeter’s most creative and, at the same time, formative period, Sombart held a dominating position in German-speaking economics. Sombart’s path-breaking work on modern capitalism, *Der moderne Kapitalismus* (Sombart: First edition in two volumes in 1902, a later editions in four volumes in 1919, last edition in six volumes in 1927) was translated to Spanish and Italian, but no English translation has yet been published.

However, during the period after World War II, Sombart and all pre-war II German economics went into an eclipse. Part of the explanation for this was the rise of mathematization of the profession, which was very much against the German tradition. Another part of the explanation was that to a surprising degree what was a healthy scientific baby was poured out with what was perceived as the post-nazi bath-water. The German tradition in economics therefore came to be represented solely by Marx and Schumpeter, a feature which made these two economists seem much more unique than they in effect are

⁴⁴ *‘Wiederum aber steigt aus der Zerstörung neuer schöpferischer Geist empor; der Mangel an Holz und die Notdurft des täglichen Lebens drängten auf die hin, drängten auf die Auffindung oder die Erfindung von Ersatzstoffen für das Holz hin, drängten zur Nutzung der Steinkohle als Heizmaterial, drängten zur Erfindung des Kokesverfahrens bei der Eisenbereitung. Daß dieses aber die ganze Großartige Entwicklung des Kapitalismus im 19. Jahrhundert erst möglich gemacht hat, steht für jeden Kundigen außer Zweifel. Sodaß auch hier, in diesem entscheidenden Punkte, unsichtbare Fäden die merkantilen und die militaristischen Interessen eng miteinander zu verknüpfen scheinen’*

when seen in their own historical context. As we have already mentioned, Schumpeter himself assisted in this process, also by systematically neglecting the philosophical foundations of German economics in his *History of Economic Analysis* (Reinert 2002).

Schumpeter's originality in the Anglo-Saxon environment was then to a large extent also a product of the ignorance, outside Germany, of the traditions on which he built. Part of what Schumpeter did was to filter Sombart's work and the economic debate in Germany between the world wars to the Anglo-Saxon world. Most Schumpeterians, especially non-Germans, would probably be surprised by a German book that describes Schumpeter's 1942 book *Capitalism, Socialism and Democracy* – the work that made him accessible to the layman – as essentially a reworking of a German debate which had taken place decades earlier, where, as the author carefully points out, Schumpeter neither refers to the debate itself, nor to its protagonist Werner Sombart.

'Without referring to Sombart or to the general literature of the twenties and thirties, (in 'Capitalism Socialism and Democracy') Schumpeter in essence presented only what had already been written and said decades earlier in the German discussion about 'the future of capitalism'.' (Appel 1992:260)⁴⁵

Of Schumpeter's biographers, only Shionoya (1997) and Swedberg (1991) mention Nietzsche, and both do so in connection with entrepreneurship, not with Schumpeter's core concept of creative destruction (Shionoya 1997: 173,321) (Swedberg 1991:192). The most elaborated article dealing with the relationship between Schumpeter and Nietzsche is written by two Italian economists, Enrico Santarelli and Enzo Pesciarelli (1990). Also this article focuses on the entrepreneur.

Nietzsche's influence on the work of Werner Sombart is well documented both through Sombart's many references to Nietzsche and through his biographers. Also the people who most influenced Sombart, some of which were his close friends, were strongly influenced by Nietzsche (Lenger 1994:141). Sombart was himself known to quote frequently from Nietzsche's *Zarathustra* (ibid.:247).

In his main methodological work, *Die drei Nationalökonomien*, Sombart often quotes Nietzsche when addressing the basic history and philosophy of economics and the evolution of Man. To Sombart the development of science and of the human *Weltanschauung* follows through the same stages as Nietzsche's does. The world is at first *entzaubert* (demystified) and the finally *entgottet* (de-deified) (Sombart 1930:102).

