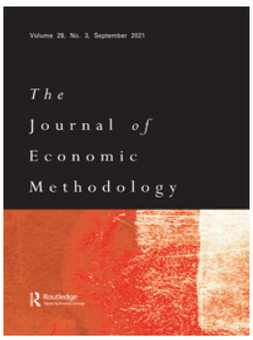

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Determinism, free will, and the Austrian School of Economics

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ABSTRACT

In this paper I analyse the problem of free will and determinism as it pertains to the Austrian School of Economics. I demonstrate that despite the fact they subscribe to the concept of causality, contemporary Austrians generally reject determinism at the level of human action, thus remaining proponents of what is known as metaphysical libertarianism. However, as I then show, Ludwig von Mises, the founding father of the modern Austrian School, was probably a determinist. My purpose is to test which metaphysical foundations best fit Austrian theory. I come to the conclusion that the economic theory of the Austrian School is consistent both with determinism (compatibilism) and metaphysical libertarianism (incompatibilism). In light of this, the determinist world-view widely embraced by scientists does not threaten the economic theory propounded by the Austrian School.

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1. Introduction

Since the publication of the famous work by Robbins (1932), his definition of economics has been widely popular. According to the said definition, economics is the science of human choice under conditions of scarce means and limitless ends. Growing interest in the philosophy of economics in recent decades and the ontological turn ushered in by Lawson (1997) seem an appropriate context for examining the metaphysics informing the central problem of economics, that is, human choice. Strictly speaking, what I mean by 'metaphysics' is the problem of free will. Indeed, it is quite surprising that the subject has only been investigated in a very cursory way so far.[1]

Today's popular behavioural branches of economics appear to ignore mental states, focusing solely on external (physical) manifestations of human actions. Scientists often call the existence of free will into question while trying to explain all human action in terms of neural processes.[2] Some scholars believe that this threatens the very freedom of human choice. But if so, does it not also undermine the foundations of economic theory?

The present paper explores the philosophical foundations of the Austrian School of Economics. The choice to focus on this school is motivated by the fact that it assigns special importance to the notion of intentional human action and weaves its economic theory around it. Representatives of this school address the issue explicitly, often implying that freedom of the will is an essential premise of their methodological approach (Rothbard, [1960] 2011; Hülsmann, 1999, 2003; Block, 2015). On the other hand, the School aspires to be called realist (as opposed to instrumentalist), which has been hotly debated by scholars in recent decades (Block, 1999, 2003; Caplan, 1999, 2001; Hülsmann, 1999; Long, 2006; Mäki, 1990). This is another reason why it might be interesting to identify its real philosophical (metaphysical) foundations.

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This paper has several aims. First of all, to fill gaps in research on the problem of free will in the Austrian School. Second, to solve the problem of whether determinism undermines Austrian economic theory. Thirdly, to prove that despite the views held by contemporary Austrians, their economic theory is consistent with both determinism (compatibilism) and metaphysical libertarianism (incompatibilism)[3] – in other words, that the foundational axiom of Austrian theory (the action axiom) together with individualism and methodological subjectivism would still be valid under determinism.

The structure of the paper is as follows. In section 2, I present the views of contemporary representatives of the Austrian School on the issue of free will, showing that despite the weight they attach to the concept of causality, they are in fact proponents of metaphysical libertarianism. Subsequently, in section 3, I cite their arguments against determinism. At the same time, I note that their remarks are solely methodological and therefore cannot be applied to the problem of a deterministic metaphysics. In section 4, I introduce the concept of compatibilism, which is a variant of deterministic philosophy attempting to reconcile free will and determinism. I call into question the views of the Austrian economist Murray Newton Rothbard, who could not conceive of any way to reconcile these outlooks. In section 5, I suggest that compatibilism might be an attractive basis for Austrian theory, thus calling into question the claim that determinism undermines an economic theory based upon intentionality and choice. In the next point, 6, I demonstrate that Ludwig von Mises, the founder of the modern Austrian School, probably subscribed to some variant of compatibilism, which goes unnoticed by contemporary Austrians. However, in section 7, I conclude that although Mises was more of a determinist, there might be ways of grounding Austrian theory and its action axiom in metaphysical libertarianism (incompatibilism). The final section, 8, provides a short summary.

2. The contemporary Austrian approach to the problem of free will

Carl Menger, the founder of the Austrian School, begins his seminal work *Principles of Economics* with the following remark:

> All things are subject to the law of cause and effect. This great principle knows no exception, and we would search in vain in the realm of experience for an example to the contrary. (Menger, [1871] 2007, p. 51)

It is, among other things, due to this approach that contemporary representatives of the Austrian School, such as Salerno (2010), attempt to spread the view that the proper label for this intellectual current is a 'causal-realist approach'.

The classical concept of causality derived from Newtonian mechanics, popularized by the Positivists and expressed in the idea of Laplace's demon, entails belief in determinism. Given the original conditions and the fully recognized laws of nature, we would be able to adequately describe the state of a scrutinized system at any arbitrarily chosen moment along its temporal axis. To put it differently, there is only one possible course of events, and consequently only one possible future – the one following from the past and determined by the laws of nature. If free will allows for alternative courses of history, it can have no place in a fully determined world. David Hume, a classical empiricist and a major representative of the Scottish Enlightenment, thought of causality in a similar fashion, using the metaphor of billiard balls to illustrate the notion. According to this metaphor, an object (a ball) strikes another, setting it in motion along an accurately specified trajectory. In other words, causal determinism recognizes the strict regularity of successive events.[4]

Since the Austrians are so focused on the issue of cause and effect, we should ask whether they are – or must logically be – deterministic? In other words, is it the case that despite a strong emphasis on the exceptional nature of human action among other phenomena of reality they recognize or must necessarily recognize that free will, which assumes alternative possibilities, cannot be instantiated? To answer this question, let us first take a look at their views on the matter.

Although, given the above context, it might *prima facie* come as a surprise, contemporary representatives of the Austrian School speak out against determinism with respect to human action. In

other words, they generally subscribe to the view known as metaphysical libertarianism. This position was held by Rothbard, one of the most famous Austrians. He dedicates a section of his paper (Rothbard, [1960] 2011) to the problem of free will, criticizing 'the determinist dogma' as an unjustified contention held by the positivists, whom he describes as scientists, that is individuals bent on applying the methods of natural science to the social sciences. He deems this approach to be incorrect because it ignores the fundamental distinction between human action and the behaviour of inanimate objects. He contends that unlike purely physical objects, whose behaviour is determined by specific causes, human beings possess consciousness and strive to attain goals. Human actions are 'self-determined by the choices [the] mind makes.' We might say that in Rothbard's view, human action breaks loose from the causal chain of the universe and brings about events that are not pre-determined by history and the laws of nature. Hence, human action is 'self-caused' (*causa sui*). This is tantamount to the libertarian understanding of free will (see, e.g. Chisholm, 1964).

