

Introduction

Having examined the foundations of catallactic theory, we now come to consider a certain number of applications. The neo-Austrians reflected on many aspects of economic and political systems. Distinguishing between information and knowledge opened two debates on the principles of the cognitive organisation of the economy.

The first of these debates concerns Marxist Socialism, the question being the following: in a collectivist regime, can the necessary economic calculation for organising production exist? In other words, is it possible to socially produce information, separately from the market price system? Many socialist authors have tried to answer 'yes' to this question. The neo-Austrian theorists, basing themselves on the teachings of subjectivism, have concluded on the impossibility or at any rate the inefficacy of alternative methods of economic calculation to the market (Chapter 7).

The second debate is on the business cycle in market economy. At the centre of this is the question of information conveyed by money prices. According to authors such as Mises and Hayek, fluctuations in market economy cannot be interpreted through actors' mutual perfect knowledge; this type of hypothesis should be abandoned to be able to understand the way agents' ignorance can result in general breakdown of coordination. This is where money finds its most important role, the Austrians placing the problem of monetary interventionism at the heart of any explanation of the cycle through its influence on the coherence of relative prices and productive activities (Chapter 8).

Finally comes the construction of neo-Austrian welfare economics. This last stage, undoubtedly original to the inheritors of Mises's theories, arrives at the crossroads of the themes of division of knowledge and temporal ignorance. Studying the various steps in its construction and workings will particularly show up its problems with asserting normativity in the Austrian economic problematic (Chapter 9).

