

THE FAILURE OF THE NEW SUBJECTIVIST REVOLUTION

Abstract

This book reviews Austrian Economist Ludwig von Mises's seminal contributions to economic methodology and to our understanding of the concepts of equilibrium, the entrepreneurs, profit and loss, saving, interest, and coordination. According to Mises the main goal of economics is to elucidate entrepreneurship, the procedures human actors use to cause the economic functions of production, consumption, saving, and factor-supplying to be performed in a market economy. The book describes Mises's new subjectivism and identifies and clarifies many of the concepts that appear elusive in Mises's *Human Action*. Following Mises, it shows how the new subjectivism is derived from the old subjectivism, or the subjective theory of value, and how it is a revolution against both positivism and elitism in economics. It goes on to extend Mises's new subjectivism in several ways. It presents a systematic discussion of the characteristics of entrepreneurship, it examines the complex and neglected relationship between saving and uncertainty-bearing; it presents clear and unequivocal definitions and illustrations of the concepts of profit and loss, which play a major role in any effort to elucidate entrepreneurship. And it outlines economic teleology, a method of elucidating entrepreneurship that was only implicit in *Human Action*.

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