10 Austrian Economics and Economic Policy*

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Introduction

What became the Austrian School of Economics began in 1871 with the publication of Carl Menger's *Grundsätze der Volkswirtschaftslehre* (*Principles of Economics*). By the end of the 1870s, Eugen von Böhm-Bawerk and Friedrich von Wieser had extended what they learned from Menger to other areas. Böhm-Bawerk made contributions to capital theory. Wieser refined Menger's theory of value and introduced the concept of opportunity cost. Reference to an "Austrian School" emerged only in the 1880s amid debates between the German historicists and Menger. Although policy played an indirect role in those debates, their direct subject was methodology. Menger, moreover, maintained that economic theory should be kept distinct from "Economic policy, the science of the basic principles for suitable advancement…of 'national economy' on the part of the public authorities" (1886, p. 211).

In other words, the "main and only concern" of the early Austrian economists "was to contribute to the advancement of economics" (Mises 1969, p. 149). It is therefore surprising that later Austrian economists, in particular Ludwig von Mises and Friedrich Hayek, were actively engaged in debates about economic policy and are perhaps best known for their defense of "free-market" policies. This chapter argues that only after the socialist calculation debate of the 1920s and 1930s did Mises and Hayek progressively develop a more distinctive approach to economic policy. That approach considers policies and institutions in light of their (in)congruity with broad principles, most notably the idea that knowledge is dispersed and incomplete. In the 1960s and 1970s, several insights of the later Austrian School were integrated into other "schools," such as Public Choice and New Institutional Economics. The integration, however, was not total, and an emphasis on "knowledge problems" in the context of economic policies and institutions remains a distinctive feature of the contemporary Austrian School.

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Early Austrians

As Wieser observed,

> The modern theory of utility arose aside from the problems of national-economic policy, as the outgrowth of the mere need, the urgency of scientific quest. It aspires to be an empirical theory, pure and simple, not aiming at any definite, practical application.
>
> (1914, p. 41)

It makes sense, then, that what distinguished early marginalists—Menger, William Stanley Jevons, Leon Walras, and later Alfred Marshall—were not policy differences but theoretical ones. Walras, for example, was mainly concerned with the conditions ensuring general equilibrium, but marginalism occupied his framework only secondarily (Jaffé 1976). Menger, in contrast, developed a theory of value imputation, but he was not concerned with the conditions under which general equilibrium exists. Or consider Marshall and his followers, for whom the law of diminishing "marginal utility plays a minor part in the main body of equilibrium theory" (Robbins 1933, p. xvii) and for whom costs were objective quantities. For Menger and his followers, in contrast, the law of diminishing marginal utility was a tool for equilibrium analysis, and costs were foregone alternatives traceable back to the subjective value judgments of individuals.

These theoretical differences would end up playing an important role in defining the Austrian School. The distinction, however, was largely "one of emphasis and conception of theory rather than in the substance of theory itself" (Robbins 1933, p. xvi). And it would be wrong to think that the early Austrians offered an alternative to neoclassical economics. They did not. Austrian economics is a branch of neoclassical economics, and that is how the most prominent later Austrian economists understood their school. According to Mises, for instance,

> the Austrian and the Anglo-American schools and School of Lausanne… differ only in their mode of expressing the same fundamental idea and that they are divided more by their terminology and by peculiarities of presentation than by the substance of their teachings.
>
> (1933, p. 228)

Or as Hayek observed,

> A school has its greatest success when it ceases as such to exist because its leading ideals have become a part of the general dominant teaching. The Vienna school has to a great extent come to enjoy such a success.
>
> (1968, p. 52)

The focus of the early Austrian economists on economic theory does not mean they had no interest in or influence on economic policy. Menger, Wieser, and Böhm-Bawerk each served in the Austrian Cabinet. And the cabinet that Menger served in was "composed of members of the Liberal Party that stood for civil liberties, representative government, equality of all citizens under the law, sound money, and free trade" (Mises 1969, p. 128). Even so, economic policy featured little in the academic works of the early Austrians, whose general policy outlook was similar to that of other early marginalists: pro-market, tempered by government intervention.

