

Some Thoughts on Praxeology, Thymology, and the A Priori



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PRAXEOLOGY

The discipline that Ludwig von Mises named *praxeology* derives from Carl Menger's conception of "*exact science*" or "*exact research*." For one interested in studying praxeology, Carl Menger's *Investigations into the Method of the Social Sciences* is required reading. In **Book 1, Chapters 1-5**, Menger lays out his conception of scientific laws in terms of two kinds of regularities: exact laws and empirical laws.

The types and typical relationships (the laws) of the world of phenomena are not equally strict in all cases. A glance at the theoretical sciences teaches us rather that the regularities in the coexistence and in the succession of phenomena are in part without exception; indeed they are such that the possibility of an exception seems quite out of the question. However, some are such that they do indeed exhibit exceptions, or that in their case exceptions seem possible. The first are called *laws of nature*, the latter *empirical laws*.

Regarding the study of exact laws (what Mises calls praxeology), Menger writes:

The aim of this orientation, which in the future we will call the *exact* one, an aim which research pursues in the same way in all realms of the world of phenomena, is the determination of strict laws of phenomena, of regularities in the succession of phenomena which do not present themselves to us as absolute, but which in respect to the approaches to cognition by which we attain to them simply bear within themselves the guarantee of absoluteness. It is the determination of laws of phenomena which commonly are called "*laws of nature*," but more correctly should be designated by the expression "*exact laws*."

...exact research solves the second problem of the theoretical sciences: the determination of the typical relationships, the *laws* of phenomena. The specific goal of this orientation of theoretical research is the determination of regularities in the relationships of phenomena which are guaranteed to be absolute and as such to be complete.

[Exact science] arrive(s) at laws of phenomena which are not only absolute, but according to our laws of thinking simply cannot be thought of in any other way but as absolute. That is, it arrives at exact laws, the so-called “laws of nature” of phenomena.

Mises’s concept of praxeology consists of two primary components. The first component is the assumption of *action*, which means the assumption that a conscious actor attempts to replace the situation that confronts him/her with a (hopefully) more satisfactory situation. The second component is the notion of “exactness” or “apriority” or “certainty.” This means that praxeology is only concerned with those things that must necessarily occur when an actor attempts to replace one situation with another, not with those things that may or may not occur. In other words, praxeology is concerned with exact laws (not empirical laws) as applied to the actor’s attempt to change his/her current situation to something more satisfactory.

If I walk toward a location (action **A**), I may or may not arrive there (result or consequence **B**), and thus the relationship between my action and its result in this case is an empirical or nonnecessary relationship. On the other hand, if I walk toward a location (action **A**), I necessarily walk away from a different location (result or consequence **B**), and thus the relationship between my action and its result in this case is an exact or necessary relationship. The focus of praxeology is this latter type of “exact” relationship. As Mises writes:

Praxeological knowledge makes it possible to predict with apodictic certainty the outcome (**B**) of various modes of action (**A**). (HA, 3rd rev. ed. p. 117)(“**A**” and “**B**” added)

THYMOLOGY

To better understand the term *thymology*, let us go back fifty or sixty years to the time when Mises was writing *Human Action*, *Theory and History*, and *The Ultimate Foundation of Economic Science*. In these and other works Mises had put forth his concept of human action:

In an a prioristic science, we start with a general supposition —action is taken to substitute one state of affairs with another...The aim of action is to substitute a state of affairs better suiting the men taking the action than the previous situation. (FM, p. 16-17)

Though Mises's conception of action is general in nature, and though his conception of action provides a foundation for studying all types of actions, as an economist, Mises was concerned with only *one kind* of action: the so-called “catallactic actions”—those actions based on monetary calculation.

...the field of catallactics or of economics in the narrower sense is the analysis of the market phenomena. This is tantamount to the statement: Catallactics is the analysis of those actions which are conducted on the basis of monetary calculation. (HA, 3rd rev. ed. p. 234)

In *Human Action*, Mises lays the foundation of his economics in terms of the concepts of *action* and *praxeology* (the famous “first two hundred pages of *Human Action*”). Once this is accomplished, the remainder of *Human Action* then deals with “catallactic actions”—generally, actions in which the actor takes account of market prices:

There have never been any doubts and uncertainties about the scope of economic science. Ever since people have been

eager for a systematic study of economics or political economy, all have agreed that it is the task of this branch of knowledge to investigate the market phenomena, that is, the determination of the mutual exchange ratios of the goods and services negotiated on markets, their origin in human action, and their effects upon later action. (HA, 3rd rev. ed. p. 232)

We may conceive that economics is the study of those actions in which the actor may obtain a supply or relinquish from a supply (or stock) of identical units. The law of marginal utility, the central law of Austrian economics, is concerned exclusively with such actions. Economics, the study of the money economy, is based on the assumption of identical monetary units. The law of returns, another important economic law, utilizes simple mathematical equations (p/c , $3p$, $p > q$, $p-1$, etc.) based on the assumption of identical units of stock or supply. Economics deals with action under the conditions of identical units of supply. The assumption of identical, countable, units of supply, implies the application of simple or complex mathematical equations. For example, in explaining the law of marginal utility, Mises employs the simple mathematical equation $n-1$.