Sombart finds that what the social sciences can learn from the natural sciences in terms of the return of identical (or presumably also similar) situations, i.e. the cyclicity of history. In this connection he also quotes Nietzsche:

'The predictability of an event does not result from a rule having been followed, or a necessity having being complied with, or from a law of causality that was projected by

⁴⁵ *'Ohne auf Sombart und die allgemeine Literatur der zwanziger und dreißiger Jahre hinzuweisen, bot Schumpeter (in Kapitalismus, Sozialismus und Demokratie) im wesentlichen nur daß, was bereits Jahrzehnte zuvor in den deutschen Diskussionen über die 'Zukunft der Kapitalismus' geschrieben und gesagt worden war...'*

us onto every event-: it lies in the recurrence of 'identical cases'. (Sombart 1930:118)
(Nietzsche 2000:9384)⁴⁶

At the end of his most important methodological book, Sombart uses Nietzsche to express the very purpose of economics:

'But science, and above all the social sciences, should 'serve life'. This is the demand that anyone will make today, after Nietzsche's admonition a couple of generations ago, which we all in the depth of our souls consider justified, more so today than ever. We want no armchair erudition, no peddling of petty antiquities, no 'dead' knowledge. (In a footnote Sombart refers to the title of Nietzsche's work, 'Untimely Meditations'⁴⁷, 'which still today are most timely')' (Sombart 1930:334-335)⁴⁸

It is in this sense that Nietzsche says: 'Wissenschaft ist die bestimmteste Form des Willens zur Macht'. (Science is the most definite form of 'the will to power'). The 'will to power' is essentially 'the will to create', and consequently the key driving force in economic development. This is clearly Werner Sombart's view, and he here groups Nietzsche with Francis Bacon (1930:333). Grouping Nietzsche and Bacon effectively clarifies the dividing line between the two camps in the battlefield of 19th and early 20th Century economics. The first anti-Ricardian economists – the Reverend Jones in England and John Rae in the United States, both writing in the in the early 1830's – wished to re-Baconise economics. Bacon's and Nietzsche's approach both stand for Man the Creator at the centre of economics, thus following the tradition of what we have labelled The Other Canon or *Renaissance Economics*. Bacon's affinity to the philosophers and economists in our genealogy of the idea of creative destruction is further strengthened by the fact that also Johann Gottfried Herder, 'sought refuge' in Francis Bacon against the metaphysics of Kant (Kantzenbach 1970:20)

5. Nietzsche and Economics at the Centenary of his Death.

5.1. Methodology.

Nietzsche the Economist is generally to be found indirectly, through the influence he had on his time. However, he occasionally himself makes references to economics that show his familiarity with the debates of the profession. At one point Nietzsche comments negatively on the harmful effect of *laissez faire* economics on the morality of whole nations.⁴⁹ Without referring to him, Nietzsche also uses Mandeville's key concept from *The Fable of the Bees* (1714) with an amusing twist. Instead of Mandeville's 'private vices, public benefits' – which

⁴⁶ 'Die Berechenbarkeit eines Geschehens liegt nicht darin, daß eine Regel befolgt wurde, oder einer Notwendigkeit gehorcht wurde, oder ein Gesetz von Kausalität von uns in jedes Geschehen projiziert wurde -: sie liegt in der Wiederkehr 'identischer Fälle'.'

⁴⁷ In the Stanford translation called 'Unfashionable Observations',

⁴⁸ 'Aber die Wissenschaft und gerade auf die Geisteswissenschaft soll doch 'dem Leben dienen'. Das ist die Anforderung, die heute jeder stellen wird, nachdem vor ein paar Menschenaltern Nietzsches Mahnruf erklingen ist [Sombart's footnote reads: 'die heute immer noch zeitgemäß ist'], den wir alle im Tiefsten unserer Seele für berechtigt halten und der heute mehr denn je am Platz ist. Wir wollen keine Stubengelehrsamkeit, keine Antiquitätenkrämerei, kein 'totes' Wissen.'

⁴⁹ 'Der Verkehr mit der Wissenschaft, wenn er durch keine höhere Maxime der Erziehung geleitet und eingeschränkt, sondern, nach dem Grundsatz »je mehr desto besser« nur immer mehr entfesselt wird, ist gewiß für die Gelehrten ebenso schädlich, wie der ökonomische Lehrsatz des *laissez faire* für die Sittlichkeit ganzer Völker'. (Nietzsche 2000: 4008)

was a key factor in the transformation of economics from being duty-based to being based on self interest – Nietzsche coins the expression ‘public opinions, private laziness’ (Nietzsche 1994:172). The collectivisation of society will in the end create passivity, and passivity necessarily leads to decay.