Marshall, for example, was "willing to have a great extension of public control over private and semi-public undertakings" to "preserve what is essential in the benefits of free competition" (1925, p. 290). And Wieser, for instance, was sympathetic to progressive taxation, espoused Friedrich List's infant-industry argument for tariffs, favored social insurance (Ekelund 1970), and countenanced the importance of what would later be dubbed "market failures":

> Even if we ourselves should not have succeeded in finding the precise theoretical expression for the conditions of the capitalistic domination, there can be no doubt that this aim may be attained from the basis of the utility-theory. Nor can there be any doubt that, once this expression has been found, a sound modern economic policy will find in such a completed utility theory the fundamental substructure which it requires. For a sound modern economic policy, the safeguarding of the highest possible social benefit in the face of the capitalistic despotism must be the paramount law. A completed theory of utility will be able to demonstrate to that policy under what conditions the law will meet with compliance, under what conditions it will miscarry.
>
> (Wieser 1914, p. 412)

Some early Austrians were more critical of government intervention than others. But so were some Anglo-American marginalists and some members of the Lausanne School. Vilfredo Pareto, for example, "became known as an ultraliberal in the nineteenth-century sense of uncompromising advocate of laissez-faire" (Schumpeter 1949, p. 152). What is notable is that policy views did vary systematically across early marginalists by "school," and the early Austrians' theoretical differences from other schools did not manifest in a distinctive Austrian approach to economic policy.

Later Austrians

In 1920, Ludwig von Mises levied a challenge to the proponents of socialism. Socialist economy, he averred, is oxymoronic; for there can be no economy in the sense of rational resource allocation absent private ownership of the means of production. Mises' argument was simple. Absent private ownership of the means of production, there is no market for the means of production. Absent a market for the means of production, there are no money prices for the means of production. And absent money prices reflecting the relative scarcities of the means of production, the opportunity cost of resource use cannot be assessed. Under socialism, therefore, economic calculation—computation of profits and losses—is impossible, hence so is rational resource allocation.

Perhaps the most famous response to Mises' challenge came from Oskar Lange (1936), who suggested that socialists should be grateful to the Austrian. "For it was his powerful challenge that forced the socialists to recognise the importance of an adequate system of economic accounting to guide the allocation of resources in a socialist economy." Then, Lange added wryly,

> Both as an expression of recognition for the great service rendered by him and as a memento of the prime importance of sound economic accounting, a statue of Professor Mises ought to occupy an honourable place in the great hail of the Ministry of Socialisation or of the Central Planning Board of the socialist state.
>
> (1936, p. 53)

There was indeed a solution to the calculation problem that Mises identified, Lange argued: central planners could use the formal conditions of economic efficiency identified by marginalist principles to allocate resources rationally. Socialist firm managers should be instructed to price output equal to marginal cost and to produce that level of output which minimized average cost.

Mises rejected Lange's answer to his challenge on the grounds that it was no answer at all. Lange assumed a solution to the socialist calculation problem rather than deriving one. Supposing that planners or socialist firm managers know the marginal cost of output is equivalent to assuming that they know the opportunity costs of resources. The question that Mises had asked, however, was how, in a system without private ownership and thus without exchange, the opportunity costs of resources could ever be known. Omniscience, Mises insisted, was not an answer (Mises 1949, p. 706). Yet omniscience seemed to lie at the core of Lange's "solution."

Hayek built on Mises' argument by articulating the role of market prices as communicators and generators of economically useful knowledge (Kirzner 2018). Because much of the knowledge that individuals have is "knowledge of particular circumstances of time and place," our focus, Hayek maintained, should be on "the method by which such knowledge can be made as widely available as possible" (1945, p. 521, 522). Markets provided that method. An entrepreneur needn't concern himself with whether the price of tin, for instance, increased because of a fall in tin supply or because of a rise in demand for tin in other sectors. What matters is that tin has become relatively scarcer, and that knowledge is communicated to the entrepreneur through the increased price of tin.

Neither Mises nor Hayek, it should be recognized, saw the knowledge problem confronted by central planners as suggesting that state involvement in the economy was always unworkable or undesirable. Hayek (1944, p. 86), for example, endorsed government intervention "to limit working hours," "to require certain sanitary arrangements," and to provide welfare, health insurance, and accident insurance. Nor did Mises and Hayek see in the ability of markets to cope with knowledge problems a flawless system of private order. Mises, for instance, observed that in the presence of externalities the economic calculations of private firms are "manifestly defective and their results deceptive" (1949, p. 653), that "monetary calculation has its…serious defects" (1920, p. 22). The confidence in markets expressed by the most prominent later Austrians was relative, not absolute. Economic calculation made possible by markets and private ownership is desirable not because of its perfection but because "we have certainly nothing better to put in its place" (Mises 1920, p. 22).

