

# THE HISTORY OF THE AUSTRIAN COMMERCIAL COLLEGES FROM THEIR FOUNDATION AS INDEPENDENT EDUCATIONAL INSTITUTES TO FULL INTEGRATION INTO PUBLIC ADMINISTRATION (1850s-1950s)

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*L'institutionnalisation et l'internationalisation de l'enseignement de la gestion ont pu se réaliser dans un premier temps au sein d'écoles secondaires qui proposaient d'enseigner les techniques commerciales dans une logique libérale. Ce premier article – réalisé dans le cadre du Programme of Fundamental Studies de la Higher School of Economics en 2011 – analyse ce phénomène d'institutionnalisation au sein d'écoles secondaires autrichiennes sur la période des années 1850-1950. Il montre en particulier comment dans l'Autriche postrévolutionnaire le développement du libéralisme a favorisé le développement de ces écoles. Elles se sont toutefois heurtées à des difficultés financières qui après-guerre ont poussé celle de Vienne à se faire nationaliser. En soulignant les échanges et les relations entre ces écoles et l'État autrichien au cours du temps, cet article montre comment l'évolution des enseignements et des institutions de gestion est intimement liée aux changements économiques et politiques qui les entourent.*

The rise of the bourgeoisie in the Habsburg monarchy was closely tied to the revolutionary year 1848, when riots paralyzed Vienna, Prague, Milan and large parts of Hungary. The threat to the regime was serious and the nobility was shaken when the Habsburgs lost control over Hungary for a few months and could only reestablish power with the support of Russian and Croatian forces<sup>1</sup>. Although the monarchy survived the revolutionary years without making any major political concessions, the bourgeoisie received far-reaching economic liberties<sup>2</sup>. The Empire was under severe internal pressure. The provinces in Italy, inspired by the idea of the Risorgimento and fuelled by Napoleon III, challenged the Empire in 1859 again and gained their independence in the very bloody battles of Solferino and Magenta. Having lost these wealthy and important regions, the prestige of the Empire was damaged and the absolutist way of ruling the monarchy was no longer feasible<sup>3</sup>. It was only after 1866 that renewed armed struggles changed the face of the monarchy for good and caused a constitution to be put into place, together with a lasting treaty with Hungary, which gave the latter greater autonomy and renamed the realm the Austro-Hungarian Empire<sup>4</sup>.

The last neo-absolutist government introduced a new commercial law (*Gewerbeordnung*) in 1859, which eliminated both the guilds' domination of the

trades and royal privileges<sup>5</sup>. Due to generations of protectionist tariff politics, Austria had lost competitiveness in comparison to other nations like Great Britain, France or parts of Germany. With large economic freedoms granted to the bourgeoisie, the production capabilities of the Monarchy could finally be expected to reach Western European standards. The succeeding governments, starting with Schmerling's, which lasted until 1879, advocated very liberal politics. The old economic thinking had also hampered the creation of an entrepreneurial elite and suitable entrepreneurs. Even years after the opening of the commercial college in Vienna, the authors of an annual report remarked that "there is a lack of suitable people in Austria. We need more competent people who are better trained and educated"<sup>6</sup>. "Few are still willing to invest all their abilities and material fundaments to become entrepreneurs. Those who prefer security and guaranteed pension to personal risk-taking are becoming more and more active and fueling the hypertrophy of our state. Entrepreneurs, instead, are suffering from a lack of suitable staff"<sup>7</sup>.

It was during these times that the need for specialized education for commercial activities arose. Technological advancements in construction allowed for improvements in the transportation of goods, like the opening of the rail track over the two important Alpine passages of the

<sup>1</sup> A. Graf Bossi-Fedrigotti, *Kaiser Franz Joseph I. und seine Zeit*, Zurich, Ringier, 1978.

<sup>2</sup> W. Pollak, *1848. Revolution auf halbem Weg*, Vienna, Europaverlag, 1974.

<sup>3</sup> M. Prieschl, "Der Weg nach Solferino. Die politischen Ursachen von 1859", *Österreichische Militärische Zeitschrift*, 2, 2010, p. 189 – 207.

<sup>4</sup> P. Berger, *Der österreichisch-ungarische Ausgleich von 1867: Vorgeschichte und Wirkungen*, Vienna, Forschungsinstitut für den Donauraum, Herold, 1967.

<sup>5</sup> H. Matis, *Österreichs Wirtschaft 1848-1913: Konjunkturelle Dynamik und gesellschaftlicher Wandel im Zeitalter Franz Josephs I.*, Berlin, Duncker & Humblot, 1972.

<sup>6</sup> *Handelsakademie (Handelsacademie) der Wiener Kaufmannschaft*, Vienna, 1915.

<sup>7</sup> H. Hassack, *Die Feier des 50 jährigen Bestandes der k.k. Handelsakademie in Graz. Bericht von Hans Hassack*, Graz, Selbstverlag der k.k. Handelsakademie, 1914.

Semmering in 1854<sup>8</sup> and the Brenner in 1867. With the rising mechanization of the production process, mainly triggered by the arrival of steam engines, an efficient production process demanded huge capital investments. Due to technological progress, investments necessary to produce in a competitive manner had risen sharply and many entrepreneurs relied on a group of well-educated staff to manage their ventures. With the changing self-understanding of the bourgeoisie came a shift in the self-understanding of the merchant and what a modern merchant would need. The report on the foundation of the commercial college in Linz, in Upper Austria, starts with a focus on the new level of competition: "It is not only the material means that a successful venture requires. Rather, it is the intelligence of the merchant, his ability to fully grasp the opportunities which are offered to him and the ability to communicate with foreign people in their language and to understand their customs and way of live"<sup>9</sup>.

