

“HAYEK’S RESIDUAL PLATONISM”

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F.A. Hayek, *New Studies in Philosophy, Politics, Economics, and the History of Ideas*, University of Chicago Press, 1978, pp. vii + 314.

Professor Hayek, to his credit, has never followed fashion: and if at last he almost risks being taken for a fashionable thinker, that is because fashion has followed him. Many of the tenets of the “New Conservatism”, as it is called — a negative conception of the state, a re-assertion of the right to property and of individual responsibility, and the reliance upon voluntary rather than public mechanisms — are themes which Hayek has vigorously expounded for forty years or more. If his writings belong among the dinosaurs — a published view to which Hayek understandably takes offence (305) — then we must face the fact that the dinosaurs are flourishing once again, and that the laws of natural selection assumed by the progressively-minded have apparently been cancelled or suspended.

Persistence, to be sure, does not make for very exciting reading; and if Hayek is to be applauded for standing by his beliefs until opinion, or a segment of it, has caught up with him, we may nevertheless complain that in his latest volume he has given us little that is new. To the reader familiar with his remarkably interesting 1967 collection, *Studies in Philosophy, Politics, and Economics*, this book may be a disappointment. Emphases differ — the topical problem of inflation, notably, is treated here at rather greater length — but there is little if anything of substance that the earlier collection did not provide. Moreover, the internal repetitions in *New Studies* are occasionally a little trying, and one may doubt the wisdom of collecting together essays and lectures which sometimes duplicate one another, as well as earlier published pieces, to an extent which detracts from their interest. But perhaps repetition is the price to be paid for the consistency of mind which accompanies high seriousness.

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New Studies is no work of pure scholarship alone. It is at least as much — more so, or more insistently so, than the earlier collection — a manifesto, inspired by the existing state of economic and political affairs, which fills Hayek with dismay. He fears (as he did in his most widely-read book, *The Road to Serfdom*) that the world may be in the grip of powerfully or even irresistibly destructive political forces; and added to this long-standing fear, now that the era of post-war growth is ended, is another — that mistaken economic policies have created an *impasse* which nations lack the will to break. Hayek's speculations on "philosophy" and the "history of ideas" are rarely more than a hair's-breadth away from "politics" and "economics", which in turn are considered in intimately close inter-relation, if only because economic knowledge cannot be put to use except by governments which are willing to face the political costs. Nor, indeed, would Hayek accept any hard-and-fast distinction between scholarly or technical or scientific matters on the one hand, and practical or political or "value-laden" matters on the other. For disagreements on questions of social policy "turn inevitably, not on differences of value, but on differences as to the effects particular measures will have" (296), and hence on scientific knowledge. One may suspect that this assertion will not bear very much weight: for if there are (as Hayek stresses) always unknown or unknowable elements in the prediction of such "effects", it is precisely in the assumptions or guesses that we make about effects that values enter into our choices.

Occasionally Hayek appears to underplay essential differences regarding "values", despite his claim to be centrally concerned with this matter (298). Most strikingly, he is convinced that the search for "social justice" is not only ruinous, for reasons to be touched on later, but also vain, on the grounds that there is less than full agreement as to what a just distribution of social goods would be. Justice, therefore, he contends, can only be a matter of observing certain general rules of just conduct, which will regulate the actions of men but leave undetermined the distribution of goods resulting cumulatively from their actions. But it would appear to follow that if disagreement over distributive questions renders "social justice" absurd, then disagreement over matters of personal conduct ought to render justice *in genere* absurd, which is not a conclusion which Hayek would welcome. The possibility of such disagreement, however, is not one that he entertains seriously. He remarks (incautiously?) at one point that "All moral problems . . . arise from a conflict between a knowledge that particular desirable results . . . can be achieved in a given way and the rules which tell us that some *kinds* of actions are to be avoided" (87). But surely there are disagreements (*Antigone!*) as to the *kinds* of actions to be avoided or performed, and surely, too, moral problems are traceable to such disputes at least as much as to tensions between universal rule and particular case. Conflicts among different moral beliefs tend to be

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dismissed a little too briskly here as conflicts between right and wrong. For example, egalitarianism is condemned outright as “immoral” (157); socialism is repeatedly written off as an atavistic renaissance of mere “tribal” sentiments — and here one may note in passing that Hayek should scarcely complain about being placed among the dinosaurs when he himself relegates his opponents to the dawn of human history. Moreover, what appears to be a suggestion that the capitalistic spirit may be understood in terms of liberation from the “restraints” of culture (189-90), rather than as a system of cultural imperatives itself, comes oddly from a writer who so admires the sociological tradition springing from Ferguson and Hume and Smith.