A third example of Nietzsche entering the economics debate is that when criticizing modern science, he approvingly quotes English economist Walter Bagehot (1826-1877), in a phrase which is even more appropriate in 2002 than it was when Bagehot wrote it. *‘Unproved abstract principles without number have been eagerly caught up by sanguine men and then carefully spun out into books and theories which were to explain the whole world. But the world goes totally against these abstractions....’*⁵⁰ (Nietzsche 1994:249)

Also as regards methodology, on the fashionable subject of human cognition and objectivity in science, Nietzsche has something important to say to today’s economists:

*‘Henceforth, my dear philosophers, let us be on guard against the old and dangerous myth that postulates ‘a pure, will-less, painless and timeless knowing subject’. Let us take care not to get caught in the tentacles of such contradictory concepts as ‘pure reason’, ‘absolute spirituality’, and ‘knowledge in itself’; these always demand that that we should think of an eye that is absolutely unthinkable, an eye which cannot be allowed to be turned in any particular direction, and in which the active and interpreting forces – through which seeing becomes seeing something – are supposed to be lacking; these always demand of the eye a contradiction and a nonsense. The only seeing which exists is a seeing in perspective, a seeing with perception; and the more feelings we allow to get involved about an issue, the more eyes – different eyes – that we mobilise to observe one thing, the more complete will our concept of this thing, our objectivity, be. Would not eliminating the will....be the same as to castrate the intellect?’*⁵¹

⁵⁰The original passage in German reads as follows: *‘Wer ist nicht fast im voraus überzeugt, daß ihre Prämissen eine wunderbare Mischung von Wahrheit und Irrtum enthalten und es daher nicht der Mühe verlohnt, über die Konsequenzen nachzudenken? Das fertig Abgeschlossene dieser Systeme zieht vielleicht die Jugend an und macht auf die Unerfahrenen Eindruck, aber ausgebildete Menschen lassen sich nicht davon blenden. Sie sind immer bereit, Andeutungen und Vermutungen günstig aufzunehmen, und die kleinste Wahrheit ist ihnen willkommen - aber ein großes Buch voll deduktiver Philosophie fordert den Argwohn heraus. Zahllose unbewiesene abstrakte Prinzipien sind von sanguinischen Leuten hastig gesammelt und in Büchern und Theorien sorgfältig in die Länge gezogen worden, um mit ihnen die ganze Welt zu erklären. Aber die Welt kümmert sich nicht um diese Abstraktionen, und das ist kein Wunder, da diese sich untereinander widersprechen.’* (Nietzsche 2000: 4124-4125)

⁵¹ (Zur Genealogie der Moral, our translation): *‘Hüten wir uns nämlich, meine Herren Philosophen, von nun an besser vor der gefährlichen alten Begriffs-Fabelei, welche ein ‘reines, willenloses, schmerzloses, zeitloses Subjekt der Erkenntnis’ angesetzt hat, hüten wir uns vor den Fangarmen solcher kontradiktorischer Begriffe wie ‘reine Vernunft’, ‘absolute Geistigkeit’, ‘Erkenntnis an sich’; - hier wird immer ein Auge zu denken verlangt, das gar nicht gedacht werden kann, ein Auge, das durchaus keine Richtung haben soll, bei dem die aktiven und interpretierenden Kräfte unterbunden sein sollen, fehlen sollen, durch die doch Sehen erst ein Etwas-Sehen wird, hier wird also immer ein Widersinn und Unbegriff vom Auge verlangt. Es gibt nur ein perspektivisches Sehen, nur ein perspektivisches ‘Erkennen’; und je mehr Affekte wir über eine Sache zu Worte kommen lassen, je mehr Augen, verschiedene Augen wir uns für dieselbe Sache einzusetzen wissen, um so vollständiger wird unser ‘Begriff’ dieser Sache, unsre ‘Objektivität’ sein. Den Willen aber überhaupt eliminieren, die Affekte samt und sonders aushängen, gesetzt, daß wir dies vermöchten: wie? hieße das nicht den Intellekt kastrieren?’* (Nietzsche 2000:7394-7395). This is an example of how the Kaufmann translation often makes a ‘kinder’ Nietzsche: ‘Fangarme’ was translated as ‘trap’ rather than ‘tentacles’.