The foundation of suitable learning institutions became a visible sign of the newly-emerging bourgeois life style and of the new role the middle class was prepared to play in society. During the opening ceremony of the commercial college in Linz, a high representative of the ministry of Culture and Education called the new institution "a true bourgeois school to grow and educate brave and able members of the bourgeoisie"<sup>10</sup>. In the end of 1858

the emperor Franz Josef himself visited the commercial college in Prague and when textbooks and examples of students' skills were shown at the world exhibition in London, the institute in Prague was awarded the honorary title of *Prager Handelsakademie*<sup>11</sup>. The commercial colleges offered the highest educational degrees for commercial studies throughout the monarchy until the foundation of the first commerce universities at the end of the 19<sup>th</sup> century (the *k.k. Exportakademie* in Vienna was set up on the 1<sup>st</sup> of October 1898). Even beyond that, the commercial colleges remained the most important educational institutions for business education for small and medium businesses throughout Austria.

The nature of these schools and their focus on the international merchant also give evidence of another interesting phenomenon, namely the early integration of European trade – long before the nationalism in politics subsided. The schools are also one milestone in the transition from autarky (around 1870) towards an integration of the world capital markets (around 1913)<sup>12</sup>. Other works speak of an even earlier integration of the major European financial markets like London or Amsterdam<sup>13</sup>.

The setting up of the commercial colleges which will be described and discussed in the subsequent sections of this article gives insight into a major private initiative to set up a school which – up to this day –

<sup>8</sup> G. Dinobobl, *Die Semmeringerbahn: der Bau der ersten Hochgebirgseisenbahn der Welt*, Vienna, Verlag für Geschichte und Politik, 2003.

<sup>9</sup> A. Effenberger, *Die Handelsakademie in Linz sei tihrer Gründung im Jahre 1882*, Linz, Eigenverlag, 1908.

<sup>10</sup> *Ibid.*

<sup>11</sup> *Die Prager Handelsakademie von ihrer Gründung bis zur Gegenwart 1856-1873. Gedenkschrift aus Anlass der Wiener Weltausstellung 1873*, Prague, Mercy, 1873.

<sup>12</sup> M. A. Clemens and J. G. Williamson, "Why did the Tariff-Growth Correlation Reverse after 1950?", *Journal of Economic Growth*, 9, 1, 2004, p. 5-46; M. Obstfeld and A. M. Taylor, *Global Capital Markets: Integration, Crisis, and Growth*, Cambridge, Cambridge University Press, 2004.

<sup>13</sup> e.g. L. D. Neal, *The rise of financial capitalism: International capital markets in the age of reason*, Cambridge, Cambridge University Press, 1990; M. Flandreau, "The Logic of Compromise: A Non Optimum Currency Manifesto", London, CEPR discussion paper, 2004.

THOMAS GSTRAUNTHALER

plays a leading role in the Austrian school system. Despite that it is not the success of the school which is of interest for this paper. Rather, it is the relationship of the school to the state authorities which makes it such a compelling case to study. The school was born out of the proud – and liberal – bourgeois circles that were bound to lead economic activity into the age of modernity. The mid-1800s saw a series of foundations in the major cities of the empire, funded privately and designed to provide future employees for the local economic elite. Over the course of time, the public administration started to interfere more and more, until finally – after the devastating years of World War I – the college asked to be included into the protection of the state. But things turned from bad to worse and the last remainders of liberalism were extinguished by the national socialist regime.

## THE FOUNDATION OF THE VIENNESE COMMERCIAL COLLEGE

When the arms manufacturer and royal councilor Bernhard Wilhelm Ohligs was presenting his vision of a scientific-commercial education for Austrian merchants and industrialists in 1856 to the chamber of trade and commerce in Lower Austria, he could already point to the successful institution that had been founded in Prague (1856). Another such institute was already being planned in Budapest that would see the light of day in 1857. Still, the commercial college in the capital was bound to become the most prominent institution of its kind in the whole empire. “The state administration has set up *Realschulen* and has thereby met their obligations. Now, after to

the *Realschule*, the industries and trades should now assure further education”<sup>14</sup>.

Following the school constitution (*Schulverfassung*) of 1806, *Realschulen* were established as secondary schools to provide a suitable education for youths who wanted to engage in the higher arts, commerce, agricultural and administrative positions<sup>15</sup>. When Ohligs published the call to set up a commercial educational institute in Vienna in 1856, he could be assured that his ideas would be well received. In many communities, the local merchants worked together to found smaller institutes, like the commercial Sunday school in Prague or the Lehrinstitut für Handelspraktikanten in Graz. Still, none of these initiatives could equip the students with what was seen as necessary and methodologically sound educational foundation to meet the demands of ever increasing competition.