Certainly Rothbard does not deny that man's surroundings and experience impact choices. A similar remark was made by Mises ([1957] 2007, pp. 159–160), Rothbard's mentor. People's behaviour is therefore in some way contingent on their past. After all, people behave in specific historical conditions and act on their knowledge and preferences. The Austrians also frequently emphasize that people adopt ideas which then guide them.

Although it is true that living in society exerts certain pressures with regard to adopting certain ideas, it would be absurd – the Austrians argue – to claim that the beliefs of individuals are strictly determined by the general beliefs of society. After all, in light of their methodological individualism, the Austrians believe that society is composed of individuals. Society is not a 'stand-alone' entity independent of those comprising it. It is those very people that, by entering into mutual relations, constitute society. As Mises puts it, 'all actions are performed by individuals' ([1949] 1998, p. 42). Furthermore, no scientific methods are able to explain collective actions because the individuals comprising a given group may react differently to the same stimuli (Mises, [1957] 2007, pp. 4–5). Moreover, 'an individual at the same time can belong and […] really belongs to various collective entities' (Mises, [1949] 1998, p. 43).

Due to the fact that a social structure lays the foundations for the actions of economic actors (possibilities and constraints related to the choice of both means and ends), Lewis (2005) suggests using the term 'methodological interactionism'. However, Lewis concedes that a social structure does not strictly determine individual actions. Therefore, although social pressures often compel individuals to adopt certain ideas, we can freely decide which ideas to adopt. Rothbard seems to be implying that this is precisely what freedom of will consists in.

A similar view is shared by other Austrians too. A strong notion of human freedom seems to be assumed within the radical-subjectivist wing of the Austrian School. For instance, Lachmann (1976, p. 57) writes in a rather positive manner that both Mises and Shackle 'reject determinism along with the other paraphernalia of positivism'.[5] Elsewhere, Lachmann (1971, pp. 57–60) criticizes Menger for passages supporting deterministic views on human action. This may be surprising, since Menger himself once said that 'as a result of the freedom of the human will […] empirical laws of absolute strictness are out of the question in the realm of the phenomena of human activity' (Menger, [1963] 1963, p. 214). It is, however, worth emphasizing that Menger had 'no intention of denying [freedom of will] as a *practical* category' (ibid., italics mine), not a metaphysical one. Hence, according to Lachmann, Menger had an 'ambiguous attitude on the freedom of human action' (Lachmann, 1971, p. 60). Reading other authors writing within the radical-subjectivist tradition (or sympathizing with it) it may seem that they too – at least implicitly – hold a strong notion of a non-determined free will (see: Lavoie, 1977; Mittermeier, 1986; O'Driscoll & Rizzo, 1986; Shackle, 1972).

More recently Hülsmann (1999, 2003) has seemingly defended metaphysical libertarianism. According to this author, neo-classical economists make the mistake of explaining human action (as well as the theories and economic models stemming from it) by observable and knowable facts that drive economic actors to make particular choices. As he put it, 'They want to analyze

how people act as a corollary or sequel of given circumstances; that is, they want to explain human behavior in terms of other observable and introspectively knowable facts' (Hülsmann, 1999, p. 5). He deems this approach inappropriate because 'The truth is that there are no laws governing which things people choose and which ends they pursue' (ibid.). Thus, he seems to reject determinism at the level of human choices. Decision processes giving rise to action are not causally pre-established in the deterministic sense. People choose their ends – at least to some degree – in a way that is not determined by the laws of nature. However, as he maintains, the above does not imply that there are no economic laws because there are certain general laws pertaining to human action (although their epistemic status differs from that of the laws of nature). Hülsmann writes: 'this view [that there are no laws in the social sciences] is unwarranted since there are laws of choice, and therefore of human action. These laws make various causal and non-causal explanations of human action possible' (Hülsmann, 2003, p. 70).

Hülsmann's libertarian concept of free will is confirmed by Bauwens (2017). Responding to Hülsmann's proposal, 'rife with philosophical assumptions,' Bauwens seems to suggest that if there is no metaphysical libertarianism underlying economic theory – that is, if it is assumed that actors can make no other choices than the ones they actually make – then economics would probably have to take a different form. If human action were not free, the science of human action, praxeology, would have no solid philosophical foundations. In other words, it would become impossible. According to Bauwens, these philosophical assumptions have not yet been adequately studied. As he says: 'Carefully unpacking them all will require a lot more work and cooperation between economists and philosophers' (Bauwens, 2017, p. 371).

Another important defender of libertarian free will is the famous contemporary Austrian economist Block (2015). In recent years, he has presented arguments against determinism, maintaining that it is irreconcilable with both the libertarian ethic of property rights and the Austrian School of Economics.[6] His critical remarks target a wide spectrum of argumentation against free will. Block criticizes positions that derive determinism from evolutionary theory, neurobiology and quantum physics. He claims that determinism is a view that cannot be justified, at least not without contradiction. Strictly speaking, following in the footsteps of Rothbard ([1960] 2011) and Hoppe ([1983] 2006), Block contends that arguing for determinism with respect to human action inevitably leads to performative contradiction.

Considering the above overview of positions held by contemporary exponents of the Austrian School of Economics, one should ask why they reject determinism on the grounds that it leads to a contradiction? Does the attempt to make economics a causal-realist science not require the assumption of determinism? If not, what arguments do the Austrians make against that view? These issues shall be raised in the next section. Later on, in section 6, I will demonstrate that, contrary to the views of the above-mentioned Austrians, we find hints in the works of Ludwig von Mises suggesting that he was more inclined to uphold determinism rather than free will (in the libertarian sense).

3. What are the Austrian arguments against determinism?

We find two main arguments against determinism in the Austrian literature. As I will demonstrate below, only the first, advanced by Rothbard ([1960] 2011), is concerned with the metaphysics of determinism. Unfortunately for Austrians sympathetic to metaphysical libertarianism, it is difficult to deem it valid. The second argument is epistemological and therefore does not get to the heart of the problem even though it might be important for methodological reasons.

