# REJOINDER TO WYSOCKI ON INDIFFERENCE AND THE BLOCK-HOPPE DEBATE

by Walter E. Block, PhD

Harold E. Wirth Eminent Scholar Endowed Chair and Professor of Economics

Loyola University New Orleans
6363 St. Charles Avenue, Box 15, Miller Hall 318
New Orleans, LA 70118
wblock@loyno.edu
Skype: Walter.Block4
tel: (504) 864-7934

**Abstract**: There has been an ongoing debate in Austrian economic circles on indifference and methodology. It started with Nozick (1977) who criticized this school of thought on that issue. Block (1980) responded to that essay. The main debaters within Austrian circles have been Block (2009A), Block and Barnett (2010), and Hoppe (2005, 2009). Wysocki (2017) is a recent entry into this discussion. The present paper is a response to this latter contribution.

**Key words**: indifference, methodology; Austrian economics

**JEL:** B00

# ДУПЛИКА ДО ВИСОЦКИ ОТНОСНО БЕЗРАЗЛИЧИЕТО И ДЕБАТА НА БЛОК И ХОПЕ

#### От д-р Валтер Е. Блок

**Резюме:** В австрийските икономически кръгове протича продължителен дебат относно безразличието и методологията. Дебатът започва Nozick (1977), който отправя критики към мисловната школа по тези въпроси. Вlock (1980) изразява своето становище по различни проблеми, засегнати в разработката. Основните участници в дискусиите, протичащи в австрийските кръгове са Block (2009A), Block и Barnett (2010), както и Норре (2005, 2009). Wysocki (2017) също се присъединява към тази дискусия. В настоящата статия е представено становище относно последната разработка на Wysocki.

Ключови думи: безразличие, методология, Австрийска икономика

**JEL:** B00

# REJOINDER TO WYSOCKI ON INDIFFERENCE AND THE BLOCK-HOPPE DEBATE

I am extremely grateful to Wysocki (2017) for his splendid essay. I appreciate the effort of his for two reasons. One, Wysocki supports me (Block, 2009A, Block and Barnett, 2010) vis a vis Hoppe (2005, 2009) in my debate with Hoppe; 1 it is a basic element of human nature, for which I hope I can be forgiven, to appreciate being the recipient of praise. Two, because this issue is an important one; significant elements of Austrian economics hangs in the balance.<sup>2</sup> Remember, this entire debate started not with Hoppe and me but, rather, with my (1980) response to Nozick (1977). The latter maintained that the praxeological school was guilty of a serious error. On the one hand, it supported the notion of a supply curve. On the other, it opposed the concept of indifference. And, yet, if there is to be a supply curve, said this author, we must be indifferent between all elements of it, which must be equal to each other in every relevant sense. I think I speak for all Austrian economists on this matter when I say that even though Nozick (1980) was a criticism of our praxeological school of thought, and a serious albeit not successful one, we are now and shall be forever grateful to him for launching it. And this is for several reasons. First, Nozick was, and is widely seen to be, one of the preeminent academic philosophers of his generation. If we are to be taken down a peg or two, let it be by one of the most accomplished scholars who ever graced this planet. Second, it is a compliment to us to be taken to task by a philosopher, not an economist. This demonstrates the interdisciplinarity of our interests. Third, the Austrian school is not only one of economics; it also has strong roots in philosophy. Nozick's attention to us buttresses this claim. Fourth, there was no name-calling or any such denigration of Austrianism in Nozick (1980) as all too often occurs. Instead, that critic of ours offered an eminently reasonable response. According to the old saying "If it doesn't kill you, it makes you stronger." we are in Nozick's debt for strengthening ourselves.

'It was my (1980) attempt to refute Nozick (1977) which drew Hoppe's (2005) condemnation.<sup>4</sup> Therefore, it is crucial for Austrianism that Nozick's (1977) critique be rejected and Wysocki (2017) adds to this literature, albeit indirectly, via the Block-Hoppe debate, which, in my view, is also of importance, although to a far less degree.

Are there any errors in Wysocki (2017), the target of this present essay? There are a few, although none of them is serious. However, in the interests of ensuring that truth prevails, I am grateful for this opportunity to correct the record, even at this relatively late time in the correspondence.