At the end of 1856, a committee of the association of merchants in Vienna was founded which, in the following year, issued their own call to participate in the establishment of the commercial college in Vienna. To finance the new institution, the draft included *Members*, *Gründer* and *Stifter*. The latter were obliged to pay either 300 Gulden throughout their lives or 3000 Gulden once. *Members* contributed less than 50 fl. annually. *Gründer* supported the school with any amount between 50 and 300 fl. Generally, sponsors of more than 50 fl. had the right to receive a 25% discount on the fees for their sons, grandsons and nephews. The *Stifter* got the privilege of naming a student every year who would be taught at the school for free and, of course, would have their names inscribed on a marble plate. Also, the leading institutions at their time like the National-Bank, Kredit-

<sup>14</sup> B. W. Ohligs, *Die Gründung einer allgemeinen kaufmännischen Lehr-Anstalt in Wien. Ein Antrag an die löbl niederösterreichische Handels- und Gewerbekammer*, Vienna, Manz, 1856.

<sup>15</sup> R. Bauer, *1872-1972. Geschichte der Staats- bzw. Bundesrealschule (bis 1970) und des Bundesrealgymnasiums (ab 1963) in Graz. 100 Jahre Realschule und Realgymnasium Keplerstrasse*, Graz, 1990.

Anstalt für Handel und Gewerbe, Donau-Dampfschiffsfahrts-Gesellschaft, etc. supported the idea and committed themselves to materially back up the new institution<sup>16</sup>.

The importance of the new political situation and enhanced level of competition was also reflected in Ohlig's original proposal. "Due to the new tariff conditions and the resulting higher competition, but also the novelties triggered by advances in credit and communication, Austrian trade has to perform a higher and even more important role. The contemporary education of our youth is the first priority to ensure individual and collective prosperity"<sup>17</sup>. Ohlig's proposal ended with the words: "May all the expectations be met of all the joy and pride for the fatherland which will enlarge its power and dignity through progress of the applied sciences. May the institution which is dedicated to the trade and industries and inaugurated through the highest dignitaries of the Empire be successful".

The school was planned to educate students over the course of three years. If need should arise, the founding articles allowed for the teaching of the last year over two years. The school would remain in the possession and under the management of the association, which would select the appropriate directors and teachers. The general assembly of members elected a board (*Verwaltungsrat*) to run the school. Every member of the school had a vote, irrespective of their financial contributions. The board decided who would become the director, and appointed the teachers and assistant staff and was completely free in its decisions – the only factor that would determine the suitability of an applicant would be his

professional standing and qualifications. The articles of the association stressed that religion was not to be taken into account (§ 26 of the articles). The final decision of the board would be sent to the public administration for confirmation. The board also named an inspector who was to control the teaching and the exams, and decide on the textbooks after consulting the director.

This was very much in line with the liberal thinking that prevailed from the late 1850 until 1879 onwards and was reflected in the speeches and contributions on the occasion of the directors' inaugurations. The director of the commercial college in Prague thus declared: "Trade overarches the world with giant arms and forces it to offer all its resources. Trade unites all the countries of the world". He went on: "The merchant belongs to the higher circles of society. He needs a school to prepare him to make his stand there. The school has to be a special faculty, a university for the merchant, standing in the middle of all other professional institutions, using them all. But it has to be independent. Speaking about the need for independence for these schools is like teaching Hannibal about the art of war"<sup>18</sup>. Ohlig later told the students of the newly founded institute in Vienna: "You, my young fellows, you are inclined to join one of the most respected parts of the bourgeois society. Don't forget: the merchant owns the world! Keep these words close. The merchant needs a comprising education and he has to be free of prejudices – to be of true value to the fatherland. It is assiduousness, industriousness, orderliness and strict punctuality, combined with affability, that are the most important character features of the young merchant"<sup>19</sup>.

<sup>16</sup> A. Kleibel, *1858-1908. Fünfzig Jahre Wiener-Handels-Akademie*, Vienna, Steyrenmühl, 1908.

<sup>17</sup> B. W. Ohligs, *Die Gründung...*, *op. cit.*

<sup>18</sup> *Die Prager Handels-Academie...*, *op. cit.*

<sup>19</sup> A. Kleibel, *1858-1908...*, *op. cit.*

THOMAS GSTRAUNTHALER

When the articles were passed on to the higher public administration for approval, the public administration demanded that § 26 (the board is absolutely free in its decision whom to appoint) be completely removed. This had less to do with the religious mission of the public administration than with the concordat of 1855 which subordinated education under the Catholic Church<sup>20</sup>. Although the board gave in to the public administration's demands and adapted § 26 as suggested, the board nevertheless appointed Prof. Spitzer, who was Jewish, for mercantile mathematics and algebra and Dr. Zekely, a protestant, for natural history. The higher public administration accepted their appointments for one year only. The issues with the appointments of staff needed to be solved, but the board did not want to confront the ministry at such an early stage. A solution was found in separating the school into a part that was part of the *Mittelschule*, which would fully follow the concordat, and a higher commercial academy, fully compliant with the original meaning of § 26 – namely, that only their professional standing should determine the eligibility of the staff. The higher school would not include any religious teaching at all. Both the minister and the archbishop agreed to this suggestion. With these issues resolved, the school was opened on the 13<sup>th</sup> of January 1858 and proudly started to teach its first 59 students. Students were accepted either after passing an exam or after having completed the third class *Unterrealschule* or the fourth class *Untergymnasium* with distinction. Tuition fees were set at 150 fl. per class, including 5 fl. for the school's collections, payable when the student joined the school.

