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# COSMOS +TAXIS

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COVER IMAGE
**Battersea Power Station**
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## EDITORIAL BOARDS

# A Hayekian Social Science of Science

SCOTT SCHEALL
University of Austin

> There seems to me to exist a sort of rationalism which, by not recognizing [the] limits of the powers of individual reason, in fact tends to make human reason a less effective instrument than it could be…[T]he best name for this kind of naïve rationalism is rationalist constructivism. It is a view which in the social sphere has…wrought immeasurable harm [.] Rationalism in this sense is the doctrine which assumes that…we have it in our power so to shape our institutions that of all possible sets of results that which we prefer to all others will be realized; and that our reason should never resort to automatic or mechanical devices when conscious consideration of all factors would make preferable an outcome different from that of the spontaneous process.
>
> – F. A. Hayek, "Kinds of Rationalism" (2014 [1964a], pp. 41-42)

F. A. Hayek was not a philosopher of science or, for that matter, a sociologist of science, but there are several reasons to consider the significance of his work for philosophical and social-scientific inquiry into the nature, and practice, of science. Hayek, co-recipient of the 1974 Nobel Prize in economics, made important contributions to the methodology of the social sciences, especially that of economics, his first discipline. He counted several significant philosophers of science, Karl Menger, Karl Popper, and Michael Polanyi, among his friends, and considered another, Otto Neurath, a foil, if not an adversary. Indeed, although he actually attributed the term to Neurath (Hayek 1992 [1967], pp. 173-4), who apparently used it as a positive epithet for his own view, Hayek is sometimes credited with originating the term *scientism*, the methodological assumption that the methods of the natural sciences can be transferred with little loss and significant gain to the social sciences. Whether he originated the term or not, Hayek's (2010 [1952], p. 80) well-known critique of the scientistic assumption is powerful. Scientism is

> an attitude which is decidedly unscientific in the true sense of the word, since it involves a mechanical and uncritical application of habits of thought to fields different from those in which they have been formed. The scientistic as distinguished from the scientific view is not an unprejudiced but a very

> prejudiced approach which, before it has considered its subject, claims to know what is the most appropriate way of investigating it.

Hayek may have even contemplated joining the Vienna Circle of Logical Positivism, but was apparently turned off, perhaps by Neurath's socialist politics (Smith 1990, p. 220). Hayek was a distant cousin of Ludwig Wittgenstein and claimed to have been among the first to have read Wittgenstein's *Tractatus Logico-Philosophicus* (1992 [1977], p. 178). Hayek (2017 [1952]) also developed a theoretical psychology that both foreshadowed modern connectionist (or "neural network") theories of cognition and implied a naturalistic-evolutionary epistemology. As I argue in the present paper, Hayek's work bears important implications for methodological inquiry into the nature and practice of science.

## A PRELIMINARY PROVISO

My aim here is to build a Hayekian approach to the analysis of science from various relevant elements of Hayek's canon. However, I am careful to not claim that my discussion expresses *Hayek's* theory of science. Again, Hayek had no such theory or, at least, never enunciated one. My thesis is that, if put together in an appropriate way, the many things that Hayek wrote that are of relevance to science, imply an interesting, insightful, and potentially fruitful way of thinking about the nature of scientific-theory choice and scientific discovery, and the relationships among the various scientific disciplines. Though I build upon historical material, my argument here is meant to be more forward- than backward-looking. I mean to describe an approach to the investigation of the nature and practice of science that might be put to work in future analyses. With this goal in mind, I freely marry various parts of Hayek's writings that he never put together himself, fill in gaps necessary to synthesize elements of his work, and rely when appropriate on the more recent work of later scholars in the Hayekian tradition.

Thus, there is a sense in which the present work is an exercise in imaginary history: Hayek did not consider at length or in detail the significance of his work for the nature and practice of science; but, if he had, his analysis would likely have looked like the one offered here. Moreover, I argue that Hayek might have contributed to various discussions surrounding the study of science, had he engaged them at the time he was developing many of the ideas relevant to the analysis offered here. A Hayekian analysis of science turns out to be thoroughly *modern*, without being *post-modern*. It holds that inquiry into the rules governing scientific practice should be an empirical rather than an *a priori* exercise. It further implies that no single set of rules is adequate to express the many and multifaceted glories, and ignominies, of practice across the entire array of scientific disciplines. However, it denies that "anything goes" in science, that the only rule of science is that there are no rules in science (Feyerabend 2010 [1975]).

## KINDS OF SCIENTIFIC RATIONALISM: A HAYEKIAN META-METHODOLOGY

Hayek's understanding of the relationship between the natural and social sciences changed considerably over his career. He eventually rejected his early dualistic position that the natural and social disciplines are methodologically distinct in favor of the view that the sciences are differentiated less by any distinction in method, or the logic by which they arrive at their law-like statements, than by the degrees of complexity of models required to explain their respective phenomena (Hayek 2014 [1964b], pp. 260-261). Some phenomena can be fully explained by models consisting of relatively few variables in a closed system; at the opposite end of this extreme lie phenomena that can be fully explained only by models consisting of a large number of variables interacting with the environment in an open system. Phenomena become increasingly *complex* (in the Hayekian sense) as one moves from phenomena at the former to those at the latter extreme. Hayek's later conception of the relationships among the sciences replaced the dichotomy of natural *versus* social sciences with a continuum of sciences that study phenomena of increasing degrees of complexity.

The more complex the model required to explain some phenomena, the more difficult it is to discover all of the theoretical elements and gather all of the empirical data required to fill in the model well enough to generate an adequate explanation. We can explain and predict simple phenomena as well as we might like, but we can explain and predict more complex phenomena only to a limited degree. In the sciences that study complex phenomena, we may be able to explain the principle or mechanism that gives rise to all, but we cannot account for all of the details of particular, instances of the phenomena under investigation. Similarly, in these sciences, we might predict patterns to be observed in, but not all of the specific details of, every instance of the phenomena.

In a science of simple phenomena, like Newtonian physics, we can typically explain and predict, say, the trajectory of a rocket in space, both in general and in particular instances, with a degree of precision adequate to whatever our purposes might be. On the other hand, in a science of complex phenomena like, say, biology, we can explain why every organism has certain traits in common with its ancestors, but we cannot explain exactly why a particular organism has all of the traits that it does. We understand the principles and mechanisms of biological descent well enough to pattern-predict that an organism will share various traits with its ancestors, but we neither understand these mechanisms well enough nor possess the data necessary to predict with precision which traits an organism will acquire from which of its ancestors. Similarly, in another science of complex phenomena like, say, economics, we can pattern-predict that every price increase will have certain kinds of effects on the supply of and demand for relevant goods, but we cannot predict the precise magnitude or the exact temporal course of these effects. We know that doubling the price of coffee, other things equal, will encourage consumers to switch to tea and other beverages, but we know neither which consumers will make the switch from coffee specifically to tea rather than, say, to cola, nor when these decisions will affect beverage markets.

The relevant difference is that, in sciences of simple phenomena, for most intents and purposes, we know the causal factors that impinge on the phenomena under investigation (say, the trajectory of a rocket in space)—we even know and can account for many of the *ceteris* that complicate applications of a theory to pertinent phenomena when they do not remain *paribus*—and can acquire the relevant data regarding these factors. One or both of these conditions fails to obtain in the sciences of complex phenomena. The sciences of complex phenomena confront either a "theory problem" or a "data problem," or both, i.e., they lack either part of the theoretical knowledge or some of the empirical data (or both) required to generate full explanations, and precise predictions, of relevant phenomena (Scheall 2015). The sciences of complex phenomena are limited to explanations of the principle that gives rise to, and pattern predictions of, relevant phenomena. The sciences of simple phenomena are not constrained in this way.

This conception of sciences as differentiated by the varying degrees of complexity of adequate models of their phenomena and the constraints this complexity (given our limited epistemic capacities) places on our ability to account for more complex phenomena implies a distinction in the expectations, and methodological attitudes, that are reasonable to adopt in different sciences. In a science that has shown itself capable of explaining and predicting relevant phenomena with adequate precision it is reasonable to adopt an attitude that Hayek (2014 [1964a]) called "constructivist," i.e., it is reasonable to expect models that explain and predict with a high degree of precision, and to adopt the methodological attitude that the construction of such models is the appropriate goal of inquiry. The evidence exists with respect to the explanatory capacities of such sciences to support and justify a constructivist attitude. However, where no such evidence exists, in sciences that have not proven capable of constructing models that fully explain and precisely predict the details of relevant phenomena, the constructivist attitude is at least premature, if not permanently misplaced. In keeping with the more limited explanatory and predictive capacities of such sciences, the ambitions of scientists who investigate more complex phenomena must be humbler, if they are not likely to be disappointed. Hayek described the methodological attitude appropriate to the sciences of complex phenomena variously as "anti-rationalist" (following David Hume; Hayek 2014 [1964a], p. 41) or "critically rationalist" (following Popper; Hayek 2014 [1964a], p. 53). More recent Hayekians have described it as "ecological" rationalism (Smith 2008), an attitude that recognizes some phenomena as unintended or spontane-

ous products of evolutionary forces which are, at least in the existing state of knowledge, beyond the direct ken and control of individuals. Simply put, constructivism is an appropriate methodological attitude only where scientists confront simple phenomena that the evidence indicates can be fully explained and predicted; everywhere else—everywhere this evidence is lacking—constructivism is inappropriate and the scientist should adopt ecological rationalism.

