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SERIE RESEARCH MEMORANDA

**Influence of German *Betriebswirtschaftslehre* on Dutch
Bedrijfseconomie with particular reference to accounting**

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Abstract

In the international accounting literature, both the Netherlands and Germany are known for the influence exerted on accounting by their respective business economics traditions. Given the geographical and linguistic proximity of the two countries, it is natural to assume a degree of cross-border influence. This paper assesses the historical evidence for German influence on the development of Dutch business economics from the late 19th century until the Second World War. It is argued that such influence was strongest around 1900 and that its clearest effect was institutional. Largely on the basis of the German example, business economics was recognized as an academic discipline in the 1910s. In terms of content, Dutch business economics reflected the German debate between proponents of a pragmatic, multidisciplinary approach and advocates of a more narrowly defined discipline in which business economics was seen as a part of economics. The fact that leading Dutch business economists, most notably Limperg, opted for the second approach at a relatively early stage gave Dutch business economics a distinctive character.

Influence of German *Betriebswirtschaftslehre* on Dutch *Bedrijfseconomie* with particular reference to accounting

*But here, as in so many other cases, Germany,
learned, indefatigable, deep-thinking Germany
comes to our aid.*

Carlyle — *Sartor Resartus*

1 Introduction

It is not a matter of dispute that both the Netherlands and Germany are among the continental European countries in which a business economics tradition with relevance to accounting is clearly discernible [79, p 413]. Moreover, in both countries, business economics is traditionally more than a convenient label for grouping a variety of loosely related disciplines. In both countries one can find references to the ideal of an integrated science of business economics in which researches in various areas of specialization are conducted with reference to a common theoretical basis. Given the geographical and linguistic proximity and the important economic ties between the two countries this correspondence seems natural. One is easily tempted to assume a degree of cross-border influence and parallels have, in fact, been observed (e.g. [51]). On the other hand, it has also been claimed that, despite a certain resemblance, the contact between German and Dutch business economics has never been great.¹

This paper is an attempt to describe through which channels, in what ways and to what extent the notion of *Betriebswirtschaftslehre* in German-speaking countries² influenced the development of the idea of *bedrijfseconomie* in the Netherlands. This paper takes a Dutch perspective and attempts to give German influence its place among other factors that shaped the development of *bedrijfseconomie*. Influence in the reverse direction appears to have been quite marginal and will be alluded to only in passing.

The aims of the paper are limited in a number of ways. First, given the current state of the literature on the development of Dutch business economics it can do little more than give an outline sketch of historical links between Dutch and German business economics and of some selected consequences. Briefly, it will be argued that these links were strongest at the beginning of the century, were still substantial around the 1940s but lost rapidly in significance afterwards. Second, and in keeping with this chronology, the focus on the paper is on the period prior to the Second World War. Third, although business economics traditionally is held to compass accounting, finance, organization and marketing, this paper, to the extent that it deals with the contents of business economics, is limited to accounting.

The paper is organized as follows. Section 2 briefly discusses the various meanings attached to the concept of *bedrijfseconomie* in the Netherlands to arrive at a clearer delineation of the scope of this paper. The next two sections make up the core of the paper. Section 3 traces the importance of German example in the emergence of business economics as a recognized academic discipline in the Netherlands.

¹Thus J. Brands: 'There is a certain correspondence in contents and development of *bedrijfs-economie* in Nederland and *Betriebswirtschaftslehre* in the German-speaking countries and Scandinavia, — although the contact was never extensive and not mutual.' [11, p 7]

²In the remainder of this paper, 'Germany' and 'German' are used as a matter of convenience to indicate the German-speaking area of Europe. Except where the context indicates a distinct reference to the German state, these words can be assumed to refer to Switzerland and Austria as well.

This section deals mainly with the history of institutions and persons. Section 4 discusses the substantial features of the developing discipline of business economics in relation to its German counterpart. As it is out of the question to cover the entire field of business economics, attention is focused on just two aspects: the relation of business economics to economics and to accounting. Sections 3 and 4 deal primarily with the situation until approximately 1950. Section 5 outlines subsequent developments and section 6 contains concluding remarks.

2 Notions of *bedrijfseconomie*

As indicated by Bouma and Feenstra [8, p 176], various meanings have been attached to the label of *bedrijfseconomie* in the course of the century.³ Without as yet going into the chronology of these changes it may be useful to distinguish, with some simplification, between two basic types of opinion on the meaning of *bedrijfs-economie*. These two opinions may be envisaged as gaining or loosing adherents and thus alternating in importance with neither ever completely supplanting the other. Geertman [24, p 157] has characterized the two with the images of 'Mercury' and 'Minerva':

One could say that initially the way was shown by Mercury, the slim young god with winged feet; while from about 1920 the dignified and gracefully attired Minerva, the goddess of science with her strict formulation of thought, came to the fore. In contrast with the restless, mercantile and superficial Mercury, Minerva with her solemnity, her formality, her taste for literature, art etc. became ever more important ... Science, rather than practice, was seen as the object of study.

Allowing for the inevitable imprecision of stereotypes, these two types may be of some use in structuring the material at hand. If we ignore possible pejorative interpretations of both images, we can specify the difference in approach as a difference in choice of research problems and choice of method. We can say that in the Mercury approach, the range of research issues is wide and the priorities are set by the demands of business. Research methods are chosen pragmatically as the most appropriate to the problem at hand. The Minerva approach, on the other hand, is characterized by self-restraint. Based on a strong sense of disciplinary identity, proper research issues are restricted to those that can be solved with the methods of one's discipline, which in this case, is economics.

Conceived in this way, one can see that it is the Minerva element that is largely responsible for setting Dutch *bedrijfseconomie* apart from what might be called the Anglo-American approach to business administration. Based on this characteristic interpretation, *bedrijfseconomie* has been defined as 'an independent scientific discipline, as a subdiscipline within the science of economics, from which result a close relationship with micro-economics and accountancy.' [51]

³Sometimes, these different meanings have been reflected by different words. In the Dutch literature, there is a variety of related concepts that reflect different views on the nature of *bedrijfs-economie*. For the purpose of this article, it may be noted that there is also a fairly close correspondence between developments in Dutch and German terminology. From the general body of *handelswetenschappen* (*Handelswissenschaften*) emerged a more limited discipline of *bedrijfsleer* (*Betriebslehre*). Those who argued that this discipline was in fact a part of economics, gradually came to prefer the name of *bedrijfshuishoudkunde* (*Betriebswirtschaftslehre*), *huishoudkunde*, or 'housekeeping' simply being a purist expression for 'economics'. In this way, *bedrijfshuishoudkunde*, 'business economy', was presented as the twin sister of *staathuishoudkunde* or 'political economy'. Gradually the somewhat archaic *huishoudkunde* was replaced by the more modern *economie*, resulting, without change of meaning, in *bedrijfseconomie*. *Bedrijfsleer* continued in use through the interwar period, but has since fallen in abeyance. Approximately since the 1960s it has re-emerged as *bedrijfskunde*, which indicates a multi-disciplinary, applied approach to the study of business.

