

Emil Sax on Transportation and the older Austrian School

by

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Abstract

Emil Sax (1845–1927) is internationally well known for his work on public economics (Sax 1887, 1924). For example, Musgrave (1939, *QJE*) and Samuelson (1954, *RevEcStat*), among others, considered Sax as one of the forerunners of the modern theory of public goods. A more recent appraisal of his work on public economics that focuses on Sax as a member of the older Austrian school of economics is given by Neck (1989, *JEcStud*).

Yet, Sax's extensive work on transport economics has so far not been recognized on an international level. Revisiting Sax's work on transport economics may, however, be justified on various grounds. First, Sax (1918, I) himself claimed that his treatise on transport economics represented the first comprehensive and exclusive treatment of the economics of transportation. To this extent, his work should give a proper account of the issues dealt with at the time and why transportation economics emerged as a separate field of economics. Second, Sax wrote the first edition of his treatise when the transport sector was by and large a private, competitive industry with comparatively little state intervention. Hence, revisiting Sax's work may help to understand why governmental intervention became increasingly popular over time. This in turn may be helpful even for present policy issues in the transportation sector, as in recent years some efforts have been made to reverse the trend with a view of reintroducing competition in transportation.

Finally, revisiting Sax's work on transport economics may contribute to a more comprehensive assessment of his academic work and his role in the older Austrian School of economics. In this context, it is worth noting that Sax became a Professor of Political Economy in 1879, at the Carl's University of Prague, where he stayed until his early retirement in 1893. Together with Friedrich von Wieser, who joined the faculty in 1884, Sax and others created a productive atmosphere of liberal and Austrian economic thinking, which led to several major publications, including two of his own works. Yet, the first edition of his writings on transport economics was published just before he came to Prague and the fundamentally revised second edition well after he had left Prague. It is for this reason that his work on transport economics seems to be particularly apt for giving a proper account on how Sax contributed and furthered Austrian economics.