With regard to investigations of science itself, Hayek's differentiation of the sciences in terms of the degrees of complexity of adequate explanatory models implies a meta-methodology, i.e., a methodology for the methodological investigation of various sciences: an investigator of the nature and practice of some science should be an ecological rationalist until the evidence is available to support a constructivist attitude; one should not expect *a priori* to fully explain the nature and practice of a science.

On Hayek's later, more sophisticated, conception of the relationships among the sciences, which denies the strict dichotomy he had previously ascribed to the natural and social sciences, scientism is the assumption that the methods of sciences that study relatively simple phenomena are adequate to and appropriate for sciences that study relatively complex phenomena.[1] The defender of scientism rejects the distinction between sciences of simple and complex phenomena, and, thus, denies that varying methodological attitudes are appropriate to the varying degrees of complexity. The scientistic assumption is that all phenomena can be fully explained by models consisting of relatively few variables in a closed system.

For my purposes here, the question is whether it is appropriate to adopt a constructivist attitude toward the nature and practice of science, an attitude that assumes these phenomena to be amenable to complete reconstruction? Or is it more reasonable to adopt an attitude of ecological rationalism that aims merely to explain the principle of science and predict patterns in scientific activity? Are the phenomena of scientific practice simple or complex?[2] Is a science that investigates science one of simple or of complex phenomena?

## HAYEK'S INTRINSICALLY SOCIAL CONCEPTION OF KNOWLEDGE

For Hayek, the central problem of the social sciences was epistemic. How is it, Hayek (2014 [1937]) asked, that we can come to know the world or a particular domain of the world, including our fellow human organisms and their relevant activities, well enough to not only survive its conditions, but to occasionally thrive in and sometimes even improve them? More to the point, how is this possible *given* that each of us is quite far from omniscient and omnipotent, indeed, that none of us ever knows more than a tiny fraction of everything that might be known or might be relevant to the success of our actions? "[T]he knowledge of the circumstances of which we must make use never exists in concentrated or integrated form but solely as the dispersed bits of incomplete and frequently contradictory knowledge which all the separate individuals possess" (Hayek 2014 [1945], p. 93; italics added). Human knowledge, according to Hayek, is *fragmented*, *dispersed*, and often *contradictory* across many minds; yet, we are able to act, in some circumstances at least, as if we possessed all of the knowledge required for the success of our actions or, what is the same thing, as if our actions were controlled by an omniscient and omnipotent puppet-master. "How can the combination of fragments of knowledge existing in different minds bring about results which, if they were to be brought about deliberately, would require a knowledge on the part of the directing mind which no single person can possess?" (Hayek 2014 [1945], p. 76). How do we ever manage to act successfully in the world given that we only rarely, if ever, know everything that might determine the success of an action?

Hayek's theoretical psychology has been described and discussed in detail in many other places (for one example, see Scheall 2020). Hayek's theory of mind is less relevant in the present context than the evolutionary epistemology that falls out of it.

To anyone familiar with the history of epistemology, it should be obvious from the comments in the preceding paragraph that Hayek's conception of knowledge was not the *justified true belief* (JTB) notion widely accepted throughout most of the history of Western philosophy (until, that is, Gettier [1963]). If the knowledge possessed by different individuals is "frequently contradictory," as Hayek says, then *truth* cannot

be a necessary condition for knowledge on his account—if it were, then one or both of a pair of individuals whose "knowledge" was contradictory would not in fact *know* in the JTB sense.

Moreover, the concept of *epistemic justification* means something different in a naturalistic-evolutionary epistemology like Hayek's than it does in the normative epistemological tradition from which the JTB conception of knowledge emerged (Scheall 2020). Hayek constantly emphasized the unconscious or *tacit* nature of much of our knowledge, i.e., knowledge that we possess, but that we may not know that we possess, even if it may implicitly figure in our decision-making. If a belief is justified to the extent that the epistemic subject can give an explicit reason for her belief, then, since many of our beliefs and many of the reasons for our beliefs may be held only tacitly, justification cannot be a necessary condition for knowledge. On the other hand, if a belief is justified to the extent that it was caused by some experiences in the epistemic subject's ontogenetic and phylogenetic development, then, since all beliefs trivially satisfy this condition on Hayek's evolutionary epistemology, all beliefs count as knowledge (given that truth is not a necessary condition for knowledge, on Hayek's conception). Thus, on Hayek's epistemology, either because epistemic justification cannot be a requirement for knowledge or because all beliefs are trivially justified, all beliefs count as knowledge. The only element of the traditional definition of knowledge that Hayek accepted was that *knowledge* is a species of *belief*.

For Hayek (2014 [1969], p. 320), "'knowledge' of the external world which […] an organism possesses consists in the action patterns which the stimuli tend to evoke." What an organism—for our purposes, a person—knows is everything that, explicitly or tacitly, figures in its effective or successful responses to relevant features of the environment, including the actions of other persons. Put another way, a person's knowledge consists of the elements of any *plans* they might (if only in principle) make, implement, and successfully effect for acting in, and interacting with, features of the environment, including other persons.

However, the problem remains how a person's knowledge becomes so well adapted to the environment, including the knowledge possessed by relevant other persons, that they are able to respond effectively to and act successfully within the environment. If a person knows everything that figures in its successful actions, what is the epistemological significance of the fact that only some actions are successful, while others end in a degree of failure? Hayek (2014 [1937], p. 60; italics added) distinguished between a person's *subjective data* (or knowledge / beliefs), i.e., "the things as they are *known to* (or *believed by*) him to exist," and the *objective data*, i.e., relevant environmental conditions, including other persons' subjective data and the plans each person bases upon their respective subjective data. "[O]ne of the main problems [the social sciences] have to answer" is how plans based upon the unique subjective data of different individuals, partially inconsistent with relevant external conditions, including the subjective data and plans of other persons, come to be coordinated with these objective data (Hayek 2014 [1937], p. 63).

Beliefs that figure in plans that can be effectively implemented to realize their respective goals hold a special place in Hayek's theory of knowledge. Indeed, perhaps the best way to understand Hayek's evolutionary epistemology is to recognize that he replaced the *truth* and *justification* requirements of the JTB conception of knowledge with a criterion of *actionability*. To say that a persons' knowledge is coordinated with the objective data, including the knowledge possessed by other persons, is to say that she can use her knowledge to make a plan directed toward some goal, implement the plan, and realize the goal on its basis. It is to say, in other words, that her knowledge permits her to act effectively in the prevailing environment. The beliefs that hold a special place in Hayek's epistemology are not necessarily true or justified beliefs, but those that might figure (if only as an implicit premise) in a successful action plan.

In the next section, I consider Hayek's answers to the question how individual knowledge comes to be adequately adapted to environmental conditions to permit successful plan-based action. For the moment, it is important to simply note the inherently social nature of human knowledge on Hayek's conception. Each person's subjective data—their knowledge or beliefs—constitute part of the objective data to which other persons must adapt, if they are to act successfully according to their plans. For Hayek, the effectiveness of a person's knowledge for the purposes of her planning is a matter of adaptation to her fellow persons, among other features of the environment.

In order to either explain how some person acquired an item of knowledge or predict the beliefs a person will hold in the future, one would need both a complete accounting of the person's history, all of her engagements with the environment, including all of her interactions with other persons and their respective subjective knowledge—in effect, the person's complete natural and social history—*plus* a fully-specified theory of how knowledge is acquired through such engagements and interactions. Knowledge acquisition could be a simple phenomenon only if both of these conditions were met—i.e., only if explanations and predictions of knowledge acquisition faced neither the theory nor the data problems. Suffice it to say that, in the current state of knowledge, neither condition is met—we do not possess a lacuna-free theoretical understanding of human knowledge acquisition or any person's full biographical details—and that belief formation, therefore, is a complex phenomenon. Accordingly, an attitude of ecological rationalism is the appropriate one to adopt in attempts to explain and predict the formation of beliefs, including beliefs in and about various scientific theories.

