

# **Introduction to Lachmann's Austrian Economics**

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Backup

## Lachmann vs. Kirzner's Later Work

“At first glance, Kirzner might appear in his later works to move closer to the radical subjectivist position on the creative entrepreneurial imagination, expanding his definition of ‘alertness’ to include a ‘motivated propensity of man to formulate an image of the future’ (1985, p. 56). The context of this passage, however, is Kirzner’s attempt to answer his critics by clarifying his views on the relationship between ‘uncertainty, discovery, and human action’ (1985, p. 40). Although Kirzner adopts subjectivist language, disavows determinism, and seems to concede Lachmann’s point that the future is ‘unknowable, though not unimaginable’ (Lachmann, 1976a, p. 59), his objectivist and equilibrium-seeking assumptions resurface at the end of his argument when he insists it is possible to ‘dream *realistically*’ and affirms his faith in ‘the formidable and benign *coordinative* powers of the human imagination’ and the ‘*systematic* market force’ that ‘harness’ it (1985, pp. 66-67). As late as 1997, Kirzner continued to emphasize distinctions between his views and the more thoroughgoing subjectivism of Lachmann (and, a fortiori, of Shackle): ‘Doctrinally, Lachmann was much closer to the extreme Shackelian position on choice, uncertainty, and time, and went much further than I am willing to go. . . . I believe he was trying to steer Austrian economics in a more subjectivist direction (1997).’”

~ Chiles et al., *Journal of Management Inquiry*, 2010: 158