

BOOK REVIEW  
*THE ECONOMICS OF HUMAN ACTION* [AN  
EPISTEMOLOGICAL ORDERING OF THE  
THEOREMS OF ECONOMICS ACCORDING  
TO MISES]

by Gabriel J. Zanotti (2009)  
(Unión Editorial, 157 pages)

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This text represents one of the most systematic and rigorous contributions to the Austrian School of Economics in recent decades. The work, which was presented at the Hayek Foundation's Research Department, progressively develops an epistemological reconstruction of Austrian economic theory, beginning with a foreword by Carlos Sabino, followed by a brief introductory note from the author, then a key section devoted to epistemological foundations, an extensive discussion of pure market economics, and a detailed analysis of interventionism and socialism, and finally three appendices. This structure reflects an ambitious intellectual project that seeks to provide a philosophical foundation for Misesian praxeology whilst developing its theoretical and practical implications in an axiomatic-deductive manner.

In the introductory note, Zanotti sets out the central tenets of the research programme he has been developing since his early work in the 1990s. Here, the author explains his attempt to ground Ludwig von Mises's praxeology in the philosophical anthropology of St Thomas Aquinas, thereby overcoming the neo-Kantian and Weberian residues present in the Austrian economist's work. This theoretical shift is not merely academic, but seeks to resolve internal tensions within the Austrian tradition, particularly regarding the epistemological status of praxeological axioms.

In the general framework, the epistemological foundations form the core of the work. In this section, Zanotti develops 24 praxeological theorems derived from the central axiom of human action, understood as intentional behaviour under conditions of scattered knowledge and radical fallibility. These theorems range from the law of diminishing marginal utility to the theory of original interest, thereby reconstructing the pillars of Austrian economics as a deductive system ‘in the broad sense’.

A particularly significant contribution is the incorporation of non-praxeological auxiliary hypotheses (such as entrepreneurial alertness or the division of labour) through a Lakatosian framework, which allows for bridges between pure theory and economic applications without falling into radical apriorism. This methodological architecture reflects a sophisticated understanding of the challenges facing the social sciences, balancing theoretical universality and historical contingency. Zanotti complements this approach with tools from Husserlian phenomenology and Gadamerian hermeneutics, thereby proposing an original epistemological framework that integrates metaphysical realism, the analysis of intersubjectivity and the theory of human action

In the first part of the book, a section devoted to pure market economics, Zanotti presents 54 theorems that systematise the Austrian theory of value, prices, money and the factors of production. Three major contributions stand out here: first, a reformulation of price theory as a process of intersubjective discovery (integrating Menger, Mises and Hayek); second, a detailed analysis of monetary non-neutrality that extends Mises’s theory of inflation; and third, a reconstruction of the theory of capital that reconciles the perspectives of Böhm-Bawerk, Mises and Hayek. The treatment of money as an emergent social institution (Theorems 9–19) is particularly illuminating, showing how money arises to resolve problems of knowledge in barter, not as a mere state imposition. The logical rigour of this section—where each theorem is deduced from the preceding ones—does not prevent the author from acknowledging the limits of formalisation in economics, emphasising the open and dynamic nature of social phenomena.

The second part of the book constitutes a critique of interventionism and socialism (Theorems 55–86) and represents the most forceful application of the theoretical framework developed. Zanotti demonstrates how any intervention that distorts prices or property rights (from price controls to credit expansion) generates systemic misalignment, following the logic of unintended consequences. His analysis of the business cycle (theorems 65–69) synthesises the contributions of Mises and Hayek, showing how the artificial expansion of credit distorts the intertemporal structure of production. The impossibility of economic calculation under socialism (Theorem 86) is not presented as a mere negation, but as a necessary corollary of the theory of dispersed knowledge and the entrepreneurial function. This section transcends the economic sphere by connecting with broader philosophical debates on the limits of constructivist rationalism, engaging in dialogue with Hayek, Popper and the tradition of critical realism.

Finally, in the three appendices, the author explores the epistemological foundations of Austrian economics in greater depth, drawing crucial distinctions between necessary praxeological theorems and contingent auxiliary hypotheses. In the first, he analyses auxiliary hypotheses that cannot be deduced from praxeology—such as entrepreneurial alertness (Kirzner), social cooperation, the division of labour and ‘imaginary constructs’—highlighting their conjectural nature and their role in the transition from pure theory to applied economics. In the second appendix, he distinguishes between praxeological (universal) maximisation and monetary (contextual) maximisation, rejecting behaviourist reductionism, whilst in the third he integrates Husserlian phenomenology and Gadamerian hermeneutics to explain prices as intersubjective phenomena, thereby overcoming the dichotomies between subjectivism and objectivism.

Taken together, the appendices not only systematise the book’s methodological framework, but also break new ground by fusing philosophical traditions with Misesian praxeology. This synthesis—which links Thomistic realism, the theory of dispersed knowledge (Hayek) and market dynamics—enables us to address contemporary issues, from the digital economy to the epistemological limitations of socialism, reaffirming the relevance of the Austrian School in the current interdisciplinary debate.

As a comprehensive work, this book strikes a rare balance between philosophical depth, theoretical rigour and practical relevance. Whilst its relatively brief treatment of institutionalist alternatives might be criticised, this limitation is secondary to its main contribution: providing the Austrian School with a renewed epistemological system that overcomes old antinomies (such as the apparent tension between Mises and Hayek) whilst opening up new lines of research. The integration of phenomenology, hermeneutics and praxeology suggests fruitful avenues for analysing contemporary problems, from cryptocurrencies to the knowledge economy.

In this sense, rather than a conclusion, Zanotti's book stands as a starting point for a vigorous and necessarily interdisciplinary research programme.