As already mentioned, Rothbard juxtaposes determinism with the idea of free will, finding the former untenable. His indictment of determinism is metaphysical and his argument against it is based on the principle of performative contradiction – the inconsistency between the content of an expressed proposition and the very fact of its articulation. Rothbard contends that the determinist falls into performative contradiction when trying to argue for the non-existence of consciousness

and free will. This occurs because if no one is free to think otherwise – and hence to either accept or reject any conclusions – then

> it is absurd for X to try to convince Y or anyone else of the truth of determinism. In short, the determinist must rely, for the spread of his ideas, on the nondetermined, free-will choices of others, on their free will to adopt or reject ideas. ([1960] 2011, p. 6)

As he concludes, anybody who argues for determinism (or anything else for that matter) must at least *implicitly* assume the existence of free will in others (ibid.).

However, it is difficult to concede the validity of this argument. It is clearly inadequate, if not outright naive. Why should we assume free will when trying to persuade others to adopt a particular standpoint? The reason cannot simply be that we are uncertain as to whether someone is going to accept our arguments. Perhaps we must actually assume that he may accept or reject them. However, it does not follow that acceptance or rejection is due to our interlocutor's free will. We face a similar uncertainty when trying to attain our goals without involving other people in the pursuit of our desired ends, that is when acting alone without entering into interpersonal interactions. For example, a forester planting trees realizes full well that the trees may either grow or wither in a new location. However, it does not follow that his parcel of land is endowed with free will. Under determinism, it would be enough to assume a lack of full knowledge about the existing physical conditions and the laws of nature.

The second argument made by the Austrians against determinism is of an epistemological nature and therefore potentially methodologically relevant. However, it does not allow us to make straightforward inferences as to the metaphysics of free will and determinism as some representatives of the Austrian School seem to do. Apart from Rothbard ([1960] 2011), this argumentation is invoked and developed by Hoppe ([1983] 2006), one of the most famous contemporary Austrians, who alludes to Popper ([1957] 1964). The argument may be summarized as follows:

(P_1) Each actor is able to learn, that is to acquire new knowledge.
(P_2) Each action is a consequence of a choice made on the basis of the actor's knowledge.
(P_3) Nobody can know their future knowledge (because if they knew it, contrary to fact, it would be their present knowledge).

Therefore:

(a) Nobody can know their future actions.

For that reason, even if the determinist had complete knowledge of the laws of physics affecting human choices (assuming that such knowledge is possible) and knew all the data related to minds and the circumstances of actions taken by other agents so that he could accurately predict their actions, it would still be impossible for him to predict how his knowledge might develop and consequently to predict his own actions. Furthermore, since his (unknown) future actions are going to influence other people, he cannot predict *their* actions. At this point, one should grant that formulating a deterministic social theory (that is the one based upon causal – as opposed to probabilistic – laws) would render the said social theory inapplicable to the determinist himself. In other words, he would have to *not* be subject to the laws or predictions of whose truth or adequacy he is trying to convince us. Otherwise, he would be able to influence the course of events so that the deterministic social laws would have to be (however minimally) reformulated.

If someone claimed that the influence of one person unable to predict his actions is so negligible as to make it practically irrelevant for general predictive purposes, we could respond with the theory of deterministic chaos (the butterfly effect) according to which even a small distortion in the input may translate into enormous consequences in the output. Thus, even minimal influence exerted by

the forecaster on a studied object might lead to totally unpredictable behaviour on the part of the whole system.

This argument seems to bear some similarity to Friedrich August von Hayek's philosophy of mind. According to Hayek, the human mind cannot fully grasp itself because it experiences itself directly and hence cannot (in principle) fully explain itself (see: Hauwe, 2011).[7] An insightful juxtaposition of the views of Popper and Hayek was made by Martínez Solano (2012). According to this author, Popper's view could be labelled epistemic indeterminism. But his position seems to be stronger than just epistemic. According to Popper the human future is 'objectively not fixed' (Martínez Solano, 2012, p. 118). Therefore, Popper seems to also espouse ontological indeterminism (ibid., p. 119). Hayek shares this epistemic indeterminism, but arrives there by a different route. He does not reject ontological determinism or free will, but rather regards their relationship as an 'unsolvable problem' for science. His acceptance of indeterminism as a methodological assumption comes from the belief that the data is too complex and elusive to predict the actions of individuals (ibid., pp. 120–130). Such similarities are not strange, given the mutual inspiration of these authors. Long (2008, p. 62) even calls Popper 'a fellow-traveler of the Austrian School'.

It is worth noting that although he clearly seemed to believe in free will, Rothbard at times grudgingly allowed for the possibility of applying determinism in the future: 'At the very best, the application of determinism to man is just an agenda for the future', he wrote (Rothbard, [1960] 2011, p. 5). However, his position at this point refers to methodology, since he then writes: 'After several centuries of arrogant proclamations, no determinist has come up with anything like a theory determining all of men's actions' (ibid.). What is of major importance is that elsewhere, in the context of determinism and libertarianism, he emphasizes the complexity of data rather than libertarian free will.[8] Consistently endorsing metaphysical libertarianism would not require an appeal to the complexity of data. Based on this assumption, future alternatives are metaphysically open, which means that full predictability is impossible in principle (and not merely in practice).

The complexity of data, our direct perception of our mind and actions as well as the unpredictability of knowledge development are all arguments supporting methodological dualism. What may be regarded as the virtue of the Popperian-Hoppean argument is its plain simplicity and – fortunately for the Misesian branch of Austrian economics – the conspicuous connection between the categories included therein and praxeological categories (action, knowledge, methodological individualism). If this argument is correct, one could safely say that it would be valid to apply in the social sciences a method distinct from the one employed in the natural sciences without invoking any other independent arguments. Thus, there may be an important reason why we should call into question the possibility of formulating precise causal and quantitative laws in the social sciences. This, however, still does not decisively prove or disprove determinism, as noted by Edelstein et al. (2015) in response to Block's (2015) paper, which seemingly confused these conceptual orders. After all, there is a chasm between a methodological or epistemological thesis and a metaphysical one. Employing Popperian terminology, one could say that there may be grounds for rejecting *scientific* determinism which says that 'we should be able to predict the event *with any desired degree of precision*' (Popper, [1982] 1995, p. 10). This, however, will not necessarily lead to a rejection of metaphysical (philosophical) determinism. The purpose of the next section is to examine the compatibility between metaphysical determinism and the foundations of Austrian theory.