The remainder of this article follows this definition quite closely. The next section discusses how business economics achieved the status of an academic discipline. This was initially primarily an issue of creating the necessary institutional arrangements which are therefore the focus of that section. With considerable simplification and some injustice one might say that initially the emphasis was on securing a scientific status for business economics by giving it formal place in the system of higher education, rather than on developing the substance of the discipline that might justify such arrangements. It was only within a new organizational framework that the first fully articulated expressions of the nature and objective of business economics were developed. This is the subject matter of section 4, which discusses how a more substantial argument for the scientific status of business economics was found in declaring it to be a part of the already established discipline of economics. The prevalence of accounting, rather than following logically from this foundation of economics, is explained at least in part as a consequence of the historical and personal background of the movement for gaining academic recognition of business economics.

3 The emergence of business economics as an academic discipline

Bedrijfseconomie as an academic discipline did not arise out of established academic environments. Its origins, both in terms of individuals and institutions, were mainly to be found in attempts to improve practice-oriented education for commerce or, subsequently, the auditing profession. In the Netherlands (as in Germany) business economics was a tributary rather than a branch of economics (cf. [11, p 8]).

3.1 Towards higher commercial education

Although in a number of European countries early attempts at commercial education can be traced back as early as the 16th or 17th centuries, it was only from the 1850s and 1860s onwards that such efforts became truly significant. By 1890, secondary commercial education in specialized institutions was, to varying extents, available in a number of continental European countries. University-level education was hardly available at all, with the possible exceptions of short courses offered in Vienna and Venice [29, p xix]⁴. During the 1890s, though, the idea of commercial education at tertiary level took hold. In Germany, the establishment of a commercial college in Leipzig (1898) marked the beginning of a new phase as it was followed by numerous new foundations at home and abroad (see [13, p 414], and also [28, Appendix A]).

In the Netherlands, these developments abroad resulted in a realization, around 1900, that the country was falling behind in terms of commercial education. Scattered throughout the 18th and 19th century proposals had been made to provide for more extensive or even academic education for future merchants, but these amounted to little more than a 'chronicle of unrealised ideas' [69, p 2]. In particular, a number of fairly detailed proposals to provide for commercial education at the University of Amsterdam had come to nought, primarily because of lack of enthusiasm on the part of the mercantile community [58, p 353–7]. But by the end of the 19th century, foreign example could provide an effective stimulus because a receptive audience had come into existence. Many of those interested in

⁴One may also note the Wharton School of Finance and Economy at Philadelphia, established 1881. The distinction between secondary and tertiary education is not very strict and one may also find claims of university status for other schools. for instance in Antwerp [67, p 103].

commerce-related education, broadly defined, had been brought into mutual contact in a number of overlapping organizations that served as the starting point for a more focused movement towards academic commercial education. These focal points included:

- A few specialized institutions for secondary commercial education [67, p 39-44]. Of these, the *Openbare Handelsschool* (Amsterdam Commercial School) in Amsterdam was clearly the most important (cf. [11, p 33]). Established in 1869, it offered both a complete 5-year programme of secondary education and possibilities for shorter programmes followed after a regular secondary school. The programme, directed at educating ‘men of action’ [6], strongly emphasized practical skills such as accounting and financial calculation, geography and knowledge of various commodities, correspondence and languages. Its graduates, many of whom came to occupy prominent positions in business, maintained a well-organized and active alumni society⁵.
- Bookkeeping instruction (cf. [75]). By the 1890s, bookkeeping instruction at secondary school level had become quite professionalized. Since 1864, teachers qualified by a national examination⁶ which proved to be an important qualification for practising bookkeeping and an organizational focus. Since 1883 there was a union of bookkeeping instructors and a journal was established in 1894⁷.
- The accounting profession, first organized in 1895. Many of the prominent auditors of the first generation came from the group of qualified bookkeeping instructors [75, p 33]. From the beginning, professional education and examinations were one of the main areas of activity of the auditing profession.

These and some other organizations provided the platform for discussion and sometimes the resources from which grew the movement towards academic education in commerce which was to end in the development of the discipline of business economics. The year 1898, which, incidentally or not, was also the founding year of the *Handelshochschule* in Leipzig, is typically seen as the start of this movement.

In 1898, the director of the Amsterdam Commercial School (J.H.H. Hülsmann)⁸ and the president of its alumni society (Ch.E.H. Boissevain) attended the International Congress on Commercial Education in Antwerp⁹ and this international exposure encouraged them to campaign in the Netherlands for improved commercial education, arguing that, in contrast with other European countries, virtually nothing had been done in this respect in the Netherlands and England [67, p 44].

This point was also made in an oft-cited 1898 brochure by W. Kreukniet [33], who was both a prominent member of the Institute of Auditors and the editor of the 1894 journal of bookkeeping (see above). He concluded that Dutch commercial education was far behind that in other ‘civilised countries’, Germany, Belgium, France, the United States and Japan being specifically mentioned. He pleaded for the founding of at least 20 secondary commercial schools and a commercial college (*Handelshoogeschool*), modelled after the *École Libre des Sciences Politiques* (Paris), the London School of Economics and ‘above all’ (p. 18) the Wharton School of Finance and Political Economy. Kreukniet was aware of the fact that

⁵Known as *Hou’ en Trouw*

⁶The diploma was known as the *Acte Boekhouden m.o.* or *Acte K XII*.

⁷*Maandblad voor het Boekhouden en Aanverwante Vakken*

⁸Hülsmann was born in Germany, studied in Bonn and Greifswald and had worked in German education until he moved to the Netherlands in 1864. He subsequently maintained his contacts with the German-speaking world (see [2]).

⁹One of a series of congresses known as *Congrès de l’Enseignement Technique*, starting in Bordeaux, 1886.

‘Germany is almost generally regarded in [the Netherlands] as the country with the most excellent commercial education’ (p. 8). Yet because up to the writing of his brochure German commercial education was given only at the secondary level, he believed that Belgium, with its Institut Supérieur de Commerce in Antwerp, was ahead of Germany. This point of view was not widely shared, though, and the establishment of a number of German *Handelshochschulen* from 1898 onwards made Germany clearly the preferred point of reference in subsequent discussions on commercial education.

Finally, 1898 saw the founding of the ‘National Union for Commercial Education’,¹⁰ which brought together many individuals from the various circles with an interest in commercial education, and is regarded as a most important driving force in subsequent developments [67, p 62], [69, p li]. Apart from other activities, the National Union published a monthly journal” to promote the cause of commercial education. The journal shows how the aims of the movement gradually took on a more definite shape, and how the establishment of a *Handelshochschule* on German lines became one of the primary objectives. This was supported with regular updates on newly founded German institutions, on student numbers and curricula. Pleas for following this example were numerous (see, for instance, [59, 73]) and one author argued that as long as there was no proper higher commercial education in the Netherlands, fathers would do well to send their sons to Leipzig. He added that he had personally entered into negotiations with the school to ensure that Dutch students would be admitted without preliminary examinations [62].

What a higher commercial school might look like was outlined in a 1904 report produced under the auspices of the ‘National Union’, and in the drafting of which the earlier mentioned Boissevain and Hiilsmann played important roles [27]. The report sketched a 2- or 3-year course based on four main clusters of courses: economics, commercial subjects, technology and law. There are two relevant points for present purposes to be made concerning the report.