## SOCIAL ORDER AS AN EPISTEMIC PHENOMENON

Hayek's answer to the question how a person's subjective data come to be coordinated with relevant objective data is that various mechanisms operate in certain domains of society that provide knowledge—importantly, in a streamlined and economized form—necessary to plan and act effectively in the domain. There are, in the first instance, systems of general rules of social conduct that tell persons what to do in particular circumstances on the basis of limited knowledge of these circumstances. There are various *institutions*, social *customs*, *traditions*, *norms*, and *mores* that provide economized knowledge about social conduct that has proven successful in similar circumstances in the past, and which thereby shape individuals' expectations about the conduct of others, while informing and motivating their own conduct. To the extent that these rules are followed by individuals operating in a particular social domain, individuals are better able to adapt their decisions to changing conditions without needing much knowledge of relevant circumstances. Such rules economize on the knowledge required to act effectively in the given domain. For example, to the extent that automobile drivers all follow the "rules of the road," they need know little about other drivers on their morning commute in order to arrive safely at work. In the absence of such rules, however, drivers would have to know quite a lot about the particular physical and psychological circumstances of other drivers on their local roads in order to travel safely. Though, of course, many other kinds of knowledge are also necessary to operate a motor vehicle, the "rules of the road" at least economize on the knowledge of their fellow motorists that drivers require to arrive safely at their respective destinations.

Then, there are those mechanisms that provide signals that individuals need to adapt to changing circumstances about which they would otherwise, in the absence of such signals, likely remain ignorant. Thanks to Hayek's (2014 [1945]) famous explication of its epistemic function, the best-known and best-understood example of such a signaling mechanism is the price system in a competitive market economy. According to Hayek, price changes provide knowledge to individual market participants that they need to adapt to varying supply and demand conditions, knowledge that they would typically lack were it not for the price system. This knowledge comes in a highly economized form: where the price system is functioning properly, in order to adapt to changing supply and demand conditions, market participants need only watch and respond to price signals concerning goods relevant to their own production and consumption decisions; they need know nothing about the *causes* or *magnitudes* of the causes of some price change, i.e., whether it is a consequence of changes on the supply or demand side (or both) of the relevant market, whether it results from a weather related-supply shock of a particular kind and extent, or from corporate collusion. In the absence of the economized knowledge provided by the price system, such knowledge of the causes of changing market conditions and their magnitudes (not to mention, knowledge of the *significance* of these changes for an individual's future decisions) would be necessary to effectively adapt to these changes, knowledge that most market participants would only rarely, if ever, be in a position to acquire (Scheall 2020).[3]

This being said, the price system functions less effectively as a knowledge-coordinating device where it is manipulated for reasons exogenous to relevant markets, i.e., where price signals reflect considerations other than changing supply and demand conditions. Where prices are beholden to political considerations or particular corporate interests, or are for any reason made to reflect considerations other than market participants' beliefs about prevailing market conditions, they also fail to provide the knowledge that market participants need to effectively adapt to these conditions.[4] In order to coordinate peoples' beliefs about pertinent environmental conditions, including the beliefs of other persons in the environment, knowledge-coordinating mechanisms such as the price system cannot be manipulated for reasons or purposes exogenous to their respective domains.

To the extent that such mechanisms exist in a particular social domain—be it the entire global economy, a local market for a particular good, the entire international community of scientists, or the scientists associated with a particular research tradition in, say, development economics—and are allowed to function without exogenous interference, the individuals acting in this domain will be able to adapt their knowledge and, thus, their plans, to relevant circumstances; they will be able to act effectively without running into each other or other elements of the environment. Such social domains will be *ordered* or *orderly*, i.e., display recurrent and predictable (to some degree) patterns of activity, to the extent that individuals can plan and act effectively on the basis of their knowledge and learning capacities, which is to say, to the extent that prevailing rules of social conduct are adapted to relevant environmental conditions and knowledge-coordinating mechanisms exist to economically inform actors of relevant changes in these conditions.[5] Social *disorder* in some domain, on the other hand, is a consequence of either 1) the absence of rules of social conduct that guide the activities of individuals and make their relevant decisions in the domain to some degree predictable, 2) the inappropriateness of prevailing systems of rules of social conduct in the particular environment in which members of the relevant group act (Hayek 2014 [1967a], 279–280), or 3) the absence of mechanisms that tell individuals in the domain what to do in response to changing environmental circumstances. Social order and disorder are epistemic phenomena.

## COMPLEX SOCIAL ORDERS

Hayek's use of the cognate terms *order* and *orderliness* (nouns), *to order* and *to be ordered* (verbs), and *ordered* (adjective) or *orderly* (adjective or adverb), was not always as clear as it probably should have been. An *order* is an emergent object that exhibits a degree of *order* or *orderliness*, i.e., patterns of activity that are to some degree recurrent. However, an order may be of almost any degree of orderliness, from relatively well-ordered to relatively disordered; an order can be more or less orderly, or well-ordered, in other words.

An order emerges from the rule-guided activities and interactions of a group of elements, which may be, but need not be conscious organisms. Hayek ([1967a] 2014, pp. 278-279) emphasized the importance of distinguishing between the systems of rules followed by the individual elements and the orders that emerge at the group level from the observance of a system of rules well-adapted to its environment. For example, Hayek (2014 [1975], pp. 370-371) distinguished between the rules followed by the individual players of some game or sport, and the more or less regular pattern of plays of such a game that follow from this rule-following conduct, and from which the game's results emerge. The properties of such orders cannot be reduced to the properties of their elements in isolation, but emerge from the rule-guided interactions both among various proper subsets of their elements, and among the (proper and improper) subsets of their elements and the environment. Whether one team or the other wins some competitive sporting match depends on the rule-guided interactions of the members of each team both with each other and with other relevant environmental circumstances; the result of the match cannot be reduced to the properties of the players in isolation from the rules they follow and the environment in which they follow these rules. If we placed the same athletes in different environmental conditions and / or changed the rules according to which they interact—e.g., if the same athletes were made to compete in an entirely different sport—the results would not be the same.

Hayek (2014 [1967a], p. 278; italics added) defined a "rule of conduct" as a "statement by which a *regularity* of the conduct of individuals can be described, irrespective of whether such a rule is 'known' to the individuals in any other sense than that they normally act in accordance with it." Thus, the rule-following elements of a complex order need not be conscious organisms. According to Hayek, the activities of non-conscious "galaxies, solar systems…and social orders" as well as those of conscious organisms (Hayek 2014 [1967a], p. 286) cannot be reduced to the properties of their elements alone, but emerge from rule-guided interactions both among various proper subsets of their elements, and among the (proper and improper) subsets of their elements and the environment.[6] Social orders are simply those unique orders the elements of which are conscious organisms.[7]

Systems of rules of conduct may be transmitted either genetically or culturally (Hayek 2014 [1967a], p. 278). With regard to culturally-transmitted systems of rules, Hayek distinguished between those rule-systems deliberately designed and imposed from above, which give rise to what he called "organizations" (Hayek 2014 [1967a], p. 278n), and those that emerge from the bottom-up in an undesigned and uncontrolled evolutionary process over a (typically long) period of real historical time, which manifest what he dubbed "spontaneous orders" (Hayek 2014 [1967a], p. 286).[8] The social orders observed in practice are typically products of mixtures of genetically-transmitted and culturally-transmitted—some deliberately-imposed and some spontaneously-evolved—systems of rules.[9]

Not just any old system of rules of conduct will give rise to an order at the level of the collective. Whether and to what extent orderliness emerges from conduct guided by a particular system of rules depends on the degree to which the rules are fitted to the environmental circumstances in which the members of the relevant group must act (Hayek 2014 [1967a], p. 280). Some systems of rules may promote the emergence of orderliness, say, under peaceful conditions but not under conditions of war, or in a free society but not in a totalitarian dictatorship, or in some technological circumstances and not in others, or in good weather but not in bad, etc. Moreover, because orderliness is a matter of degree, i.e., a question of the extent to which the system of rules governing the activities of the elements of a group is adapted to prevailing circumstances, the degree to which an order is orderly will change over time with changes in environmental conditions (Hayek 2014 [1968], pp. 308-309).

To fully explain or precisely predict the manifestations of complex orders, scientists of these phenomena must possess knowledge not only of the pertinent properties of both the elements and relevant environment conditions, but also of the prevailing systems of rules of conduct according to which the various subsets of elements interact both with each other and with relevant features of the environment. Naturally, as the number of elements or the number of relevant environmental circumstances increases, as the number of rules governing their individual conduct increases or the content of the rules becomes more obscure, the order exhibits increasing complexity in Hayek's sense, i.e., the requirements of adequate explanatory models grow more onerous, and it becomes concomitantly more difficult for scientists to reconstruct them in full.