Already in the academy's second year, the number of students rose to 170. The biggest problem now became its limited space. The ministry of Finance rented out parts of their buildings to the school, but only for two years. Then the board asked the Finance minister to prolong the lease of the building, originally planned to end in 1859, with respect to the troublesome financial situation. The request was turned down, but the ministry was willing to sell a piece of property at a discount of 15% off the estimated price. The money was raised exclusively through private means, and in the course of few months the voluntary collection of money reached 300 000 fl.<sup>21</sup>. When the new premises were finally opened on the 12<sup>th</sup> of October 1862, a number of guest speakers joined in the celebrations and gave speeches that offer interesting insights into their perceptions and views. The president of the board pointed out that: "Some years ago, our youth seeking commercial education had to study in foreign countries. Now it makes me proud to see representatives from all ethnic groups of the empire as students"<sup>22</sup>. While this probably was an exaggeration, given the multi-culture Habsburg state, it is true that the students came from a remarkably widespread area. Subsequently, the minister for Trade said in his speech: "If the merchant is supposed to unlock all his potential to improve the well-being of society as a whole, we must not let him venture on his own. Rather, the merchant should perform his tasks on a higher level, he has to consider all influences on the present situations and he has to research new ways, new connections, new directions"<sup>23</sup>.

The state showed its appreciation for the work done by the association through grant-

<sup>20</sup> E. Weinzierl, *Die österreichischen Konkordate von 1855 und 1933*, Munich, Oldenbourg, 1960.

<sup>21</sup> Speech of the minister of Education to the opening of the new building.

<sup>22</sup> A. Kleibel, *1858-1908 ...*, *op. cit.*

<sup>23</sup> *Ibid.*

ing two honours, namely the *Orden der eisernen Krone dritter Klasse* to the president of the board, Mr. von Schey, and the *Goldene Verdienstkreuz* to B. Ohligs who was the main driver behind the foundation of the school. Yet, giving away orders to leading proponents of the school was not the only way the government expressed its appreciation. An important step towards public acceptance was achieved when the ministry of Defense (*Reichskriegsministerium*) granted the students of the commercial college the right to join the army based on a one-year voluntary agreement, thereby becoming a reserve officer<sup>24</sup>. Later on, in the *Wehrgesetz* (military law) of 11<sup>th</sup> of April 1889 the Viennese commercial college was included on the list of eligible institutions. The same year (1868) also saw the final victory for the association when the government accepted § 26 which now read that an employment at the commercial college depended exclusively on the professional standing of the candidate, free of any differences in religious beliefs<sup>25</sup>. The following year, religion as a subject was removed from the curriculum of the school.

It was the Auersperg government that eased the concordat of 1855 and introduced far-reaching liberal economic policies, including the introduction of public limited companies. An economic bonanza thus triggered substantial economic growth. Yet, in 1872, when the Stock exchange crashed, the prevailing way of conducting business – and business education – was questioned. In 1872, the ministry of Education held an enquiry to examine the reorganization of the

whole commercial education in the empire. Although or maybe because they were founded on individual initiatives, the schools tended to develop separately from each other, which led to strongly varying quality in their teaching<sup>26</sup>. The minister offered a special reward: full accreditation of the schools. The accredited commercial colleges would consist of three years, without the preparation courses and without any combinations with other private institutions. Teachers would have to be publically certified to teach at these schools and the number of students would be limited to 50 per class. At the end of the three years program, the students would sit for a final B-level exam<sup>27</sup>.

In the elections of 1879, the liberals were replaced by conservative forces who limited the freedom of entrepreneurial activities again. The idea of the commercial colleges as the breeding places for speculation got challenged: “The question of the commercial college is open up to this date. Although decades have passed since they were first introduced, there are still voices that challenge their very right to exist. Private institutes, products of speculation they call these institutes – mostly because they take one or the other branch of commercial activity and confuse them with the rest”<sup>28</sup>.

This independent image and autonomous existence was true only for the first foundations. Later institutes in cities of secondary importance were already supported by the public administration, as the foundation in Linz, Upper Austria, demonstrates. In Linz,

<sup>24</sup> AT-OeStA/HHStA SB NI Marchet Nachlass Gustav Marchet, 1846-1917 (Bestand), Zirkularverordnung, 22 December 1868.

<sup>25</sup> AT-OeStA/HHStA SB NI Marchet, Z 4043, 31 May 1869, edict k.k. Ministeriums für Kultus und Unterricht.

<sup>26</sup> *Die Prager Handels-Academie...*, op. cit.

<sup>27</sup> Demand for this exam was very limited, and in the year 1881-1882 only five students actually qualified but they did not register. For companies these exams were of no value, which explains why so many students were reluctant to go down that route.

<sup>28</sup> *Die Prager Handels-Academie...*, op. cit.

THOMAS GSTRAUNTHALER

there had been a three-year school that trained the local apprentices in basic commercial skills in operation since 1850. In this case, the *Landtag* (regional parliament) offered an annual subvention of 1 000 fl., the city of Linz a once off payment of 1 000 fl. and even the chamber of trade and commerce offered an annual support of 300 fl. Other money was raised from private companies. Still, the major part came from the Linzer Handelsgremium which transferred 10 000 fl. and an annual payment of 2 000 fl.<sup>29</sup> These smaller and later foundations were the first to come under the management of the public administration, starting with the commercial college in Graz in 1906<sup>30</sup>. The previously independent foundations were to be incorporated into the public administration later.

