

BECO 5376: Austrian Economics
Tuesdays & Thursdays, 2:00-3:20 pm, Rawls 271

Alexander William Salter
Georgie G. Snyder Associate Professor of Economics, Rawls College of Business Adm.
Comparative Economics Research Fellow, Free Market Institute
Administration 167A (Office)
Alexander.w.salter@ttu.edu
(806) 834-8186
Office Hours: By appointment

BECO 5376 is a Ph.D. level course in Austrian economics, also known as market process economics. The purpose of the course is to turn you from a consumer into a producer of research in Austrian economics, as well as related fields such as institutional economics and political economy.

This course is reading and writing intensive. Make sure you stay on top of the readings. I advise you to get ahead, take notes as you go, etc. Remember, it is not uncommon for there to be 300+ applications for a tenure-track job in American academia. You must simply outwork all your peers if you wish to succeed.

Before Day One:

Ludwig Von Mises, *Human Action*: <https://mises.org/library/human-action-0>
Frederick Von Hayek, *Individualism and Economic Order*
Israel Kirzner, *Competition and Entrepreneurship*
Murray Rothbard, *Man, Economy, & State*: <https://mises.org/library/man-economy-and-state-power-and-market>
James M. Buchanan, *Cost and Choice: An Inquiry in Economic Theory*.
<https://www.econlib.org/library/Buchanan/buchCv6.html>

I also recommend you consult the essays in Peter Boettke and Christopher Coyne (eds.), *The Oxford Handbook of Austrian Economics*

Grading:

Participation:	30%
Weekly Papers:	30%
Final Research Paper and Presentation:	40%

The standard grade range (>90% A, 80-89% B, etc.) applies. Pluses and minuses given at my discretion. *For students who are working towards an eventual academic career, any grade below an A indicates subpar performance.*

Tuesdays: Participation

I will keep track of your engagement in class and the quality of your comments. This is a discussion-based course; I expect students to come to each meeting fully prepared to discuss each of the week's readings. In addition, one student will be selected each week to give a ~30 minute presentation summarizing the main points from that week's readings. Group discussion will follow, which I will moderate, but not lead. Demonstrating competence with the assigned material, as well as preparing high-quality presentations, is required to earn full participation credit.

In addition, students are required to email me *three* questions related to the current week's readings by Tuesday at 5 pm. These questions will serve as the foundation for the in-class discussion. Students must submit questions each week, regardless of whether they are responsible for a presentation.

Thursdays: Short Papers

You are required to write short papers (2-3 double-spaced pages) every week. Think of these as extended abstracts. They should include an idea for a paper (thesis statement), a **brief** review of the relevant literature, and a plan for executing the project. If it is an empirical paper, include a description of the intended methods (econometric, analytic narrative, etc.); if theoretical, include an outline of the argument to be developed. You will present your short paper ideas every Thursday.

Final Research Paper

Producing a complete research paper should be your chief goal for this semester. It should make an original contribution to Austrian economics or a related field. You are encouraged, but not required, to develop one of your midterm papers for this assignment. **Your grade on this paper will depend on whether I think it could receive a “revise and resubmit” decision (or better) at a journal.** It will also depend on an in-class presentation of your research, modeled on research presentations given at an academic conference.

Course Outline:

1. Introduction

Boettke, Peter J. and Coyne, Christopher J. 2023. “New Thinking in Austrian Economics.” *Annual Review of Economics* 15:329-347.

<https://www.annualreviews.org/doi/pdf/10.1146/annurev-economics-082322-021346>

Boettke, Peter J. 2008. "Austrian School of Economics." *The Concise Encyclopedia of Economics*

<http://www.econlib.org/library/Enc/AustrianSchoolofEconomics.html>

Boettke, Peter and Coyne, Christopher. 2015. “Introduction: Austrian Economics as a Progressive Research Program in the Social Sciences.” In *Oxford Handbook of Austrian Economics*. New York: Oxford University Press.