Social orders are unique among complex orders in that their elements—conscious organisms or, more exactly, the *minds* of organisms—are, according to Hayek's (2017 [1952]) theoretical psychology, themselves complex orders "whose chance to persist depends on (or at least is improved by) their being part of the more comprehensive [social] structure" (Hayek 2014 [1967a], p. 288):

> We have to deal here with integration *on at least two different levels*, with on the one hand the more comprehensive order assisting the preservation of ordered structures on the lower level, and, on the other, the kind of order which on the lower level determines the regularities of individual conduct assisting the prospect of the survival of the individual only through its effect on the overall order of the society. This means that the individual with a particular structure and behaviour owes its existence *in this form* to a society of a particular structure, because only within such a society has it been advantageous to develop some of its peculiar characteristics, while the order of

> society in turn is a result of these regularities of conduct which the individuals have developed in society (Hayek 2014 [1967a], p. 288; italics added).

The survival of a group of organisms depends on the orderliness of its society. A disorderly society means it is relatively more difficult for organisms to adapt to each other and their environment; it means that their expectations are regularly disappointed and their plans frequently fail. Social disorder makes survival more difficult. Survival prospects are improved inasmuch as individual organisms adhere to rules of social conduct that are well-adapted to prevailing environmental circumstances. Given that these latter conditions are in constant (albeit more or less gradual) flux, the persistence of a social order (and, thus, of its members) requires continual adaptation of the system of rules that guide the activities of its members to evolving environmental conditions (Hayek 2014 [1967a], p. 280, p. 282).[10]

The conduct of an individual organism is never fully determined by the (social) rules it follows, but always in conjunction with its own internal impulses. The parenthetical "social" is necessary because, if there is anything to Hayek's (2017 [1952]) proto-connectionist cognitive psychology, then an organism's internal impulses emerge from the rules governing the conduct of the neuronal elements of its central nervous system that, together with the external stimuli constantly impinging upon its central nervous system, determine its sensory experiences. Individual members of the same group will thus at any given moment follow different rules as determined by their unique internal impulses.[11] An organism's conduct thus emerges from the interaction of environmental stimuli and systems of rules on multiple levels, i.e., both at the "lower" level of rules governing the conduct of neurons and the "higher" level of rules regulating the social conduct of organisms.

Whatever the cause of some particular action of an individual member of a group, that it participates in a system of rules of social conduct from which a high degree of orderliness emerges will be indicated by the cessation of the motivating force of the initial cause of the action (Hayek 2014 [1967a], p. 280). In other words, whatever craving or discomfort might prompt an individual to act in particular circumstances, if she lives in an orderly society and behaves in accordance with the system of rules of conduct from which this orderliness emerges, her actions and those "of the different individuals will be so coordinated, or mutually adjusted to each other, that the result of their actions will remove" the motivating uneasiness (Ibid.). Whatever it is that stimulates my desire for prodigious quantities of sweet pastries and whatever reasons inspire the proprietor of my local *patisserie* to sell sugary bits of baked dough, the fact that we live in an orderly society that emerges from the observance of certain rules of social conduct (which neither I nor my local *pâtissier* need know or be able to state explicitly) facilitates the fulfilment of our respective yearnings.

## SCIENCE AS A COMPLEX SOCIAL ORDER

If it is ever the case that a degree of social order emerges in a scientific domain, then it is a consequence of individual scientists conforming to rules of conduct that, in both their mutual interrelations and external connections with the environment, suffice for the emergence of this degree of orderliness. Following Hayek (2014 [1967a], p. 279), if we define the different elements of a group in terms of the rules that regulate their conduct, then we can define scientists as a group of individuals who, in their activities in a particular domain, are regulated by a specific system of rules of conduct (not all of which the scientists need know or be able to state explicitly). Likewise, we can define, say, natural scientists (or social scientists) as a group of individuals who follow a specific system of rules of conduct that overlaps and extends beyond the system of rules of conduct from which the broader scientific order emerges. In other words, natural scientists follow the rules that all scientists follow, plus some others unique to the investigation of natural phenomena. This same classification procedure might be applied at the level of the members of particular disciplines within the natural and social sciences, and, again, at the level of the members of particular research traditions within these disciplines and, yet again, to the members of any sub-traditions within these research tradi-

tions. Such a conception implies an image of the relations among systems of rules of conduct that are observed on various levels of scientific activity that might look something like this:

| | | |
|---|---|---|
| Scientists: | All follow: | $A = R_1, R_2, \ldots, R_a$ |
| Natural Scientists: | All follow: | $B = A, R_{NS1}, R_{NS2}, \ldots, R_{NSb}$ |
| Physicists: | All follow: | $C = B, R_{P1}, R_{P2}, \ldots, R_{Pc}$ |
| String Theorists: | All follow: | $D = C, R_{ST1}, R_{ST2}, \ldots, R_{STd}$ |
| Loop Quantum Gravity Theorists: | All follow: | $E = C, R_{LQG1}, R_{LQG2}, \ldots, R_{LQGe}$ |
| Chemists: | All follow: | $F = B, R_{C1}, R_{C2}, \ldots, R_{Cf}$ |
| Organic Chemists: | All follow: | $G = F, R_{OC1}, R_{OC2}, \ldots R_{OCg}$ |
| Inorganic Chemists: | All follow: | $H = F, R_{IC1}, R_{IC2}, \ldots R_{ICh}$ |

And so on with regard to other natural-scientific disciplines, research traditions, and yet finer-grained distinctions;

| | | |
|---|---|---|
| Social Scientists: | All follow: | $I = A, R_{SS1}, R_{SS2}, \ldots, R_{SSi}$ |
| Economists: | All follow: | $J = I, R_{E1}, R_{E2}, \ldots, R_{Ej}$ |
| Austrian Economists: | All follow: | $K = J, R_{AE1}, R_{AE2}, \ldots, R_{AEk}$ |
| Hayekian Austrians: | All follow: | $L = K, R_{HA1}, R_{HA2}, \ldots R_{HAl}$ |
| Misesian Austrians: | All follow: | $M = K, R_{MA1}, R_{MA2}, \ldots R_{MAm}$ |
| Keynesian Economists: | All follow: | $N = J, R_{K1}, R_{K2}, \ldots, R_{Kn}$ |
| Post-Keynesians: | All follow: | $O = N, R_{PK1}, R_{PK2}, \ldots, R_{PKo}$ |
| New Keynesians: | All follow: | $P = N, R_{NK1}, R_{NK2}, \ldots, R_{NKp}$ |
| Sociologists: | All follow: | $Q = I, R_{S1}, R_{S2}, \ldots, R_{Sq}$ |
| Marxist Sociologists: | All follow: | $R = Q, R_{MS1}, R_{MS2}, \ldots R_{MSr}$ |
| Durkheimian Sociologists: | All follow: | $S = Q, R_{DS1}, R_{DS2}, \ldots, R_{DSs}$ |

And so on with regard to other social-scientific disciplines, research traditions, and yet finer-grained distinctions.

What this table is meant to illustrate is that to the extent there is a scientific order occupying some district of a broader social order, there must be a system of rules (A) followed by a proper subset of the individual members of society, i.e., by "scientists."[12] Similarly, the table indicates that to the extent there is a natural-scientific order within the broader scientific order, there must be a system of rules that is followed by a proper subset of scientists, i.e., by "natural scientists." Given that natural scientists are scientists, the system of rules followed by natural scientists encompasses the rules followed by scientists (i.e., A) and then some. Likewise, the table shows that to the extent there is a physical-scientific order within the broader natural-scientific order and, thus, within the still broader scientific order, there must be a system of rules that is followed by a proper subset of natural scientists, i.e., by "physicists." Again, since these physicists are natural scientists and, therefore, scientists, they share certain rules (i.e., B) with all other natural scientists and, thus, share a set of rules (i.e., A) with all other scientists. And so on.

