
What *Human Action* Has Meant to Me: Reflections of a Young Economist

BY PETER T. LEESON

I remember well when I discovered *Human Action*. I remember because it has had the profoundest influence on my development as an economist not only up to that point, but also since then.

I first read *Human Action* when I was in high school. At the time I was very much interested in, and influenced by, supply-side economics. One of the supply-siders I was reading (maybe it was George Gilder or Paul Craig Roberts?) referenced Ludwig von Mises's treatise, which I subsequently picked up.

My first days with the book were tough going, to say the least. I needed a dictionary and an encyclopedia of philosophy by my side to make sense of the first few chapters, which discuss Mises's method. I made it through the methodological discussion but understood little of it. Fortunately, I didn't let that stop me from continuing with the book, the rest of which I found somewhat easier to digest.

In the days and weeks that followed I read *Human Action* with a dedication I'd never applied to a book before. I kept careful notes in the margins and faithfully followed the footnotes. I felt enlightened with every sentence and could hardly wait for the next one to enlighten me further. The sense of intellectual excitement I felt the first time I read the book is a feeling I hope every person experiences in his or her life.

I encountered a few passages I found extremely difficult to understand and more than a few I didn't understand at all. But what I was picking up struck me as so important and penetrating that I did something I

rarely did in those days when I completed a book: I opened up to page one and began reading it again.

Over the next year I read *Human Action* many times—exactly how many times, I don't remember. But it got to the point where I could, in a matter of seconds, flip to most any decent-sized passage I sought in the book without looking at the table of contents or index. In the years that followed I read *Human Action* some more, and then again. As I learned more economics—from Mises's other works and those of other economists—and learned more in general, I came to better understand those parts of *Human Action* that I formerly found impenetrable and developed a better grasp of those parts of the book I had understood only weakly before.

As is probably clear from my description, I found, and still find, *Human Action* an endlessly rewarding and illuminating book. In my opinion it is the most important book on economics of the twentieth century and

quite possibly the most important book in economics, period. For this reason I've studied it more closely than I've studied any other book; and I believe that who I am as an economist and how I approach economics has been shaped more by *Human Action* than by any other book.

If the number of copies of *Human Action* in my library is any indication, this is certainly true. My first



The author with his *Human Action* collection.

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copy was the blue, soft-cover, third edition. Since then I've acquired over a dozen other copies of the book—enough for multiple copies of every edition—including my prized possession: a first edition signed by Mises himself, which was given to me by my mentor, Peter Boettke, when I completed my Ph.D. Perhaps unusually, *Human Action* was my “gateway book” to Mises's other works. After *Human Action* I read *Socialism, The Theory of Money and Credit, Liberalism*, and then others. I loved and learned much from them all, but none more than Mises's magnum opus.

Charting an Educational Course

I became so enamored with Mises's ideas through *Human Action* that I chose where I would pursue my undergraduate education on the basis of which school would allow me to be closest to these ideas and learn more about them. In this sense *Human Action* charted my formal educational course.

Hillsdale College, my alma mater, is home to Mises's personal library. (I spent unhealthy amounts of time sitting at Mises's desk in the Mises Room in Hillsdale's library in a failed effort to absorb some of his brilliance.) At the time I was choosing a college, Hillsdale was also home to one of the world's foremost Mises and *Human Action* experts, former FEE president Richard Ebeling, who occupied the Ludwig von Mises Chair. Between Mises's personal library and Professor Ebeling I was sold on Hillsdale. And I was not disappointed. The opportunity to learn more about Mises, Austrian economics, and *Human Action* in particular, under the mentorship of Richard Ebeling, proved every bit as outstanding as I could have imagined.

In the same way that Hillsdale was the only college that made sense for me, given my passion for Mises and *Human Action*, so George Mason University's doctoral program was the only one that made sense for me. George Mason was (and is) home to the man who, together with Israel Kirzner, defines modern Austrian economics and is the leading Austrian economist in the

world: Peter Boettke. The chance to further my study of *Human Action* and Mises's work more generally under Pete's tutelage made George Mason's draw irresistible. And, similar to my experience studying *Human Action* under Professor Ebeling, my experience studying the book under Pete not only met my wildly optimistic expectations but in fact surpassed them.