Wysocki (2017) is setting himself up as a sort of boxing referee, in a match between Hoppe and myself, he states as follows:

E-Journal "Dialogue", 4, 2019

<sup>&</sup>lt;sup>1</sup> See, also, Bock (2009B, 2012) for other intra-Austrians conversations about this issue

<sup>&</sup>lt;sup>2</sup> For more on the concept of indifference from the Austrian point of view, see Block, 1980, 2009A, 2009B, 2012; Block and Barnett, 2010; Block and Sotelo, 2012; Rothbard, 2004; Sotelo and Block, 2014

<sup>&</sup>lt;sup>3</sup> There are numerous followers of the dismal science who have. For an exhaustive list, see Block, Westley and Padilla. 2008.

<sup>&</sup>lt;sup>4</sup> Hoppe (2005) certainly supported my (1980) goal of refuting Nozick (1977). Hoppe criticized me only for doing a poor job in this regard. Hoppe (2005), too, rejects Nozick's (1977) critique of praxeology. However, he does so for very different reasons than the ones I put forth in Block (1980).

"This paper addresses the debate on indifference within the remit of praxeology, as unfolded between Hoppe and Block. It argues that the whole controversy between the two authors stem from the fact that they conceive of choice differently. Simultaneously, there is an attempt made to sharpen the authors' respective positions and to scrutinize the implications thereof, while confronting them with our common-parlance linguistic intuitions."

One problem with this adjudicator is that one might expect a scholar in this role to offer an explicit decision. Either, in his view, I won, Hoppe did, or Wysocki (2017) should declare the "boxing match" a draw. However, none of this is explicitly forthcoming from this erstwhile umpire. There is indeed a hint that, in his view, I emerged relatively victorious in this debate: "the paper is concluded by demonstrating relative merits of the Blockian position over the Hoppean one as the former appears to be closer to the letter of praxeology as such." However, there is no follow-up. "Closer" really does not cut the mustard. One might be tempted to interpret this state of affairs along the lines that both Hoppe and Block had part of the truth; neither fully attained it, although I came somewhat closer to the elusive target.

So, is Wysocki (2017) awarding me a 60-40 decision? 70-30? 80-20? 90-10? Enquiring minds want to know, but will not find out from an intensive reading of this otherwise excellent commentary.

A second lacunae in this superb essay is, given that there is to be no 100-0 decision, he nowhere states where I went wrong. What error did I commit, such that I am only "closer" to the truth? Wysocki (2017) is very explicitly forthcoming in this regard, with respect to Hoppe (2005, 2009) on numerous occasions. For example, "The debate under scrutiny here extended throughout as many as four papers and still seems unresolved. *Therefore*, far from claiming to provide a conclusive solution, I posit that the entire controversy is misconstrued in that it employs the notion of choice equivocally. How does Hoppe interpret choice and what exactly does his ingenious and elegant device achieve? It seems that it clearly draws the demarcation line between choice and indifference. A choice occurs always under strict preference; whereas indifference, as not being acted upon, is conceived of as a psychological relation holding between the equally valued options (described in psychological and intensional terms), which the subject does not (and cannot) choose between (emphasis added by present author)."<sup>5</sup>

\_

<sup>&</sup>lt;sup>5</sup> Further, Wysocki (2017) states with regard to "Sophie's Choice" a movie in which a distraught mother must choose between saving two beloved sons, Peter and Paul: "So what does this actual act of saving Peter demonstrate? Hoppe is (ex hypothesi, that is on the grounds of our assumed correct description of the mother's action) unable to say that she preferred to save Peter. He must say that she indeed preferred to save the information (willy-nilly, together with Peter) to not saving it. Therefore, this act does not demonstrate anything over and above what Hoppe already knows due to the correct description of the mother's action. In this case, praxeologists observing the mother's action from a third-person perspective would have no means to say what the mother preferred." And, again: "...the Hoppean position may look a little clumsy when we realize that if we bear with Hoppe and admit that the mother was genuinely indifferent between Peter and Paul and in the actual fact she rescued Peter, we are linguistically paralyzed and we cannot say that she chose Peter. According to Hoppe, what we are only entitled to say is that she was indifferent between the two and what she did choose is to save one son instead of neither of them. Although this position is logically coherent, our linguistic intuition recoils at the thought of us being unable to say that the mother obviously chose Peter." Yet again: "The second indictment against Hoppe is that his theory resorts to psychologizing." One last one: "The Hoppean intensional psychological account cannot make sense of why it was this (and not the other) unit of butter which was given up." I search in vain for

