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The Dao of Capital Essays on Capital and Interest *Austrian Capital Theory* **Studies in Austrian Capital Theory, Investment, and Time Capital and Time** The Positive Theory of Capital Capital and Time Time and Money **Capital and Its Structure** Capital in Disequilibrium *Capital and Production* Capital and Interest *Austrian Economics: Money and capital* Introduction to Modern Austrian Capital Theory Hermeneutics of Capital **Austrian Theory of Capital and Business Cycle** *The Austrian Theory of Value and Capital* **Capital and Interest** *Cultural Considerations within Austrian Economics Evolution of the Market Process* The Positive Theory of Capital **Introduction to Modern Austrian Capital Theory** Some Capital-Theoretic Fallacies of Austrian Economics *Austrian Theories of Capital, Interest, and the Trade-cycle* **An Introduction to Austrian Economics Capital, Interest, & Rent** *Explorations in Austrian Economics* **Investing in the Age of Democracy** Capital in Disequilibrium *Introduction into Capital Theory Capital in Disequilibrium (Large Print Edition)* The Austrian Theory of Capital Capital and Time in Ecological Economics **Microfoundations and Macroeconomics** Austrian Economics Re-examined Value and Capital Austrian Macroeconomics: A Diagrammatical Exposition **Capital and Time** Capital & Its Structure *Austrian* *and German Economic Thought*

This article demonstrates certain doctrines of the Austrian school of economics are untenable. The focus is on certain aspects of capital theory undergirding Austrian Business Cycle theory. Other criticisms of Austrian Business Cycle Theory from Cambridge-Italian economists are briefly surveyed. This paper demonstrates an entrepreneur may simultaneously classify a capital good into several orders, as orders of goods are defined by Austrian economists. Hayekian triangles are defined. This paper demonstrates that the shape of a Hayekian triangle varies with the interest rate, even if real resources are not reallocated across stages of production. It is demonstrated, by means of an example, that no tendency need exist for entrepreneurs to respond to lower interest rates by reallocating resources from producing low order goods to producing higher order goods, or otherwise increasing the capital-intensity of the structure of production. The rejection, as is typical of the modern Austrian school of economics, of a physical measure of the average period of production and of a production function with an aggregate measure of capital as an argument is not sufficient for rigorous capital theory. Hayekian triangles are arguably not a good tool for investigating capital theory. Drawing on the work of the Austrian School and its heirs, Capital in Disequilibrium develops a modern, systematic version of capital theory in order to suggest a new approach to the subject of economics. Original and provocative in his reflection, Lewin offers both a new approach and an accessible discussion of one of the most important, but also one of the most difficult, areas in economics. During the fifties and the sixties the neoclassical concept of the production function was criticized in numerous papers. In particular, the aggregation of different capital goods into a single number was reprehended. A second essential disadvantage, namely the neglect of the time structure of the production process, found, however, rela tively little attention. While up to the thirties the Austrian capital theory which stressed the time aspect of production was an important school, it fell into oblivion after the great capital controversies of the thirties. It took over thirty years, i. e. till the beginning of the seventies be fore it came to a renaissance of the Austrian capital theory by var ious writers. We may roughly classify the different attempts of Hits rebirth in modern economics" into three groups: 1. The approach of ~ [1970, 1973, 1973a] has received most of the attention in the literature (Burmeister [1974], Faber [1975], Fehl [1975], ~[1975], Hagemann and ~ [1976]). It will be shown in Chapter 9 that ~ is only in so far a Neo-Austrian as he does explicitly take into consideration the vertical time structure of the production process. But he does not use the Austrian concepts of superiority of roundabout methods, of time preference and of the period of production. 2. The latter concept has been revived by the second group, to which Tintner [1970], von Weizs~cker [1971a, 1971b, 1974], ~ [1971, 1976 and ~ [1973, 1975, 1976] belong. This book explores Austrian capital theory and Austrian business theory from the perspective of modern economics. Sustainable change within the production structure is examined in relation to time preference, the Böhm-Bawerkian theory of capital and interest, and the Hayek Triangle. In turn, the impact of monetary shocks and boom-bust cycles is detailed, with a particular focus on the Ricardo Effect, dynamics of money supply, and the natural rate of interest. This book aims to present a new framework for Austrian economics that will make these ideas applicable to both mainstream economic models and modern economists. It will be relevant to students and researchers interested in the history of economic thought and the political economy. In three previously published essays and a new introduction, Kirzner (economics, New York U.) argues that an Austrian approach to economics based on the pure time-preference theory offers an attractive alternative to both the orthodox neoclassical and the heterodox Sraffian approaches. In his subjetivist view that traces all capital and interest phenomenon to individual multi- period plans, capital appears not as an objective mass of tools and equipment, but as the interim state in which inter-locking multi-period plans have manifested themselves at a particular point. Annotation copyright by Book