Mises, Ludwig von. 1969. “The Historical Setting of the Austrian School of Economics.”

<http://mises.org/etexts/histsetting.pdf>

2. Method

Boettke, Peter J., Coyne, Christopher J., and Leeson, Peter T. 2013. "Comparative Historical Political Economy." *Journal of Institutional Economics* 9(3): 285-301.

Leeson, Peter T. 2019. "Logic is a Harsh Mistress: Welfare Claims for Economists." *Journal of Institutional Economics* 16(SI2): 145-150.

Leeson, Peter T. 2020. "Economics is Not Statistics (and Vice Versa)." *Journal of Institutional Economics* 16(4): 423-425.

Skarbek, David. 2020. "Qualitative Research Methods for Institutional Analysis." *Journal of Institutional Economics* 16(4): 409-422.

<http://nebula.wsimg.com/0102263125edc3a2ae5034aaa595c21b?AccessKeyId=B292FE55DF6AE1C4A636&disposition=0&alloworigin=1>

3. Economic Calculation

Boettke, Peter J. 1998. "Economic Calculation: The Austrian Contribution to Political Economy," *Advances in Austrian Economics* 5: 131-158.

http://econfaculty.gmu.edu/pboettke/pubs/pdf/Economic_Calculation.pdf

Boettke, Peter J. and Candela, Rosolino A. 2023. "On the Feasibility of Techno-Socialism." *Journal of Economic Behavior and Organization* 205: 44-54.

<https://www.sciencedirect.com/science/article/pii/S0167268122004048>

Boettke, Peter J., Candela, Rosolino A., and Jacobsen, Peter J. 2023. "Economic Calculation and Transaction Costs: The Case of Airline Oversales Auction Systems." *Southern Economic Journal* 89(3): 708-731. <https://onlinelibrary.wiley.com/doi/full/10.1002/soej.12620>

Cachanosky, Nicolas and Salter, Alexander William. 2020. "The Super-Alertness of Central Banks." *Review of Austrian Economics* 33(1-2):

https://link.springer.com/article/10.1007/s11138-019-00436-1?wt_mc=alerts.TOCjournals&utm_source=toc&utm_medium=email&utm_campaign=toc_11138_33_1

4. Capital and Production

Lewin, Peter and Cachanosky, Nicolas. 2019. *Austrian Capital Theory: A Modern Survey of the Essentials*. Cambridge and New York: Cambridge University Press.

<https://www.cambridge.org/core/books/austrian-capital-theory/A9B2D5C16BCBFFC82A5669E6DF3E8FF5>

Lewin, Peter and Cachanosky, Nicolas. 2020. *Capital and Finance*. London and New York: Routledge.

<https://www.amazon.com/Capital-Finance-History-Routledge-International/dp/0367143720>

5. Entrepreneurship

Baumol, William. 1990. "Entrepreneurship: Productive, Unproductive and Destructive," *Journal of Political Economy* 98(5): 893-921.

Boettke, Peter and Piano, Ennio. 2016. "Baumol's Productive and Unproductive Entrepreneurship After 25 Years." *Journal of Entrepreneurship and Public Policy* 5(2): 130-144
<https://www.emerald.com/insight/content/doi/10.1108/JEPP-12-2015-0041/full/html>

Foss NJ, Klein PG. 2012. *Organizing Entrepreneurial Judgement: A New Approach to the Firm*. New York: Cambridge Univ. Press.
<https://www.cambridge.org/core/books/organizing-entrepreneurial-judgment/EF4D68C69EE03B668D7A62BFED7FA582>

Kirzner, Israel M. 1997. "Entrepreneurial Discovery and the Competitive Market Process: An Austrian Approach," *Journal of Economic Literature* 35(1): 60-85.