4. Free will, determinism and the action axiom: compatibilism as a possible foundation of Austrian theory

If it were really the case that the concept of determinism inevitably led to the negation of human subjecthood together with the notions of consciousness and purposeful behaviour, then based on that view, doing economics in the manner suggested by the Austrian School would appear to be groundless. Rothbard viewed the issue as follows:

> We must not forget, however, that the very goal of science is simpler explanations of wider phenomena. In this case, we are confronted with the fact that there can logically be only one *ultimate sovereign* over a man's actions: either his own free will or some cause outside that will. There is no other alternative, there is no middle ground, and therefore the fashionable eclecticism of modern scholarship must in this case yield to the hard realities of the Law of the Excluded Middle. (Rothbard, [1960] 2011, p. 9)

If, due to the law of the excluded middle, one had to choose between determinism (negating human subjecthood and purposeful behaviour) and free will, then embracing determinism would imply the demise of the Austrian School Economics. After all, the action axiom is foundational for their economic theory. The axiom states that man acts, i.e. behaves, purposefully. Acting consists in employing specific means to attain one's ends. From this statement, the Austrians try to derive all significant economic concepts as well as the elementary theories and laws of economics, such as the law of diminishing marginal utility and the subjective theory of value. The said law explains the universal fact of time preference and serves as a basis for the theory of interest as well as the concept of means of exchange. Each law or economic theory, the Austrians claim, must at least be consistent with the action axiom (Mises, [1949] 1998; Rothbard, [1962] 2009).

This axiom is regarded as elementary for the Austrian School's theory of human action (praxeology).[9] It is also believed to be irrefutable. This provides economic theory with solid foundations and enables it to rely on a priori reasoning. However, there is no consensus with regard to the epistemological status of the action axiom. The most radical position pertaining to the apriorism of economic theory and of the action axiom was held by von Mises, who was criticized on this point by Paul Samuelson (Blaug, [1980] 1992, pp. 81–82). An attempt to moderate Mises's a priori reasoning was made by Boettke (2015), among others. However, as Scheall (2017) tries to argue, a dispute over Mises's radicalism is not about the degree to which he resorted to a priori reasoning in making economic inferences but rather about his method of justifying the action axiom. Mises's extremism is supposed to consist in the recognition that action is given a priori and does not need to be justified by experience. It is necessarily implied by reason itself, and that is why economic knowledge is allegedly 'apodictically true' (in his references to Mises's reasoning Scheall uses the phrase 'Reason without Experience thesis'). The economist's task is only to correctly recognize the necessary praxeological interdependencies via deductive reasoning while introducing auxiliary empirical assumptions that enable him to explain any actual economy with its constraints and institutions. According to Scheall (2017), such a radical justification of the action axiom was not widely embraced even within the Austrian School itself. Furthermore, the said justification lays the Austrian School open to criticism, which is why it would be safer to adopt a more moderate method of justifying the action axiom.

One of the Austrians who proposed a moderate version of Mises's epistemological position was Rothbard. He contended that the truth about human action is discovered empirically through introspective experience (Rothbard, [1957] 2011). But this attempt to mitigate the extremeness of Misesian apriorism can be seen as controversial too. Despite the different labels, it may be difficult to find a significant difference between Mises and Rothbard. Actually, one could say that given Scheall's criteria, these two positions might be treated equally.

However, regardless of their epistemological positions, the Austrians seem to concur that the action axiom is fundamental for economic analysis. Moreover, they often maintain that the axiom cannot be coherently denied, since the person denying it would have to act (by providing arguments) in the first place. Therefore, he would necessarily run into contradiction (Hoppe, [1993] 2006; Mises, [1949] 1998, p. 104).[10]

It is therefore evident that the Austrians attach great weight to the action axiom. The coherence of their entire economic theory depends on the recognition of the purposefulness of human action. However, it is doubtful whether the purportedly undeniable purposefulness of human action is a sufficient argument in favour of metaphysical libertarianism. Just to anticipate this perfectly feasible objection, let us first see what such an argument might look like:

(P_1) The action axiom presupposes choice and purposefulness.
(P_2) Determinism denies choice and purposefulness.

Therefore:

(a) The action axiom is incompatible with determinism.

Thus formulated, the above argument seems correct at first glance. If determinism is incompatible with the concept of choice and purpose, then it is also incompatible with the action axiom. To prove the invalidity of the above argument, we would have to demonstrate that one of the premises is false. This can seemingly be achieved by undermining P_2.

To demonstrate that P_2 is false, let us start by observing that the notion of determinism is not unambiguous. Certainly, causal determinism is a position according to which there is only one possible course of events, which means that the world is causally closed and no novel causal chains can be initiated. However, there are two forms of determinism: hard and soft (compatibilism).

Hard determinism says that all human behaviours are necessary consequences of the external conditions which impact a given person and that this person has no real control over his behaviour. He is not an autonomous being. Purposefulness, choice and free will are illusory and the notion of moral responsibility makes no sense. Human subjecthood and will do not in fact exist.

However, for a few dozen years we have been witnessing the development of an idea that tries to reconcile causal determinism with human free will. Compatibilism, also referred to as 'soft determinism', was developed mainly in the realm of ethics, where the problem of free will plays a vital role. It is doubtful that one can maintain moral responsibility in a deterministic world. Ethicists argued that if people were to be held responsible for their actions, they must be endowed with free will. They must *de facto* initiate novel courses of history (alternative causal chains). Since earlier deterministic denied the existence of free will, they seemed to drain the notion of moral responsibility of any meaning. Compatibilists set themselves the task of reconciling human free will and moral responsibility with determinism. How is that possible?

Unlike metaphysical libertarians, who assume that freedom of the will requires the possibility of acting otherwise, everything else being equal (which *de facto* implies being free of the past and of the laws of nature), compatibilists maintain that there is no need for such a strong claim. To bolster this view, they make a number of principal arguments.

In his famous paper, Strawson ([1962] 2008) notes that even if determinism were true, there would still be a contrast between human action and what is not human action, i.e. animal behaviour and the behaviour of other natural objects. What manifests in man are what we may call *reactive attitudes* towards the behaviour of other people. Regardless of whether history is fully determined or not, emotions, arguments and human reactions to them still operate; humans are still able to attribute certain meanings to actions taken by other people and react accordingly. This is at the core of human nature.

In his ground-breaking paper, Frankfurt (1969) presented a thought experiment suggesting that the ability to do otherwise, everything else being equal, is not necessary to hold one morally responsible for one's actions. He illustrates this using a scenario in which Jones is about to do *x* under such circumstances that were he not to do it, he would be forced or manipulated (say, via hypnosis) by Black to finally perform the same action. However, Jones is unaware of this. Still, if he does *x* wilfully, he is morally responsible for it. At the same time, he cannot do otherwise (although he does not know it), because any deviation would immediately run into Black's intervention. Therefore, Frankfurt suggests that the ability to do otherwise is not necessary for moral responsibility: what is sufficient is will (intention) turned into action.