The socialist calculation debate had far-reaching consequences for the Austrian School. For it revealed a distinction between members of that school, whose central debate concern revolved around how dispersed and incomplete knowledge may (or may not) be organized into what Mises called "the intellectual division of labor" (1927, p. 75), and other neoclassical economists, whose central debate concern revolved around the welfare properties of competitive equilibrium. The Austrians, it turned out, had a rather different view of what constituted the important economic questions, which for them were "who makes the decision, under what constraints, and subject to what feedback mechanism" (Sowell 1980, p. 17). Those questions both suggested and underlaid a rather different view of the market.

Other neoclassical economists conceived of the market as a set of optimality conditions. Mises and Hayek, in contrast, conceived of it as a set of *institutions*, whose sin qua non was private property. The former seemed to see the market as furnishing instructions that, if followed, would assure economic efficiency. The latter, however, saw the market as a method of generating economically useable information, a means of coping with "knowledge problems" that would otherwise stand in the way of economic coordination.

The distinctiveness of the later Austrians' perspective is perhaps easier to make out against the backdrop of broader economic thinking in the 1930s and 1940s. During that period, economists often were quick to recommend major government interventions or outright public ownership of firms as remedies for market "imperfections." Arthur Lewis (1949), for instance, favored the nationalization of land, mineral deposits, insurance, automobile factories, and telecommunications on the grounds of monopoly power. Gunnar Myrdal (1956) argued that national economic planning was the only viable option for economic development. James Meade (1948) favored "socialization" of chemical industries as well as nationalization of iron and steel. Maurice Allais (1947) went further yet: he urged nationalizing a few firms in every industry.[2]

The perspective according to which governments should—and could—achieve perfectly competitive prices through regulation or nationalization was so widely accepted that even avowedly liberal economists like Henry Simons embraced it: "The state should" own and manage "directly…all industries in which it is impossible to maintain effectively competitive conditions" (1934, p. 51). The contrary perspective of Austrian economists was therefore exceptional during this period—as was their dim view of what was actually achieved by policies implemented to mimic perfectly competitive outcomes. "The outcome of the municipalization and nationalization policies of the last decades," Mises judged, "was almost without exception financial failure, poor service, and political corruption" (1949, p. 373).[3]

The emphasis of economists in the 1930s and 1940s on trying to secure prices that would have prevailed under perfect competition left little room for attention to the institutions under which the coordination of economic activity is made possible. As late as 1965, Armen Alchian observed that "if we look at the 'fields' of economics, say as presented by the American Economic Association's classification of the areas of interest or specialization, we find no mention of the word 'property'" (1965, p. 817). In contrast, if one looked at Mises' 1949 treatise *Human Action*, she would find that word 97 times and the word "ownership" 75 times—an indicator of the centrality of institutions to the economics of the later Austrians and of just how unusual their emphasis on institutions was.

In the 1940s, Mises and Hayek extended their economic analyses of institutions to new domains. Mises (1944), for example, pioneered the economics of bureaucracy. Echoing logic he developed in the socialist calculation debate, Mises argued that bureaucracies cannot engage in meaningful profit and loss accounting, precluding bureaucrats from making decisions in a "businesslike" manner. He further argued that bureaucracies can become interest groups weighing on government policies. He highlighted what would decades later be called principal-agent problems related to bureaucratic delegation. He noted the importance of what would decades later be dubbed soft constraints. And he was among the first to consider conditions under which bureaucratic management is efficient.

Hayek (1944), meanwhile, made a contribution to what would eventually become the economics of politics in his *Road to Serfdom*. There, he pointed to a tradeoff between democratic rule and national economic planning. As governmental planning becomes more encompassing in an economy, the details associated with carrying out the plan become overwhelming. Democratically elected bodies thus delegate more power to bureaucratic decision-makers, reducing the former's influence. In addition, Hayek argued, as the scope of governmental planning expands, so does the number of decisions that must be deliberated politically. The cost of democratic deliberation therefore rises, encouraging substitution with less democratic rule. Nearly 20 years later the founders of Public Choice, James Buchanan and Gordon Tullock (1962), would put it in these terms: when the costs of political decision-making rise, optimal decision-making arrangements move further from unanimity rules and majoritarian politics.[4]