Of course, the mere existence of a system of rules of scientific conduct, while necessary, cannot suffice for the emergence of scientific order in some domain. The rules have to be adequately well-adapted to prevailing environmental conditions, including not only the particular phenomena that members of the scientific domain investigate (more on which anon) but the rules from which emerge other relevant orders, social and otherwise, in the vicinity. The emergence of orderliness at the level of science (as a whole) requires that the relevant system of rules of conduct (i.e., A) be adapted not only to the phenomena under investigation, but also to the system of rules of conduct from which the broader social order emerges.[13] Something similar can be said about any orders that might emerge at lower levels of scientific activity: i.e., among the circum-

stances to which a system of rules of conduct must be adapted if it is to give rise to orderliness in the activities of, say, natural scientists, are the rules the observance of which might give rise to order in the activities of the broader community of scientists. Likewise, among the circumstances to which a system of rules of conduct must be adapted if it is to give rise to order in the activities of physicists are the rules that give rise to orderliness in the activities of the broader community of natural scientists; and so on down the various levels of scientific activity to the members of particular disciplines, research traditions, sub-traditions, etc. Science will be orderly to the extent that the rules of different sciences, disciplines, research traditions, and sub-traditions are all well-adapted both to each other, to the particular phenomena they respectively investigate, and to any other relevant environmental circumstances.

This is to say that if any such system of rules is so internally and externally well-adapted as to give rise to orderliness at the relevant level of scientific activity, we will be dealing with integration among orders on at least *three* levels, i.e., the comprehensive social order that facilitates the persistence of scientists (and other persons), the mental order of the individual scientist that determines her internal impulses, and an order on at least one intermediate level—that of the scientist's respective scientific discipline, research tradition, sub-tradition, etc. This intermediate order, too, will facilitate the persistence of the scientist *in a particular form* (i.e., *qua* string theorist or *qua* physicist, or *qua* natural scientist, etc.), while, at the same time, both contributing its part to the emergence of broader social orders and depending for its own survival on the rule-guided conduct of individual members.[14] The survival of an order at an intermediate level of scientific activity between that of the individual scientist's mind and that of society itself requires both adequate membership from the lower level of individual members, and adaptation to environmental circumstances, especially to the specific phenomena investigated by the individual members of the group, and to any other relevant systems of rules of social conduct.

In short, if the phenomena of scientific activity are complex in Hayek's sense, then the individual scientist owes her existence *in a particular form* to multiple levels of orders to whose rules she subscribes, because only within such orders has it proven felicitous to develop her unique characteristics, while a social order at any particular level persists only because both individual members act in accordance with the rules from which it emerges and it is sufficiently well-adapted to its environment, including to any other systems of rules of conduct in the vicinity.[15]

## THE KNOWLEDGE-COORDINATING AND ORDER-PROMOTING FUNCTION OF SIGNALS CONCERNING SCIENTIFIC REPUTATIONS

William Butos and Thomas McQuade (2012; also see Butos and Koppl 2003), have argued that there is a mechanism in scientific domains that serves a knowledge-economizing and knowledge-coordinating function similar to that attributed by Hayek to the competitive price system.[16] This mechanism serves to ensure that the beliefs of scientists are reasonably well-coordinated relative to the ever-changing environment or, more exactly, to other scientists' beliefs about environmental circumstances; which is to say, this mechanism ensures that scientists' beliefs are adapted both to each other and, as far as possible for fallible human beings, to the ultimate crucible of scientific knowledge, the particular phenomena under investigation in a given scientific domain. It is through this epistemic mechanism that a consensus concerning the truth of some phenomena emerges in a particular scientific domain and, moreover, ensures a reasonable degree of correspondence between the consensus and relevant environmental conditions, thereby promoting the actionability of plans in which the consensus belief figures as an (explicit or implicit) premise.

Butos and McQuade (2012) argue that the "publication-citation-reputation" (PCR) system provides signals to scientists that inform them what to do to adapt their activities to those of scientists in their respective scientific domain (and often to the activities of other scientists in different scientific domains). Positive or negative *citations* to a particular *publication* serve to, respectively, burnish or tarnish the publishing author's *reputation*, and thereby function as signals to scientists regarding the theoretical positions that other

scientists are accepting and rejecting at any given moment (also see Lavoie 2016 [1985b], p. 84). More exactly, the PCR system conveys knowledge to scientists that they need to adapt to environmental conditions, knowledge regarding their peers' assessments of competing theories, of the evidence relevant to such theories, of proposed changes to the existing system of rules of scientific conduct in some domain, and of how well particular scientists are conforming to pertinent prevailing rules of scientific conduct.

Scientists do not have infallible access to the phenomena they investigate; neither is science a method for the discovery of infallible truths. Scientists' understanding of relevant phenomena is necessarily filtered through their own and their peers' imperfect individual psychologies. The PCR system conveys scientists' impressions of these phenomena and of the comparative value of competing theoretical explanations, and thereby, helps other scientists to adapt their theoretical positions to those of their fellows.[17] Of course, all of these judgments are fallible and only tentatively held, and are continually revised as scientists' respective subjective judgments about the objective data are modified in virtue of changes in the objective data. The PCR system serves to guarantee that, for the purposes of planning and acting in some scientific domain (and often beyond it), the subjective data of individual scientists are sufficiently coordinated with the objective data.[18] The PCR system

> ensures that what is ultimately accepted as scientific knowledge has been exposed to the daylight of rational scrutiny. The scientific knowledge that emerges from the PCR process has been subjected to, criticized from the perspective of, and deemed in acceptable conformance with, the assessment standards of the relevant scientific community. It is through the PCR process that scientific error (or, worse yet, deliberate fraud) is identified and corrected (Scheall, Butos, and McQuade 2019, pp. 1-2).

The signals provided by the PCR process economize on the knowledge required to adapt to changing circumstances. Like the price system, provided that the system of publications, of positive and negative citations, and of the burnishing and tarnishing of authors' reputations, is not manipulated for purposes exogenous to the process—as long as it is permitted to register only scientists' judgments of competing theoretical explanations in light of considerations relevant to the particular scientific domain—many scientists will be able to respond effectively to new publications without ever having to actually read them for themselves (surely a mercy in an age when more scientific papers are published in most fields than working scientists can directly digest). Without requiring first-hand knowledge of their content, the PCR process informs scientists of much of what they need to know to adjust to new publications. All that is necessary is that *some* scientists read a publication and register their impressions, positive or negative, in subsequent publications that are also read and subsequently cited, positively or negatively. The reputations of not only those authors directly involved, but also of the authors of competing and complementary theoretical explanations, will be affected in the meantime. Through this institutionalized word-of-mouth (or word-of-pen) process, everyone whose plans might hinge on knowledge of relevant publications will acquire this knowledge, if only after some time and at several removes. As Hayek (2014 [1945], pp. 99-100) wrote about markets guided by competitive prices, "[t]he whole acts as one […] not because any of its members survey the whole field, but because their limited individual fields of vision sufficiently overlap so that through many intermediaries the relevant information is communicated to all."[19] This is how a scientific consensus emerges, is maintained, and eventually replaced, according to a Hayekian theory of scientific order.

Unfortunately, like the price system, the PCR process can be and often is manipulated for reasons exogenous to the process. Also like the price system, it is often, though not always, government officials who, with misplaced faith in their own knowledge of the objective data (well-intentioned though they may sometimes be), override the epistemic function of the PCR process for reasons irrelevant to the scientific domain. As with the price system, though corporate or other private interests might try to distort the PCR process for their own ends, to the extent that there are competing private interests impinging on the process from

multiple directions, these interests tend to neutralize each other. Moreover, the state is often the primary source of funding, the main regulator, and a significant beneficiary, of scientific research. Through these institutional functions, state officials can impose and ensure the acceptance of their favored theory of the relevant phenomena.[20] On the other hand, private interests often compete with each other and the net effect of their rival attempts to distort science in their favor tend to cancel each other out. It is therefore governments, with their monopolies on legal coercion, rather than corporations or other private concerns, that tend to pose the greater risk to the actionability of scientific knowledge. In any case, whatever the source of distortion in a particular case, the knowledge associated with an exogenously-determined and -imposed scientific consensus is likely to be less actionable than the knowledge that emerges from an unmanipulated PCR process (also see Lavoie 2016 [1985b], p. 84).

Some items of scientific knowledge, such as they are at any given time and place, typically figure in plans that individuals make for acting outside scientific domains. Every person benefits from their (perhaps only naïve, confused, and superficial) knowledge of Newtonian mechanics in their engagements with the physical environment. Inasmuch as an undistorted PCR process facilitates scientific order, it also promotes order in various social domains beyond science in which scientific knowledge commonly figures among the premises of action plans. On the other hand, a PCR process that has been manipulated for reasons and by forces exogenous to the relevant scientific domain contributes to disorder in the domain and, to the extent the scientific results of this domain figure in plans for acting outside it, beyond this domain, as well. A manipulated scientific consensus threatens not only the orderliness of the respective scientific domain, but, to the extent that related knowledge figures in plans made for acting outside this domain, the orderliness of these other social realms as well. Scientific disorder contributes to social disorder.[21]

The extent to which the activities of a group of scientists are well-ordered is a matter of the degree to which the conduct of relevant scientists is adapted to conditions in both the social and more narrowly physical environment. By economizing on the knowledge required to adapt to environmental circumstances, systems of rules of scientific conduct in conjunction with the PCR process promote scientific order. The absence of a pattern in the activities of a group of scientists in a particular scientific domain—i.e., scientific disorder in the domain—is thus a result of either an absence of a system of rules of conduct, the presence of an ill-adapted system of rules at the relevant level of activity, or the absence of well-functioning epistemic mechanisms that would serve to coordinate the knowledge and plans of relevant scientists.