A crucial problem in standard economics is that it is focused on exchange – on supply and demand – rather than on production. Continental economists used to complain that Anglo-Saxon economics had become *catallectics* – just a science of exchange. Nietzsche’s criticism of English philosophy is completely in line with this: ‘*Among the English, Nietzsche had found, he thought, the prototype of a morality and a politics of traders and peddlers: counting and reckoning, calculation and assessment not only as the key to the world of commerce, but also to the world of morality and politics. What disturbed him – nay, outraged him – about this, was the intrusion of this equalisation, necessary for exchange and economic calculation, into the realm of life, which should not obey such a logic of equivalences*’ (Ottmann 1987:131)⁵². This is a central theme in Werner Sombart’s nationalistic book *Traders and Heroes (Händler und Helden)*, published in 1915. In this work Sombart quotes extensively from Goethe, Fichte, Schopenhauer and Nietzsche. In today’s methodological discussion, the ‘equality assumption’ (Buchanan 1979:231), the exclusion of factors irreducible to numbers and of qualitative ‘verstehen’ (Drechsler 2002) are still at the core of the debate.

In fighting to create a theory at an appropriate level of abstraction for their analysis, economists are necessarily forced constantly to compare and equate ‘unequals’. This search leads to the creation of mental tools like Weber’s ‘ideal types’, Kaldor’s ‘stylised facts’, and Perez’ and Freeman’s ‘techno-economic paradigms’. These concepts are put into use in order to create some order in a chaos of observations and facts. To this methodology, Nietzsche provides the following encouraging message:

*‘Every concept originates through our equating what is unequal. No leaf ever wholly equals another, and the concept ‘leaf’ is formed through an arbitrary abstraction from the individual differences, through forgetting the distinctions; and now it gives rise to the idea that in nature there might be something besides the leaves which would be ‘leaf’ – some kind of original form after which all leaves have been woven, marked, copied, coloured, curled, and painted, but by unskilled hands, so that no copy turned out to be a correct, reliable, and faithful image of the original form.... What then, is truth? A mobile army of metaphors, metonyms, and anthropomorphisms – in short, a sum of human relations, which have been enhanced, transposed, and embellished poetically and rhetorically, and which after long use seem firm, canonical, and obligatory to a people; truths are illusions about which one has forgotten that this is what they are; metaphors which are worn out and without serious power; coins which have lost their picture and now matter only as metal, no longer as coins.’*⁵³

⁵² ‘Nietzsche hat bei den Engländern die, wie er meinte, prototypische Moral und Politik der Krämer und Händler vorgefunden, das Rechnen und Berechnen, Kalkulieren und Taxieren nicht nur als Schlüssel zur Welt des Geschäfts, sondern auch zur Welt der Moral und Politik. Was ihn daran störte, ja empörte, war das Übergreifen tauschnotwendiger Gleichheit und ökonomischen Taxierens auf Bereiche des Lebens, die solcher Logik der Äquivalenz gerade nicht gehorchen sollten.’

⁵³ (‘Über Wahrheit und Lüge im außermoralischen Sinn’, our translation): ‘Denken wir besonders noch an die Bildung der Begriffe. Jedes Wort wird sofort dadurch Begriff, daß es eben nicht für das einmalige ganz und gar individualisierte Urerlebnis, dem es sein Entstehen verdankt, etwa als Erinnerung dienen soll, sondern zugleich für zahllose, mehr oder weniger ähnliche, das heißt streng genommen niemals gleiche, also auf lauter ungleiche Fälle passen muß. Jeder Begriff entsteht durch Gleichsetzen des Nichtgleichen. So gewiß nie ein Blatt einem andern ganz gleich ist, so gewiß ist der Begriff Blatt durch beliebiges Fallenlassen dieser individuellen Verschiedenheiten, durch ein Vergessen des Unterscheidenden gebildet und erweckt nun die Vorstellung, als ob es in der Natur außer den Blättern etwas gäbe, das »Blatt« wäre, etwa eine Urform, nach der alle Blätter gewebt, gezeichnet, abgezirkelt, gefärbt, gekräuselt, bemalt wären, aber von ungeschickten Händen, so daß kein Exemplar korrekt und zuverlässig als treues Abbild der Urform ausgefallen wäre. Wir nennen einen Menschen »ehrlich«; warum hat er heute so ehrlich gehandelt? fragen wir. Unsere Antwort pflegt zu lauten: seiner Ehrlichkeit wegen. Die Ehrlichkeit! Das heißt wieder: das Blatt ist die Ursache der Blätter. Wir wissen ja gar

5.2. Schumpeterian and Evolutionary Economics.

Behind the contemporary highly fashionable Schumpeterian and evolutionary economics towers Nietzsche, his *Übermensch* entrepreneur and his creative destruction. Nietzsche the economist here comes to us filtered through Joseph Alois Schumpeter via Werner Sombart. As opposed to Sombart, who carefully documented the influence Nietzsche had on him, Schumpeter as usual has held the cards that would have revealed the origins of his own ideas very close to his chest. However, a closer look at the intellectual climate, the general *Zeitgeist*, and the work of the most influential continental European economist during Schumpeter's 'golden period', his own 20s, shows the overwhelming influence of Nietzsche on all three counts.