Another widely recognized theorist of compatibilism is Ayer, who argues that there is no inconsistency between freedom and causality but not between freedom and compulsion (Ayer, [1946]

1972, p. 278). In his conclusion, Ayer enumerates sufficient conditions for free will so as to reconcile it with determinism:[11]

(1) An acting person could have acted otherwise if he had chosen to do so;
(2) Action is voluntary, that is not compulsive;
(3) Action is not taken under coercion.

Although the choice made by an actor is causally determined, the individual is regarded as an autonomous being able to turn his intention into action and, as such, as an entity making a difference to the world. Despite determinism, a person retains free will. Therefore, we could say that such a person acts purposefully. He attains his goals when he is not coerced.[12]

Therefore, there seems to be a genuine possibility of reconciling the theory of action with causal determinism as a metaphysical position. Since it is not the case that 'determinism denies choice and purposefulness' (P_2), while it would be the only reason why 'the action axiom were incompatible with determinism' (C), it would mean this argument collapses. On the grounds of compatibilism, we can recognize the purposefulness of action despite the fact that we also recognize its being causally determined. A given person consciously, that is by dint of their reason, chooses the means by which to attain their ends although 'from the perspective of eternity' (*sub specie aeternitatis*) there is only one possible course of action. The person considers the potential gains from action relative to the opportunity cost even if there are no alternative courses of history. It is enough for consciousness, purposefulness, choice and opportunity cost to operate in the mind of an actor. This would not compel us to reject either the action axiom or methodological individualism.

Contrary to Rothbard's ([1960] 2011) claim, a third way between free will and determinism seems possible. Furthermore, as I hope to have shown, if the only reason for rejecting it was its alleged denial of purposefulness, it could still be compatible with the fundamental axiom of Austrian theory. Because of this, we do not need the libertarian concept of free will to lay the foundations for the Austrian School and its action axiom. We could reconcile choice and free will with determinism, while redefining the concepts at stake (by weakening them).[13]

5. Action and its causes: why can compatibilism be attractive to Austrian theory?

For a number of reasons, compatibilism might be even more attractive to Austrian theory. The reasons or causes of human action are a legitimate object of investigation. In other words, which conditions are necessary and sufficient for people to act? We find the first hint at an answer in the following statement by Mises: 'Choosing determines all human decisions' (Mises, [1949] 1998, p. 3). However, choice alone seems to be insufficient. One could ask what people actually choose and on what basis (given what constraints)? There is another, more fundamental question: why do people act in the first place? Later in *Human Action* Mises enumerates three preconditions that must be met for a man to start acting (ibid., pp. 13–14):

(1) feeling of uneasiness (needs yet to be satisfied);
(2) imagining a more satisfactory state of affairs;
(3) the belief that action can remove or at least reduce uneasiness.[14]

Later on, Mises specifies that human actions are determined by two dimensions: value judgements related to the purposes of action, and the knowledge of available means. He writes:

> The actions are determined by the value judgments of the acting individuals, i.e., the ends which they were eager to attain, and by the means which they applied for the attainment of these ends. The choice of the means is an outcome of the whole body of technological knowledge of the acting individuals. (Mises, [1949] 1998, p. 49)

The above statement closely resembles the considerations of Davidson (1963), according to whom knowledge (beliefs about reality) and some 'pro attitudes' towards actions are reasons as well as sufficient conditions thereof:

> Whenever someone does something for a reason, therefore, he can be characterized as (a) having some sort of pro attitude toward actions of a certain kind, and (b) believing (or knowing, perceiving, noticing, remembering) that his action is of that kind. Under (a) are to be included desires, wantings, urges, promptings, and a great variety of moral views, aesthetic principles, economic prejudices, social conventions, and public and private goals and values in so far as these can be interpreted as attitudes of an agent directed toward actions of a certain kind. (Davidson, 1963, pp. 685–686)

This position is shared by Hausman (2012), one of the most prominent contemporary philosophers of economics, who writes: 'Beliefs and preferences are both reasons for action and causes of actions' (Hausman, 2012, p. 6).

Pointing to beliefs and preferences as causes of action seems tempting for a position that aspires to be called causal-realist (Salerno, 2010). Grounding the edifice of economic knowledge in this kind of foundation may provide us with an explanation of the causes of human action. Furthermore, it is legitimate to ask if this is not a decisive argument in favour of causal determinism in (Austrian) economic theory. In other words, should we not come to the conclusion that determinism (compatibilism) should be recognized as the proper metaphysical basis of Austrian praxeology? A compatibilist could quite legitimately ask: can one do otherwise, everything else being equal, when one's beliefs and preferences are fixed? Deeming the above arguments valid, the answer must be a definite 'no'.

Moreover, the Austrian school maintains that man acts on his preferences, and whatever they are, through action man reveals his preference for the end he most values at a given point in time (Hoppe, [1993] 2006; Mises, [1949] 1998; Rothbard, [1956] 2008, [1976] 2011). This implies that the said end is at the top of the actor's value scale. The other potential ends constitute the actor's opportunity cost (something that the actor – at least at the moment of acting – must forgo, something he cannot realize). This means that, given a particular state of knowledge and a particular value scale, there is only possible way in which a man can act: one that is compatible with the end he most values.

The determinist (compatibilist) could then reply that this is consistent with his scientific picture of reality, which has it that there is only one possible course of history. Human action, like all other things, has specific causes which give rise to strictly determined consequences. On the one hand, as demonstrated earlier on, contemporary Austrians oppose determinism. On the other hand, determinism seems to be non-contradictory and even somehow more consistent with the Misesian theory of action. Given this contention, we ought to verify whether there were any determinists (compatibilists) among the Austrians. As it happens, it is very likely that Ludwig von Mises, the founder of the modern Austrian School, was a proponent (or at least not a vehement opponent) of this view.

6. Ludwig von Mises as a probable compatibilist

At the very outset, it has to be emphasized that Mises avoids making metaphysical claims in his works. When introducing methodological conclusions, he does not derive them from ontological premises. He does not try to establish the ultimate foundations of reality but rather to show how we cognize reality. In other words, he focuses on epistemological and methodological issues, while avoiding metaphysical ones. Although Mises was criticized for his epistemological radicalism (as dogmatic or excessive), his scientific method proved so receptive to all sorts of philosophical justifications that many have tried to reconcile it with – among other things – Kantian epistemology (which seems closest to Mises's intention, see: Parsons, 1997), Aristotelian-Thomistic empiricism (Rothbard, [1957] 2011), critical realism (Lewis, 2010), and even conventionalism (Linsbichler, 2017, 2019).