Thus, economic science is focused on a relatively narrow range of human actions and many important kinds of actions are outside the scope of economics proper. Two of the most important kinds of actions not treated by economics are *mental actions* (actions such as thinking, choosing, deliberating, contemplating, reasoning, etc.) and *interpersonal actions* (actions involving the mind of another, second actor).

If we look back upon the Austrian economics literature of the last fifty years, there is very little mention of these other important realms of action, and little realization that these realms of action could constitute new fields for praxeological study. For example, on the subject of mental actions we have, from Mises:

...thinking itself [is] an action, proceeding step by step from the less satisfactory state of insufficient cognition to the more satisfactory state of better insight. (HA, 3rd rev. ed. p. 99)

And from David Gordon we have:

Some “actions” don’t seem to involve physical movement, e.g., thinking. (GOR, p. 19)

And

If, for example, I think of a chair, my mental action is not a picture of the chair found in my mind. What my mind does is to think of an object. Thinking is an action, a mental “doing” as it were. (GOR96, p. 5)

These passages apparently constitute the Austrian literature on the subject of mental actions some sixty years after the publication of *Human Action*.

The failure to recognize realms of action outside the scope of economic science has, obviously, greatly inhibited the advance of praxeology. As mentioned, there has been almost no praxeological study of mental actions, and most libertarians and Austrians chose to approach the realm of interpersonal action as a normative, not a praxeological, discipline. Rather than trying to conceive scientific or exact laws that apply when one actor acts toward another, they tried to prove that various actions are just or unjust, good or bad, moral or immoral, etc.

And this leads us to our current topic, thymology. Because there was no recognition of realms of action outside the scope of economics, praxeological study of other forms of action was necessarily inhibited. Because there has been virtually no praxeological study of mental actions, our understanding of the relationship between praxeology and thymology has not improved over the last sixty years. To see how this is so, let’s take a straight-

forward description of thymology from *The Ultimate Foundation of Economic Science*:

[Thymology] deals with the mental activities of men that determine their actions. It deals with the mental processes that result in a definite kind of behavior, with the reactions of the mind to the conditions of the individual's environment. (p. 48)

This description of thymology seems reasonable enough. On the one hand there are the *actions* that individuals will undertake or perform. On the other hand, there are the *mental activities* and processes that precede or determine these actions. This seems to be a perfectly natural and reasonable description. However, we have to remember that Mises's description and conception of thymology was formulated before there was any meaningful literature on the subjects of mental or interpersonal actions. Mises is writing in an intellectual atmosphere in which there has been no serious praxeological scholarship concerning mental actions.

Because there is no praxeological scholarship available to Mises on the subject of mental actions, his knowledge in this area is deficient and incomplete. He thus conceives "the mental activities and processes that that result in a definite kind of behavior" as something other than action. Because Mises doesn't have a clear or firm conception concerning mental actions, he conceives mental actions (mental "doings" as it were) as phenomena essentially different from the actions that follow these mental doings. He fails to see clearly that "mental doings" are simply actions of a certain kind.

Once we conceive that mental activities and mental doings are actions, we can see that in referring to thymology, Mises is referring to the *content of mental actions*.

In speaking of thymology, Mises is explicit in identifying thymology with mental phenomena. He doesn't yet think of mental

phenomena as mental actions because as an economist all his time has been spent focusing on catallactic actions. He hasn't had time to intensively ponder the nature of other forms of action such as mental actions and interpersonal actions. What he does is to contrast thymology with praxeology. Since praxeology is concerned with the universal aspects of conduct, thymology, as contrasted to praxeology, cannot be concerned with the universal aspects. If the focus of thymology is mental activities, but not their universal aspects, then the focus of thymology in the Misesian conception must be the contentual, concrete, nonuniversal aspects of mental activities. Mises's conception of thymology is what we would today refer to as the study of the contentual, empirical, or nonnecessary aspect of mental actions; those aspects of mental activity that are not necessarily present in every instance of mental activity.