6. *The Dynamics of Interventionism*

Coyne, Christopher J. 2020. *Defense, Peace, and War Economics*. New York: Cambridge Univ. Press. <https://www.cambridge.org/core/books/defense-peace-and-war-economics/F778A709AFA64A68FDF5EEF74BE56743>

Geloso, Vincent and Candela, Rosolino. 2018. "The Lighthouse Debate and the Dynamics of Interventionism." *Review of Austrian Economics*, forthcoming
<https://link.springer.com/article/10.1007/s11138-018-0422-7>

Redford, Audrey, and Benjamin Powell. 2016. "Dynamics of Intervention in the War on Drugs: The Build-up to the Harrison Act of 1914." *Independent Review* 20(4): 509-530.
<https://www.jstor.org/stable/pdf/44000159.pdf>

7. *Money and Banking*

Boettke, Peter J., Salter, Alexander William, and Smith, Danile J. 2021. *Money and the Rule of Law: Generality and Predictability in Monetary Institutions*. Cambridge and New York: Cambridge University Press. <https://www.cambridge.org/core/books/money-and-the-rule-of-law/C825E982EDE5BD2BE41A99464DC885DB>

White, Lawrence H. 2023. *Better Money: Gold, Fiat, or Bitcoin?* Cambridge and New York: Cambridge University Press. <https://www.cambridge.org/core/books/better-money/8B6D08E245653C381C9D3222028804AF>

8. *Business Cycles*

Cachanosky, Nicolas and Salter, Alexander William. 2017. "The View from Vienna: An Analysis of the Renewed Interest in the Mises-Hayek Theory of the Business Cycle." *Review of Austrian Economics* 30(2): 169-192.
<https://link.springer.com/article/10.1007/s11138-016-0340-5>

Hendrickson, Joshua and Salter, Alexander. 2016. "Money, Liquidity, and the Structure of Production." *Journal of Economic Dynamics and Control* 73: 314-328.
<https://www.sciencedirect.com/science/article/pii/S0165188916301580>

Lewin, Peter T. 2018. "The Microfoundations of the Microfoundations of Austrian Business Cycle Theory." *Review of Austrian Economics* 36(3): 375-382.
<https://link.springer.com/article/10.1007/s11138-018-0430-7>

Selgin, George, Lastrapes, William D., and White, Lawrence H. "Has the Fed Been a Failure?" *Journal of Macroeconomics* 34(3): 569-596.

<https://www.sciencedirect.com/science/article/pii/S0164070412000304>

White, Lawrence H. 2021. "Hayek, Cassel, and the Origins of the Great Depression." *Journal of Economic Behavior and Organization* 181: 241-251.

<https://www.sciencedirect.com/science/article/pii/S0167268120304601>

9. *Public Choice and Political Economy*

Furton, Glenn and Martin, Adam. 2018. "Beyond Market Failure and Government Failure." *Public Choice* 178: 197-216 <https://link.springer.com/article/10.1007/s11127-018-0623-4>

Leeson, Peter T. 2014. *Anarchy Unbound: Why Self-Governance Works Better Than You Think*. Cambridge and New York: Cambridge University Press.

<https://www.cambridge.org/9781107025806#:~:text=Anarchy%20Unbound%20challenges%20the%20conventional,to%20reliance%20on%20the%20state.>

Skarbek, David. 2020. *The Puzzle of Prison Order: Why Life Behind Bars Varies Around the World*.

New York: Oxford University Press. <https://academic.oup.com/book/33625>

10. *Development Economics*

Coyne, Christopher J. 2013. *Doing Bad by Doing Good: Why Humanitarian Action Fails*. Stanford: Stanford University Press. <https://www.sup.org/books/title/?id=20320>

Salter, Alexander William and Young, Andrew Y. 2023. *The Medieval Constitution of Liberty: Political Foundations of Liberalism in the West*. Ann Arbor: University of Michigan Press.

