

*Notes on Ideology and Austrian Economics*

by

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Developments in post-Positivist philosophy of science have challenged the epistemological status of "objective" and "value-free" knowledge. The doctrine of *wertfreiheit*, however, has traditionally been a central tenet of Austrian economics as well as mainstream economic theory. This paper examines the traditional Austrian doctrine of *wertfreiheit* to clarify the subtle differences in the doctrine as understood in the writings of this tradition from that provided in mainstream writing. The epistemological status of the Austrian version of the doctrine is tested against the philosophical developments of post-Positivism. The paper concludes that while the epistemological argument implied in the Austrian non-positivistic positive economics is not as susceptible to the philosophical criticisms developed in the philosophy of science literature of more positivistic treatments, it nevertheless is ultimately not sustainable in the wake of philosophical argument. Rather than reject the notion of *wertfreiheit* completely, however, a case is made for a more pragmatic understanding of the doctrine rather than as an epistemological position on the nature of scientific knowledge.