To equivocate means to "use ambiguous language so as to conceal the truth or avoid committing oneself." Alternatively, "to use ambiguous or unclear expressions, usually to avoid commitment or in order to mislead; prevaricate or hedge." In the present context, I discern this means that in the view of Wysocki, Hoppe and I are talking past each other.<sup>7</sup> It is as if we are ships in the night passing each other in a vast ocean, if I may be excused for putting this poetically.

If fault there were in this failure of ours to "connect" it would appear equally divided between the two of us, Hoppe and myself. Shall we say 51%-49%, then? But, actually, it was not I who started this debate with Hoppe. 8 No, that honor belongs, entirely, to the latter scholar. I came first in time, him, second. 9 If so, then, it is his burden, not mine, to refrain from "equivocation." That is, I am "sailing along" and if he wishes to interact with me, it is him who must attempt to "connect" with me, not the other way around. It is as if I wrote X, and he denied this on grounds of Y. No, it is his intellectual obligation to assert and demonstrate, not Y, but rather, non-X. In my view, in contrast to Wysocki's, Hoppe is not guilty of any such failure to "connect" with me. I disagree with Hoppe on substantive grounds, but I think his aim was a dead-eye one. He differed with me, and offered plenty of non-X. However, none of it, I maintain, logically forced me to renounce my criticism of Nozick, nor to adopt Hoppe's attempt, thereof.

Another difficulty I have is with that "therefore." I do not think it logically follows that just because "The debate under scrutiny here extended throughout as many as four papers and still seems unresolved". That therefore: "the entire controversy is misconstrued in that it employs the notion of choice equivocally."

An alternative conclusion, I think the correct one, is that the issue has indeed been "resolved" and entirely in my direction, Wysocki's decision not to see things this way notwithstanding.

Then there is a linguistic quibble. Wysocki (2017) engages in unwarranted language expansion or creation with his concept of human action-tokens. What is it with this "token" business? Mises' (1949) magisterial book is not entitled Human Action-Tokens. Give me that plain old Human Action, period. Adding "token" to this primordial Austrian, foundational concept does not help elucidate; it only detracts.

Why is this issue of indifference of great importance? There are several reasons. For one thing, Austrianism is the last best hope for economic sanity, and the world depends upon just that for its prosperity and well-being. For another, while indifference it not extremely high up on the list of contributions to economic science, 10 it is not unimportant, either. Why so? This is due to the fact that integral to human action (Mises, 1998) is preferring and setting aside. Human action is an attempt to render the world a more salutary place than would otherwise exist in its absence. But if so, there can be no such thing as an indifferent human action. Rather, the choices made by individuals are always, necessarily,

Wysocki's criticism of any of my contribution to this debate at all. If there were none, it would appear that I should be awarded the decision 100%-0 %. Wysocki is thus an unfair referee.

<sup>&</sup>lt;sup>6</sup> https://www.google.com/search?q=equivocate&ie=utf-8&oe=utf-8&client=firefox-b-1-ab

<sup>&</sup>lt;sup>7</sup> States Wysocki (2017) "conspicuously then, the authors talk past each other as far as the notion of choice is concerned."

<sup>&</sup>lt;sup>8</sup> My target was, at least initially, only Nozick (1977).

<sup>&</sup>lt;sup>9</sup> Block, 1980; Hoppe, 2005, 2009

<sup>&</sup>lt;sup>10</sup> I would rate, higher, in terms of practical implications for public policy, Austrian business cycle theory, the rejection of the role mathematics plays in the role of economics and the analysis of anti-trust laws.

an attempt to *improve* economic welfare. Why bestir oneself if the expectation is not improvement, nor, to be sure, denigration, but, rather, a sideways move? It is difficult to see why anyone would engage in any activity did he not at least attempt to better his circumstances.