Abstaining from explicitly articulating any metaphysical positions, Mises states that his 'Methodological dualism refrains from any proposition concerning essences and metaphysical constructs' (Mises, [1957] 2007, p. 1), and in the introduction to *The Ultimate Foundation of Economic Science* he states that 'This essay is not a contribution to philosophy' (Mises, [1962] 2006, p. XI). He underlines that methodological dualism is not 'a sufficient demonstration of the soundness of a dualistic philosophy' (Mises, [1957] 2007, p. 1). However, at the same time he criticizes, for example, the doctrine of materialism (Mises, [1962] 2006, pp. 26–29). Certainly, one can derive some conclusions from these works as to Mises's metaphysical beliefs even if they are only *implicitly* hinted at.

In the context of the dispute between determinism and free will, it seems that we can find some traces of metaphysical monism in Mises's works. One of the necessary conditions of metaphysical libertarianism is that, everything else being equal, an actor endowed with free will can do otherwise. Mises puts forward a similar, albeit not identical thesis:

> A stone is a thing that reacts in a definite way. Men react to the same stimuli in different ways, and the same man at different instants of time may react in ways different from his previous or later conduct. (Mises, [1957] 2007, p. 5)

Mises does not speak of various possibilities of action by the very same person at the very same moment. Furthermore, he seems to concede determinism's point that there is only one possible course of history: 'The determinists are right in asserting that everything that happens is the necessary sequel of the preceding state of things' (ibid., p. 77).

Mises does reject hard or – as he calls it – fatalistic determinism, advocated by some philosophers of history such as Marx or Hegel. The flaw in this position is the assumption that we can discover historical laws that would make it possible to predict the destiny of mankind. Yet Mises contrasts the above view not with the doctrine of free will but with so called activist determinism (ibid., p. 177–180). He states that the said sort of determinism is fully compatible with causality which governs all events in the universe: 'Notwithstanding all the doubts raised by the philosophers, human conduct is entirely and in every sphere of life – action, philosophy and science – directed by the category of causality' (ibid., p. 177).

Contrary to libertarians, Mises believed that freedom of will does not imply that man is able to initiate events independently of history and the laws of nature. Human action is subsumed under the same chain of causes and effects:

> Freedom of the will does not mean that the decisions that guide a man's action fall, as it were, from outside into the fabric of the universe and add to it something that had no relation to and was independent of the elements which had formed the universe before. Actions are directed by ideas, and ideas are products of the human mind, which is definitely a part of the universe and of which the power is strictly determined by the whole structure of the universe. (Mises, [1962] 2006, p. 52)

Human freedom consists in the ability to overcome one's instincts and not in being somehow not subject to universal laws (ibid., p. 51). What distinguishes man from other elements of the universe is the fact that he is guided by ideas. In fact, 'The choices a man makes are determined by the ideas that he adopts' (Mises, [1957] 2007, p. 77). Human actions are not 'metaphysically free'. However, the complexity of human action forces us to apply methodological individualism, which bans the categorization of actions into arbitrarily specified classes. That is why to explain a particular empirical or historical event in all its complexity we cannot formulate an exhaustive nomological description. The individual actions of particular persons and the ideas they are guided by are the ultimate given for us: 'When all is said about the case, there is finally no other answer to the question why Caesar crossed the Rubicon than: because he was Caesar' (Mises, [1962] 2006, p. 53).

Because Mises was convinced of the existence of ideas, he repudiated determinism based on bastardized materialism: 'Determinism is untenable if based upon or connected with the materialist dogma' (Mises, [1957] 2007, p. 77). According to him, ideas constitute the ultimate data because there is no scientific explanation of how they arise in the human mind:

> The offshoots of human mental efforts, the ideas and the judgments of value that direct the individuals' actions, cannot be traced back to their causes, and are in this sense ultimate data. In dealing with them we refer to the concept of individuality. (ibid., p. 78)

This is the only feature that distinguishes the natural sciences from sciences of human action (Mises, [1962] 2006, p. 52).

It is worth mentioning that Linsbichler (2017) arrives at similar conclusions. He notes that Mises could be a determinist: 'Contrary to a widespread opinion, Mises does not champion ontological dualism, but explicitly acknowledges the possibility of absolute determinism on a purely physical or physiological basis' (Linsbichler, 2017, p. 14). He then continues:

> As a surprise to some fanciers and detractors of Mises' libertarian political thought, he denies individuals a free will in the metaphysical sense […] In his conception, genetics, education, and socialization instead of an 'absolutely free will' determine decisions and actions – we are just unable to figure out the determining laws with sufficient precision by now (and most likely this will never change). (Linsbichler, 2017, p. 15)

In the following passages of his book he also elucidates that for Mises the true basis of methodological dualism is methodological individualism.

With the above considerations in mind, *contra* Block (2015), we should be inclined towards a deterministic interpretation of Mises's philosophy. We can almost unhesitatingly identify his 'activist determinism' with compatibilism. Still, it seems that being ignorant of what ideas are and how they come about leaves some room for libertarian foundations when it comes to the Misesian theory of action in general and economics or catallactics in particular. So perhaps we do not have to accuse contemporary Austrians of a basic incongruity between their views and the teachings of their mentor.

7. A possible defence of metaphysical libertarianism

The Austrian proponents of libertarian free will may not like the suggestion presented in the previous section. However, since, as it turned out, it is possible to elucidate the problems encountered by their position with regard to action theory (and economic theory), we should ask whether this position can be reconciled with incompatibilism (metaphysical libertarianism), even though the Misesian position seems to be compatibilistic (deterministic). Since Mises's concept of freedom was more external than internal,[15] it seems clear that he was more of a determinist (compatibilist) than a metaphysical libertarian (incompatibilist). As there is no doubt about the impossibility of reconciling metaphysical libertarianism with determinism,[16] there is no possibility of claiming that Mises's philosophical views are reconcilable with metaphysical libertarianism. The core tenet of Austrian theory (although without the Misesian philosophical background), i.e. the action axiom, might however be supported by metaphysical libertarianism too. Let us review the possible arguments.

First, let us note the well-known arguments against compatibilism in the dispute over free will. Opponents of compatibilism who are proponents of metaphysical libertarianism include Chisholm (1964), van Inwagen (1983) and Kane (2007). The most famous argument is the consequence argument presented by van Inwagen in his work *An Essay on Free Will* (1983). It states that if nobody has any choice over the laws of nature and over the remote past, and if our actions are a necessary consequence of the conjunction of the laws of nature *and* conditions in the remote past (as determinism maintains), then nobody could have any choice over any state of affairs at any time (Inwagen, 1983, pp. 16, 55–105). Warfield strengthens this argument (Warfield, 2000) and presents a few others (Warfield, 2005).