First, in spite of Kreukniet’s preference for Belgium, the report is pervaded by references to practices of German schools, in particular Cologne, Aachen and Leipzig. The minutes of the drafting committee’s meetings (included in the report) show that in a wide variety of issues German precedents were cited to argue in favour or against proposals.”

Second, the report marks one of the first (if not the first) identifications of an embryonic ‘business economics’ as a separate subject. At that time, *handelswetenschappen* (cf. German: *Handelwissenschaften*) or ‘commercial sciences’ was still the preferred overall reference to a curriculum of commercial education. Despite the somewhat high-sounding name, it was typically used to indicate a collection of practical skills such as bookkeeping, commercial arithmetic, languages and correspondence. ‘Commercial sciences’ appeared in the report in about this sense, but now it included courses in *handelsbedrijfsleer*. This was explained by Boissevain as follows:

This is the translation of the German *Handelsbetriebslehre*, a subject that is still young in Germany as well. (. . .) With this course, the future merchant is taught that apart from political economy there is a doctrine concerning the way a mercantile business is to be organised in order to meet high standards. (meeting of 13 June 1903, p. 48)

¹⁰ *Nationale Vereeniging voor Handelonderwijs*

¹¹ *Maandblad voor Handelonderwijs en Handelswetenschappen*

¹² Issues were German practices were deemed relevant include qualifications of teachers, evening courses, and whether and how to include the following subjects in the curriculum: foreign tariff legislation, public finances, languages and correspondence, bookkeeping, knowledge of commodities and didactic skills in teaching commerce.

This explanation did not make the nature of the subject immediately clear and one member of the drafting committee concluded that it was more like ‘commercial ethics’. More clarity was achieved by citing an (unspecified) German committee report on a *Hundelsbetriebslehre* curriculum for commercial colleges.

3.2 The first chair

The idea of a *Handelshochschule* was not directly put into practice. As a more modest step, the recognition of business economics as an academic discipline gained a first victory in 1908 with the creation of an (extraordinary) chair of *bedrijfsleer en boekhouden* (business studies and bookkeeping) at the Technical University in Delft. If the institution at Delft, elevated to university status only as recently as 1905¹³, lacked somewhat of the standing of the traditional universities, the first occupant of the chair was no minor figure. Professor J.G.Ch. Volmer (1865-1935) was a qualified bookkeeping instructor, one of the first practising auditors of the Netherlands, a prime mover in the founding of the Dutch Institute of Auditors (NIVa) in 1895, an influential author and an authority in circles of commercial education. Of all the early Dutch business economists, Volmer was probably the most clearly orientated towards the German-speaking world. From 1902 to 1908 he had worked in a management position in Vienna.¹⁴ He served as editor of the *Zeitschrift für Betriebswirtschaft* from the first (1924) volume onwards.¹⁵ At the end of his life, he was awarded an honorary doctorate by the University of Frankfurt am Main.

Volmer’s appointment appears to illustrate quite well how ‘business economics’ made its entrance in the universities when its nature was at best only vaguely defined. As seen above, the reference to *Handelsbedrijfsleer* in the 1904 report was little understood at the time and apparently did not make a great impression. One comment on Volmer’s appointment was that the related parliamentary record was the first instance of the word *bedrijfsleer* in Dutch. The commentator therefore identified it as a direct borrowing from the German engineering literature where many pleas could be found for inclusion of *Betriebslehre* in technical curricula [68]. Others observed that *bedrijfsleer en boekhouden* was a good definition of ‘accountancy’ [22]. The journal of the ‘National Union’ claimed Volmer as ‘our first professor’, thus roughly identifying *bedrijfsleer en boekhouden* with ‘commercial sciences’ [9].

3.3 The *Handelshoogeschool* in Rotterdam

The next major step was the founding, in 1913, of the *Nederlandsche Handelshoogeschool* in Rotterdam, offering (initially) a two-year programme with a core of economics, economic history and geography, accounting and law, together with an array of minor courses. Business economics (under the name of *bedrijfsleer*) occupied an important place in the programme. Although this was not always realized, the objective during the 1920s and 1930s was to have two full professors, in addition to an extraordinary professor. From 1914 to 1935, the latter position was occupied by Volmer.

¹³The *Koninklijke Academie* in Delft was founded in 1842 for the purpose of educating civil engineers. Although it was envisaged at the time that its *courses* might also be useful for future merchants, it took until the 20th century before this idea had a noticeable influence on the curriculum [67, p 39]. According to Sleumer [67, p 101n], a book by Friedrich Noback, director of the *Handels-Institut* in Erfurt, was influential in the foundation of the Delft school

¹⁴As an auditor, he had been involved in the merger of Austrian margarine firms on behalf of the Dutch firm Anton Jurgens’ Margarinefabrieken. As a result of this contact he became a director of the merged Vereinigte Margarin & Butter-Fabriken [48], cf. [44, p 124].

¹⁵He served as editor at least until the 1932 volume. The 1933 through 1935 volumes do not list the complete editorial board, and they mention neither Volmer’s retirement nor his death in 1935

Being a completely new institution dedicated to tertiary commercial education, this was a rather bigger step than the creation of a single chair, and it required the concerted efforts of many groups and individuals mentioned before.¹⁶ The founding of the school was made possible by the efforts of a number of Rotterdam businessmen, but the ground was prepared by discussions kept alive by, among others, the National Union for Higher Commercial Education. As seen in section 3.1, the German Handelshochschulen served as an important source of inspiration to the members of the Union, and when a Dutch counterpart was to be founded, there were clear signs of attempts to put German example into practice. The success of the schools in Cologne and Berlin was cited and supported by student numbers, for instance, to argue the viability of a Dutch school.¹⁷ Attention to Germany extended to the physical prerequisites. In 1914, a committee was sent to inspect the premises of the schools of Cologne, Berlin and Frankfurt in order to determine the requirements of a new building [69, p 208]. Yet there was no unquestioned acceptance of the German precedent. There was general agreement that on-the-job experience was no longer a sufficient preparation for future business leaders, and that German experience had shown that more systematic training was a necessity. As formulated by the new Dean:

There is probably no other country in the world that can point to such an enormous growth in its commerce over the past few decades as the German Empire. Now, as the victory at Königgrätz has been ascribed to the German schoolteacher, so can he who knows how to listen hear how, both in Germany itself and among those who view it with rueful envy, its string of economic victories is ascribed in the first place to German Commercial Education (G.W.J. Bruins [23, p 35])

But there was also wariness to avoid education for its own sake, apart from the demands of practice:

As [one of the dangers confronting the new school] I mention the tendency of almost every educational establishment to expand its curriculum, a consequence of the perfectly understandable phenomenon that teachers, as they make further progress in their discipline, increase the requirements of a completed education. In this way, extensions of course duration have been observed at various places in Germany. May this example be not too hastily followed here. (A.R. Zimmerman [23, p 52])

In a similar vein, the new school was reminded by the interior minister that its place was in between the universities and the vocational schools. The ‘universities were entrusted with the development of the general principles of science, independent of immediate practical application, the *Hoogeschool* accepts the current level of scientific development and teaches the relation between science and the workings of business’ (P.W.A. Cort van der Linden [23, p 49])

Despite these guidelines, the Rotterdam school quickly developed a full-fledged academic programme with a graduate programme to follow the two-year ‘undergraduate’ course. The first doctoral thesis was defended in 1918. From the 1920s onwards there was no reason not to regard the Rotterdam school as an academic institution on par with the others.