<https://press.umich.edu/Books/T/The-Medieval-Constitution-of-Liberty3>

11. *Institutions and Policy*

Powell, Benjamin and Nowrasteh, Alex. 2020. *Wretched Refuse? The Political Economy of Immigration and Institutions*. Cambridge and New York: Cambridge University Press.

<https://www.cambridge.org/core/books/wretched-refuse/47A037EB552CDB16DC77906072A590AB>

Rizzo, Mario J. and Whitman, Glenn. 2019. *Escaping Paternalism: Rationality, Behavioral Economics, and Public Policy*. Cambridge and New York: Cambridge University Press.

<https://www.cambridge.org/core/books/escaping-paternalism/6CC068636EB534E04792F2AC41F2D4D9>

White, Lawrence H. 2012. *The Clash of Economic Ideas: The Great Policy Debates and Experiments of the Last 100 Years*. Cambridge and New York: Cambridge University Press.

<https://www.cambridge.org/core/books/clash-of-economic-ideas/5A65B19CA2191C707DA9D3A3825AADE3>

12. *Work Week*

Write your papers!

13. Paper presentations
Final papers due!

RELIGIOUS HOLY DAYS

A student who intends to observe a religious holy day should make that intention known to the instructor prior to the absence. A student who is absent from classes for the observance of a religious holy day shall be allowed to take an examination or complete an assignment scheduled for that day within a reasonable time after the absence. In such cases, it is the student's responsibility to make alternate arrangements no less than one week prior to the actual date of the religious holy day.

STUDENTS WITH SPECIAL NEEDS

Any student who, because of a disability, may require special arrangements in order to meet the course requirements should contact the instructor as soon as possible to make any necessary arrangements. Students should present appropriate verification from Student Disability Services during the instructor's office hours. Please note instructors are not allowed to provide classroom accommodations to a student until appropriate verification from Student Disability Services has been provided. For additional information, you may contact the Student Disability Services office in 335 West Hall or 806-742-2405.

ACADEMIC INTEGRITY POLICY

The integrity and reputation of the Texas Tech University and Texas Tech University Health Science Centers depend on the honesty of the entire academic community in all its endeavors. This implies that the Institutions' faculty, students, administration and staff are willing to adhere to and uphold the code of academic conduct.

Students are expected to represent themselves honestly in all work submitted for academic purposes. When a student puts his or her name on any material submitted as an academic assignment, he or she vouches that both the content of the assignment and the process through which the assignment was produced conform to the standards of the code of academic conduct. This principle applies to all forms of academic assignments including, but not limited to, papers, tests, homework assignments, artistic productions, laboratory reports, presentations, and computer programs.

Any action that indicates a lack of academic honesty and integrity shall be considered a violation of the code of academic conduct. Examples of violations include:

- **Cheating:** Unauthorized giving, receiving, or use of material or information in academic assignments, or the attempt to do so.
- **Plagiarism:** Use of ideas, data or specific passages of another person's work that is unacknowledged or falsely acknowledged. Any paraphrasing or quotation must be appropriately acknowledged.
- **Falsification of Research:** Fraudulent or deceptive generation of data or the knowing use of data gathered in such a manner.
- **Unauthorized Collaboration:** Unauthorized collaboration in the performance of course assignments.

- **Multiple Submissions:** Presentation of the same assignment for credit in two distinct courses without prior approval.
- **Misrepresentation:** Performance of an academic assignment on behalf of another student.
- **Falsification of Academic Records:** Forging the signature of either an instructor or advisor on registration, course waiver, capstone, or change of grade forms.
- **False Testimony:** Knowingly presenting false accusations or false testimony before the honor board or its representatives.
- **Improper Disclosure:** Failure of an Honor Board member to maintain the strict confidentiality of honor board proceedings

The Academic Integrity policy is from the Texas Tech Student Handbook. For more information, go to the Texas Tech Student Handbook, 2008-2009, Code of Student Conduct, Part IX, Section B, Item Number 3. If you have questions about the academic integrity policy/honor code, speak with your faculty advisor or the course instructor.