Mises, without the benefit of any parallel scholarship concerning mental actions, conceived or implied that mental activity is something different from action, and he thus conceived thymology as a discipline concerned with a kind of non-action realm of human activity. By contrast, once we conceive mental doings as actions, and given that praxeology studies the universal aspects of these actions, we can see that Mises's conception of thymology is largely identical to the study of the concrete, individual, and historical aspects of mental actions. These and other insights can only come about upon the realization and recognition of forms of action aside from those studied by economics.

As a closing example, let's take one of Mises's descriptions of thymology from *Theory and History*:

The very **act of valuing** is a thymological phenomenon. But praxeology and economics do not deal with the thymological aspects of valuation. Their theme is acting in accordance with the choices made by the actor. The concrete choice is an offshoot of valuing. But praxeology is not concerned with the **events which within a man's soul or mind or brain** produce a definite decision between an A and

a B. It takes it for granted that the nature of the universe enjoins upon man choosing between incompatible ends. Its subject is not **the content of these acts of choosing** but what results from them: action. (p. 271, emphasis added)

First, Mises states that the subject matter of praxeology is not the content of acts of choosing. He thus holds that there are acts of choice that have concrete content. This implies, as has been argued, that Mises's conception of thymology refers to the content of mental acts (mental actions) such as valuing, choosing, etc.

Second, the fact that Mises here refers to "acts of valuing" and "acts of choosing" is further corroboration that "events which within a man's soul or mind or brain produce a definite decision" are to be conceived as actions.

Third, Mises writes that "praxeology and economics do not deal with the thymological aspects of valuation" (i.e., with the content of acts of valuation). This is consistent with a conception in which praxeology *does* deal with the *praxeological* aspects of valuation, which of course implies that valuation, as a mental activity, is an action.

Once we establish the conception of mental actions, then thymology, as distinct from praxeology, can be one of, or a combination of, the following disciplines:

1. Study of the content of mental actions. (Mises's original conception)
2. Study of the content of actions generally (not merely the study of the content of mental actions).
3. Study of a number of actions in sequence (e.g., the effect that one actor's action has on the action of another actor, or the effect that an actor's action has on a subsequent action of his/her own).

Definitions 2 and 3 derive from the idea to conceive thymology negatively in relation to praxeology. I.e., thymology defined as the study of the nonpraxeological aspects of action.

THE A PRIORI

One of the unsettled problems of Austrian economics concerns the nature of the *a priori* and *a priori knowledge*. The question is whether a priori knowledge refers primarily to the relationship between *concepts* or to the relationship between *phenomena* that may be experienced by a human consciousness. The solution to this problem is important for praxeology because praxeology claims to seek, or claims to be based upon, a priori knowledge.

There can be little doubt that the aim of praxeology is to establish an “exact” or “necessary” relationship between two nonidentical phenomena **A** and **B**, such that the successful production of phenomenon **A** must necessarily also bring about phenomenon **B**. As Mises writes:

The starting point of experimental knowledge is the cognition that an **A** is uniformly followed by a **B**. The utilization of this knowledge either for the production of **B** or for the avoidance of the emergence of **B** is called action. The primary objective of action is either to bring about **B** or to prevent its happening. (UF, p. 20)

And

Praxeological knowledge makes it possible to predict with apodictic certainty the outcome (**B**) of various modes of action (**A**). (HA, 3rd rev. ed. p. 117)(“**A**” and “**B**” added)

The primary aim of praxeology is not merely to establish necessary relationships between concepts or ideas, but to discover the necessary results or consequences of the actions that we undertake. For example, central to Mises’s conception of the Austrian Theory of the Business Cycle is the notion that the results (**B**) of manipulating the market rate of interest (**A**) must necessarily occur.

Mises holds that the essential relationships underlying economics, as a branch of praxeology, are “exact” and not “empirical” relationships. Mises says: “If you do **A**, the occurrence of **B** is unavoidable.” However, the precise nature of this a priori or exact knowledge is problematic on an epistemological level, and this can be easily seen by considering a passage in which Mises touches on the essential problem:

For example, we *deduce* from our theory that when the price of a commodity rises (**A**), its production *will be increased* (**B**). However, if the expansion of production necessitates new investment of capital, which requires considerable time, a certain period of time will elapse before the price rise brings about an increase in supply. And if the new investment required to expand production would commit capital in such a way that conversion of invested capital goods in another branch of production is altogether impossible or, if possible, is so only at the cost of heavy losses, and if one is of the opinion that the price of the commodity will soon drop again, then the expansion of production (**B**) *does not take place at all*. (EP, p. 163)(italics, bold, and **A**'s and **B**'s have been added)

We can see that Mises is here describing praxeological theory. He is speaking about a *deduced* (not an inductive) relationship between two nonidentical phenomena, **A** and **B**. Mises's clear meaning is that if **A** happens **B** must also necessarily happen. However, we can see that Mises writes near the end of the passage that it is possible that **A** may happen and yet **B** may “not take place at all.” This is obviously a shortcoming in the theory. If upon **A**'s occurring, phenomenon **B** may or may not take place, then we must write:

...when the price of a commodity rises (**A**), its production *might* be increased (**B**).