¹⁶For materials relating to the founding of the NHH see [23, 67, 69]

¹⁷See the memoranda of Februari and April 1913, reproduced in [69, 304–7] and [23, 66–78], respectively

3.4 The University of Amsterdam

The last phase in the establishment of business economics was its introduction into one of the traditional universities. This occurred in 1922 with the establishment of a 'faculty of commercial sciences' at the University of Amsterdam. A key role in this development was played by Th. Limperg (1879–1961), who figured in many contexts of the proto-history of business economics.

First, he was a graduate of the Amsterdam Commercial School (see section 3.1), and he used its alumni society as platform to argue for higher economic education. In 1910, he represented the society at the International Congress for Commercial Education in Vienna, pleading for commercial education at universities rather than in separate commercial colleges.¹⁸

Second, Limperg was active in the Dutch auditing profession. Like many of his fellows, he had obtained his qualification as a bookkeeping instructor. As an auditor, Limperg was a fairly close associate of Volmer, with whom he had briefly run an auditing practice. Although their insights were by no means always identical, during the 1900s they had supported each other in their efforts to improve the professional standards of the Dutch auditing profession. Volmer and Limperg were both involved in the founding of the Rotterdam School, although it was Volmer rather than Limperg who became a professor there (see [69] en [74, p 85–92]).

In 1911, Limperg became an officer of the National Union and was presented to the membership as 'no stranger among those who take an interest in commercial education'¹⁹. From 1913 onwards, he was a (if not the) driving force behind the efforts of the alumni society of the Amsterdam Commercial School to establish an economics faculty at the university of Amsterdam (see [40, 58]). This was finally successful in 1922, when Limperg became a full professor in business economics while his chair was the first to bear the name of *bedrijfshuishoudkunde*.

Although Limperg was thus firmly rooted in the movement for 'improved commercial education', he aimed for a higher but narrower aim by claiming full academic status for only a part of the array of subjects that hitherto had been loosely grouped under the heading of 'commercial sciences'. Limperg's ideas on this subject are well expressed in a 1919 [36] article, at a time when the final push towards the establishment of the new Faculty in Amsterdam was about to begin. According to Limperg, 'what is generally regarded as commercial education lends itself only partially for development to higher, that is, academic education'. Therefore, a commercial college could only be viable as an independent institution if it offered in addition a variety of non-academic courses. In a university, however, it would be possible to limit the programme to a list of subjects that, in Limperg's view, 'lend themselves without doubt to academic inquiry and academic education.' The core of these would consist of economics, business economics, law, geography and history. Whereas business economics (*bedrijfshuishoudkunde*) was therefore to be ranked among the academic disciplines, some of the staples of commercial education were definitely excluded by Limperg: 'I do not, therefore, want commercial correspondence, bookkeeping, commercial arithmetic etc. to be taught.'

It is remarkable that Limperg, who had no academic background himself, became in this way one of the strongest advocates of a restricted, academic (or 'Minerva') approach to business economics. A contemporary remarked in 1919 that Limperg's enthusiastic advocacy of academic commercial education showed signs of

¹⁸Limperg was not on the programme, but made his comments during the discussions of speeches by Leitner and Stern. Limperg's statement at this congress was later frequently cited as an example of his far-sightedness in the matter of academic business economics (e.g. [40, 76]) but may subsequently have been attributed more significance than it had at the time. It was not mentioned in the report of the Dutch government's representatives [5] and characterized as 'inept' by another Dutch delegate [4], cf. [35]

¹⁹*Maandblad voor Handelonderwijs en Handelswetenschappen*, vol. 11, April 1911, p. 85.

an unrealistically roseate view of the university [31]. Limperg's position is the more remarkable in that there were no obvious Dutch precedents in the Netherlands on which to fall back, and that there were but few foreign examples. In Germany, the **Handelshochschulen** had the ambition to follow the polytechnics (which had been placed at an equal level with the universities in 1899), but most were by 1918 still in a transition phase to full academic standing [30, p 322]. After 1918, this was realized in many cases by the absorption of **Einzelhochschulen** in existing universities [72, p 209]. The clearest example available for the Netherlands was possibly the University of Frankfurt a.M. This university was formed in 1914 by the merger of a number of existing schools and institutions, including the **Akademie für Sozial- und Handelswissenschaften** which provided the basis for the *Wirtschafts- und Sozialwissenschaftliche Fakultät* [70, p 169]. Moreover, the establishment of a commercial faculty in London (1919) is mentioned as a factor that may have speeded up preparations in Amsterdam [67, p 116].

Allowing for these precedents, Limperg's views of the status of business economics as a main discipline in a department or faculty of economics retain a considerable degree of originality. The conclusion seems warranted that there is far less evidence of the direct following of German example in the case of Amsterdam than in the case of Rotterdam.

3.5 Subsequent institutional developments

Before the Second World War, the academic platform for business economics was extended with only one other institution, the Catholic **Handelshoogeschool** in Tilburg (1927). Apart from its own catholic identity, it has been perceived as being primarily influenced by Rotterdam [24]. In 1948, Faculties of Economics, including chairs of business economics, were established at the University of Groningen and the Free University (*Vrije Universiteit*) in Amsterdam. At that stage, the issue was not whether new establishments would look to Germany or other countries for inspiration, but, at least for some, whether they would look at Amsterdam or Rotterdam. Although it will be argued below that initially the similarities in approach between Rotterdam and Amsterdam were rather more important than the differences, by the 1940s the idea had risen of the existence of a 'Rotterdam' and an 'Amsterdam' school of business economics (cf. [10]), a difference roughly coinciding with the distinction between the 'Mercury' and 'Minerva' approaches mentioned above. However, it was a matter of fairly broad agreement that, whatever the internal differences, Dutch business economics as a whole was quite at a different level compared with other countries. As one of the newly appointed professors put it in 1948:

Both in Rotterdam, Amsterdam and Tilburg the foundations have been laid for a truly scientific treatment of the phenomena that make up the subject matter of business economics. It can be observed without national self-aggrandisement that the Dutch business economists have achieved more than scientific researchers in whatever other country. Not just in Germany, but also in the United States and in England the treatment of the issues usually does not rise above the level of formulating useful rules for the practice of business management. [45, p 4]

4 The nature of *bedrijfseconomie*

In the 1920s, business economics had clearly made its entrance into the academic world. Chairs had been created at three institutions, more were to follow and course programmes were developing. By that time, the new discipline was ready to

render an account of its programme. We have seen that, in terms of institutional arrangements, the German example had been quite prominent during the early years of the century. The question is therefore warranted to what extent this influenced the contents of the new discipline.