We are living at a time where standard neoclassical economics is entering a period of decline. In order to achieve any degree of relevance, whatever theory replaces this mechanical and barter-based view of economic will have to incorporate Nietzschean traits: without Man's wit and will, his incessant creative process, and the role of the human beings who push this forward, economics will – as neo-classical economics – always be like playing Hamlet without the Prince of Denmark.

Forty-five years of cold war marginalised Nietzsche and those economists who worked towards the authentic Third Way, those who – in the words of Anthony Giddens – hated communism as much as they hated liberalism (Giddens 1998). Nietzsche's own legacy was tarnished by the misuse and outright falsifications of his work by his sister, who made him appear like a nazi sympathizer. The economist whom Nietzsche read most closely was Eugen Dühring. By going back to the original sources, to Nietzsche's vigorous rebuttals of Dühring's increasingly anti-Semitic attitudes⁵⁴, and in the violent counterattack attacks from Dühring's followers against Nietzsche as a friend and supporter of the cause of the Jews, we come to understand the absurdity of the attacks on Nietzsche as an anti-Semite.

We suggest it is time to go back to the pre-World War II understanding of Nietzsche. In the 1929 edition of *Encyclopedia Britannica*, Oscar Levy, editor of the authorized English translations of Nietzsche, gives the following account on how the understanding of Nietzsche had evolved:

nichts von einer wesenhaften Qualität, die »die Ehrlichkeit« hieße, wohl aber von zahlreichen individualisierten, somit ungleichen Handlungen, die wir durch Weglassen des Ungleichen gleichsetzen und jetzt als ehrliche Handlungen bezeichnen; zuletzt formulieren wir aus ihnen eine qualitas occulta mit dem Namen: »die Ehrlichkeit«. Das Übersehen des Individuellen und Wirklichen gibt uns den Begriff, wie es uns auch die Form gibt, wohingegen die Natur keine Formen und Begriffe, also auch keine Gattungen kennt, sondern nur ein für uns unzugängliches und undefinierbares X. Denn auch unser Gegensatz von Individuum und Gattung ist anthropomorphisch und entstammt nicht dem Wesen der Dinge, wenn wir auch nicht zu sagen wagen, daß er ihm nicht entspricht: das wäre nämlich eine dogmatische Behauptung und als solche ebenso unerweislich wie ihr Gegenteil. Was ist also Wahrheit? Ein bewegliches Heer von Metaphern, Metonymien, Anthropomorphismen, kurz eine Summe von menschlichen Relationen, die, poetisch und rhetorisch gesteigert, übertragen, geschmückt wurden und die nach langem Gebrauch einem Volke fest, kanonisch und verbindlich dünken: die Wahrheiten sind Illusionen, von denen man vergessen hat, daß sie welche sind, Metaphern, die abgenutzt und sinnlich kraftlos geworden sind, Münzen, die ihr Bild verloren haben und nun als Metall, nicht mehr als Münzen, in Betracht kommen. (Nietzsche 2000:8591-8592)

⁵⁴ Amongst other things, Nietzsche describes Dühring as 'jenen Berliner Rache-Apostel Eugen Dühring, der im heutigen Deutschland den unanständigsten und widerlichsten Gebrauch vom moralischen Bumbum macht: Dühring, das erste Moral-Großmaul, das es jetzt gibt, selbst noch unter seinesgleichen, den Antisemiten.' (Nietzsche 2000:7402)

'Nobody understood in the early days that his teaching against pity sprang from his love of a healthy life, against morality, from his love of a higher ethic, and against patriotism for a united Europe....Late and slowly the world began, or is beginning, to change its mind about 'the anti-antichrist' and to perceive that he was not mere 'anti'; but that the destroyer of the old tables of values was also a creator of new values.'
(Levy 1929:433)

At the core of Nietzsche, as well as at the core of any viable theory of the economic progress of human beings, lies Man the Creator, his wit and his will. As in the Renaissance tradition, to Nietzsche creation is the reason we are here on Earth, it is the way to free ourselves from pain:

