



EE

# The Austrian School

Market Order and  
Entrepreneurial Creativity

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## REFERENCES

## *Introduction*

In this book, we will outline in sufficient detail the essential ideas of the Austrian school of economics, as well as the characteristics which most distinguish it from the paradigm thus far predominant in economic science. In addition, we will analyze the development of Austrian thought from its origins to the present, and highlight ways in which the contributions of the Austrian school may foreseeably enrich the future development of economics.

Given that most people are unfamiliar with the central tenets of the Austrian school, in chapter 1 we will explain the fundamental principles of the dynamic, Austrian concept of the market, and we will point out the main differences between the Austrian perspective and the neoclassical paradigm, which is still the one taught at most Spanish universities, despite its deficiencies. In chapter 2, we will examine the essence of the entrepreneurship-driven tendency toward coordination which Austrians hold explains both the emergence of the spontaneous order of the market and the existence of the laws of tendency which constitute the object of research in economic science. In chapter 3, we will begin our study of the history of Austrian economic thought, starting with the school's official founder, Carl Menger, whose intellectual roots extend back to the remarkable theorists of the School of Salamanca, in the Spanish Golden Age. Chapter 4 will be devoted entirely to the figure of Böhm-Bawerk and the analysis of capital theory, the study of which represents one of the most needed elements in the economic theory programs offered at Spanish universities. In chapters 5 and 6, we will discuss,

respectively, the contributions of the two most important Austrian economists of the twentieth century: Ludwig von Mises and Friedrich A. Hayek. A grasp of these contributions is crucial to understanding how the modern Austrian school of economics has developed and what it has become today on a worldwide scale. Finally, chapter 7 will be devoted to the resurgence of the Austrian school, a revival which has sprung from the crisis of the prevailing paradigm, and for which a large group of young researchers from a number of European and American universities is responsible. To conclude the book, we will consider the research program of the modern Austrian school and the contributions it is likely to make to the future development of economics. We will also answer the most common criticisms of the Austrian point of view, the majority of which derive from a lack of knowledge or understanding.

We should stress that it will be impossible for us to present here a complete, detailed view of all the characteristic features of the Austrian school. Instead, we aim merely to provide a clear, stimulating overview of its main contributions. Thus, the present work should be regarded as a simple introduction for anyone interested in the Austrian school, and readers who wish to delve deeper into a particular facet may refer to the selected bibliography at the end of the book. For the purpose of brevity, we will omit the innumerable quotes we could include in the text to elaborate on its content and illustrate it further. Our prime objective is to present the Austrian paradigm in an inviting manner to a wide range of potential readers who are presumably unfamiliar with it, but who will, upon reading the book, be prepared to explore in greater depth an approach they will surely find both novel and fascinating.