This section will argue in favour of such influence, although the scope of this article prevents a full argument based on a survey of all activities carried out under the banner of *bedrijfseconomie*. We restrict ourselves to two key elements from Perridon's definition of *bedrijfseconomie* (see section 2). First, we discuss how Dutch business economists saw the relationship between *bedrijfseconomie* and economics, and, second, we consider the place of accounting (or accountancy) within business economics. In both cases we shall see that the German literature was important (though never exclusively so), both in suggesting the questions to be asked and the range of possible answers.

4.1 *Bedrijfseconomie* and economics

As seen above, *bedrijfseconomie* emerged from the so-called 'commercial sciences', the motley assortment of practical topics taught at various levels of commercial education. To some extent, academic business economics never lost this pragmatic flavour, resulting in what Geertman called the 'mercurial' approach to business economics. Volmer, the first professor of business economics, is remembered as one who developed an almost artistic flexibility in making business economics subservient to the requirements of business practice [57]. It may be recalled that Volmer was probably as much aware of the German business economics literature as any of his contemporaries, and he was instrumental in bringing elements of it under the attention of the Dutch (*ibid.*). But in his case, this certainly did not lead to a 'system-building' approach to business economics. Volmer's successor in Delft, J. Goudriaan, was of a similar opinion. In 1927, he defined *bedrijfsleer* pragmatically as the 'doctrine of how best to manage a business' and warned that its sound development was threatened by 'theoreticians'. These 'are hardly heard in America, but in Germany they still have considerable influence'. These allegedly argued for a limited and unified conception of business economics in which the selection of problems for study was not guided by the concerns of practice [25].

Although Goudriaan did not mention any Dutch colleagues, it is clear that a development along the lines sketched by him was taking place at that moment in the Netherlands. It will be recalled that, in connection with the founding of the Faculty of Economics at the University of Amsterdam, Limperg [36] had advocated that *bedrijfseconomie* should be recognized as one of the elements of 'commercial sciences' that was amenable to scientific study and therefore ought to be promoted to the status of academic discipline. The ground for this argument was that *bedrijfs-economie* should be seen as part of economics, and that therefore it could share in the established scientific status of the latter. This line of reasoning was set out in 1922 by Limperg, in his inaugural lecture in Amsterdam, but also by N.J. Polak who, in the same year, was appointed as professor of business economics in Rotterdam. Polak (1887-1948) who, in the inter-war years, was as much of a figurehead in Rotterdam as Limperg was in Amsterdam, is often contrasted with Limperg and cited as an exponent of a less rigid, more pragmatic approach to business economics [3]. However, to understand how a view of *bedrijfseconomie* as a recognized subdiscipline of economics developed in the Netherlands, it is good to stress the extensive agreement between the inaugural lectures of the two new professors.²⁰

²⁰Polak's lecture was the first, on 17 January 1922, followed by Limperg on 8 May. It may be noted that quite similar views were expressed by Tilburg professor M.J.H. Cobbenhagen in 1932 [20].

Both Limperg and Polak gave a brief sketch of the development of business economics. In paraphrasis, both lecturers related how, traditionally, business practices had been simple enough to be learned by observation and imitation. From the 16th to the 19th century, this was often augmented by textbooks with descriptions of technique. A real change occurred with the explosive growth in size and complexity of business towards the end of the 19th century when many businesses became so complex that, apart from cases of happy intuition or genius, even experienced merchants or industrialists felt a real need for guidance. Guidance certainly was forthcoming, in particular from the engineers and bookkeepers who had written the textbooks with descriptions of technique and who frequently crossed the blurred border between pure description of existing practice and giving advice on improvements. However, what they offered as advice *was a kunstleer* (German: *Kunstlehre*), a set of maxims for acquiring an art or craft, based on experience or intuition rather than on a rigorous enquiry into the causal interdependencies between the phenomena of interest. This latter aspect, the exhaustive exposure of causal relationships underlying observed tendencies, was the hallmark of science. This did not mean that business economists had to investigate every ‘tendency’ or ‘causal interdependency’ in and around the enterprise. Limperg and Polak emphatically argued the need of self-restraint. The progress of the sciences depended on a proper division of labour among scientists, and therefore it should be recognized that lawyers, psychologists and engineers each had their own work to do on enterprise phenomena. The recent past had seen too much examples of business economists making excursions into disciplines in which they were not trained (the ‘Taylor’ literature is cited as containing many examples of superficial psychology) and, conversely, there had been cases of undue incursions from outside (such as lawyers writing about balance sheet valuation). Economists should concentrate on phenomena explicable by economic causality. Moreover, as a matter of expediency and division of labour, it should be recognized that many economists were unequipped to study the internal working of enterprise, especially as the growth of businesses had made them less easily observable. Therefore, a special group of economists, business economists, should come into being who were trained to study the enterprise, but who fully retained their identity as economists.

On the basis of this brief sketch we can turn to the question how these views were affected by the German literature. In general we can say that the points raised by Limperg and Polak were quite relevant in the contemporary German literature (cf. [66, p 5]). According to Leitherer [34], the 1910s and 1920s saw a movement away from early efforts directed at fairly practical issues in business technique and accounting towards more comprehensive systems of general business economics. In this change, issues of method and in particular the relation to general economics were extensively discussed. Some, like Ehrenberg (singled out for criticism by Goudriaan [25]), took the position that the unity of business economics and general economics implied to an identity of method.

In Polak’s case, we can find a direct link to this discussion, since he referred extensively to his sources. In his lecture, 18 books or articles are mentioned by name, 13 of which are in German, 2 in Dutch, 2 in French and 1 in English. Moreover, it is the German literature which provides him with his key arguments.²¹ The various possible approaches to business economics are explained by describing the differences between various German texts on *Betriebslehre*; Osbahr [49] and Nicklisch [47] are approvingly cited as examples of a more thorough-going study of causality that is not directed at immediate practical results; the argument that economists lack the training and technical equipment for the study of modern business is derived

²¹It may be noted in passing that Polak, as opposed to Limperg, also published in Germany. See [54–56], cf. [1]

from Weyermann [77], the necessity of respecting disciplinary boundaries is posited by disagreeing on this issue with Schmalenbach [63].

Limperg, on the other hand, typically made only sparing and oblique references to the writings of others except in polemics, and his inaugural lecture is no exception. Yet, combined with some of his other writings it is clear that he also was quite aware of the German literature and that this literature was important in shaping his categories of thought. In Limperg's writings, Germany figures above all as a place where *Betriebslehre* is practised as a *Kunstlehre* [37, p 182], or without reference to economics. This was certainly not a charge reserved for Germany alone²², but apparently the Germans, having advanced the furthest in the right direction, were most worthy to be combatted.

In 1924, he wrote:

It is my opinion that the new discipline [of *bedrijfseconomie*] would much earlier have obtained the indispensable solid scientific basis if in this country and in Germany it had been recognized earlier that there can exist no science of business economics with other objectives than those of general economics; that business economics is nothing but the science of economics specialised to phenomena in businesses. [38, p 161]

In a 1946 retrospect [39], he described how the development of business economics in Germany had, in his opinion, been hampered by a fruitless triangular debate between those who argued for a *Kunstlehre*, those who, following Weyermann and Schönitz [78] advocated a *Privatwirtschaftslehre* and the general economists (*Nationalökonomien*). However, he also noted how more recently there were signs of improvement so that 'even a man like Schmalenbach has at long last come round to include economic theory in his expositions' [39, p 240], cf. [41, p 10].