Critics of *The Road to Serfdom* often interpret Hayek as claiming that policy deviations from laissez-faire lead inevitably to totalitarianism. But in a letter to Paul Samuelson, Hayek explicitly rejected that claim and, quoting from his *Law, Legislation and Liberty* (1973), clarified that the intended targets of his analysis were not particular policies but rather the principles guiding policy-making, which he thought ill-conceived:

> What I meant to argue in *The Road to Serfdom* was certainly not that whenever we depart, however slightly, from what I regard as the principles of a free society, we shall ineluctably be driven to go the whole way to a totalitarian system. It was rather what in more homely language is expressed when we say: "if you do not mend your principles you will go to the devil." That this has often been understood to describe a necessary process over which we have no power once we have embarked upon it, is merely an indication of how little the importance of principles for the determination of policy is understood, and particularly how completely overlooked is the fundamental fact that by our political actions we unintentionally produce the acceptance of principles which will make further action necessary.
>
> (Quoted in Farrant and McPhail 2010, p. 92)

As should be plain from the foregoing examples, Mises' and Hayek's contributions anticipated subsequent developments in economic scholarship outside the narrowly construed Austrian School. Foremost among such scholarship is that associated with Public Choice and New Institutional Economics.[5] The former challenged the public-finance economics of post-WWII welfare economists by arguing that externalities plague "political markets" no less, and perhaps more, than "economic markets" and thus must be accounted for when considering economic policies. That argument, however, only assimilated and elaborated arguments that Austrian economists had been making for decades.[6] Mises' (1929) critique of interventionism, for instance, was that government interventions in markets, especially using price controls, cannot be considered in isolation because they predictably change the incentives of political decision-makers.

Similarly, the New Institutional Economics revolution, which began in the 1960s, largely restated and elaborated insights developed by Austrian economists during and after the socialist calculation debate.[7] As noted above, agency problems, for example, were central to Mises' (1944) analysis of bureaucracy. And incomplete contracting was part of Hayek's analysis of market competition. To wit:

> in a complex society like ours no contract can explicitly provide against all contingencies and because jurisdiction and legislation evolve standard

> types of contracts for many purposes which not only tend to become exclusively practicable and intelligible but which determine the interpretation of, and are used to fill the lacunae in, all contracts which can actually be made…Here, as much as in the realm of property, the precise content of the permanent legal framework, the rules of civil law, are of the greatest importance for the way in which a competitive market will operate.
>
> (Hayek 1948, p. 115)

Incorporation of "Austrian" insights into Public Choice and New Institutional Economics, however, was not total. In particular, an emphasis on "knowledge problems," first brought to the fore by Mises and Hayek during the socialist calculation debate, remains a distinctive feature of the Austrian School. "Knowledge problems" refer broadly to the obstacles that economic and political actors face in achieving their goals when relevant information does not exist "in concentrated or integrated form, but solely as the dispersed bits of incomplete and frequently contradictory knowledge which all the separate individuals possess" (Hayek 1945, p. 519). To be robust, modern Austrian economists contend, economic policies and institutions must be able to handle those obstacles (Boettke and Leeson 2004; Leeson and Subrick 2006).

Much recent Austrian scholarship that addresses policy therefore does so, at least in part, in terms of the knowledge problems that policymakers confront (see, for instance, Sobel and Leeson 2007; Skarbek and Leeson 2009; Coyne 2013; Boettke et al. 2021; Candela and Geloso 2021; Fegley 2021; Jacobsen and Rouanet 2021). This scholarship evaluates actual or potential policy (in)effectiveness given and with respect to the policy's ostensible goals in light of knowledge problems. A common theme is that public policies tend to be overly optimistic about the extent of relevant information that is accessible by policymakers and tend to be overly pessimistic about the ability of private arrangements to achieve the goals that policymakers seek given those arrangements' capacity to handle dispersed and incomplete information.

Even in scholarship produced by Austrians that has a more normative bent, however, the (in)congruence of policies with dispersed and incomplete knowledge often plays a central role. Consider, for example, the third part of Hayek's (1960) *Constitution of Liberty*, which takes stances on a variety of policies from urban planning to labor laws to progressive taxation. The selection of policies that Hayek considers reflects his view that in certain areas, policies have been adopted that conflict with respect for rule generality. And Hayek's advocacy for (against) policies that are (in)consistent with rule generality reflects his view that general rules are best able to accommodate knowledge problems: they "allow each individual to make the fullest use of his knowledge, especially of his concrete and often unique knowledge of the particular circumstances of time and place" (1960, p. 156).