The importance of indifference can be assessed by the fact that there is a large literature devoted to this one, seemingly narrow subject. There are several praxeological economists who have made contributions to it, along with several critics.<sup>11</sup>

Let me conclude with this remark of Wysocki's (2017):

"To sum up, Block and Hoppe could not settle the issue..." I reject that assessment. In my view, Wysocki to the contrary notwithstanding, our debate was "settled." Moreover, not in the direction of Hoppe's contribution.

#### References

- 1. Barnett, William II. 2003. "The Modern Theory of Consumer Behavior: Ordinal or Cardinal?" The Quarterly Journal of Austrian Economics. 6 (1): 41 65; http://www.qjae.org/journals/qjae/pdf/qjae6\_1\_3.pdf
- 2. Block, Walter E. 1980. "On Robert Nozick's 'On Austrian Methodology'." Inquiry,
  - Vol. 23, No. 4, Fall, pp. 397-444;
  - http://www.walterblock.com/publications/on\_robert\_nozick.pdf;
- 3. http://www.walterblock.com/wp-content/uploads/publications/on\_robert\_nozick.pdf; Spanish translation, Libertas, Vol. 14, No. 26, May 1997, pp. 71-131
- 4. Block, Walter E. 1999. "Austrian Theorizing, Recalling the Foundations: Reply to Caplan," Quarterly Journal of Austrian Economics, Vol. 2, No. 4, winter, pp. 21-39; http://www.mises.org/journals/qjae/pdf/qjae2\_4\_2.pdf; errata: http://www.mises.org/journals/qjae/pdf/qjae2\_4\_9.pdf.
- 5. Block, Walter E. 2003. "Realism: Austrian vs. Neoclassical Economics, Reply to Caplan," Quarterly Journal of Austrian Economics, Vol. 6, No. 3, Fall, pp. 63-76; http://www.mises.org/journals/qjae/pdf/qjae6\_3\_4.pdf
- 6. Block, Walter E. 2007. "Reply to Caplan on Austrian Economic Methodology" Corporate Ownership & Control, Vol. 4, No. 2, November, pp. 312-317.
- 7. http://www.virtusinterpress.org/additional\_files/journ\_coc/issues/COC\_(Volume\_4\_Issue\_3\_Spring\_2007\_Continued2).pdf
- 8. Block, Walter E. 2009A. "Rejoinder to Hoppe on Indifference" Quarterly Journal of Austrian Economics; Vol. 12, No. 1: 52–59; http://mises.org/journals/qjae/pdf/qjae12\_1\_4.pdf
- 9. Block, Walter E. 2009B. "Rejoinder to Machaj on Indifference," New Perspectives on Political Economy, Volume 5, Number 1, pp. 65-71; http://pcpe.libinst.cz/nppe/5\_1/nppe5\_1\_5.pdf

See on this Barnett, 2003; Block, 1980, 1999, 2003, 2007, 2009A, 2009B, Block and Barnett, 2010;
 Caplan, undated, 1999, 2001, 2003, 2008; Hoppe, 2005, 2009; Hulsmann, 1999; Machaj, 2007; Nozick, 1977; O'Neill, 2010; Wysocki, 2016

10. Block, Walter E. 2012. "Response to Ben O'Neill on indifference." Dialogue; Issue No. 2, pp. 76-93; https://www.uni-svishtov.bg/dialog\_old/2012/2.12.7.pdf