If upon **A**'s occurrence, **B** may or may not occur, this constitutes a *contingent* and not a *necessary* relationship. We are now describing an *empirical law* and not an *exact law*.

Let's consider Mises's definition of a priori knowledge:

But the characteristic feature of a priori knowledge is that we cannot think of the truth of its negation or of something that would be at variance with it.

If we qualify a concept or a proposition as a priori, we want to say: first, that the negation of what it asserts is unthinkable for the human mind and appears to it as nonsense...(UF, p. 18)

By this standard then, the relationship between the increased commodity price (**A**) and the increase in production of the commodity (**B**) cannot be an a priori relationship, because Mises himself has provided an explanation of how **A** could happen without the occurrence of **B**. If the relationship between **A** and **B** were an a priori relationship, it should, according to Mises, be impossible for the human mind to think of **A** happening without **B** also happening. The idea that **A** could happen and not **B** should be unthinkable for the human mind and appear to it as nonsense.

This theoretical problem was the basis for Hayek's claim that Mises was wrong to hold that market theory is a priori. Hayek believed that Mises was wrong to hold that there can be exact laws or a priori knowledge concerning market processes. He argued that market theory can only be empirical (can only deal in contingent, nonnecessary relationships).

To see the problem from a different angle, let us return to the notion of mental actions. Mises's contemporary Alfred Schutz wrote in passing about the action of *observation*:

For it is obvious that an action has only one subjective meaning: that of the actor himself. It is **X** who gives

subjective meaning to his action, and the only subjective meaning begin given by **F** and **S** in this situation are the subjective meanings they are giving to their own actions, namely, their actions of observing **X**. (PSW, p. 32)

Thus, “observation” is an action; it is something an actor may consciously or purposely do. I can apply the notion of ‘observation as an action’ to Mises’s passage above in the following way. I imagine that I observe an increase in a commodity price (act of observation **A**). I then assume that a period of time elapses after which I attempt to observe whether production of this commodity has been increased as predicted by theory. I can only do so by means of a separate act of observation **B**. However, in Mises’s conception, the concrete content of two separate actions—the relationship between the content of one action and the content of a second action—lies outside the scope of praxeology. Only the pure, universal form of action is the object of praxeological study, not the different contents of various actions.

If we assume that the commodity price increase (**A**) and the increased production of the commodity (**B**) are not part of a single action, then their respective occurrences must take place in the context of two separate actions, and praxeology does not treat the relationship between two actions.

A commodity price increase and an increase in a commodity’s production are obviously not identical phenomena. These phenomena *differentiate* the actions in which they occur. They are not universal features of each and every action, but rather concrete contents of specific actions. Thus, these two phenomena, as contents of specific actions, lay outside the scope of praxeology proper.

What conclusions may we draw from these considerations? In the attempt to conceive exact laws of human action, we should perhaps bring more focus to bear on those regularities in which **A** and **B** are part of the same action. When I walk toward a location (conscious

action **A**), I necessarily walk away from a different location (exact or a priori result **B**). The necessary relationship in this case is due to the fact that **A** and **B** are considered part of the same action with no conceived temporal separation between them.

Part of the solution lies in a conception of action that does not equate action with physical movement, but instead identifies action with the *intention* of the actor. The intentional conception of action, especially as explained by Friedrich Hayek in his essay "The Facts of the Social Sciences," and by John Searle in his book *Minds, Brains and Science*, is the key to a deeper understanding of human action and the intentional nature of consciousness.

KEY

EP – Mises, *Epistemological Problems of Economics*, 1976

FM – Mises, *The Free Market and Its Enemies*, 2004

GOR – Gordon, *An Introduction to Economic Reasoning*, 2000

GOR96 – Gordon, “The Philosophical Origins of Austrian Economics,” 1996

HA – Mises, *Human Action*, 3rd rev. ed., 1966

PSW – Schutz, *The Phenomenology of the Social World*, 1967

UF – Mises, *The Ultimate Foundation of Economic Science*, 2002