When the commercial college in Linz was founded, a representative of the ministry of Culture and Education had a seat in the board. In Vienna, now the most prominent of all commercial colleges in the empire, this step would not happen until the foundation of the second commercial colleges by the merchants' association. "Since quite some time there is demand for a second commercial college in Vienna which we always have seen as a duty of the state. We don't want to await the initiative of public administration and made clear that it is seen as the noble task of the free bourgeoisie to set up this institute"<sup>31</sup>. Finally, in 1905, the second commercial college of the merchant association in Vienna was founded. Now, with two growing institutions under their control, the head of the board asked the ministry of Culture and Education whether it would be possible to send a per-

manent representative from the ministry to attend the meetings of the board and staff of the school. The minister agreed to this suggested procedure on the 18<sup>th</sup> of November 1906.

## TEACHING AND STUDENTS

"Commercial education will always remain a dead matter if it is not enriched and enlightened by the applied sciences. Security in the action of the merchant is only possible through science, and we need to focus our education on exactly that"<sup>32</sup>. It became clear from the beginning that the teaching would be greatly different from that of the existing schools, which would exclusively focus on theoretical knowledge. It also was distinctly different from the practical education in some of the crafts. Yet, the merchant is not producing through mechanical work but through the dominance of the market, the demand and economic cycles. Thereby, the elements of education were found in the economic disciplines, knowledge of law, applied sciences and in the study of foreign languages<sup>33</sup>. As the graduates of the commercial college would play the role of the new merchants who would seize opportunities way beyond the previous spheres, their knowledge of foreign languages was vital.

The representative of the ministry of Education stressed out: "This institution is designed to lay the fundamentals of the success for all the future generations who aspire the world-comprising profession of the merchant [...]. The traffic routes are enlarged, the demands have multiplied and

<sup>29</sup> A. Effenberger, *Die Handelsakademie in Linz...*, op. cit.

<sup>30</sup> H. Hassack, *Die Feier des 50jährigen Bestandes ...*, op. cit..

<sup>31</sup> I. Bachmayer, *Jahresbericht über die neue Wiener Handelsakademie*, Vienna, 1908.

<sup>32</sup> *Die Prager Handels-Academie...*, op. cit.

<sup>33</sup> I. Bachmayer, *Jahresbericht...*, op. cit..



have strengthened the contact of nations with each other. Also, the requirements for the specialist have altered. Therefore, it is our duty to set up institutions to train them in the applied sciences, but also in foreign languages”<sup>34</sup>. The spectrum of subjects taught had to reflect the myriad of tasks a merchant faces and had to ensure that the newly educated students would fit into the new prominence of the bourgeoisie.

“Besides this specific education we need to pass on the patriotic and ethical formation of our student’s character. The future position of our students demands more than just professional education. And nothing is more suitable to counter the socialists’ and communists’ obliquity but the right notion of religion, patriotism, knowledge of History, National economics and law! ... The personality gets stronger by the truth of teaching and the Indifferentism which so often endangers the material and intellectual development and which unearthen ethical uncertainty and political instability will be replaced by decisiveness and power!”<sup>35</sup>. Addressing the teachers, Ohlgs, the founding father of the school, explained that “through teaching the necessary skills for the profession, you grow in the hearts of our students the spirit of religion, love of the emperor and the fatherland, self-esteem and the feeling for common public interest, the actions and the honor, which is so vital to our profession”<sup>36</sup>.

The interim director of the commercial college in Linz directed a firm request to the students to “prove worthy for this school through industrious and ethical behavior and to show gratitude for this opportunity. Don’t abuse the humanity and benevolent consideration of your employer and don’t

waste by your own fault those hours that are granted to you for your education”. The president of the chamber addressed the students this way: “You will have the intent to become honorable merchants, and what we want is what we can achieve. The firm will make our character, “the firm will conquer the world” ”<sup>37</sup>.

The first-year class was taught mercantile math for 4 hours, algebra (1h), economics (2h), German writing (4h), a foreign language (5 hours), geography (3 hours), history (2h), and calligraphy for both German and Latin, natural history alternating zoology and botany and physics (3 hours), accounting (2 hours). In the second year students studied commercial law and materials engineering. The last year included 10 hours of practical exercises in an office simulation.

Until 1892-1893, every student was obliged to study French and could choose either English or Italian as a second language. Only 10 % opted for Italian, which was seen as problematic, particularly as it was an official language in the empire and was considered vital for the trade with the Orient. Starting in the year 1893-1894, students in the last year prior to their B-level exam got a voluntary course in cameralistic (public sector accounting). When Czedik von Bründlsberg took over as director of the school on the 1<sup>st</sup> of August 1871, he introduced four courses addressing the educational needs for adults already in a working environment, namely, courses for railway management, public post administration, public telegraphy services and *Assecuranz*, nowadays known as insurance.

<sup>34</sup> A. Effenberger, *Die Handelsakademie in Linz ...*, op. cit..

<sup>35</sup> A. Kleibel, *1858-1908 ...*, op. cit.

<sup>36</sup> *Ibid.*

<sup>37</sup> A. Effenberger, *Die Handelsakademie in Linz...*, op. cit.

