



Jesús Huerta de Soto as Scholar, Teacher, and Academic Entrepreneur: A View from the US

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The Austrian School of Economics has throughout its history had many variants—almost as many as practitioners. Of course, many times the emphasis on differences was highlighted for reasons other than scholarly pursuits, but there are substantive issues that produce the variations as well. Even in the differences, though, there are also points of common

I consider it a great honor to write an appreciation of Professor Jesús Huerta de Soto. He is, to put it simply, a force of nature. I first became aware of Professor de Soto when I began working at New York University in 1990. Professor Kirzner, in one of our first meetings after I joined the faculty, asked me if I knew Jesús Huerta de Soto of Spain. I said I wasn't sure, if my memory is correct, to which Professor Kirzner informed that I should because he was the leading representative of the Austrian School in the Spanish speaking world.

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ground which are ignored at the risk of great interpretative peril. There is much more common ground, for example, between Mises and Hayek, then there are fundamental disagreements. And, their shared research program is to be contrasted with that of say Keynes-Samuelson or Friedman-Lucas. Still, there are differences that are fruitfully explored by scholars. In the end, a lot turns on the temperament of the scholar and the emphasis that they place in their own set of teaching and scholarly pursuits.

Professor Huerta de Soto is part of the tradition of the Austrian School that emphasizes the ethical, judicial, and economic principles of a free society. In this, he is part of a Natural Law tradition. In the modern Austrian School of Economics this was best represented by the work of Murray Rothbard. Mises and Hayek operated out of a different intellectual tradition, though their work was obviously critical to informing this Rothbardian wing of the school. Kirzner sits in-between in a unique way, but his ethical system does not derive from utilitarian calculus as it does for Mises and Hayek.

I don't want to get weighed down in this note of appreciation with the subtle substantive differences between ethical individualism, rule utilitarianism, and natural law doctrine and how they relate to the various strands of the Austrian School, my point is merely to point out that Professor Huerta de Soto's work as a teacher and scholar is clearly placed within one of those strands. As his monumental work on *Money, Bank Credit and Economic Cycles* (2006) demonstrates, Huerta de Soto brings the ethical and judicial perspective to his economic analysis. But the economic analysis is grounded in the subjectivism of Menger, the capital analytics of Bohm-Bawerk, the monetary calculation arguments of Mises, the knowledge and discovery arguments of Hayek and the entrepreneurial theory of the market process of Kirzner. In short, he synthesizes, just as Rothbard did before him, a variety of perspectives to create his own unique voice (as any reader of the treasure trove of footnotes in *Man, Economy and State* would discover).

Some of the best work demonstrating Professor Huerta de Soto's synthesis of the various contributions of Austrian economists is in his work on socialist calculation and the debate with the market socialists. In his contribution of *The Oxford Handbook of Austrian Economics*, Huerta de Soto addresses the various market socialist proposals and demonstrates their shortcomings as revealed by the Austrian School of Economics. Socialism, by its nature, "obstructs, impedes, or prevents the entrepreneurial creation of precisely that information authorities would need to truly

coordinate society with their commands” (2015, 96). As he goes on, “Not even the kindest person on earth, with the best of intentions and greatest of knowledge, could organize society based on the coercive socialist framework.” The essence of the problem with socialism is not a computational complexity problem, nor is it an incentive alignment issue—no doubt socialist planners would have to confront both—but the foundational problem is that absent of the entrepreneurial market process itself, the requisite informational inputs would be absent. The information, or knowledge, of the market is contextual in nature and doesn’t exist outside of that context. Economic calculation of alternative uses of scarce resources emerges within this context. It is in this context that economic decision makers using the tools provided by the price system can begin to sort from the array of technologically feasible projects to those that are economically viable. The market is a process of creative discovery of new and better ways, and it is a process of selection where previous less effective ways are discarded and more effective alternative paths are pursued. The market, as Mises stressed, is a process continually unfolding through time.

This process takes place within an ethical and judicial framework, and thus economic *science* cannot proceed as if exchange and production take place within an institutional vacuum. Professor Huerta de Soto’s work as a scholar makes sure we never commit that error.

Two other aspects of Professor de Soto’s academic activities must be stressed. He is an outstanding teacher, and his doctoral students developed outstanding careers as scholars, policy analysts, public intellectuals, and academic entrepreneurs. The Spanish speaking world is vast, and within that vast world there is a constant presence of the Austrian School of Economics, and that constant presence in contemporary times is due to Professor Huerta de Soto. Not only has he been the teacher of teachers in Europe, in Latin America, and even in China, but he has through his work as a publisher ensured a steady supply of translations on all the classic works in Austrian economics as well as many contemporary works. His work has indeed been tireless in championing the writings of the Austrian economists.

In the end, Professor Kirzner was right. Professor Jesús Huerta de Soto is a name anyone working within the Austrian School of Economics must know and respect. He has an impressive record as a scholar developing an ethical, judicial, and economic system of thought that addresses the foundational issues of a free and prosperous society. He has been a passionate and committed teacher of the Austrian School of Economics that has

produced scores of teachers and thinkers throughout the globe. And, he has worked tirelessly to make sure generations of students in the Spanish speaking world will have available for them the classic and modern writings of representatives of the Austrian School.

That is some career, and there is still much for him to do. Professor Kirzner alerted me to the wonderful opportunity to learn from this great scholar, teacher, and entrepreneur some thirty years ago, and it is my sincere hope that we will all continue to learn from him for another thirty plus years and that legions more will follow in his footsteps as a scholar, teacher, and academic entrepreneur.

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