News, Inc., Portland, OR The Positive Theory of Capital sees Eugen von Boehm-Bawerk explain the concept of capital, and how its nature defines the workings of the modern economy. Boehm-Bawerk commences this book by noting how books pertaining to the social science of economics call upon the physical sciences to support their arguments. Usually this connection relates to arguments surrounding production; however Boehm-Bawerk proposes to take the association deeper, without venturing too deeply into the theory and jargon of natural or physical science. The distinguishing parts of Boehm-Bawerk's theory are based upon how time also affects the value of products. The notion that a product present and ready today is worth more than a product that will not be present until a week from now, and in turn the product ready a week from now is worth more than one ready a year from now, is explained. The time preference of goods, and its effects upon price, production, how consumers perceive value, and (crucially) the mechanism of interest is central to this work. Much of this text is also occupied by debunking theories of capital that came before it, identifying their contradictions which ultimately befuddle and confound those who subscribe to them. Boehm-Bawerk is careful to construct a theory of capital and interest that maintains its inner logic across the entire sphere of the economy. Although his theories use the same terms as his forebears, the author ultimately delivers a thesis which differs at the most basic levels of price and value. An important figure in the field of Austrian economics, Boehm-Bawerk is recognized for his contributions to this school of thought. He was vociferous and thorough in criticizing Marxist thought, and these critiques count among his most recognized and celebrated accomplishments. For its part, The Positive Theory of Capital soundly shows how the tenets of economics relate and affect one another. It inspired generations of economists who followed, both within and outside the Austrian school of economics. Drawing on the work of the Austrian School and its heirs, Capital in Disequilibrium develops a modern, systematic version of capital theory in order to suggest a new approach to the subject of economics. Original and provocative in his reflection, Lewin offers both a new approach and an accessible discussion of one of the most important, but also one of the most difficult, areas in economics. Ludwig Lachmann in 1956 set out to correct the problem that the economics profession had no coherent and working understanding of capital, a concept so integral to economic science and yet not explored at length since the takeover of macroeconomics by Keynesian theory. The result was his most lasting contribution to economic theory. He expands on the ideas of Boehm-Bawerk and Hayek to create a picture of the capital goods sector that incorporates all essential Austrian insights on the nature of the market process. His writing is lucid and sophisticated. Mises was impressed by this book and Rothbard drew on it for his own theory of the business cycle - having cited it often. It remains a seminal study written while he was at the height of his intellectual powers. This book, first published in 1973, takes up an important approach to capital which had gone out of fashion. There has been some recent renewed interest in this approach. The 'Austrian' theory of capital concentrates on the inputs and outputs in the productive process, and has an advantage over more modern theories of economic dynamics in that it is more naturally expressible in economic terms: the production process over time is taken as a whole, rather than disintegrated. However, this approach had been largely abandoned because it seemed to be unable to deal with fixed capital. The book overcomes this problem here by allowing for a sequence of outputs, and the consequences for dynamic economics are profound and novel. -- Provided by publisher. In presenting Hermeneutics of Capital, the author fears that most modern economists are not prepared or even interested in the approach that has been taken in this book. Today, economists are more likely to search for exact theories functional relationships between often logically independent variables rather than to question the nature of their science and its main task. This book argues that economics is about human nature, human conduct and human institutions, or what Mises called human action. The present book, however, is not an epistemological one. It is about capital theory. The attempt of Hermeneutics of Capital is to reconcile man and capital, which are often presented as competing elements in a conflictual world. What the author tries to do is even more than looking for a simple reconciliation; following Ludwig Lachmanns application of hermeneutics to economics, the author tries to define capital as the outcome of subjective mental processes, determined by individual intentions and expectations and not by specific physical or economic features. The author defines the theory of post-