## IMPLICATIONS OF THE HAYEKIAN THEORY OF SCIENTIFIC ORDER

### A Hayekian Social Science of Science

A Hayekian social science of science would aim to determine the extent of orderliness in particular scientific domains and explain the principle by which this orderliness emerges from the interaction among the observation by a group of individual scientists of a system of rules of scientific conduct, the ever-changing circumstances of the social and physical environment, and a knowledge-coordinating mechanism like the PCR process. Alternatively, a Hayekian social science of science might instead seek an explanation of the extent of *dis*order at some level of activity in either the absence or environmental incompatibility of either the prevailing system of rules of scientific conduct or relevant knowledge-coordinating mechanisms. The Hayekian social scientist of science might further aim to distinguish the environmental circumstances most conducive to the emergence of scientific order in general (i.e., more or less regardless of the rules observed) from those conditions in which the emergence of an order would require the observance of a particular system of specific rules of conduct. Similarly, the Hayekian social scientist of science might aim to identify the principles of operation of systems of rules of scientific conduct which, under the environmental conditions then prevailing, would give rise to scientific order. In short, a Hayekian social science of science would involve the development of models of hypothesized environments consisting of physical and social circumstances, and their marriage with postulated systems of rules of scientific conduct and other knowl-

edge-coordinating devices, and the drawing out of implications therefrom, which might then be tested empirically via comparison with actual circumstances.

Naturally, given the complexity of the phenomena of scientific practice, the Hayekian scientist of scientific order would be in an unenviable epistemic position relative to the one she would occupy if scientific phenomena were simpler. Her ability to reconstruct a scientific order would depend on her limited knowledge of relevant rules of scientific conduct and the operation of other epistemic devices, the interrelations between these rules and devices, and their relations to environmental circumstances. A scientific order may be more apparent to the observer than the rules from which it emerges. These rules may be largely tacit to the scientist who follows them and inaccessible to the Hayekian social scientist of science. The capacity of the latter to explain particular events within or manifestations of this order would depend on her ability to know the relevant data, i.e., the circumstances to which these rules are applied and the exact signals conveyed by relevant knowledge-coordinating mechanisms, at particular places and times. The limits of human knowledge with respect to the complex phenomena of scientific practice require the scientist investigating this practice to aim lower in her explanatory ambitions, i.e., to limit her ambitions to an explanation of the principle of the mechanism by which a scientific order has emerged and to predictions of patterns to be observed in the orderly phenomena.

Given the limitations of the social scientist of science with respect to the phenomena she investigates, a constructivist approach to complex scientific orders, i.e., an attempt to model the complex phenomena of scientific practice as if they were simple, and, thus, fully and explicitly explainable, will inevitably come up short as an account of rational scientific belief. The attitude of the constructivist rationalist is inappropriate in inquiry into the nature and practice of science. To the extent that the phenomena of scientific practice—the phenomena of, e.g., discovering and theorizing about new phenomena, testing theories against evidence, justifying one's decisions regarding the significance of such tests, participating in scientific communities, arguing with scientific rivals, seeking research funds, etc.—are complex phenomena, there is no reason to expect a full explanation or a precise prediction of them. Ecologism is the appropriate methodological attitude to adopt toward their investigation. However, in the history of philosophy and sociology of science in the twentieth century, constructivist rationalism reigned supreme.

**An Error Theory of Twentieth-Century Philosophy and Sociology of Science**

That ecologism is the appropriate attitude and constructivism the inappropriate attitude to adopt in investigations of scientific practice contributes to an error theory of the shortcomings of several previous attempts to explain science. That the scientific method is in some sense superior to other methods of belief formation was typically treated as a datum by earlier empirically-inclined philosophers of science. However, these same philosophers typically assumed that the rules of scientific conduct that constitute the scientific method and somehow account for this superiority could all be consciously discovered, and discursively stated. In other words, they adopted a constructivist attitude to science.[22] This error serves to explain the failures of constructivist attempts to fully explain science. In effect, if there is anything to a Hayekian approach to scientific methodology, the constructivist philosophers of science tried to do what was impossible, given the state of knowledge at the time (and probably today, as well).

Constructivism was part and parcel of the philosophies of certain members of the Vienna Circle of Logical Positivism—the authors of the *Wissenschaftliche Weltauffassung* pamphlet, in particular, come to mind.[23] One would be hard pressed to find a more representative statement of constructivist rationalism, as Hayek and others have conceived it, than the statement that "[t]he Vienna Circle believes that…it fulfils a demand of the day: we have to fashion intellectual tools for everyday life, for the daily life of the scholar but also for the daily life of all those who in some way join in working at the *conscious re-shaping of life*. The vitality that shows itself in the efforts for a *rational transformation of the social and economic order*, permeates the movement for a scientific world-conception too" (Carnap, Hahn, and Neurath 1929; italics added); or, again, the notion that "[t]he scientific world-conception knows *no unsolvable riddle*" (Ibid.; italics in the

original); or, finally, that "[w]e witness the spirit of the scientific world-conception penetrating in growing measure the forms of personal and public life, in education, upbringing, architecture, and the shaping of economic and social life according to rational principles. *The scientific world-conception serves life, and life receives it*" (Ibid.; italics in the original).

The Logical Positivists' slogan that scientific justification means *verification via logical analysis*—"reduction to the simplest statements about the empirically given" (Ibid.)—or, for that matter, any appeal to a "naïve" Popperian falsificationism (Lakatos 1968–1969, pp. 152-162) that takes a single countervailing observation as sufficient to both conclusively falsify a universal law-like statement and warrant its rejection—implies a constructivist attitude to science. That is, these views imply that rationally choosing between scientific theories requires nothing more than the mechanical application of some known (or, at least, knowable) rule(s) to explanations of a particular body of evidence. They are essentially monocausal explanations of science. Indeed, implicit in such accounts is the notion that the knowledge is available to (if only in principle) recreate the history of a successful scientific domain in a laboratory environment. All that would be required would be to enforce adherence to the relevant rule among human test-subjects who had been provided with certain bits of evidence and various competing explanations of this evidence.

Of course, it was widely recognized by the 1960s that it is not so simple to explain science and account for its apparent superiority as a mode of belief formation. Verificantionism had long since given way to falsificationism, but, as Duhem (1954 [1914]) had previously done, W. V. O. Quine (1961 [1951]) argued that, strictly speaking, no statement is falsifiable in isolation. The rule to accept only falsifiable, but not-yet-falsified, statements could be neither a necessary nor a sufficient criterion of science. Our imaginary laboratory subjects would sooner or later fail to recreate the history of the relevant scientific domain were they to unwaveringly apply only naïve falsificationism: they would reject hypotheses which, in the actual course of the history of the domain, have for one (presumably good) reason or another been retained in the face of apparent falsification, or they would retain hypotheses that have in fact been rejected for reasons other than falsification. For his part, Thomas S. Kuhn (1962) emphasized the subjective nature of scientific practice: scientific beliefs, such as they are, cannot merely fall out of the mechanical application of some logic to empirical evidence, but result from processes that necessarily involve psychological, economic, sociological, and other subjective considerations. There is no mechanical decision algorithm that might be provided to our imaginary test subjects that would either necessitate or suffice for their convergence upon a system of rational scientific beliefs.