It is also worth mentioning that, as Walde (2006) notices, there are serious arguments against the belief that empirical research can prove or disprove the existence of free will. Walde refers to the undeniable epistemic openness of the future, which every agent confronts, and based on this view develops her own position on free will. As the Austrians are sympathetic to arguments based on epistemic undeniability, her point could be attractive to them. It seems that it fits the

argumentation raised in the previous paragraphs. At this point however, let us focus on metaphysics and examine what kind of metaphysical libertarian theories may be at least *prima facie* interesting to the Austrians.

It seems that the Austrian School would have difficulty adopting metaphysical libertarianism as put forward by Chisholm. On the basis of his agent-causal theory, free will allows for acting *contra* one's desires (Chisholm, 1964). On the grounds of the Austrian theory, we would be barred from saying that we can act inconsistently with our most preferred ends. Clarke (1993) has undertaken a defence of a more sophisticated agent-causal theory of free will. According to his position, 'the agent's beliefs and desires are among the causes of her behavior' (Clarke, 1993, p. 194). This account may be a more valuable proposition for Austrian theory.

Another way to defend metaphysical libertarianism is through what is known as the non-causal theory of free will (Ginet, 1997). This, at first glance, seems unsatisfactory for the Austrians, since they are attached to causal explanations. Ginet, however, rules out deterministic causality and argues that we can also understand the term 'causation' in indeterministic ways. In his view, there is in every freely acting person an 'actish phenomenal quality' which indeterministically causes actions. If the Austrians were willing to subscribe to this kind of view of causation, the idea might be attractive to them.

Finally, we could consider theories dubbed event-causal. Proponents of these varieties of metaphysical libertarianism, such as Ekstrom (2019), are inclined to claim that an individual is able to freely form his preferences. Actually, the self is understood here in terms of preferences. The will together with the intellect and character-defining attitudes makes up the self. According to Ekstrom, preference formation can have 'an indeterministic causal history' (Ekstrom, 2019, p. 134), which allows an action to be free. This indeterminism, however, does not manifest itself in performed actions directly. As Eckstrom puts it:

> On this model, considerations of the agent's are themselves indeterministic causes of the agent's formation of a preference concerning what to do. The indeterminism, then, is between events that are not actions—the occurrence of particular considerations in the agent's mind—and the agent's mental act of forming a preference. (ibid., p. 134)

But later on she broadens the proposed concept of free action to include 'acceptances, desires, values, intentions, and beliefs' (ibid., p. 137). Although it is worth noticing, there is no place here for an analysis of whether this improvement is necessary with respect to our considerations.

A similar view, also labelled event-causal, is held by van Inwagen (1989). According to him: 'It is perhaps not clear how many of the occasions of everyday life count as "making a choice"' (Inwagen, 1989, p. 414). Actually, making choices by free will occurs relatively rarely and under quite idiosyncratic conditions. Inwagen presses this point as follows:

> If this is correct, then there are at most *two* sorts of occasion on which the incompatibilist can admit that we exercise free will: cases of an actual struggle between perceived moral duty or long-term self-interest, on the one hand, and immediate desire, on the other; and cases of a conflict of incommensurable values. (Inwagen, 1989, p. 417)

Based on this standpoint, we could claim that man can freely (being undetermined) influence the course of events as an uncaused cause (first cause). He does so, however, not by directly interfering with the physical reality but rather by shaping his preferences.

In other words, we might say that human action is determined by knowledge and preferences (Davidson, 1963; Hausman, 2012; Mises, [1949] 1998), while preferences (preference or value scales) are subject to undetermined (necessarily, by the conjunction of the laws of nature and the past) human choices.[17]

After all, it is worthwhile to note a difference between the Austrian approach to preferences and the orthodox one. This observation might constitute an additional premise in favour of compatibility between the Austrian theory and metaphysical libertarianism. In the end, the concept of preference scales seems irreconcilable with Austrian theory.[18] The Austrians, as they claim, are interested in

action as such and not in the hypothetical and unverifiable preferences of individuals. Action, in turn, as Searle ([1984] 2003) maintains, has both external (physical) and internal (intentional) manifestations:

> In terms of the theory of intentionality that we just sketched, the action consists of two components, a mental component and a physical component. If successful, the mental component causes the physical component and it represents the physical component. (Searle, [1984] 2003, p. 63)

Finally then, the Austrians could be uninterested in how preferences (or value scales) come into being. An actual choice demonstrated in action is evidence of preferences for a chosen end over other ends, and cannot testify to anything else. In fact, according to the Austrians, preference scales do not exist independently of actions. It was Mises who articulated this view most explicitly:

> It is customary to say that acting man has a scale of wants or values in his mind when he arranges his actions. On the basis of such a scale he satisfies what is of higher value, i.e., his more urgent wants, and leaves unsatisfied what is of lower value, i.e., what is a less urgent want. There is no objection to such a presentation of the state of affairs. However, one must not forget that the scale of values or wants manifests itself only in the reality of action. These scales have no independent existence apart from the actual behavior of individuals. The only source from which our knowledge concerning these scales is derived is the observation of a man's actions. Every action is always in perfect agreement with the scale of values or wants because these scales are nothing but an instrument for the interpretation of a man's acting. (Mises, [1949] 1998, pp. 94–95)

This attitude contrasts with the neo-classical approach to preferences taken as a point of departure by Hausman (2012). Hausman distinguishes four different meanings of 'preference'.[19] In his essay, he examines the view that economic analyses should focus on the comparative evaluations individuals make regardless of whether they act on them or not. These evaluations (together with knowledge/beliefs) are determinative of choice. In contrast to this view, the Austrians ignore value judgements that are not demonstrated in action. Resorting to the terminology proposed by Hausman, we might say that they employ so called choice rankings. These rankings are manifested in particular revealed choices (actions):

> Finally, when a waiter asks Jill whether she would prefer the soup or the salad, he wants to know simply which Jill chooses. In this sense, Jill prefers *x* to *y* if and only if when she knows she is faced with a choice between *x* and *y*, she chooses *x*. Call such preferences *choice rankings*. (Hausman, 2012, p. 2)

This concept of preference allows the Austrians to avoid getting involved in the dispute over what drives actions (whether desires and knowledge, and whether we can act contrary to our desires, as Chisholm implies). In their view, action is the ultimate given and it reveals the most preferred end at a particular moment. We might say that Hausman begins his investigations where the Austrians leave off. As a consequence, we might conclude that the dispute between determinism and metaphysical libertarianism can be pushed aside by the Austrians even further.