THOMAS GSTRAUNTHALER

By the time of the commercial college's 50<sup>th</sup> anniversary in Vienna, a total of 33 241 students had attended the academy. Starting in 1857-1858 with 59 students, the school reached a peak of 1067 students in 1874-1875. From there on, the number of students declined, only to rise again from 1877 onwards up to 1192 at the time of the survey in 1907. Another study was conducted on the career choice of the students. 81 % of all former students chose a career in commerce, 36,8 % in trading goods, and 34,2 % worked in banks. By contrast, the older commercial college in Prague counted 2540 students throughout its first 25 years of existence. The vast majority, 2161, originated from Austria, and 90 from territories of the Hungarian Crown. After a steep rise in the numbers of students from 1859 to 1867, the school saw its student numbers declining. In the period 1869-1873, the subscriptions grew fast, reaching 405 students in 1873. Throughout their first 25 years, more than 70 % of the students were sons of merchants, industrialists, craftsmen or agricultural property owners. Graduates of the school qualified for public services, military logistics, post and telegraphy<sup>38</sup>.

From 1885, the school also ran a specially-dedicated travel fund to allow an impoverished Viennese student to travel abroad and to work there in the interest of his fatherland. The money came from charity events, the donation of the family of Baron Schey and a money collection at companies initiated by the director Dr. Sondorfer. The applicants had to have worked successfully inlands for at least three years and must have completed their military service. Wherever they might be sent, they should prepare the foundation of a national representation. The collections of the school were also growing rapidly. The

English representatives to the world exhibition 1873 in Vienna donated a large part of their goods to the collection of goods of the English colonies<sup>39</sup>.

On 24<sup>th</sup> of April 1879, the emperor and his wife, empress Elisabeth of Austria, were celebrating their silver wedding anniversary. This was a welcome opportunity for the commercial college to demonstrate patriotic feelings and their attachment to the royal dynasty. The board addressed the emperor and his wife in a letter: "Established under the protection of the emperor and established to educate the majority of these men whose task it is to manage the traffic of goods from the west to the east, and from the north to the south, it will remain the most holy task of the commercial college, in the hearts of their students to start and maintain the feeling of fidelity to the emperor and love to the fatherland". Throughout the empire, the jubilee was celebrated with processions and other festivities. It was a particular pleasure for the school and its students opened up the marching in of the group "commerce", dressed in the costumes of the sons of the wealthy merchants of Augsburg.

The year 1888 marked the 40<sup>th</sup> crown jubilee. To commemorate this event, the association donated 20.000 fl. to the *Kaiser Franz Joseph-Jubiläums Widmung* 1888 to support staff and members of the college in desperate times like illness, death etc.

## AFTER WORLD WAR I

The years of World War I were definitely some of the hardest in Austrian history. This was not only caused by the shortages of food and the starting hyperinflation, but

<sup>38</sup> A. Kleibel, *1858-1908...*, *op. cit.*

<sup>39</sup> E. Hanausek, *Das Waren-Museum an der Wiener Handels-Akademie*, Jahresbericht des Vereines der Wiener HandelsAkademie, Vienna, 1887.

also due to the collapse of the empire and the dominant role the nation played for over 700 years. Hyperinflation and the inaccessibility of neighboring markets which used to be domestic ones caused severe damage to the association of merchants in Vienna and their ability to keep the schools up and running. On the 17<sup>th</sup> of November 1919, the association of merchants in Vienna requested that the ministry of Education would take over the school into public property<sup>40</sup>. The association was under severe financial pressure and attempted to sell a part of the building of the academy to an industrial company. This, so the conclusion of the inspectorate of Vienna, would lead to a major disruption of the teaching<sup>41</sup>.

The association was very pleased to see that the public administration showed interest in resolving the issue without letting the need to sell parts of the building arise. Therefore, the association turned down the offer. Yet, this was done in the hope of a quick rescue mission as the rejection of the offer was the last chance to finance the college out of the means of the association<sup>42</sup>.

This time, the public administration was less keen on aligning with the school's needs. The ministry of Finance claimed that it had not been informed and therefore was not going to look into the matter<sup>43</sup>. Besides that, the school received a payment of 45 000 kr. at the end of the year as part of the

160 000 kr. payment and an additional 160 000 payment with agreement of the ministry of Finance<sup>44</sup>. Subsequently, the commercial college sent a planned budget for the year 1919-1920 to the public office for education in Vienna, claiming that 266 830 kr. would be missing in this single year<sup>45</sup>.

The school board for Lower Austria (*niederösterreichischer Landesschulrat*) approved the request<sup>46</sup>: "The strong demand for commercial education was highly underestimated when the institution was founded. The members of the board, as being non-professional, see no chance to manage such a huge school any longer. Despite the willingness to sacrifice, the war caused damage to the association and its members. Also the public support was diminishing. At the same time, the salaries of the teachers and costs of administration were exploding throughout the last years of war"<sup>47</sup>. The association was so desperate to get rid of the school that they offered the only asset with real value, the building, to sell at historical cost price.

As the question of a possible nationalization of the school was debated, the teachers' association joined in the negotiations and made their claim. In a letter from June 1919 the representatives of the teachers' association wrote<sup>48</sup>: "our board has so far successfully joined the forces to help us

<sup>40</sup> AT-OeStA/AVA Unterricht VM Allgemeine Reihe, Signatur 16 : Handels-und kaufmännische Schulen, Gewerbliche Lehranstalten, Z 2879-III.

<sup>41</sup> AT-OeStA/AVA Unterricht, Z 334-III.

<sup>42</sup> AT-OeStA/AVA Unterricht, Z. 3183/2-5b Wiener Kaufmännischer Verein.

<sup>43</sup> AT-OeStA/AVA Unterricht, ho.Z. 858/5b-20 Das Staatsamt für Finanzen.

<sup>44</sup> AT-OeStA/AVA Unterricht, ho.Z. 10309/5b-20 i.L.