Austrian. In fact, the authors attempt is to further develop the Austrian School of Economics teaching, trying to contribute in enhancing concepts and theories which are believed to be necessarily reshaped. The author connected his capital theory with a consistent entrepreneurship theory, which goes beyond the usual contraposition between Kirzners and Schumpeters entrepreneurial theories and builds a synthesis centred on the idea of entrepreneurship as a subset of Misesian action involving specific capital formation processes. Moreover, the author took into account the traditional version of the Austrian Business Cycle Theory and critically revised it, arguing that crises are not simply the consequences of monetary manipulations, but they are the natural consequence of every expansionary wave. Shackle reminded us that a good economist is like a bottle of wine. He must begin by having the luck to be laid down, as it were, in a vintage year, when he himself and his class companions are the high-quality stuff in which ideas and theories ferment and discourse sparkles in a glow of golden light. But this is not enough. He must mature. This book helps guide readers to understand reality. This impressive volume centres on the relationship between Austrian and Swedish economics. Exploring themes such as capital theory, expectations, policy, market theory and the history of economic thought, this book makes for an interesting read. It will appeal across a wide range of disciplines within economics as well as the philosophy of social science. In the past, Austrian economics has been seen as almost exclusively focused on microeconomics. Here,Steven Horwitz constructs a systematic presentation of what Austrian macroeconomics would look like. This original and highly accessible work will be of great value and interest to professional economists and students. The neglect of time in general and of the time structure of production in particular in mainstream economics led to the rebirth of the Austrian tradition in the seventies. The names of BERNHCLZ, HICKS, KIRZNER and VON WEIZSACKER are representative of different approaches. In 1979 my "Introduction to Modern Austrian Capital Theory" appeared, in which I unified various papers BERNHOLZ and I had written. I also linked our approach to those of VON NEUMANN, of HICKS and of neoclassical capital theory. These "Studies" supplement and continue my

"Introduction" in various ways. With all the authors of the present volume I have cooperated for several years. This volume is subdivided into five parts. The first one, Historical Perspectives, gives first an outline on the development of Austrian capital theory from its origins to the present. Next it relates Modern Austrian Capital Theory to SRAFFA's theory and to the Austrian subjectivists' pure time preference theory of interest. The latter theory is represented in its opposition to the traditional productivity-cum-time preference explanation of interest, which is. common t9 neoclassical and BOHM-BAWERKian capital theory alike. The Austrian subjectivist pure time preference theory has been misinterpreted in its recent presentation, which has led to misunderstandings. It is shown that there is no real contradiction between the two appoaches. This Element presents a new framework for Austrian Capital Theory, starting from the notion that capital is value. Capital is the value attributed by the valuer at any moment in time to the combination of production-goods and labor available for production. Capital is the result obtained by calculating the current value of a business-unit or business-project that employs resources over time. It is the result of a (subjective) entrepreneurial calculation process that relates the flow of consumptions goods to the value of the productive resources that will produce those consumptions goods. The entrepreneur is a ubiquitous calculating presence. In a review of the development of Austrian Capital Theory, by Carl Manger, Eugen von Böhm-Bawerk, Ludwig von Mises, Friedrich Hayek, Ludwig Lachmann as well as recent contributions, the Element incorporates the seminal contributions into the new framework in order to provide a more accessible perspective on Austrian Capital Theory. Increasingly, economists realize that a deeper understanding of culture can improve their insights into the most important questions in economics. The Austrian school of political economy, which has always taken economics to be a science of meaning, and therefore, a science of culture, offers a unique approach to the study of culture in economic life. We consider three important differences between these Austrian and non-Austrian approaches: the Austrian focus on culture as meaning rather than culture as norms, beliefs, or attitudes; the Austrian emphasis on culture as an interpretative lens rather than as a tool or form of capital; and the Austrian insistence that cultural analysis be a qualitative exercise rather than a quantitative one. We also examine Geertz's description of culture, Gadamer's approach to hermeneutics, and Weber's interpretative sociology, demonstrating their connections to the Austrian approach and offering examples of what Austrian cultural economics can look like. Time and Money argues persuasively that the troubles which characterise modern capital-intensive economies, particularly the episodes of boom and bust, may best be analysed with the aid of a capital-based macroeconomics. The primary focus of this text is the intertemporal structure of capital, an area that until now has been neglected in favour of labour and money-based macroeconomics. Frank Fetter of Princeton University was one of the great American Austrians, and perhaps the most lucid defender of the "pure time preference" theory of interest in the history of economic ideas. Rothbard learned from him, and then collected his best work into a single volume that works as a reader on the Austrian theory of capital and interest. If we are tempted to think of the Austrian perspective as a tiny minority within the profession, this volume shows that the situation has always been more complex. Fetter was not an Austrian from beginning to end, but on this topic, no one wrote with more conviction and explanatory power. The English is beautiful, and logic is rigorous. With this reprint, Fetter again has a voice. The time is right for a reexamination of Austrian capital-theory. We attempt to capture the essence of Carl Menger's approach to capital, highlighting the important distinction between goods and the valuable services they yield (implying that goods are valuable only because they yield valuable services) and highlighting also the importance of money in facilitating exchange and production and in providing the means to value them. We look at the capital-theory of Böhm-Bawerk and suggest that, in many respects, this was a wrong turn, although it did set in motion valuable efforts to clarify the importance of the heterogeneity of productive-resources and their growing complexity over time. We examine the production-function, micro and macro, and show that it is logically untenable and useless as an instrument for empirical investigation, and that this has been known for decades. Of the Austrians after Menger, only Mises followed