8. Conclusion

The present paper called into question the views of contemporary Austrians who claim that their theory requires libertarian free will. After all, it so happens that Austrian theory may rest on different metaphysical foundations, since the very founder of the modern Austrian School was probably a determinist.

The uncertainty of the future, as implied by the concept of action (Mises, [1949] 1998, pp. 105–106), does not have to inextricably entail the libertarian doctrine of free will, since it may be explained by other arguments. Hence, an economic theory based upon free choice does not have to allude to metaphysical libertarianism.

On the other hand, a lot of attention in ongoing debates is paid to studies of causality in macroeconomics (Grüne-Yanoff, 2016; Henschen, 2018; Maziarz & Mróz, 2019). Since a libertarian standpoint is feasible within Austrian microeconomics, this would suggest that (at least from the Austrian viewpoint) an economy cannot be a deterministic system. What follows is that

microeconomic predictions cannot be accurate in principle and macroeconomic laws cannot be strictly deterministic.

Notes

1. Some exemplary works directly referring to this problem are: Uriarte (1990), Altman (2006). Recently these topics were raised i.e. by Child (2020) and Róna (2020).
2. On the problem of reducing economics to a behavioural science see, for instance: Hudik (2011).
3. The philosophical views of Ludwig von Mises, however, seem only to be consistent with determinism (compatibilism). I take up this thread in section 6.
4. It is worth emphasizing, however, that the Mengerian concept of causality was not necessarily Humean. There are many indications that Menger would have subscribed to a wider, Aristotelian, notion of causality. The Aristotelian foundations of Menger's philosophy have been discussed in the literature on the subject, see e.g.: Smith (1990). However, some scholars deny traces of Aristotelianism in Carl Menger's position, see e.g.: Milford (2010), Schumacher and Scheall (2020). Menger's remarks on determinism and free will are discussed below.
5. As we will see later, it is hard to maintain this view with respect to Mises.
6. On the relationship between the concepts of libertarianism (as an ethical system) and freedom, see for instance: van Dun (2009) and discussion of his views in Dominiak (2018, 2019) and Wysocki (2020).
7. Because of that, Hayek's argumentation for methodological dualism is supposed to be even more fundamental than that of Mises, since the latter seemed to believed that the ultimate reduction of mental states to physical states cannot be dismissed out of hand:

   > Despite a certain parallelism of language, Hayek's conclusions were thus markedly different from those of Ludwig von Mises, who seems to have believed that at least the conceptual possibility of such an ultimate reduction of the mental to the physical could not be excluded. (Hauwe, 2011, p. 388)

8. 'Those who approach business cycles from a statistical point of view and try in that way to arrive at a theory are in hopeless error. Any historical-statistical fact is a complex resultant of many causal influences and cannot be used as a simple element with which to construct causal theory' (Rothbard, [1962] 2009, p. 862).
9. However, it must be noted that Ludwig von Mises does not use the expression 'action axiom' in reference to this statement.
10. The said undeniability may certainly be regarded both as a virtue and as a vice because, as recognized in scientific theories and scientific methodology, a fundamental property of scientific theories should be their falsifiability (Popper, [1959] 2005). Otherwise, we could at best speak of a metaphysical system. In fact, the accusation of dogmatism against the Austrians is not rare at all.
11. 'If this is correct, to say that I could have acted otherwise is to say, first, that I should have acted otherwise if I had so chosen; secondly, that my action was voluntary in the sense in which the actions, say, of the kleptomaniac are not; and thirdly, that nobody compelled me to choose as I did: and these three conditions may very well be fulfilled. When they are fulfilled, I may be said to have acted freely.' (Ayer, [1946] 1972, p. 282). This is a different understanding of free will than the libertarian one: compatibilists do not operate within the contrast determinism vs free will but within determinism vs indeterminism, and freedom vs coercion.
12. Voluntariness (the absence of coercion) as a necessary condition for assigning moral responsibility is particularly stressed by John Martin Fischer in his *Responsibility and Control* (1982). Incidentally, we may note that compatibilism was aptly expressed by Arthur Schopenhauer: 'A man can do as he wills, but not will as he wills'.
13. In my view, to avoid any conceptual confusion, it would be better to speak of compatibilism as involving 'free choice' (an action satisfying the conditions of intentionality, lack of coercion and lack of compulsion) rather than 'free will', assigning the latter concept to metaphysical libertarianism.
14. 'We call contentment or satisfaction that state of a human being which does not and cannot result in any action. Acting man is eager to substitute a more satisfactory state of affairs for a less satisfactory. His mind imagines conditions which suit him better, and his action aims at bringing about this desired state. The incentive that impels a man to act is always some uneasiness. A man perfectly content with the state of his affairs would have no incentive to change things. He would have neither wishes nor desires; he would be perfectly happy. He would not act; he would simply live free from care. But to make a man act, uneasiness and the image of a more satisfactory state alone are not sufficient. A third condition is required: the expectation that purposeful behavior has the power to remove or at least to alleviate the felt uneasiness. In the absence of this condition no action is feasible. Man must yield to the inevitable. He must submit to destiny.' (Mises, [1949] 2008, pp. 13–14).
15. Mises writes, for instance: 'Freedom and liberty always refer to interhuman relations. A man is free as far as he can live and get on without being at the mercy of arbitrary decisions on the part of other people' ([1949] 1998, p. 279). It is worth noting that some of these passages were changed in the third revised edition of *Human action* ([1949] 1966). The altered passage reads: 'Primitive man was certainly not born free […] A man is free in so far as he is permitted to choose ends and the means to be used for the attainment of those ends' ([1949] 1966, p. 279);

and later on we can read that the individual 'is free in the sense that the laws and the government do not force him to renounce his autonomy and self-determination to a greater extent than the inevitable praxeological law does' (ibid., p. 281); and: 'There is no kind of freedom and liberty other than the market economy brings about' (ibid., p. 283).

16. For arguments against the possibility of reconciling determinism and metaphysical libertarianism, see: Vihvelin (2018).
17. A similar position is held by John Searle, as evidenced when he speaks of so called prior intentions: 'The formation of prior intentions is, at least generally, the result of practical reasoning. Practical reasoning is always reasoning about how best to decide between conflicting desires.' (Searle, [1984] 2003, p. 65).
18. However, they sometimes employ the said concept. See, *inter alia*, Rothbard ([1956] 2011), *passim*.
19. These include: 1. Enjoyment comparisons; 2. Comparative evaluations; 3. Favouring; and 4. Choice ranking (Hausman, 2012, pp. 1–2).

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