<sup>45</sup> AT-OeStA/AVA Unterricht, Z 879920, 8. Mai 1920.

<sup>46</sup> AT-OeStA/AVA Unterricht, Z 2879/2-III, 30. Dez. 1919.

<sup>47</sup> Niederöst. Landesschulrat berichtet zum h.o. Erl. Z. 22671/19b-19. Hat in Sitzung vom 24. XI. 1919 beschlossen, die Verstaatl. der NWHAK zubefürworten.

<sup>48</sup> AT-OeStA/AVA Unterricht, Z 12124/6/6, 16. Juni 1919.

THOMAS GSTRAUNTHALER

remain independent. Today, we face a different situation, also as our profound thinking about the private and the public has changed significantly. The omnipresent socialization can't stop at an institution of importance like ours. We are assured that by inclusion into public administration, we would overcome the financial insecurity and disorganization and it would give us back the joy and love for our work again". The letter also argued that there was rising mistrust towards the management of the commercial association. "We all had to experience that throughout the difficult years of war, our warranted demands (e.g. max of 60 students/class) including financial demands, were not met. Also, the membership fees of the association declined rapidly. The claims of our pension fund in 1918 were already exceeding the assets of the association by 160 000 kr. Therefore, we want to establish a committee to supervise the economic and administrative issues of our business".

The issue of liberalism and public accreditation was debated again some years later. When the Austria was annexed by Nazi Germany in 1938, the mayor of Vienna informed the inspectors council that the accreditation, including any other privileges for private schools and teaching institutions, had been declared as null and void. The council of schools inspectors in Vienna concluded that with the eradication of the commercial association in Vienna, its schools fell under the control of the public administration. On the 3<sup>rd</sup> of September 1938, the school inspectorate in Vienna requested immediate re-integration of the commercial college into public administration. "In Vienna we face the specific problems that there are no other national or municipal

schools besides the commercial college ran by the commercial association. In addition, one must not forget that the cleansing of the school of Jewish teachers and students had put tremendous burden on the commercial association"<sup>49</sup>. Accreditation was only given provisionally until 1939. Before any further agreement could have been made, an audit was absolutely necessary<sup>50</sup>.

The future of the commercial colleges was very uncertain. Students struggled with high fluctuation rates of teachers, and even directors were often absent as they were serving in the Wehrmacht. On the 29<sup>th</sup> of January 1940, the auditors reported on seven schools. An excerpt of the audit report reads as follows: "Dr. Jeschek Karl, teaching Geography and History, speaks about the importance of the Nordic race for the development of the Earth and repeats the classification of races. Dr. Polaschek Otto discusses the role of the German tribes in the creation of the cultural landscape and talks about the advantages and disadvantages of the geopolitical situation of Germany"<sup>51</sup>. Not much was left of the former so liberal understanding of the school. In fact, the last traces of liberal thinking were actively eliminated out of the students' minds. One of the audited schools, the only commercial college for girls founded in 1907, received the following verdict: "The content is chosen following the national socialist principles. Superficiality and half truths are avoided [...]. The young teachers are well oriented in their commercial subjects, and everybody is driven to remove the remainders of liberal thinking out of the students' feelings and thinking". On the basis of this "successful" audit, the minister granted the public accreditation on the 5<sup>th</sup> of February 1940<sup>52</sup>.

<sup>49</sup> AT-OeStA/AVA Unterricht, GeschZ IV 2a 28510 d BM f U.

<sup>50</sup> AT-OeStA/AVA Unterricht, PR. ZI. 176/38, 19th July 1938.

<sup>51</sup> AT-OeStA/AVA Unterricht, Z, II-1811-d-1940. 29th January 1940. Bericht WO u. WSchule W I, Akademiestraße 12. Vienna.

<sup>52</sup> AT-OeStA/AVA Unterricht, E III.c 423, E VII, DtschWiss. Erz. u. Volksb. S 258 am 5. Februar 1940 erteilt.

## DISCUSSION

When the first commercial colleges were founded, they were proudly described as the breeding grounds for the new merchants: cosmopolitan, well educated and calling the world their home. The first attempts to influence the merchants' association in regards to staffing of the school were successfully resisted and the schools were equipped with the finest teachers they could find. The liberal ideas which prevailed at their foundation were followed and competence and professional standing remained the major driving forces.

Due to the independent status of the association and the school, the latter retained some smaller and ceremonial elements of the older guilds. For example, the annual fees for the sons of the local merchants' sons were often halved. Also, the disciplinary rules stated that the students were not only subject to the school's law within the institution – but also outside of their premises (§1 of *Disciplinar-Verfassung für die Studirenden der Prager Handelsakademie*<sup>53</sup>). On special events like the silver anniversary of the wedding of the emperor, students participated in the march as part of the merchants' groups.

Also, the self-understanding of the merchants and their school was clearly distinct from the perception of the state. These differences can be seen nowhere better than in the direct debate between the representative of the public administration and the head of the merchants' association in Linz<sup>54</sup>: “Sirs, after the successful completion of the campaign, after the successful battle, the brave and the faithful gather around their leader and put a crest on their flag. Our flag is

progress! Progress is the vitalizing element for commerce, industry and crafts”. The president of the chamber answered: “in commercial life, it is an often repeated fact that the right calculation, a great thought often is not successful. That is different in public life. What is seen as good and what has proven to be good will happen – sooner or later”.

