

Symposium on Teaching Austrian Economics: Introduction

Joshua C. Hall¹ and Edward J. López²

Abstract

This symposium intends to shed light on distinctively Austrian approaches to economic education. This introductory essay provides an overview of this symposium and its contributors. We first provide our rationale and motivation for assembling the special issue. We then describe the papers and their interactions.

Introduction

You hold in your (digital) hands a special issue of the *Journal of Economics and Finance Education* devoted entirely to Austrian perspectives on economic education. The papers contained in this special issue primarily come from a pair of economic education sessions organized for the 2010 meetings of the Association of Private Enterprise Education. The *raison d'être* of the sessions was to get Austrian economists together to discuss the distinctively Austrian dimensions in their practice of economic education. For us as editors, our reason for organizing the sessions and this special issue is straightforward. While both of us identify more with the Virginia School of Political Economy associated with James Buchanan and Gordon Tullock than with the Austrian School of Ludwig von Mises and F.A. Hayek, we both have read and studied the works of Austrian economists to the betterment, we feel, of our teaching and research. As “fellow travelers” of Austrian economics, we also know many inspiring and exceptional teachers that are followers of the Austrian School. How does Austrian economics inform economic education and student development? So began the idea for the sessions and this symposium.

We are not quick to draw boundary lines around schools of thought or sub-disciplines in economics. That said, Austrian economists place greater emphasis than traditional neoclassical theory on: a) process over equilibrium; b) knowledge over information; c) subjectivism of not only value but also of cost and time; d) discovery over maximization to model individual choice; and e) entrepreneurship not just in business startups and innovation, but as a characteristic of human action. It is also the case that Austrian economists are more involved with discussions of history of thought, and citing primary sources gets a little interesting with dealing with multiple versions of, say, Mises' *Human Action*. For these reasons we have taken several steps to make the special issue as user-friendly for the reader as possible. First, for papers concerned with describing a comprehensive approach to a course that breaks with convention, we have asked the author(s) to include their course syllabus as an appendix for the interested reader. Second, since many of the books cited by the authors have multiple editions, we employ a citation format of Menger ([1871] 1976) throughout the volume to alert readers to the initial year of publication as well as the edition the author is working from. Third, because the brief catalog earlier in this paragraph barely scratches the surface, the first paper in this symposium (by Hall and Martin) surveys the key methodological and

¹ Guest Editor, *Journal of Economics and Finance Education* and Assistant Professor of Economics, Beloit College, 700 College Street, Beloit WI, 53511, email: halljc@beloit.edu. He would like acknowledge the financial support of the Sanger Scholar program at Beloit College.

² Co-Editor for Economics, *Journal of Economics and Finance Education* and Associate Professor of Law & Economics, San José State University, One Washington Square, San José, CA, 95112-0114, email: edward.lopez@sjsu.edu.

conceptual issues in Austrian Economics with an emphasis on their implications for economic education. While certainly not as comprehensive as say, *The Elgar Companion to Austrian Economics*, readers of the Hall and Martin paper will gain sufficient background in Austrian Economics to get a lot out of the remaining chapters. The Hall and Martin article also highlights an important fact about the Austrian School, i.e., that its adherents have historically focused on writing books, not articles. While that has changed somewhat in recent years, contemporary Austrians still write and publish in books more than your average economist.

The authors of the five remaining papers do an excellent job of explaining their motivations, so our summaries here will be brief and primarily serve to provide some additional context not contained in their articles. Appropriately enough, the first paper in this issue is by the man who, according to the *Wall Street Journal*, is “leading an Austrian revival” (Evans 2010). Peter Boettke is a professor of economics at George Mason University, the only economics graduate program in the United States that offers field courses in Austrian economics. In his paper “Teaching Austrian Economics to Graduate Students,” Boettke explains how he goes about teaching and mentoring students graduate students in Austrian economics. The readers of this journal are likely to find his paper interesting not only because it describes what a graduate course in Austrian economics entails, but because Boettke explains his process for transforming *students* of economics into *producers* of economics. Given his track record of placing students (see Beaulier and Hall 2009), his insight into the necessary factors for success in training and placing graduate students (Austrian or not) should be of interest to anyone involved in graduate economic education.