This is not the place to discuss whether or not Limperg's disapproving views of his German contemporaries were justified (see [74, p 45–50] for a critical view). The point to note here is that Germany provided terms of reference, so that Limperg's advocacy of *bedrijfseconomie* as a subdiscipline of economics could be presented as taking a position in a discussion in the German literature [65, p 8] or, less modestly, providing the solutions towards which the Germans were groping (e.g. [42, p 124]).

Similarly, it was by using Germany as a point of reference that Limperg was able to formulate his criticism of the Rotterdam school. In 1946, he stated that 'it followed in the footsteps of Schmalenbach and his colleagues in Germany, and therefore allotted business economics a place outside the context of economics' [39, p 240]. Obviously, this criticism was too harsh when applied to Polak of the 1920s and even after the War people could be found at Rotterdam who argued that business economics was certainly not a *kunstleer*, but a specialization of economics [71].²³

When we attempt to summarize the above, we can say that in the Netherlands, during the 1920s and 1930s, there was a clear awareness of elements in the German literature that pointed towards a more limited conception of business economics as a branch of economics. There was an awareness that such a conception did not exist in an equally pronounced manner in, particularly, the United States, and that it was also not universally shared in Germany. This awareness apparently influenced reflections in the Netherlands on the nature of business economics, if only because it assisted in setting the terms of debate. This could go as far as the use of German expressions or literal translations of German words in the literature, as in the much raised question whether or not business economics was a *kunstleer*. As in

²²Thus Limperg: 'In the United States, as in England the *kunstleer* of business finds many able practitioners, but the yeast of economic theory penetrates with difficulty as, likewise, that *kunstleer* is incapable of arousing the interest of the economic theorists.' [41, p 8]

²³The author in case, H. Thierry, made his point in a paper that, apart from a reference to Marshall, referred exclusively to the German and Dutch literature.

Germany, there was no consensus on this matter, and firm defenders of a *kunstleer* approach could be found. Just how much importance should be attached to the fact that the two leading figures at the two leading universities, **Limperg** and Polak, were in approximate agreement depends obviously on the question on how wide a definition of ‘business economists’ one is willing to use. Volmer and Goudriaan were but exponents of a wider and rather active movement interested in Taylorism, organization and efficiency (see [75, p 113–9]) which might quite reasonably present itself as part of *bedrijfsleer* but which was not particularly interested in questions concerning the relationship between business economics and economics.

For the time being, though, it seems reasonable to assume that at least until the 1940s, the larger part of academics who qualified themselves as business economists adhered to a narrow, ‘Minervan’ interpretation of business economics in which the narrowness resulted from a confinement to issues that could be treated by economic analysis. This tendency was rather more in evidence in Amsterdam than in Rotterdam or Tilburg, but by contemporary admission the differences between the institutions ought not to be exaggerated.

4.2 *Bedrijfseconomie* and accountancy

A second aspect of Dutch business economics that has frequently been mentioned was the prominence of accounting, accountancy and accountants [8]. There can be little doubt that in a general sense this was true, but there is merit in a closer investigation of what this meant precisely, and in the present context, what relationship, if any, this had to contemporary developments in Germany.

In such an investigation we are even more directly confronted with the problem of differences of opinion about the meaning of *bedrijfseconomie*. The discussions of the previous section, dealing with specialized questions such as the academic status of business economics and its relation to economics in general were a matter of concern to very small numbers of people only, who were attached to the two or three universities with a business economics programme, and it is possible, at least until about the 1940s, to make assessments of the degree of unanimity. However, when we move to accounting, we enter a far wider domain where large numbers of people were active, not only as practitioners but also in a broad spectrum of practice-oriented educational programmes outside the universities [67], with the almost natural consequence of a greater diversity of opinions.

A related problem is that this diversity of opinion is not well researched. The existing literature on the development of Dutch business economics and accounting tends to focus on the Limpergian school, which, though highly influential, was by no means ever completely dominant. There is a considerable danger, therefore, of attributing too much importance to **Limperg** simply because he is by far the best researched individual.

With these caveats, we can take as starting point the general observation that, in Germany, accounting is considered as a key part of business economics [13, p 413]. In particular it is asserted with reference to Germany that, historically, the origins of business economics are to be found in the area of accounting, that the debate on inflation accounting was one of the key features of pre-war business economics, and that, next to balance sheet theories, ‘cost theories were the other great discussion theme of the 1920s and 1930s’ [34]²⁴

We can compare this with the following observation made in 1970 by **Limperg**’s student (and successor) H.J. van der Schroeff. According to van der Schroeff, the development of a separate discipline of business economics in Germany did influence

²⁴cf. Gutenberg [26] who lists inflation accounting and costing as two of the three issues that were vital to the development of business economics as a science. Market research was listed as the third.

the Netherlands in a general way, but apart from that, the Netherlands ‘found its own way, following insights derived from accountancy and accounting’ [66, p 7]. Given the fact that in German business economics accounting did already occupy an important place, a first conclusion is likely to be that any differences between German and Dutch business economics in this regard were at best differences in degree or ‘flavour’.

One important difference in degree can be found in the relationship between business economics and the accountancy profession which was rather closer in the Netherlands. In the eyes of Limperg and his students, accountants (or rather, public auditors) had historically been responsible for the development of *bedrijfseconomie* as a discipline. Although it should not be forgotten that, as documented in section 3, many who were not involved in accounting at all had contributed greatly to the establishment of business economics as an academic discipline, there was considerable justification for this view. Many early business economists, like Volmer, Limperg and Polak, were also key personages in the Dutch auditing profession.²⁵ To Limperg, this was not coincidental but a natural result of the circumstance, described above, that economists were considered to be ill-equipped to study the economics of modern enterprise:

Even though . . . no dividing line can be drawn between economics and business economics, yet a detailed knowledge of the techniques of business is one of the foundations for the specialization of economics into business economics. The business economists occupy the advance positions in the work of research in business. And in these advance positions, it is the auditor who can take command . . . The auditor . . . moving and working in different enterprises is more than anyone else capable to provide, in due course, the materials that science requires to continue to observe and explain the ongoing development of business. [38, p 162]

The alliance between business economists and auditors was the more natural as a sound and preferably academic knowledge of business economics was vital for the auditor to continue his development from a mere bookkeeping expert to economic advisor of management (*ibid.*). While on the one hand, therefore, Limperg worked to make business economics an academic discipline, he was active at the same time to make business economics a key subject in the programme of professional education of the Dutch Institute of Auditors. By 1938, the NIvA’s examination programme included 1 to 1½ years of (parttime) study of business economics before the student could progress to another three years of studying auditing proper [46, 210–211]. Although comparisons are not straightforward, it is likely that this was a rather heavier courseload in business economics than required of contemporary German *Wirtschaftsprüfer* [12, 104–105]. The ultimate ideal, first expressed by Limperg in 1913, was an academic training for auditors, following on a graduate study in business economics. This was realized in Rotterdam as early as 1915 and in Amsterdam in 1929 (see [75, p 150]).