The founding fathers of the commercial colleges must have been very critical towards this way of thinking as it was so contrary to their newly gained freedoms. Also, it represented the absolutist worldview which put the public administration and the emperor as its head in the position of the omnipotent ruler who knows what is best for his subjects. Still, some 20 years after the opening ceremony, World War I broke out and the head of the chamber, the Emperor and the Austro-Hungarian Empire were gone – including the 14<sup>th</sup> infantry regiment whose orchestra played music at the inauguration ceremony. The commercial college – on the other hand – was still up and running. Yet, the public administration was complacently watching the foundation of the schools, granting honours to their founders and allowing their graduates to join their one-year preparation course for reserve officers in the imperial army. When times got tougher, particularly during World War I and the interwar period, the schools themselves were driven to give up their independence in return for security. This immediate benefit, largely driven by the individuals who worked in the schools, came at a high price for the schools. When the national socialists took over, the schools had become a tool in the abolition of liberalism – the very idea on which the schools were founded.

<sup>53</sup> C. Arenz, *Die Prager Handelsakademie im ersten Vierteljahrhundert ihres Bestehens (1856-1881)*, Jahresbericht der höheren Handelslehranstalt in Prag, Prague, 1881.

<sup>54</sup> A. Effenberger, *Die Handelsakademie in Linz...*, *op. cit.*

## RÉSUMÉS

— Thomas GSTRANTHALER

### **L'HISTOIRE DES ÉCOLES COMMERCIALES SECONDAIRES AUTRICHIENNES : DE LEUR CRÉATION EN TANT QU'INSTITUTIONS INDÉPENDANTES À LEUR INTÉGRATION DANS L'ADMINISTRATION PUBLIQUE (1850-1950)**

À l'issue de la révolution de 1848-1849, la bourgeoisie accéda au pouvoir économique dans l'empire des Habsbourg. Les libertés économiques fraîchement conquises rendaient nécessaire un vivier de jeunes hommes bien formés pour diriger de nouvelles entreprises. Afin de satisfaire ces besoins, des initiatives privées créèrent et financèrent les premières écoles commerciales secondaires, fondées sur des idées libérales et visant un enseignement d'excellence. Après la fin de la Première Guerre mondiale, lorsque les temps devinrent difficiles et que ces écoles commencèrent à souffrir de pertes économiques considérables, celles-ci demandèrent à être complètement intégrées à l'administration publique. Ce changement de statut s'avéra fatal lorsque les nazis s'emparèrent de l'Autriche en 1938 : ces écoles devinrent un outil pour l'abolition du libéralisme – contrairement à l'idée sur laquelle ces écoles avaient été initialement construites.

### **THE HISTORY OF THE AUSTRIAN COMMERCIAL COLLEGES: FROM THEIR FOUNDATION AS INDEPENDENT EDUCATIONAL INSTITUTES TO FULL INTEGRATION INTO PUBLIC ADMINISTRATION (1850s-1950s)**

*After the revolutionary years of 1848-1849, the bourgeoisie was ready to become the leading economic power in the Habsburg Empire. The newly granted economic liberty requested young people well trained to manage the new ventures. To meet these requirements, private initiatives founded and financed the first commercial colleges, based upon liberal ideas and driven by excellence in teaching. At the end of World War I, when times got difficult and the schools suffered heavy losses in their economic base, the schools requested to become fully integrated into public administration. This step proved fatal when the national socialists gained power in 1938 and the schools became a tool in the abolishment of liberalism – the very idea on which the schools were founded.*

— Eirinn LARSEN

### **LA DOMINATION MASCULINE DANS LE PROCESSUS DE CRÉATION DE L'ENSEIGNEMENT DE LA GESTION : UNE COMPARAISON ENTRE LA FRANCE ET LA NORVÈGE (1870-1940)**

À l'initiative de communautés d'affaires locales, des écoles de haut enseignement commercial ont émergé en France et en Norvège à la fin du XIX<sup>e</sup> siècle. Loin de répondre à une demande du marché ou à des besoins de connaissances nouvelles, ces écoles ont été établies comme un moyen de fournir une identité professionnelle et un statut social à de futurs hommes d'affaires. Cependant les réformes de l'enseignement en faveur des filles des classes moyennes ainsi que la demande croissante pour le travail des femmes représentaient une menace pour cette construction culturelle, en rendant explicite la logique sexiste de ces écoles de gestion. Par crainte des effets potentiels de dévalorisation de cette féminisation, les femmes restèrent exclues de ces écoles et des trajectoires de formation différentes se développèrent en conséquence.

### **THE MASCULINE FOUNDATION OF BUSINESS EDUCATION: FRANCE AND NORWAY IN COMPARISON (1870s-1940s)**

*On the initiative of local business communities, business schools emerged across France and Norway in the late 1800s. Rather than constituting a response to market demand or new knowledge, these schools were established as a means of providing professional identity and status to future businessmen. However, educational reforms in favor of middle-class women and rising*

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Management Stratégique. Il a été pendant trente ans professeur à l'École Centrale et écrit des articles et ouvrages dans les domaines de la stratégie d'entreprise, de la gestion de la technologie et du management de l'innovation. Plus récemment, il a codirigé deux ouvrages avec Stéphanie Dameron : *The Future of Business Schools: Scenarios and Strategies for 2020*, Londres, Palgrave Macmillan, 2008 et *Redesigning Management Education and Research. Challenging Proposals from European Scholars*, Cheltenham, Edward Elgar, 2011.

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