The next paper is by Steven Horwitz, the Charles A. Dana Professor of economics at St. Lawrence University. In “Austrian Economists and Liberal Arts Colleges as a Complementary Capital Combination,” he does his best to explain why many Austrians have found congenial homes at liberal arts colleges. In providing his answer, Horwitz is careful to point out many economists can and do have the same traits and skills that typify those trained in Austrian economics. In this way, Horwitz’s chapter is a nice complement to Owens’ (2008) recent article on obtaining a job at a teaching-oriented school.

The next two papers describe Austrian-oriented approaches to specific courses. First, in “Cultivating the Economic Imagination with *Atlas Shrugged*,” Emily Chamlee-Wright describes how she uses Rand’s novel in her comparative economic systems course at Beloit College to help students develop the ability to see the systematic outcomes that emerge under different political rules. Peter Leeson and Christopher Coyne follow Professor Chamlee-Wright with a thorough description of how the methodology and insights of Austrian economics are reflected in their approach to teaching development economics at the graduate level. One important measure of the applicability of their approach to our understanding of the process of economic development is the large number of published papers that began as class papers for their courses since 2007 (see, for example, Hall and Leeson 2008; Hall et al. (2010); Williamson 2008; Williamson 2009; Williamson 2010; Williamson and Kerekes forthcoming).

The last two papers speak to different non-Austrian audiences. In “Austrian Foundations for the Theory and Practice of Finance,” Hampden-Sydney economics professor and C.F.A. Gregory Dempster discusses an Austrian theory of finance and its implication for teaching and conducting research in finance. Finally, the special issue concludes with “Teaching Austrian Economics in Austria: A Note,” by Wake Forest professor Bryan McCannon. This brief article takes the reader through his process of teaching a class on Austrian economics as a non-Austrian and in Austria to boot! As many institutions look to expand and diversify their study abroad programs with their own faculty, we hope that more non-Austrians will find some great ideas in McCannon’s paper.

We should end by noting that this special issue is not an attempt to suggest that one must be an Austrian economist or fellow traveler to be an effective economic educator. Rather, the rationale behind this special issue is simply that teaching is improved when we reflect on what we do in the classroom. For many neoclassical economists unfamiliar with Austrian economics, the essays in this issue are an opportunity to reflect on the sometimes subtle (and sometimes not) differences between the how and what of their teaching and that described in these chapters. Our modest hope is that economic education will be improved by a careful reading of the included papers.

References

Boettke, Peter J. (editor) 1994. *The Elgar Companion to Austrian Economics*, edited by Peter J. Boettke. Northampton: Edward Elgar.

Hall, Joshua, and Peter T. Leeson. "Good for the Goose, Bad for the Gander: International Labor Standards and Comparative Development." *Journal of Labor Research* 28: 658-676.

Hall, Joshua, Russell S. Sobel and George Crowley. 2010. "Institutions, Capital, and Growth." *Southern Economic Journal* 77: 385-405.

Menger, Carl. [1871] 1976. *Principles of Economics*. New York: New York University Press.

Williamson, Claudia R. 2008. "Foreign Aid and Human Development: The Impact of Foreign Aid to the Health Sector." *Southern Economic Journal* 75: 188-207.

Williamson, Claudia R. 2009. "Informal Institutions Rule: Institutional Arrangements and Economic Performance." *Public Choice* 139: 371-387.

Williamson, Claudia R. 2010. "Exploring the Failure of Foreign Aid: The Role of Incentives and Information." *Review of Austrian Economics* 23: 17-33.

Williamson, Claudia R., and Carrie B. Kerekes. "Securing Private Property: Formal versus Informal Institutions." *Journal of Law and Economics*.