'Creation – that is the great redemption from suffering, and life's growing light. But that the creator may be, suffering is needed and much change' (Nietzsche 1968a:87)⁵⁵

We have already mentioned the work of Oswald Spengler (1880-1936), whose work *The Decline of the West* strongly influenced the intellectual debate between the two world wars. This work was finished before WWI, in the same year as Werner Sombart finished his *Krieg und Kapitalismus*, where 'creative destruction' is first brought into economics. In his foreword to the revised edition of *The Decline of the West* (1939; first edition 1922) Spengler acknowledges his intellectual influences as follows:

'And now, finally, I feel urged to name once more those to whom I owe practically everything: Goethe and Nietzsche. Goethe gave me method, Nietzsche the questioning faculty – and if I were asked to find a formula for my relation to the latter I should say that I have made of his 'outlook' [Ausblick] an overview [Überblick]. But Goethe was, without knowing it, a disciple of Leibniz, in his whole mode of thought. And, therefore, that which has at last (and to my own astonishment) taken shape in my hands I am able to regard and, despite the misery and disgust of these years, proud to call a German Philosophy.' (Spengler 1939:xiv)

We would argue that Spengler here describes intellectual filiations that he has in common with true Schumpeterian economics. Indeed, if Schumpeter had been as proficient in tracing his own intellectual filiations as he was in tracing those of other economists, he could have made Spengler's acknowledgements his own, just adding the name of Werner Sombart; the economist who brought the ideas of Leibniz, Goethe and Nietzsche back into economics.

⁵⁵ *'Schaffen - das ist die große Erlösung vom Leiden, und des Lebens Leichtwerden. Aber daß der Schaffende sei, dazu selber tut Leid not und viel Verwandlung'*. (Nietzsche 2000:6468)

Bibliography

- Appel, M., 1992, *Werner Sombart. Theoretiker und Historiker des modernen Kapitalismus*, Marburg: Metropolis
- Backhaus, J. (editor), 1996, *Werner Sombart (1863-1941), Social Scientist*, Marburg: Metropolis, 3 vols.
- Buchanan, J., 1979, *What Should Economists Do?*, Indianapolis: Liberty Press
- Burckhardt, J., 1979, *Reflections on History*, Indianapolis: Liberty Classics
- Drechsler, W., 2002, 'Natural vs. Social Sciences: On Understanding in Economics', in Reinert E. (editor), *Evolutionary Economics and Income Inequality*, Cheltenham: Elgar
- Freeman, C. & Louca, F., 2001, *As Time Goes By. From the Industrial Revolution to the Information Revolution*, Oxford: Oxford University Press
- Giddens, A. 1998: *The Third Way – the Renewal of Social Democracy*. Cambridge: Polity Press.
- Haberler, G., 1950, 'Joseph Alois Schumpeter, 1883-1950', in *Quarterly Journal of Economics*, Vol. LXIV, No. 3, August 1950, pp. 333-372
- Hegel, G.W.F., 1953, *Reason in History – a general introduction to the philosophy of history*, New York: The Liberal Arts Press
- Herder, J. G., 1781, *Vom Einfluss der Regierung auf die Wissenschaften, und der Wissenschaften auf die Regierung*, Berlin: Decker
1790-92, *Ideen zur Philosophie der Geschichte der Menschheit*, Karlsruhe: Schmieder
- Industry and Innovation*, Vol. 9, Nos. 1-2, April-August 2002, Special Issue: Schumpeter's "Lost" Seventh Chapter, J. A. Mathews, editor.
- Kantzenbach, F., 1970, *Johann Gottfried Herder*, Hamburg: Rowohlt
- Lenger, F., 1994, *Werner Sombart (1863-1941) - eine Biographie*, Munich: Beck
- Levy, O., 1929, 'Friedrich Wilhelm Nietzsche', entry in *Encyclopedia Britannica*, 14th edition vol. 16, London: Encyclopedia Britannica Company
- Lilla, M., 1993, *G. B. Vico. The Making of an Anti-Modern*, Cambridge, Mass: Harvard University Press.
- Nietzsche, F., 1968a, *Thus spoke Zarathustra*, (translated by W. Kaufmann), London: Penguin Books
1968b, *Twilight of the Idols*, (translated by R. Hollingdale), London: Penguin Books