I have had the great fortune of teaching Austrian economics at the undergraduate and Ph.D. levels at George Mason. (This academic year I'm visiting at the University of Chicago.) In my undergraduate course *Human Action* is the only text. Each semester I hope some student will “discover” Mises's treatise as I did years ago, and that *Human Action* will have the same life-altering effect for him or her as it has had for me.

My graduate Austrian course focuses on journal articles outside the Austrian literature, but also includes *Human Action*. Even where the book doesn't figure explicitly in a given lecture, it looms large indirectly through the influence it has had over my thinking about whatever the discussion may be.

Constant Influence

My career as an economist has only just begun. But it's no exaggeration to say that the way I got

here was through Mises's *Human Action*. Every year I read *Human Action* again, and every year I learn something new. Some of my research explicitly draws on and relates to this book. (See, for instance, “Was Mises Right?” with Pete Boettke in the *Review of Social Economy*, 2006.) Most of it does not. But this doesn't mean *Human Action* isn't actively influencing this work. Its influence is alive and well in all of my writing in at least two ways.

First, since *Human Action* permeates my thinking as an economist, in one sense, every paper I write is the result of this book. Second, the particular themes I focus on, most notably private institutions of governance and self-enforcing exchange, are, in my mind, attempts to build on and extend the Austrian research program Mises identifies and elaborates in *Human*

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Action. As I've written elsewhere, I take the twin themes of spontaneous order and social cooperation under the division of labor as central to Mises's project in *Human Action*, and these themes motivate my work.

In *Human Action*, Mises highlights what he calls the "Ricardian Law of Association," which is at the core of this motivation. As Mises describes it (Chapter 8, Part 4):

The law of association makes us comprehend the tendencies which resulted in the progressive intensification of human cooperation. We conceive what incentive induced people not to consider themselves simply as rivals in a struggle for the appropriation of the limited supply of means of subsistence made available by nature. We realize what has impelled them and permanently impels them to consort with one another for the sake of cooperation. Every step forward on the way to a more developed mode of the division of labor serves the interests of all participants. In order to comprehend why man did not remain solitary, searching like the animals for food and shelter for himself only and at most also for his consort and his helpless infants, we do not need to have recourse to a miraculous interference of the Deity or to the empty hypostasis of an innate urge toward association. Neither are we forced to assume that the isolated individuals or primitive hordes one day pledged themselves by a contract to establish social bonds. The factor that brought about primitive society and daily works toward its progressive intensification is human action that is animated by the insight into the higher productivity of labor achieved under the division of labor.

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Taking its inspiration from this central insight, my work investigates the institutional mechanisms that make social cooperation under the division of labor, per the Ricardian Law of Association, a reality. Confronted with obstacles to their realization of mutual benefits of exchange—most notably the absence of exogenously given and enforced rules of social order—what do individuals, whose reason shows them the potential for immense gains from social cooperation, do to make it possible for them to exploit this potential in practice? If we can answer this question posed by Mises's insight in *Human Action*, we can advance our understanding not only of how individuals actually achieve social cooperation under the division of labor, but also how they do so without command.

Guiding Light

Human Action thus offers me a kind of guiding light for pursuing economic research. It lays out a pure logic of choice and deploys this logic in the context of alternative institutional arrangements to illuminate the economic

consequences of those arrangements and shed light on their emergence. To me, this is what economics is about.

As I look forward to the future I see *Human Action* figuring as prominently in my life and thinking as it did when I was a teenager. Certainly my passion for it remains undiminished. I have no doubt it will take my mind to new and exciting places, as it has since I discovered it years ago. I eagerly anticipate the new intellectual experiences I'll have, areas of study I'll enjoy, thinkers I'll interact with and learn from, and academic relationships I'll form. And I'll owe it all to Ludwig von Mises's *Human Action*. FEE