The intimate relationship between business economics and accountancy was presumably a factor that lay at the root of some differences between Dutch and German business economics.

One such difference results from the fact that the Dutch auditors, as such, looked not just to the east, but also to the west. The Dutch auditing profession was strongly oriented on the British example and, as far as the nature of audit work itself was concerned, the attention paid to english-language sources far exceeded the interest

²⁵The first appointments in Rotterdam to teach business economics were almost all auditors [69, p 25]. N.J. Polak passed the examinations of the Dutch Institute in 1914 and was briefly active as an auditor (in government service) before being appointed a professor in Rotterdam in 1921. He subsequently remained a prominent member of the Institute.

in German auditing. Therefore, the intimate links between the auditing profession and academic business economics implied that about all leading business economists had learned to consider at least the english-language auditing literature as highly relevant (see also [14]). The hypothesis that, at least in part for this reason, Dutch business economists were somewhat more inclined to look at the English-language literature than their German counterparts seems worthy of further investigation. One area where such an effect can tentatively be identified is the area of cost and management accounting.

In general, it has been argued that, traditionally, Dutch business economists tended to restrict themselves to cost accounting and, by reducing it to cost allocation and inventory valuation, made it subservient to the requirements of financial accounting to the detriment of more decision-oriented forms of management accounting [7]. It is true that Limperg was highly critical of marginal cost approaches to decision making [41] and strongly emphasized a doctrine of a single full-cost cost concept. Schmalenbach in particular was singled out for sometimes strongly-worded criticism [42, p 565]. But at the same time we find that J.M. Clark's *Studies in the Economics of Overhead Costs* [18] became required reading in Amsterdam at least as early as 1927, and remained so at least until 1952²⁶. The oral tradition has it that Limperg included such books only to criticise them in class, and, indeed, it seems hard to connect the idea of 'different costs for different purposes' with Limperg. Yet he seems to have had a genuine appreciation for the method if not the conclusions of Clark whom, on one occasion, he credited with being one of the few 'Americans who can be considered as business economists' [42, p 123].

An interest in Clarke seems more natural with Goudriaan (cf. [25, p 546]), who had indeed a considerable interest in American cost and management accounting. Goudriaan was very active in promoting the idea of budgeting, inspired in particular by Charter Harrison [17]²⁷. Apparently, the huge success of a budgeting system designed by Goudriaan around 1930 for the electronics firm Philips created a great interest in budgeting and standard costing. According to Geertman [24], auditors in particular were active in spreading these American ideas, which led to a considerable difference with Germany in the extent to which budgeting was actually practised.

There remains considerable scope for historical research in the development of management accounting in the Netherlands prior to the Second World War. For the time being, though, there seems to be no reason to reject the statement by Brands [11, p 11] that the United States and Germany (in that order) were of prime importance as a points of reference for both Limpergians and non-Limpergians.

When we move to financial accounting, we find a stronger link between the German and Dutch traditions, notably in the area of balance sheet theories and accounting for changing prices. Already in the 1930s it was claimed that in this area business economics had made the most important contributions to the work of Dutch auditors [46], and it was therefore natural to notice that there were considerable similarities between German work in this area, notably by F. Schmidt, and that of the leading Dutch theorist, Limperg (e.g. [19]).

It is interesting to note that the German *Scheingewinne* literature was introduced in the Netherlands from the sector of bookkeeping instruction. During the 1920s, the network around the 1864 national examination and the 1894 journal (see section 3.1) was still quite vibrant and processing more candidates than ever. It was also trying to adjust itself to the emergence, out of its own ranks, of a purely academic business economics that was sometimes reluctant to acknowledge its origins. Although a staple of the early 'commercial sciences', bookkeeping was not,

²⁶As shown in the reading lists printed in the various editions of the Faculty's almanac or *Jaarboekje*

²⁷Also briefly included in the Amsterdam reading list in the 1920s and apparently still recommended by Limperg in the late 1930s [42, p 355]

as seen above, considered suitable for academic teaching or research. According to Limperg, its rightful place was as a technique for gathering the data with which the business economist went to work [38], and in educational terms it belonged in the secondary schools. One searches in vain, therefore, in Limperg's academic writings for a discussion of, say, account charts. This was not merely a Limpergian point of view: during the 1910s apologetic notes were sounded in Rotterdam for the fact that bookkeeping courses still had to be taught because not all students entered the school with sufficient preparatory training [67, p 117].

The 'bookkeepers' on the other hand quite readily embraced business economics which became an important part of various examinations and textbooks and which was rather widely discussed in their journal. As discussed elsewhere ([15]), it was in this context that developments in German inflation accounting during the 1920s and 1930s were introduced and quite keenly followed in the Netherlands, and had a considerable influence on accounting education and research, quite apart from the influence of Limperg.²⁸ Given the growing prominence of Limperg's work in the same period, comparisons were inevitable, in particular with the views of F. Schmidt.

Limperg himself and his students acknowledged the practical usefulness of German work on inflation accounting, but criticised it as being insufficiently detached from the concerns of bookkeeping and insufficiently grounded in economic theory, or, in brief, for being *Kunstlehre* [42, p 124], [65, p 11]. As opposed to that, Limperg proposed an embryonic theory of the firm, from which he developed a 'value to the owner' theory as the cornerstone of business economics. This, in turn, led to a theory of balance sheet valuation and income determination and a theory of costing, both based on current value (see [16] for a review). A similar approach is observable in the (early) work of Polak, where issues of balance sheet valuation are treated as problems of theoretical economics and where the work of Schmidt is praised for its practical relevance but criticized for the absence of a strong link between its premises and economic theory [52, 53].

Looking back from the present, the thought naturally arises that Limperg and his followers were culpable of exaggeration in magnifying the differences between his own work and that of Schmidt, particularly given the general correspondence in terms of practical consequences. Yet, as I have indicated elsewhere ([15]), such a view pays insufficient attention to the importance attached at the time, and not merely by Limpergians, to the discussion on the nature and proper methods of business economics. One can reject a 'Minervan' view of business economics while conceding that from such a perspective one has not merely to be right, but to be right for the right reasons.

5 The disappearance of German influence

As a general tendency, it is probably correct to say that after the Second World War the interest in Germany among Dutch business economists declined significantly. A number of aspects of this phenomenon can be mentioned.

²⁸An active role in the introduction of Schmidt in the Netherlands was played by M. van Overeem, who provides as good an example as any of an underresearched non-Limpergian. Van Overeem was a prominent representative of the 'bookkeeping' circles. He was a member of the examination board for the qualification for bookkeeping instructor. In that capacity he opposed his fellow board member N.J. Polak when the latter, at his most 'Minervan' in the early 1920s, wanted to increase the share of economic theory in the curriculum [50]. Van Overeem was also an editor of the Maandblad *voor het boekhouden* and the author of a number of well-received textbooks. He wrote much on German balance sheet theories and argued with Limperg about the tendency to 'place bookkeeping and balance sheet outside the scope of business economics proper' [38, p 163].