Yet, for all the credit due to Quine and Kuhn[24] for deflating this crude constructivism, some of their intellectual successors reacted by committing what, from the perspective of a Hayekian meta-methodology, can only be counted as the same kind of error as the one made by the constructivist empiricists. Rather than recognizing the inherent limitations that the possible complexity of science might place on explanations and predictions of science, some in the so-called "Strong Programme" of sociology of scientific knowledge (SSK) tradition (see Barnes and Bloor 1982, also Latour and Woolgar 1986 [1979]) simply rejected the relevant datum. Science, they argued, despite all appearances, is not unique among methods of belief fixation; indeed, science is little better than witchcraft, religious dogma, or an appeal to political authority as an epistemic method. Notice, however, that this leap from the inadequacy of empiricist analyses of science to irrationalism about science is merely constructivism *redux*: either the rules of theory choice that constitute science's superiority as a mode of belief formation are fully describable, or there are no such rules and this apparent superiority is an illusion. The third possibility that science is in fact epistemically superior to these alternatives (or, on a Hayekian conception, that, when adapted to environmental conditions, systems of rules of scientific conduct and appropriate knowledge-coordinating devices like the PCR process are conducive to the emergence of social order), but that this epistemic superiority is at best only partially amenable to deliberate reconstruction, was never seriously considered by those writers who leapt from arguments like those of Quine and Kuhn to the conclusion of irrationalism or epistemic relativism.[25] For constructivists—of either an empiricist or a relativistic bent—it is all or nothing when it comes to the superiority of science, i.e., either this preeminence is real and can be fully explained, or it is illusory and cannot be explained at all.

That it might be real to some degree in particular scientific domains, but at best amenable to a limited explanation of the principle, such as those just possible in the sciences of complex phenomena, never dawned on the twentieth century's constructivist philosophers and sociologists of science.

A Hayekian meta-methodology that conceives of the nature and practice of science as complex phenomena implies some minimal criteria for explanations of science. In the first place, against constructivist empiricist philosophers, a Hayekian meta-methodology implies that science's superiority cannot be taken for granted. To accept the possibility of science's complexity is to recognize that scientific domains can be more or less well-ordered—i.e., it is to recognize that scientists can adhere more or less to an otherwise order-generating system of rules, the PCR process might (be allowed to) work more or less effectively in different scientific domains, and that the actions of scientists in a particular scientific domain can be more or less well-adapted to prevailing conditions. The matter of science's superiority—its degree of orderliness vis-à-vis other methods of belief fixation—is an empirical question that will likely be answered differently for unique research traditions, disciplines, etc. at various places and times. Moreover, the ecological perspective of a Hayekian meta-methodology does not assume that, if and when adherence to some system of rules manifests a degree of order in the beliefs of scientists, the relevant rules will all be accessible to cognition. If the phenomena are complex, then rules of scientific conduct the observance of which give rise to the emergence of a scientific order cannot all be explicitly stated. Finally, if the phenomena of scientific practice are indeed complex in Hayek's sense, then scientific orders emerge from the interaction of rules that concern scientists' confrontations with *both* the physical environment and society. That is, an explanation of science that runs exclusively in terms of either objective / empirical or subjective / economic / social considerations *but not both* is necessarily deficient on a Hayekian meta-methodology. The trick is to show how a degree of scientific order can emerge from the interrelations between action guided by various systems of rules of scientific conduct, confrontations between theories and empirical evidence, and scientists' own interactions through the PCR process.

In short, a Hayekian meta-methodology predicts the failure of any methodology that aims to reconstruct science on the basis of either a simple or static set of rules, and the failure of any explanation of science that denies or ignores either the empirical or social aspects of the process from which scientific orders emerge. Constructivist empiricist philosophers of science erred in adopting a meta-model predicated on the comprehensive intelligibility of the rules that constitute science's epistemic superiority, and which was, for this reason, unable to adequately encompass the complexity of science. But, constructivist relativists made the same kind of blunder in leaping from the failure of the empiricist constructivist's meta-model to the conclusion that there are no rules of scientific justification, and that science is merely a matter of subjective considerations.[26]

**The Case for Methodological Liberalism**

It follows from the foregoing considerations that *coercion* can be neither necessary nor sufficient as a scientific method. That coercion is unnecessary to the extent that science is complex is an implication of the very possibility of the spontaneous emergence, e.g., via unmanipulated PCR processes, of scientific order. That coercion cannot suffice follows from the absence under conditions of complexity of the knowledge required to make such coercion effective, i.e., where the knowledge required to deliberately realize scientific order is unavailable, as it is to the extent that the processes of science are complex phenomena, no amount of coercion can suffice to realize order. In his political philosophy, Hayek (2011 [1960], p. 57) defined *liberty* as "that condition…in which coercion of some by others is reduced as much as is possible in society." Thus, to say that, to the extent science is complex, scientific order cannot be deliberately realized via coercion is to say that scientific order requires a degree of methodological liberty.[27]

Moreover, the concept of emergent scientific orders contributes to an explanation of *scientific discovery* that accords well with Hayek's argument(s) against scientism, arguments that figure centrally, if not always

explicitly, in his well-known criticisms of both socialism and Keynesian-style aggregate demand management.

In the wake of the Great Depression, during the interwar years and after, a wide-ranging consensus arose to the effect that government planning of the economy was crucial for the future maintenance and flourishing of western civilization. However, it was also generally acknowledged that the predictive powers of the social sciences, as then constituted, were inadequate to the onerous requirements of successful centralized economic planning. Social control of the sort required of such planning could only be predicated on precise and detailed predictions of social phenomena, but the predictive and explanatory deficiencies of the social sciences in these respects were too obvious to ignore. The issue for advocates of economic planning then became the means by which social-scientific predictions could be made to meet the required standards of specificity and precision. Reform of the social sciences, along the lines of the successful techniques of the "hard" sciences, was suggested as a means to the end of precisified predictions of social phenomena, itself a means to the further end of effective economic administration of either a socialist or Keynesian variety. It was assumed, in other words, that all of the knowledge required to deliberately improve the explanatory capacities of the social sciences was readily available. The scientistic assumption is a constructivist assumption.[28]

Hayek's argument(s) against scientism aimed to show that importation of the methods of the physical sciences was no way to improve predictions of social phenomena and, moreover, that there was no known means for the deliberate realization of this goal. The *discovery* of a system of rules of scientific conduct adequate for predictions of the required degree of precision and specificity could not be deliberately brought about, but required an element of spontaneity. However, Hayek's conclusion against scientism constituted only an *ignoramus*, not also an *ignorabimus*. That is, from the conclusion that we do not know how to deliberately realize the predictive ambitions of scientism, it does not follow that this goal will remain forever unrealized. Despite our present ignorance, we might, as it were, *learn* or *develop* new methods in the course of other pursuits that ultimately and unintentionally contribute to the required improvement of social-scientific predictions; or circumstances outside our epistemic purview might otherwise be sufficiently fortuitous that the goal is eventually realized. The key point is that, if it is to be realized, if we are to discover a method of improving social-scientific predictions to an adequate degree for their use as tools of effective social control, it can come about only as a result of a process that we cannot understand or foresee *a priori*: we cannot plan or coerce our way to the required predictions. The phenomena of scientific discovery, of discovering new previously-unseen possibilities in the phenomena, therefore, are complex phenomena. In the absence of evidence that we can plan or coerce our way to particular scientific discoveries, ecologism is the appropriate attitude to adopt regarding the phenomena of scientific discovery.

Hayek's argument is directed against scientism as a means to the realization of social-scientific predictions of the required degree of specificity, but it is not necessarily directed against scientism as a means to some other end or as an end in itself. The conclusion is not that we do not know how to effect scientism in the social sciences. The conclusion is not that we do not know how to pretend that social phenomena are simpler than they are. Rather, the conclusion is that such a pretense is no means to the end of improving social-scientific predictions. The social sciences can *try* scientism and may eventually discover other ends for which it is an appropriate means, but we should not expect *a priori* that these ends will encompass the goal of improving social-scientific predictions to the extent required of effective political administration of the economy.

This latter point implies a further possibility, namely, that both the means and ends (the methods and goals) of science can be rational in an ecological sense. New methods might develop spontaneously that unintentionally contribute to the realization of existing, but previously unrealizable, goals, and new scientific goals might develop that prove realizable with existing methods that were inadequate for the realization of any previous goal.

Again, it follows from these considerations that, if science is complex, then successful science—the aptness of scientific methods for scientific objectives—cannot be coerced. If the knowledge required to make

effective some plan for the realization of a particular scientific goal has not been discovered, coercion can be neither necessary nor sufficient for the discovery of the requisite knowledge. No amount of violence can make social scientists generate predictions of the degree of specificity required to facilitate effective political administration of the economy.

And this is to say that some degree of liberty is required in both the pursuit of ends and the choice of methods in science. This is *methodological liberalism*. It is essentially identical with the denial, on the grounds of science's possible complexity, of the adequacy of the constructivist methodological attitude in inquiry regarding science and, thus, of the possibility of coercion as an effective scientific method.[29] Successful science requires that means be well-adapted to ends, methods well-adapted to scientific goals, and *vice versa*. The methodological liberal insists that this fit between scientific ends and the means for their realization is at least sometimes, to some degree, the product of a spontaneous rather than a designed (or design*able*) process. Both the ends and means—the goals and methods—of successful science can, under appropriate circumstances, result from spontaneous processes. If, at any given time, some domain of science is successful, it is in virtue of a bi-directional fit between relevant goals and methods that must be, at least to some degree, unintentional. To assume this possibility in scientific inquiry—to assume that there are circumstances in which scientific success cannot be planned and controlled, and, thus, cannot be coerced—is to be a methodological liberal.