Here a further distinction is attached — rendering Hayek’s argument doubly problematic — between (disputed) distributive ideals which compel individuals to serve prescribed ends, and (allegedly undisputed) rules of just conduct which preserve the individual’s right to use his own knowledge and resources in his own way, and which alone, therefore, it is held, are compatible with individual moral responsibility (58). But it is not at all clear that much if anything is left of this distinction if the rules of just conduct are regarded as functional requirements of a market society (17), or as necessary to the satisfaction of compelling global needs (65); for such arguments subordinate *rules* to *ends* in a manner which Hayek regards as illegitimate (89), and effectively obliterate the difference he seeks to establish between societies in which individuals choose the ends which they are to serve and those in which they do not.

But at bottom Hayek’s argument surely rests upon something better than such suspect definitional linkages between liberal notions of propriety and morality as such. He offers, indeed, a number of causal assertions which qualify as empirical ones even if, as Hayek points out, the extent to which they can be tested is in some respects limited. It is Hayek’s view that a market economy is more efficient than any other known system, because, by bringing individual initiative into play and directing it by means of price signals it makes use of the dispersed knowledge and capacity of millions of men, and not merely of the knowledge of a planning board; and although it cannot be said to distribute wealth according to merit or need or traditional expectation, it does provide a larger aggregate pool of wealth for individuals to draw upon. This important point is expressed in several slightly different ways in the course of this book, sometimes, moreover, rather ambiguously, and one cannot be sure that one has grasped Hayek’s meaning. Sometimes it is held that *everyone* is better off under a market than under a command system (67), rather as John Locke held that even the propertyless were better off under a system of private property than under one of common use. But sometimes it is argued, rather, that the market system improves “the chances of any member of the community picked out at random” (63, also 184). Unless we

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(eccentrically) read "chances" as a synonymous with advantages, these two positions are clearly not identical: nor can we quite tell whether "chances" are improved in the sense that (a) every person has a very good opportunity to become wealthy, (b) every person has some opportunity to become very wealthy, (c) any person picked out at random is very likely to *be* somewhat wealthy, or (d) any person picked out at random is somewhat likely to be very wealthy. Whether men in some fictitious pre-social "original position" would find any or all of these prospects appealing, or whether they would opt instead for the distributive egalitarian rules which Rawls has laid down, is wholly a matter for speculation. Hayek does not even speculate, for unfashionably he mentions Rawls nowhere in his book, and is apparently content to assert that no distributive rules could command consent. Nor, in the absence of argument or even speculation, is it apparent to the reader that any of these possible readings of the claim, any more than the much-disputed Lockean (Pareto-optimal) view which is offered alongside it, supplies good reason to dispense with "social justice" as an end, however imperfect and problematic it may be.

A second set of empirical claims concerns the more specifically political effects of economic arrangements, a theme very close to the centre of Hayek's thinking. It is argued that economic and political liberalisms are inseparable (132), and the link between the two, for Hayek, evidently consists above all in the fact that economic liberalism alone makes it possible for government to be confined to the enforcement of general negative rules, whereas a command economy requires it to issue particular, positive and discriminatory instructions. Hayek works this point hard, and often one wishes that he would pause to consider whether the distinction made here will do as much as he supposes. Is it really the case (to take one notable example) that only a flat rate of taxation qualifies as a general rule, while progressive taxation violates the principle of "equality before the law" (142)? A progressive tax law, after all, bears upon classes of persons, not particular persons, in a manner which is not obviously distinguishable from any other law, such as civil laws bearing upon persons who happen to have made contracts or municipal by-laws bearing upon persons who happen to own houses. What is a general law and what is not? We are not helped much here by the (in some respects valuable) distinction between (general) *opinion* which should inform legislation at any given time, and (particular) *will* which has no place in law-making (82 ff, 95); for the distributivist notions which Hayek seeks to exclude may enter into the formation of general beliefs (and have done so, to some extent), in addition to expressing the purposeful and interested claims of specific social groups.

Hayek's proposals for political reform, which are intended to secure the supremacy of opinion over will, are perhaps the most curious feature of this volume. It is surprising to find a thinker who believes so strongly in the play of spontaneous forces, who believes, in fact, that the most significant human

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achievements are stumbled upon unwittingly, and are significant *because* they are unforeseen (68), engaging in a frankly "Utopian" (118) exercise in constitutional design. The growth of political institutions and of language are perhaps the two most striking paradigms of spontaneous development; but Hayek subjects both constitutional principles and political language to quite high-handed tinkering which displays little awe indeed of the historically given. What Hayek proposes is the reduction of existing parliamentary assemblies to the role of executive bodies, and the creation of senatorial legislatures composed of, and elected by, citizens who have reached the age of forty-five (102-3, 116-7, 160-1). Lawmaking, thus guided by mature opinion, would be the exclusive preserve of the senatorial body, while the lower chamber (which would contain parties, as at present) would be confined to governmental tasks. Any political scientist will find much to criticise in this proposal, which assumes a clear separability between legislative and executive functions which the political science and political experience of this century tend strongly to discredit. One difficulty of a far-reaching kind is that general beliefs can scarcely be thought to control particular actions in the manner in which one constitutional body may control another; for even agreed-upon general beliefs permit divergent practical interpretations in assuming an operational form, and the notion that we may strictly separate particular goals from the general beliefs which they translate is surely at least questionable.