It has been observed in general that the war marked a shift in the orientation of Dutch universities. Whereas before the war, Dutch academic life tended to look towards Germany, after the war Germany tended to be ignored, for war-related reasons. The level and intensity of postwar contacts with Germany was low, both compared with the prewar situation and compared with the German contacts maintained by universities in Britain and France. For Dutch universities, the US supplanted Germany as the major reference point [60].

However, more specifically for business economics, it is probably too simple to see the war, as such, as a sharp break with the preceding period. Arguably, there were at least two relevant developments during the postwar period that caused a more gradual shift of emphasis.

First, there was a tendency in the German literature towards a conception of business economics that was more in keeping with prevailing Dutch views on the subject. The debate on *Kunstlehre oder Wissenschaft* was settled, under the influence of Gutenberg, in favour of a more formal, micro-economic approach [1, 21, 43]. This was recognized in the Netherlands. Geertman [24, p 168] noticed how the ideas of Gutenberg, Waffenschmidt, Schneider, von Stackelberg and others fitted in with earlier developments in Dutch business economics, notably in Rotterdam and Tilburg. Van der Schroeff observed in 1970 that the conception of business economics as a part²⁹ of economics was generally accepted in the literature of both countries [66, p 6].

Second, though, as van der Schroeff was aware, there were tendencies at work in the Netherlands leading away from such a unified conception of business economics. As seen above, there had always been advocates of a pragmatic approach to business economics in the Netherlands, not in the sense of a disregard of method, but in the sense of letting the choice of method depend on the nature of the problem at hand. However, during the postwar period this tendency grew in strength with a greater emphasis on education for practice and a growing awareness of and interest in the multidisciplinary and problem-solving approach to business administration in the US [24]. The result was what might perhaps be called a return of *bedrijfsleer*, but this time under the label of *bedrijfskunde*, seen as a multidisciplinary approach to the study of business phenomena. Strictly speaking, there need be no antagonism between *bedrijfskunde* and *bedrijfseconomie* as the latter should be able to maintain its own identity as one of the more fundamental disciplines on which the former, as an applied science, could draw [32]. In practice, however, it seems fair to say that *bedrijfseconomie* has been unable or unwilling to maintain its strict focus on economics, resulting in the situation in which 'bedrijfseconomie is a label of the professional education in business administration containing a relatively heavy curricular load of financial and management accounting' [8, p 188]. For the sectors of Dutch business economics that followed this tendency, the German literature apparently lost in relevance to be replaced by the American literature.

One would expect that those parts of Dutch business economics dominated by the ideas of Limperg would resist longest to the tendency towards fragmentation and, conversely, would be able to profit most from a change in emphasis in the German literature. However, this effect was not greatly in evidence. As it happened (not quite coincidentally), Limperg's ideas retained their influence for the longest time in the auditing profession and its educational programme, and in the university courses associated with them, in particular financial accounting. For a variety of reasons, the auditing profession (never strongly oriented towards Germany) went through a phase of national orientation during the 1950s and 1960s, in which at best some influence from the English-speaking world made itself felt [64]. Academic discussions of financial accounting remained to a large extent preoccupied with

²⁹ *deelwetenschap*, cf. German *Teilwissenschaft*

refining and criticizing current value theory. The contemporary German literature, strongly influenced by the German institutional framework and therefore somewhat removed from the theoretical developments in business economics [13], could be of little help in this respect.

The increased attention to the US has resulted in the present situation in which the German literature is apparently rarely used by Dutch business economists. The following figures may serve as an illustration. In the 1995 volume of the Dutch-language monthly *Maandblad voor Accountancy en Bedrijfseconomie*³⁰ there were in all 10 references to German-language journal articles or monographs, against approximately a thousand references each to English-language and Dutch-language monographs and journal articles. The German references appeared in three articles, all dealing with cost and management accounting. For other subjects, such as strategy, organization, marketing and financial accounting, the German literature was apparently not consulted. That this is not because of a lack of availability is seen from the fact that the main German-language journals are widely available in the libraries of economics departments.

6 Concluding remarks

Before formulating conclusions, it is proper to point again to the limited scope of the present paper (which all but ignores developments in the areas of marketing, finance and organization) and to the limited number of earlier historical work on which it could draw. The conclusions are therefore little more than invitations for further research.

We started this paper with Geertman's distinction between the Minerva and Mercury approaches to business economics and the observation that it was the former rather than the latter which set Dutch business economics apart from Anglo-American approaches to business administration. A simple hypothesis would therefore be that this distinction was the direct result of German influence. However, the materials in this paper indicate that such a conclusion would be a little bit too simple in the light of the chronology of events.

The first part of the paper documented how the example of Germany in institutional terms was strongest in the early years of the century. It is safe to say that the idea of higher commercial education in specialized *Handelshochschulen* and the idea that *bedrijfsleer* ought to have a place in its curriculum were straightforwardly borrowed from Germany during the 1898-1913 period. However, it was at best at the very end of this period that business economics began to be more clearly defined in Germany, and that the idea was first clearly expressed that business economics should derive its unifying principle from being part of economics.³¹ It would take many years, arguably until after the Second World War, before this idea was widely accepted in Germany. In the Netherlands, we see that the idea of a unitary, economics-based *bedrijfseconomie* became prominent during the 1920s, at an earlier date than in Germany. That a degree of consensus could be reached earlier is undoubtedly due in part to the comparatively small number of academic Dutch business economists at the time. However, this should not make us overlook the fact that it was by no means inevitable that it was this conception of business economics rather than a *Kunstlehre* approach that took the upper hand in the Netherlands. This is most clearly seen in the person of Volmer, the most German-oriented of the Dutch business economists and the strongest representative of a *kunstleer* approach [71, p 7].

³⁰The journal was founded by Limperg in 1924 and its title reflects his views on the intimate relationship between business economics and accountancy

³¹Schär [61] might perhaps be cited in this regard

Germany did play an important role, therefore, in supplying the idea of business economics and the raw materials to define and develop it, but, in the Netherlands these German contributions were typically not accepted until after a process of criticism and selection. This was most true for the truly academic business economists like Limperg and Polak and some of their successors. Personalities undoubtedly did play a role (graciously acknowledging debts to others apparently did not come easily to Limperg). But a more important factor behind their critical attitude was probably their concern for the academic reputation of their new discipline. Outside the universities, on the other hand, one finds, at least during the 1920s, a rather more relaxed attitude to German contributions and a willingness to accept and propagate them in their original form.

Prior to the Second World War, therefore, we are led to the conclusion of considerable German influence on developments in the Netherlands, although the degree to which such influence was acknowledged declined with the growing strength (both institutionally and conceptually) of Dutch business economics. Following the war, German influence declined strongly, even though German business economics adopted a course that, for many years, it had been urged to adopt by some of the Dutch. The reasons for a decline in German influence must therefore be sought primarily within the Netherlands itself. The growing strength of the pragmatic approach to business economics which fitted well with a shift towards the US literature appear as the most important developments.

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