The Role of Economists in Economic Policymaking

Given their special concern for knowledge problems, modern Austrian economists tend to be more skeptical than many other economists of the idea that "economist experts" can play a productive role in economic policymaking. After all, while economist experts may be experts in their discipline, they are nevertheless limited by dispersed and incomplete information like everyone else. Indeed, on at least one crucial dimension, economist experts are more limited: they generally do not formulate and update what they "know" subject to market incentives and feedback mechanisms.

Consider, for example, a grocer who "knows" that an additional grocery store in his town would create value for consumers and so builds one. He will soon find out whether he is right or wrong since the store will either turn a profit or make losses. And the grocer has a strong incentive to inform what he knows as best he can since if he is right, he enjoys the fruits, and if he is wrong, he pays the price. Contrast that with, for instance, an economist expert who "knows" that more schools in Tanzania would improve that country's economic development and whose policy advice is heeded. It will be exceptionally hard for her to find out whether she is right or wrong, for perhaps development did not improve, or maybe it did, but so many other factors were at play, who can say for sure whether the additional schools were the cause in either case? Moreover, the economist expert has little incentive to inform what she knows as best she can since if she is right, she does not profit personally, and if she is wrong, she does not personally pay any price.

The example of the economist expert advising development policy is salient because in no other policy realm is the difference between how modern Austrians and how many other economists conceive of the economist's policymaking role easier to see. Perhaps the most influential vision of the economist's role in development policy currently is that of the economist as "plumber" (Duflo 2017). Economist-plumbers "try to predict as well as possible what may work in the real world, mindful that tinkering and adjusting will be necessary since our models give us very little theoretical guidance on what (and how) details will matter" (Duflo 2017, p. 1). The plumbing approach is predicated on the notion that local policymakers in developing countries "tend to design schemes based on the ideology of the time, in complete ignorance of the reality of the field, and once these policies are in place, they just stay in place" (Duflo 2017, p. 13). In contrast, the economist-plumber, viewing the situation from the outside, can clearly see all the "leaky pipes" and, with her expert tools—most notably the randomized controlled trial (RCT)—fix them.

From the Austrian perspective, the plumbing approach to development policy is problematic on two primary fronts. First, while that approach is correct to point out that "those who implement policies … are humans too!" (Duflo 2017, p. 16), it seems not to understand that so are economist-plumbers. Humans—whether local policymakers or economist-plumbers—are limited by dispersed and incomplete information. They thus require feedback mechanisms to inform them about when their knowledge is correct and when it is mistaken and to incentivize them to improve their knowledge. Local policymakers and economist-plumbers alike do not face such feedback mechanisms when their policymaking or advising services are supplied outside of markets. And RCTs are not substitutes for market feedback mechanisms: they do not furnish profit/loss information, and they do not reward/punish correct/incorrect knowledge.

Second, by focusing on "leaky pipes" the plumbing approach to development policy sidesteps the central "economic problem of society," which "is mainly one of rapid adaptation to changes in the particular circumstances of time and place" (Hayek 1948, p. 83). A solution to that problem must be institutional; it requires a system of secure private property rights. In the least-developed world, where institutions of secure private property rights do not prevail, the policy approach of economist-plumbers thus amounts to tinkering with the house's leaky pipes while the house is on fire. In this there is a regrettable irony. One of the few things that "economist experts" can and do know, according to Austrians, is that private property institutions are necessary for development. Much beyond that, including how to establish such institutions where they do not exist, is beyond the informational limitations of economist experts. Yet economist-plumbers, who presume to know, or—despite the lack of proper feedback mechanisms—presume to be able to learn, far more than that nevertheless seem to pay little attention to institutions of private property rights.

What, then, is the development policy role of the economist expert in the modern Austrian view? Hardly any at all. Modern Austrians, as noted above, emphasize the necessity of private property institutions for development, but they do not pretend to know more than that. The economist expert's role is accordingly limited to highlighting the importance of private property institutions and articulating their role in coping with knowledge problems. The Austrian approach to development policy, like the Austrian approach to other economic policies, is thus one whose loudest plea is for policymaker humility.