Irving Fisher in focusing on valuation. He did so in the context of explaining the importance of calculation. Mises's approach to capital has been insufficiently understood and appreciated. By way of conclusion we draw from our considerations to provide a research agenda in Austrian capital theory. Features papers presented at the inaugural Wirth Institute Conference on the Austrian School of Economics. This work explores issues in economic policy, applied economics, and pure theory from a variety of perspectives. This book offers a structured, deductive approach to Austrian investing, beginning with an analysis of the current investing paradigm. There are five economic concepts on which the Austrian School of Economics has a unique view: Entrepreneurship, Class Probability, Capital, the Interest Rate, and Institutions. This book explains, lesson by lesson, how each of theseshapes our thinking about investing. If we follow them through their logical consequences, they leave us with a unique approach to investing. Except for the theory of probability, there has not been a comprehensive analysis of the linkages between these concepts, when it comes to investing. Although they would have been obvious to the average investor before the age of democracy, since the French and American revolutions, government interventions have steadily transformed the way we think about them (and the way we invest). Above all, Entrepreneurship and Institutions are downplayed today, while investors use Case Probability, and confuse the concepts of Money and Capital. This book offers a historical review of these interventions, to shed light on how we went from what was common sense to the status quo. Offering a sometimes technical analysis, the book examines a series of fundamental investment fallacies, their origins and how not to fall for them. This book, first published in 1973, takes up an important approach to capital which had gone out of fashion. It is being reissued in paperback in recognition of the recent renewed interest in this approach. The 'Austrian' theory of capital concentrates on the inputs and outputs in the productive process, and has an advantage over more modern theories of economic dynamics in that it is more naturally expressible in economic terms: the production process over time is taken as a whole, rather than disintegrated. However, this approach had been largely abandoned because it seemed to be unable to deal with fixed capital. Sir John overcomes this problem here by allowing for a sequence of outputs, and the consequences for dynamic economics are profound and novel. This book intends to renovate the view of social sciences in the German-speaking world. It explores the intellectual tension in the social science in Austria and Germany in the late-nineteenth and early-twentieth centuries. It deals with how the emergence of the new school (Austrian School) changed the focus of social science in the German speaking world, and how it prepared the introduction of an evolutionary perspective in economics, politics, and sociology. Based on (mostly hitherto unknown) primary evidence, this development is lively described in a series of encounters and decisions by each social scientists. As today's preeminent doomsday investor Mark Spitznagel describes his Daoist and roundabout investment approach, “one gains by losing and loses by gaining.” This is Austrian Investing, an archetypal, counterintuitive, and proven approach, gleaned from the 150-year-old Austrian School of economics, that is both timeless and exceedingly timely. In The Dao of Capital, hedge fund manager and tail-hedging pioneer Mark Spitznagel—with one of the top returns on capital of the financial crisis, as well as over a career—takes us on a gripping, circuitous journey from the Chicago trading pits, over the coniferous boreal forests and canonical strategists from Warring States China to Napoleonic Europe to burgeoning industrial America, to the great economic thinkers of late 19th century Austria. We arrive at his central investment methodology of Austrian Investing, where victory comes not from waging the immediate decisive battle, but rather from the roundabout approach of seeking the intermediate positional advantage (what he calls shi), of aiming at the indirect means rather than directly at the ends. The monumental challenge is in seeing time differently, in a whole new intertemporal dimension, one that is so contrary to our wiring. Spitznagel is the first to condense the theories of Ludwig von Mises and his Austrian School of economics into a cohesive and—as Spitznagel has shown—highly effective investment methodology. From identifying the monetary distortions and non-randomness of stock market routs (Spitznagel's bread and butter) to scorned highly-productive assets, in Ron Paul's words from the foreword, Spitznagel “brings Austrian economics from the ivory tower to the investment portfolio.” The Dao of Capital provides a rare and accessible look through the lens of one of today's great investors to discover a profound harmony with the market process—a harmony that is so essential today. Traces of the Austrian capital theory may be detected in the modern growth theory. Yet, it was not generally accepted as it contains many confusions and unsettled points. This paper tries to clarify some of the misunderstandings that