

# THE GENETIC-CAUSAL TRADITION AND MODERN ECONOMIC THEORY

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## ABSTRACT

This paper is an analysis of a specific tradition of causal thinking in economics: the genetic-causal tradition. This was most self-consciously developed in the work of the Austrian School, but spilled over into other approaches. Genetic-causal explanations place emphasis, *inter alia*, on processes in time, emanating from changes in agents' desires and beliefs. The authors present a brief history of this approach, outline its major characteristics, differentiate genetic-causal explanation from other kinds of explanation, and illustrate the approach in mid and late-twentieth century economic theory.

*JEL* Classifications: B1, B2, B4

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