

Introduction to Macroeconomics*

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*Note: a rough draft of this book exists, along with study questions and power point presentations, although these are not completely up to date. If you are interested in experimenting with this text, please email me.

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Increasing understanding of the causal connection between things and human welfare, and increasing control of the less proximate conditions responsible for human welfare, have led mankind, therefore, from a state of barbarism and the deepest misery to its present stage of civilization and well being, and have changed vast regions inhabited by a few miserable, excessively poor, men into densely populated civilized countries. Nothing is more certain than that the degree of economic progress of mankind will still, in future epochs, be commensurate with the degree of progress of human knowledge (Carl Menger 1861 [1981]: 74).

In the main, then, the [production and distribution] process is captained by the entrepreneur, is guided and supervised by him, and worked out through him. It may, indeed, be said to be entirely so worked out and guided, if only the concept of entrepreneurship be given its proper extension. All employers of labor or of instrumental goods for hire are entrepreneurs, no matter whether the prospective product is to be offered for sale or not. If it have no sale price, it is because it has a reservation price; it is still a price product. The client of the lawyer or the patient of the doctor, the master in his hiring of his house servants or his valet, the employer of labor in the raising of garden products for the home table, are all bidders for factors of production and are entrepreneurs for this -- and for every other -- purpose of economic analysis (Herbert Davenport 1914: 139).