- 11. Block, Walter E. with William Barnett II. 2010. "Rejoinder to Hoppe on indifference, once again." Reason Papers, Vol. 32, pp. 141-154; http://reasonpapers.com/pdf/32/rp 32 9.pdf
- 12. Block, Walter E. and Jose Antonio Manuel Aguirre Sotelo. 2012. "Indifference curve analysis: beyond simplifying assumptions," The Journal for Economics Educators; Vol. 12, No. 1, pp. 7-12; http://frank.mtsu.edu/~jee/2012/2\_MS1211\_pp7to12.pdf; http://capone.mtsu.edu/jee/2012/2\_MS1211\_pp7to12.pdf
- 13. Block, Walter E., Christopher Westley and Alex Padilla. 2008. "Internal vs. external explanations: a new perspective on the history of economic thought," Procesos De Mercado: Revista Europea De Economia Politica; issue 2, pp. 35-132; http://www.jsu.edu/depart/ccba/cwestley/Internal.2008.pdf; https://www.researchgate.net/profile/Walter\_Block2/publications/?dbw=true; https://www.researchgate.net/publication/228175537\_Internal\_vs.\_External\_Expl anations\_A\_New\_Perspective\_on\_the\_History\_of\_Economic\_Thought?ev=prf\_p ub
- 14. Callahan, Gene. 2003. "Choice and Preference," February 10; http://mises.org/story/1163
- 15. Caplan, Bryan. Undated. "Why I am not an Austrian Economist."
- 16. http://www.gmu.edu/depts/economics/bcaplan/whyaust.htm
- 17. Caplan, Bryan. 1999. "The Austrian Search for Realistic Foundations," Southern Economic Journal, April, Vol. 65, No. 4, pp. 823-838; http://www.gmu.edu/departments/economics/bcaplan/ausfin2.doc
- 18. Caplan, Bryan. 2001. "Probability, Common Sense, and Realism: A Reply to Huelsmann and Block," Quarterly Journal of Austrian Economics; Vol. 2, No. 4, summer, pp. 69-86; http://www.mises.org/journals/qjae/pdf/qjae4\_2\_6.pdf
- 19. Caplan, Bryan. 2003. "Probability and the Synthetic A Priori: A Reply to Block." Quarterly Journal of Austrian Economics; Vol. 6, No. 3, Fall, pp. 77-83; http://www.mises.org/journals/qjae/pdf/qjae6\_3\_5.pdf
- 20. Caplan, Bryan. 2008. "The Trojan Horse Example" June 16;
- 21. http://econlog.econlib.org/archives/2008/06/the trojan hors.html
- 22. Hoppe, Hans Hermann. 2005. A Note on Preference and Indifference in Economic Analysis. The Quarterly Journal of Austrian Economics, Vol. 8, No. 4, Winter, pp. 87-91; http://mises.org/journals/qjae/pdf/qjae8 4 6.pdf
- 23. Hoppe, Hans-Hermann. 2009. "Further Notes on Preference and Indifference: Rejoinder to Block," Quarterly Journal of Austrian Economics. 12, no. 1, pp. 60-64, http://mises.org/journals/qjae/pdf/qjae12\_1\_5.pdf.
- 24. Hülsmann, Jörg Guido. 1999. "Economic Science and Neoclassicism." Quarterly Journal of Austrian Economics, Vol. 2 Num. 4, pp. 1-20; http://www.mises.org/journals/qjae/pdf/qjae2\_4\_1.pdf
- 25. Machaj, Mateusz. 2007. "A Praxeological Case for Homogeneity and Indifference" New Perspectives on Political Economy. Vol. 3, No. 2, pp. 231 238; http://pcpe.libinst.cz/nppe/3\_2/nppe3\_2\_5.pdf

26. Mises, Ludwig von. [1949] 1998. Human Action, Scholars' Edition. Auburn: Mises Institute. http://mises.org/resources/3250

- 27. Nozick, Robert. 1977. "On Austrian Methodology," Synthese, Vol. 36, pp. 353-392; reprinted in Socratic puzzles. Harvard University Press
- 28. O'Neill, Ben. 2010. "Choice and Indifference: A Critique of the Strict Preference Approach." Quarterly Journal of Austrian Economics, Vol. 13, No.1, pp. 71–98, Spring; http://mises.org/journals/qjae/pdf/qjae13\_1\_4.pdf
- 29. Rothbard, Murray N. 2004. Man, Economy, and State: A Treatise on Economic Principles with Power and Market, Scholar's Edition (Auburn, AL: Ludwig von Mises Institute).
- 30. Sotelo, Jose Antonio Manuel Aguirre and Walter E. Block. 2014. "Indifference Curve Analysis: The correct and the incorrect." Oeconomia Copernicana; Vol. 5, No. 4; http://apcz.pl/czasopisma/index.php/OeC/article/view/OeC.2014.025
- 31. Wysocki, Igor. 2016. "Indifference in defense of orthodoxy." Societas et Ius 5;
- 32. http://apcz.pl/czasopisma/index.php/SeI/index; http://apcz.umk.pl/czasopisma/index.php/SeI/article/view/SEI.2016.002;
- 33. Wysocki, Igor. 2017. "A Note on Block-Hoppe Debate on Indifference." The Quarterly Journal of Austrian Economics. Vol. 20., No. 4, Winter, pp. 360-365

# Диалог

Електронно списание на СА "Д.А.Ценов" ISSN:1311-9206

## Година 2019, Брой 4

#### Дата на издаване

2.12.2019 г.