Whatever the merits of Hayek's Utopia, it is in the general area of the relations between economic and political arrangements that many readers will find this book most provocative. It has often been maintained (as for example by Joseph Schumpeter) that some fundamental link or parallel exists between "capitalism" and "democracy"; but what Hayek draws from Schumpeter is his other, pessimistic view that over time democracy may tend to submerge or cripple a capitalistic economy (107) — if, that is, democracy is understood in something like its current sense. For democratic governments are driven to make use of their law-making power in order to satisfy a host of special claims, and thus to distort the essential generality of rules upon which a market economy rests. Especially, they will seek to shelter groups which suffer the losses necessarily produced from time to time by the impersonal logic of the market economy, thus introducing rigidities which impede the market's operation and reduce its efficiency. Hayek notes in passing the apparent paradox that the governments of communist countries have been less reluctant than democratic governments to allow their citizens to bear the costs of change (188); and this evidently brings into play the disturbing possibility that more authoritarian regimes may be better able than democratic regimes to sustain a market system. Such a view is only implicit in what Hayek says; but he explicitly denies that "liberal principles" logically preclude authoritarianism, as opposed to totalitarianism (143). The doctrine of the

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inseparability of economic and political liberalisms must be understood, then, in a special sense, for it would appear that the political features inseparably connected to economic liberalism are of a kind which permit authoritarian rule. But what is surely required by liberalism — as the drift of Hayek's own argument seems elsewhere to imply — is some guarantee that government will respect individual rights, and this is something that an authoritarian system is by definition unable to supply.

Whether liberalism allies itself with or separates itself from democracy, its cause, if we assemble the various pieces of Hayek's argument, would appear quite desperate; and his explanation for its plight would be that the central conceptions of liberal thinking have lost their force. The task of institutional reform, he writes, though difficult, is far exceeded in difficulty by the task of restoring a lost concept (113). There is here a most interesting tension (I do not say contradiction) in Hayek's thinking, which, arguably, has characterised many of his major writings, and which is certainly evident beneath the surface of this book. As a social scientist his standpoint is that of process; social science focusses its gaze upon the discontinuities between action and outcome, displaying in the course of events patterns of things which are not (and could not be) contained in individual or collective intention (73; 264). As opposed to idealist thinkers or theorists of *Verstehen* he contends that the social sciences differ from natural science only in the complexity of their subject-matter (24), and in his essay on Carl Menger he contends that at least some of the techniques of social enquiry may dispense entirely with subjective understanding (277). But as a political theorist Hayek places his primary stress upon the central role of diffuse impalpable beliefs and convictions, as well as upon theoretical knowledge, to errors in which he ascribes enormous significance (192). Whether social and political orders are to be understood as the realm of spontaneous process, of unintended consequences, of naturalistic growth, or, on the contrary, or somehow in addition, as structures depending upon intention and will, is perhaps the largest of the problems central to Hayek's work.

As social science, to extend this point, Hayek's work may be read as a running critique of Plato, departing from a sharp rejection of the view (*Republic*, 497c-d) that there must be some locus within an order from which that order is fully comprehended and guided; from this rejection stems that stress upon spontaneous process, upon what men do "without thinking and knowing" as Bernard Mandeville seminally put it (262), which underpins all Hayek's fundamental concepts, and which, as he insists, distinguishes the social science of the post-Enlightenment period from earlier traditions of political and social thought. But as political theory Hayek's writings present an order as something governed by ideas, "objective rules" as is surprisingly claimed at one point (139), which speak unambiguously to those who,

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“undeceived” (196), are open to them. At bottom, it does not appear to be political power that engages his interest, but the power of thought; and politics, in which thought is characteristically so adulterated by interest, is not something that he admires with any warmth. Politics might well be located (as Aristotle came close to doing) precisely in the contentiousness of the notion of justice; and perhaps Hayek’s residual Platonism is nowhere better displayed than in his central view that such contentious beliefs are *ipso facto* snares or “mirages”, and are to occupy no place in the sane polity, in which, thanks to consensus, the differences among men become the source of harmonious complementarity.

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