As intimated above, that plea for humility extends to designing or attempting to externally implement private property rights institutions in developing countries. For such design and implementation also presupposes access to much local information to which economist experts are not in fact privy. It is one thing to know in broad strokes what is necessary to enable economy-wide coordination, but it is another thing to know that in detail, and still another thing to know how to get to what is necessary from the present position. Boettke et al. (2008), for example, suggest that the path to private property institutions must ultimately be an indigenous one because only in that case can we be confident that such institutions as emerge comport with local knowledge and practices, which is required for those institutions to "stick." Leeson and Harris (2018) go a step further. They argue that attempts to externally create private property rights institutions in developing counties may in some cases destroy existing wealth, retarding development. Hence, even the exceptionally limited role that Austrians see for "economist experts" in development policy—that of emphasizing the importance of private property institutions—is attended by the caveat that this does not imply that economist experts should attempt to or can successfully design private property institutions in developing countries.

Conclusion

Ludwig von Mises was once asked, "let us suppose you were the dictator of these United States. What would you do?" Mises replied: "I would abdicate" (Read 1971, p. 299). That, in a nutshell, characterizes the approach of Austrian economists to economic policymaking.

Broad principles relevant to economic policy are knowable and known by economic theory—most important, the dispersed and incomplete nature of economically relevant information; the necessity of coping with consequent knowledge problems; the ability of markets to do that; and the indispensability of private property institutions for markets. Economic policies and institutions that are congruent with these broad principles will tend to promote economic coordination. Economic policies and institutions that are incongruent with them will tend to do the opposite. The claims of "economist experts" to know more than this are—like economic policies and institutions that ignore knowledge problems—a conceit. Austrian economists, therefore, do not offer a list of detailed economic policies for improving economic outcomes. Rather, they offer a warning about persons who would make such lists:

> economics as such is a challenge to the conceit of those in power. An economist can never be a favorite of autocrats and demagogues. With them he is always the mischief-maker, and the more they are inwardly convinced that his objections are well-founded, the more they hate him.
> (Mises 1949, p. 67)

Austrian economists' distinctive approach to economic policy was not part of their tradition at its inception. The early Austrian economists focused their scholarly attention on matters of economic theory, and the theoretical differences between them and other early marginalists neither led nor corresponded to systematically different policy views, let alone to an identifiable Austrian approach to economic policy. The latter emerged only gradually and pursuant to an unfolding policy-oriented debate engaged by second-generation Austrian economists Ludwig von Mises and Friedrich Hayek in the 1920s and 1930s—albeit a debate that turned out to hinge very much on different approaches to economic theory: the socialist calculation debate.

Consequent to that debate it became clear to Mises and Hayek that their conception of the market differed substantially from that of other neoclassical economists. Whereas the latter saw the market as a set of optimality conditions that could be followed like a recipe for economic efficiency independent of private economic activity, Mises and Hayek saw the market as a set of institutions whose sin qua non was private property, which copes with "knowledge problems" that otherwise stand in the way of economic coordination.

This emphasis on knowledge problems became a defining feature of Austrian economics and the "Austrian approach" to economic policy. That approach considers economic policies and institutions in light of their (in) congruity with broad principles, most notably the idea that knowledge is dispersed and incomplete. In the 1960s and 1970s, several insights of the later Austrians were integrated into other "schools," such as Public Choice and New Institutional Economics. The integration, however, was not total, and an emphasis on knowledge problems in the context of economic policies and institutions remains a distinctive feature of the contemporary Austrian School.

Notes

* We dedicate this chapter to the memory of Austrian economist Steven G. Horwitz (1964–2021).

1 Somewhat paradoxically, Allais (1947) believed that Mises and Hayek had decisively won the socialist calculation debate and that the "solutions" provided by Lerner, Lange, and Durbin were unsatisfactory.

2 Modern evidence supports Mises' judgment against the view that dominated in the 1930s and 1940s. See Shleifer (1998).

3 On Hayek's *Road to Serfdom* as a precursor to Public Choice economics, see Boettke (1995).

4 On the similarities between "property rights economics" and Austrian economics, see Piano and Rouanet (2020).

5 On the relationship between Public Choice and Austrian economics, see Boettke and Leeson (2003).

6 Cheung (1998) rightfully recognizes Hayek as a pioneer of "transaction cost economics."

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