### Съдържание

#### Уолтър Блок

#### Дуплика до Висоцки относно безразличието и дебата на Блок и Хопе

JEL: B00

Ключови думи: безразличие, методология, Австрийска икономика

Резюме: В австрийските икономически кръгове протича продължителен дебат относно безразличието и методологията. Дебатът започва Nozick (1977), който отправя критики към мисловната школа по тези въпроси. Block (1980) изразява своето становище...

#### Виктор Аврамов

#### Анализ на времевите редове на цените и обема на борсовата търговия на електрическа енергия в условията на ниска ликвидност

JEL: C14, C22, C51, Q41, Q47

**Ключови думи:** потребление на електрическа енергия, сезонност, времеви редове, прогнозиране **Резюме:** В тази статия се анализират времевите редове на цените и количествата на борсовия пазар на електрическа енергия. Изследва се периода януари 2016 – юни 2018 като се приема, че в този начален за функционирането й период, борсовата...

#### Лиляна Камбурова

## Влияние на МСФО 16 лизинг върху показателите за финансово състояние и оценка на стойността на предприятията

JEL: M41

Ключови думи: МСФО 16 Лизинг, лизинги, финансови показатели, оценяване

Резюме: Чрез МСФО 16 Лизинг се въведе съществена промяна в счетоводното отчитане на лизинговите договори. Новите регулации ще повлияят на компаниите от всички сектори на икономиката, които прилагат МСФО, но найвече на тези, които до...

#### Валери Апостолов

## Икономически и социални аспекти в приложението на законодателството за безопасни и здравословни условия на труд

JEL: J28, J50, K10

**Ключови думи:** безопасност и здраве при работа, социален диалог, индустриални отношения **Резюме:** Настоящата статия разкрива актуални тенденции в практическото прилагане на законодателството в областта на безопасност и здраве при работа, като поставя акцент върху моделите на работно време и организацията на работа. Използвайки...

#### Ясен Даскалов

#### Стандартизиран подход за идентифициране на инфраструктурните активи в публичния сектор JEL: M41. H83

**Ключови думи:** счетоводство, инфраструктурни активи, публичен сектор, МССПС 17 Имоти, машини и съоръжения **Резюме:** Представен е счетоводен анализ на инфраструктурните активи като елементи на дълготрайните материални активи в публичния сектор. Инфраструктурните активи са значими активи за публичния сектор. В тях се инвестират значими ресурси на...

#### Галя Тасева

#### Риск от фалит при малките и средни предприятия в България

JEL: G30, G32, G33

Ключови думи: риск от фалит, финансов дистрес, анализ на риска от фалит

**Резюме:** Изследването на риска от фалит при МСП в България се базира на данни от финансовите отчети на 100 нефинансови предприятия с различна основна дейност за периода 2014 – 2016 г., предоставени от Националния статистически институт....

## Редакционен съвет

- 1. проф. д-р Марияна Божинова главен редактор
- 2. проф. д-р Иван Върбанов
- 3. проф. д-р Атанас Атанасов
- 4. проф. д-р Поля Ангелова
- 5. доц. д-р Петя Иванова
- 6. доц.д-р Маруся Смокова
- 7. доц.д-р Драгомир Илиев
- 8. доц. д-р Цветан Дилков
- 9. доц.д-р Петя Попова

## Международен съвет

Проф. д.ф.н. Александр Николаевич Чумаков Финансовый университет при Правительстве Российской Федерации, Москва, Россия

Проф. д-р Уолтър Блок Loyola University, New Orleans, USA

Проф. д.ик.н. Анатолий Михайлович Колот Киевски Национален икономически университет "Вадим Гетман"

Доц. д-р Амани Ахмед Исмаил Кодаир Suez Canal University, the British University in Egypt

## Екип за техническо обслужване

- 1. Ас. Асен Божиков Web-дизайн
- 2. Ст. преп. Елка Узунова стилов редактор
- 3. Грета Цанова технически секретар

E-mail: dialog@uni-svishtov.bg