- 1994, *On the Genealogy of Morality*, (translated by C. Diethe), Cambridge: Cambridge University Press
- 1995, *Unfashionable observations*, (translated by R. Gray), Stanford: Stanford University Press
- 2000, *Digitale Bibliothek Band 31: Nietzsche*, Berlin: Directmedia (CD-ROM)
- Noble, D.F., 1997, *The Religion of Technology. The Divinity of Man and the Spirit of Invention*, New York: Knopf.
- Ottmann, H., 1987, *Philosophie und Politik bei Nietzsche*, Berlin: de Gruyter
- Pareto, V., 1916, *Trattato di Sociologia Generale*, Florence: G. Barbèra, 2 volumes. (English edition *The Mind and Society*, New York: Harcourt, Brace and Company, 1935)
- Parkes, G., 1991, *Nietzsche and Asian Thought*, Chicago, University of Chicago Press
- Perez, C., 2002, *Technological Revolutions and Financial Capital. The Dynamics of Bubbles and Golden Ages*, Cheltenham: Elgar
- 2003, 'Technological Revolutions, Paradigm Shifts, And Socio-Institutional Change', in Reinert E. (editor), *Evolutionary Economics and Income Inequality*, Cheltenham: Elgar
- Peters, H.F., 1977, *Zarathustra's Sister: The Case of Elisabeth and Friedrich Nietzsche*, York: Crown Publishers
- Rand, A., 1957, *Atlas Shrugged*, New York: Random House
- Reinert, E., 1995, 'Competitiveness and its predecessors - a 500 year cross-national perspective'. In *Structural Change and Economic Dynamics*, Vol. 6
- 2000, 'Karl Bücher and the Geographical Dimensions of Techno-Economic Change', in Backhaus, Jürgen, (editor) *Karl Bücher: Theory - History - Anthropology – Non Market Economies*, Marburg: Metropolis.
- 2002, 'Schumpeter in the Context of two Canons of Economic Thought', in *Industry and Innovation*, Vol. 6, No. 1.
- 2003 (editor), *Evolutionary Economics and Income Inequality*, Cheltenham: Elgar
- Reinert, E. & Daastøl, A., 1997 'Exploring the Genesis of Economic Innovations: The religious gestalt-switch and the duty to invent as preconditions for economic growth', in *European Journal of Law and Economics*, Vol 4, No. 2/3, 1997, and in *Christian Wolff. Gesammelte Werke, Materialien und Dokumente*, Hildesheim: Georg Olms Verlag, 1998.
- Santarelli, E. and Pesciarelli, E., 1990, 'The Emergence of a Vision: The Development of Schumpeter's Theory of Entrepreneurship', in *History of Economic Policy*, Vol. 22, Winter 1990, no. 4
- Schacht, R., 1994, *Nietzsche, Genealogy, Morality*, London: University of California Press
- Shionoya, Y., 1997, *Schumpeter and the Idea of Social Sciences*, Cambridge: Cambridge

University Press. (Original edition, Tokyo 1995)

- Schumpeter, J. A., 1908, *Das Wesen und der Haupteinhalt der Theoretischen Nationalökonomie*, Leipzig: Duncker & Humblot
1912, *Theorie der wirtschaftlichen Entwicklung*, Leipzig: Duncker & Humblot.
1914, *Epochen der Dogmen- und Methodengeschichte*, Tübingen: Mohr
1939, *Business Cycles*, New York: McGraw-Hill, 2 volumes
1942, *Capitalism, Socialism and Democracy*, New York: Harper
- Sokel, W., 1959, *The Writer in Extremis*, Stanford: Stanford University Press
- Sombart, W., 1913, *Krieg und Kapitalismus*, Leipzig: Duncker & Humblot
1902 / 1927, *Der moderne Kapitalismus*, München & Leipzig: Duncker & Humblot
1915, *Händler und Helden*, München & Leipzig: Duncker & Humblot
1930, *Die drei Nationalökonomien*, München & Leipzig: Duncker & Humblot
- Spann, O., 1930, *Types of Economic Theory*, London: Allen & Unwin, published in the US as *The History of Economics*, New York: Norton.
- Spengler, O., 1939, *Decline of the West*, New York: Alfred A. Knopf
- Swedberg, R., 1991, *Schumpeter. A Biography*, Princeton: Princeton University Press
- Vico, G., 1984, *The New Science*, Ithaca: Cornell University Press.
- Williams, L. L., 2001, *Nietzsche's Mirror: The World as Will to Power*, Lanham: Rowman & Littlefield