are present in this theory. It clarifies the notion of roundaboutness, it describes in detail the reasons for a higher productivity of longer methods, and it examines why the Austrian authors put emphasis on the structure of production. A decrease in time preference is studied in detail, and new diagrammatical tools are introduced to pin down the dynamics of the economy. LARGE PRINT EDITION! More at LargePrintLiberty.com Taking capital seriously is a distinguishing mark of the Austrian School. The Austrians see capital as decisive in the wealth-formation process, not just a big homogenous blob but an enormously complex structure that is heterogeneous in ways that really matter. This is how it must be in a world of relentless change where every economic decision is a speculation about an unknown future.Professor Lewin provides an excellent summary of the contributions of B•hm-Bawerk, Mises, Hayek, Rothbard, and Lachmann, and goes on to apply their theory to modern macroeconomic understanding. The topics covered range from microeconomic issues of interest rates to macroeconomic issues of the business cycle. At every step, Lewin takes account of the real decisions of capital owners in a real world.In the years since its first publication, the world in which we live has become even more dynamic. The pace of change has accelerated. The "digital age" works its magic every day in the form of new products, new organizations, new production techniques, new modes of communication, and who knows what else. This increased dynamism has enhanced the relevance of the capital-based framework developed in this book.It is not possible to understand economic processes in a developed economy without taking full account of capital, its structure, and its role. Lewin is to be congratulated for providing the first contemporary account and thus adding to the Austrian corpus of economic understanding. Austrian Economics Re-examined: The Economics of Time and Ignorance is an expanded version of the 1996 edition of The Economics of Time and Ignorance. This work is a classic statement of the role of subjectivism, radical uncertainty and change through real time in Austrian economics specifically, and in modern economics more generally. The new book contains the full text and Introductions of the earlier edition as well as the comprehensive previously-unpublished essay "What is Austrian Economics?" and a new Introduction. The essay is a comprehensive overview of the central themes of the book from a somewhat different perspective than in the book itself. It supplements the analysis in the book. The new Introduction explains that the 2007-8 financial crisis and recent developments in behavioural economics have made the book more relevant than ever before. Austrian Economic Re-examined develops and systematizes the fundamental principles of the Austrian tradition to the analysis of rational expectations, business cycles, monetary theory competition and monopoly, and capital theory. Capital theory is a cornerstone of modern economics. Its ideas are fundamental for dynamic equilibrium theory and its concepts are applied in many branches of economics like game theory, resource and environmental economics, although this may not be recognized on a first glance. In this monograph, an approach is presented, which allows to derive important results of capital theory in a coherent and readily accessible framework. A special emphasis is given on infinite horizon and overlapping generations economics. Irreversibility of time, or the failure of the market system appear in a different light if an infinite horizon framework is applied. To bridge the gap between pure and applied economic theory, the structure of our theoretical approach is integrated in a computable general equilibrium model. A focus on neo-Austrian capital theory and its application to the modelling of long-run economy-environment interactions. It overviews the modelling approach and gives an historical survey of capital theory and its development. Issues include green national accounts and resource rents. Produced throughout the first fifteen years of Hayek's career, the writings collected in Capital and Interest see Hayek elaborate upon and extend his landmark lectures that were published as Prices and Production and work toward the technically sophisticated line of thought seen in his later Pure Theory of Capital. Illuminating the development of Hayek's detailed contributions to capital and interest theory, the collection also sheds light on how Hayek's work related to other influential economists of the time. Highlights include the 1936 article 'The Mythology of Capital' presented here alongside Frank Knight's criticisms of the Austrian theory of capital that prompted it - and 'The Maintenance of Capital', with subsequent comments by the English economist A. C. Pigou. These and other familiar works are accompanied by lesser-known articles and lectures, including a lecture on technological progress and excess capacity. An introduction by the book's editor, leading Hayek scholar Lawrence H. White, places Hayek's contributions in careful historical context, with ample footnotes and citations for further reading, making this a touchstone addition to the University of Chicago Press's Collected Works of F. A. Hayek series. Economist Hennings had not completed the revision for publication of his 1972-73 doctoral dissertation for Oxford University when he died suddenly in 1986, so the original work, nearly unchanged, is presented here. After reviewing the Austrian economist Bohm-Bawerk's (1851-1914) life, Hennings details his theory of value, capital, and interest within the context of 19th-century German economic thought and the development of neo-classical economic theory. The first English translation of his letters to Knut Wicksell are also included. Annotation copyrighted by Book News, Inc., Portland, OR