

Peter J. Boettke: Living economics: Yesterday, today, and tomorrow

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It is a rare book that combines colorful elements of autobiography with lessons in history of thought fortified with offerings of inspired advice for the next generation of passionate economists. Yet this is what Peter Boettke's *Living Economics* delivers. Pete is a master craftsman known for his unstinting commitment to teaching both in and outside the conventional classroom. His book is a personal and joyful explanation of encounters with great teachers, both in person and through written wisdom, that enabled him to form his own economic way of thinking and then to bring that emerging pattern of ideas to the classroom. Dedicated to teachers and teaching, the book is a story about the blossoming of Pete Boettke's brand of Austrian economics, what he terms mainline economics. Not a polemic, but still sparkling with passion, this well written book will be enjoyed by a broad cross section of academics, lovers of ideas, and hopefully young economists and other social scientists just beginning their own life journey.

When reading a book, I have a habit of inserting stars and check marks in the margins of pages that I find particularly noteworthy. I then jot down the marked page numbers on the book's fly leaf. I am obviously not a good e-book customer. Pete's book presented me with a serious challenge. I was marking too many pages! Please stay with me while I explain.

Living Economics has four major parts. Part I is On Teaching Economics. Part II is On Teachers of Economics, III is On the Practice of Economics, and IV concludes the book. A favorite section in Part I involves Pete's discussion of David Hume's and Adam Smith's review of state sponsored religion. Pete tells the story to illustrate how people with different normative persuasions can agree on a positive analysis but disagree on their positions regarding the analytical outcome. As Boettke relates the story, which he uses in teaching methodology, he explains that both Smith and Hume agreed with economic logic that says a state supported monopoly religion will be less productive in serving the masses than will an alternate competitive environment

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where market performance dictates survival. That said, Smith endorsed the competitive model. He was a deist. Hume, on the other hand, supported the monopoly model; he was an atheist.

Just a few pages later, Pete tells the reader that economists have a distinct life mission and it is to teach economics, not to teach a particular bundle of policy preferences. He puts it this way “[O]ur task as economics teachers is to effectively communicate to our students the basic principles of economics so that those students may become informed participants in the ongoing process of democratic self-governance... If we fail, then our theoretical and empirical efforts will be of little value to the enterprise of understanding, let alone improving the human condition.” (29) This is the book’s motivating theme.

Part I also contains five helpful hints for Austrian graduate students. It is here that we observe a result of Pete’s struggle in building a personal image of economics. He begins his advice by indicating that one can emphasize the word Austrian when describing one’s personal identification as one who works with *Austrian economics*, or one can emphasize economics in that term of art. He urges keeping communications open with those in both vineyards. He goes further with the recommendation that young scholars reach out to other disciplines: “[S]trive to work with the best minds in the relevant disciplines. Don’t spend your time talking only to those who share both the Austrian and the economics”! (39) Reflecting his Austrian roots, Pete is interested in understanding and explaining the way the world works, all of it, not just one part of it.

The book’s Part II is one of my favorites. This is where Pete reflects on his personal encounters with Hans Sennholz, the teacher who inspired him as a Grove City College undergraduate and with Murray Rothbard, the teacher/scholar who provided a completely developed economic blueprint of man’s worldly interactions. The reader also finds a fascinating discussion of Boettke’s assessment of the boundless genius of Kenneth Boulding, joined by a rich discussion of the contributions of Warren Samuels, Gordon Tullock and Vincent and Elinor Ostrom. Other towering giants found in this strong section include James Buchanan, Don Lavoie, Peter Berger, Israel Kirzner, and Frederich Hayek.

Because he was the first to inspire Pete, Hans Sennholz seems to hold a special place in this intellectual pantheon. As Pete puts it, “The economic “sermons” I was subjected to ... redirected my life.” (74) But there was more here than rational analysis, somewhat narrowly construed. Sennholz was a deeply committed moralist. He believed that the market process was about more than producing goods, services, and happiness; it was equally about yielding a moral world of free and responsible individuals. On page 75 Boettke provides an especially concise and strong summary of the role played by major contributors to Austrian economics. It is well worth reading.

But while there are lots of high points to be found in the first two parts of Boettke’s book, a truly remarkable peak is found in Part III in a chapter titled “Where Did Economics Go Wrong?” In traversing more than 70 years of economic thought, Pete recounts the failed Hayek- and Mises-led critique of the Keynesian surge, the inability of the purveyors of highly stylized equilibrium-based, neoclassical model to deal with the institutional realities of the market process, and the rise of mathematical formalism and with it the decline of humanity in economic models and call

for government intervention to assist with market failures. In all this Pete describes a repositioning of Austrian economics as a robust framework for understanding the real world. With giants of the profession—Mises, Hayek, Keynes, Knight, Lange, Stigler, Becker, Lucas, Coase, Samuelson and others entering the stage, Pete describes a withering away of the human actor who lives in time and place to be replaced by elegant models that are driven by initial conditions and deterministic outcomes. Somehow, in the process, as Pete put is, the medium became the message.

Indeed, the book's Part III could be used to form a valuable history of thought monograph.

There are more intellectual gems to be found in Boettke's book, many more, but the recurring theme that motivates the book returns in Part IV to provide a symphonic conclusion. It is here that the reader is again reminded that the book is about teachers and teaching and that those who enter the classroom have a heavy responsibility to teach and learn the best that has been thought and said in the all the world.