There is another, related route from Hayek's writings on political philosophy to the conclusion of methodological liberalism. Hayek argued that the best justification for liberty in the economic and political domains is the absence of knowledge concerning the circumstances necessary for the deliberate maintenance, much less the improvement, of society, i.e., that "the case for individual freedom rests largely on the recognition of the inevitable and universal ignorance of all of us concerning a great many of the factors on which the achievements of our ends and welfare depend" (Hayek 2011 [1960], p. 80). Hayek took it to be empirically obvious that the deliberate reconstruction of the multitudinous considerations "on which the achievements of our ends and welfare depend" requires knowledge that extends well beyond the limits of human cognition and, thus, that such schemes ought to be avoided in the political and economic realms. According to Hayek, there is no evidence that supports belief in the knowledge and abilities of those who would aspire to deliberately reconstruct or administer society so as to increase achievement of human ends and welfare beyond that which manifests in a liberal society, and so, a preference for liberty should be the default attitude.

An analogous argument for methodological liberty would seem to be defensible on the basis of the considerations of the present paper. The deliberate reconstruction of the circumstances from which scientific order emerges requires knowledge that extends beyond the limits of human cognition. If, when, and to what extent the activities of scientists constitute an order, the rules adherence to which give rise to this order may not all be accessible to the methodologist (or "social scientist of science"). Indeed, as some of these rules may be only tacitly known, they might be inaccessible even to the scientists who follow them. At best, the methodologist can partially reconstruct this order, but—as its emergence depends on circumstances, e.g., with respect to physical and social conditions in the relevant environment, which the methodologist cannot possibly know in advance of scientific inquiry—only after the realization of order. In other words, the methodologist never possesses the advance knowledge required to ensure the success of some untried scientific inquiry, but can, at best, pronounce upon what has worked in the past in various circumstances. There is no reason to believe in the methodologist's ability to deliberately predict, much less control, scientific activity so as to improve the prospects for scientific success beyond that which manifests in an environment in which scientists are afforded a degree of methodological liberty. Therefore, a preference for methodological liberty, an ecological methodological attitude, should be the default attitude. This principle applies not only to the most comprehensive scientific order, if there is one, but also to each of any orders that might obtain at the level of disciplines, research traditions, etc.

There is no *a priori* reason to suspect that science is a one-size-fits-all endeavor and that a system of rules that has proven successful in one domain can be transferred without cost (or with benefit) to another domain in which it has yet to be tried or the results of its application observed. That is, even after the

evidence has been collected concerning the rules that have proven successful in one domain, the methodologist's knowledge remains in another sense limited: she is not in a position to say with a high degree of confidence why such a system has worked where and when it has. To assert, then, the transferability of one system of rules from a field in which it has proven successful to either a new environment or a novel field of inquiry is a kind of scientistic hubris. Similarly, if the methodologist is not in a position to declare in advance which *existing* system of rules is most appropriate for some proposed scientific inquiry, less so is she able to conjure all of the possibilities for *new* systems of rules. Though the methodologist may be able to point to failed applications of scientific methods to particular objectives in the history of science, there can be no *a priori* grounds for the methodologist to prohibit the pursuit of any system of rules scientists might devise. Again, in the absence of evidence that the methodologist can deliberately improve upon the workings of spontaneous scientific practice, a preference for liberty should be the default attitude. In the words of Charles Sanders Peirce, whom Hayek was fond of quoting: "[u]pon this first, and in one sense this sole, rule of reason, that in order to learn you must desire to learn, and in so desiring not be satisfied with what you already incline to think, there follows one corollary which itself deserves to be inscribed upon every wall of the city of philosophy: Do not block the way of inquiry."[30, 31]

**The Demarcation Problem—The Nature of Science, Scientific Disciplines, and Interdisciplinarity**

One of the central problems that worried the Logical Positivists and Popperian falsificationists was that of demarcating scientific from non-scientific claims. Scientific propositions are *verifiable*, argued the Positivists, while non-scientific statements are unverifiable. "No!" Popper proclaimed, scientific propositions are *falsifiable*, while non-scientific statements are altogether immune to empirical falsification. Kuhn later argued that the mark of science was the alternation of periods of normal science and scientific revolution. Subsequent philosophers and social scientists of science have largely abandoned the demarcation problem, in large part it would seem, because of the apparent failure of all previous attempts to solve it.

A Hayekian approach to the analysis of science implies an explanation of the principle of science, scientific disciplines, and interdisciplinarity. As argued above, we can define the scientific order in terms of the system of rules of social conduct that all scientists (*qua* scientists) follow. Non-scientists simply follow different, albeit perhaps partially overlapping, systems of rules of scientific conduct. For example, we might define, say, all "religionists" as people who form part of their beliefs in accordance with a particular system of rules of religious conduct. These rules might partially overlap those followed by scientists, but, provided they are not identical to the system of rules of scientific conduct, there is room to distinguish religion from science. In much the same manner as above, we might define, say, Jews, as those individuals who follow the general rules of all religions *plus* some others, Christians as those who follow the general rules of all religions *plus* some others different from the auxiliary rules followed by Jews, and Muslims as those who follow the general rules of all religions *plus* some others different from the auxiliary rules followed by Jews and Christians. And so on for all of the various sects associated with each of these (and other) major religions.

Of course, this is a far cry from the explanatory ambitions of the constructivist philosophers of science, who aspired to account for more than just the fact that scientists and non-scientists follow different rules of conduct. They sought (using a largely *a priori* method) the specific rules that differentiated science from other methods of belief formation. A Hayekian approach to the analysis of science simply makes this a matter of empirical inquiry, albeit with an ecological methodological attitude that does not assume *a priori* that such inquiry will result in a full explanation of the specific rules followed by scientists, which differentiate their belief-formation methods from those of religionists and other non-scientists.

As argued above, scientific disciplines, sub-disciplines, specific research programs, sub-research programs, and so on, can be similarly differentiated in terms of the specific rules that practitioners follow over and above those followed by all scientists. This also implies a definition of *interdisciplinarity*, an oft-promoted, if infrequently practiced, concept in contemporary academic contexts. An interdisciplinary research program is simply one that borrows various of its rules from other disciplines, sub-disciplines, etc.

Consider, for example, the popular movement to develop academic programs in Philosophy, Politics, and Economics (PPE) and Integrative Social Science (ISS). The PPE research program is simply an approach to political analysis that borrows rules from philosophy and economics. ISS is an approach to social analysis that borrows freely from the rules followed by economists, sociologists, political scientists, anthropologists, legal theorists, and philosophers.

## CONCLUDING REMARKS

The present essay has addressed the implications of the postulate that the activities of scientists constitute complex phenomena in Hayek's sense. Three interrelated theses have been defended, namely, that 1) Hayek's methodology of sciences of complex phenomena as applied to science itself implies a meta-methodology, i.e., a set of minimal criteria for explanations of scientific practices; 2) this meta-methodology provides an error theory of certain failed explanations of these practices; and 3) methodological liberalism—the recognition of the impossibility of coercion as an effective scientific method—is an implication of the treatment of science as complex phenomena and is closely related to Hayek's arguments against scientism, which were themselves fundamental to his arguments against various illiberal economic policies, socialism and Keynesian countercyclical measures, in particular.

I will close by suggesting a possible avenue for future thought and discussion that considerations of brevity do not permit me to take up in earnest in the present essay. Namely, the question whether recognition of the possibility of ecological scientific rationality doesn't imply constructivism at the meta-methodological level. To postulate the complexity of the phenomena of scientific activity is (to some extent or other) to attempt to reconstruct the rules of methodology and since, by the argument's own lights, such attempts will always be incomplete if methodological phenomena are complex, the postulate may well cannibalize itself. On the other hand, perhaps the potentially self-undermining nature of the postulate is more virtuous than vicious in the sense that it is yet another reminder of our "inevitable ignorance" and of the limits of knowledge across several related domains, i.e., science, methodology, and meta-methodology. The postulate essentially asserts that no matter how elaborate our explanations, there will always remain an unexplained (and, perhaps, unexplainable) residue concerning practice in these fields. If so, then methodological liberalism explains (the principle of) its own limitations. Indeed, in the last analysis, the postulate may be nothing more and nothing less than a reminder that constructivism is always an inappropriate attitude to adopt toward complex phenomena.

We should not assume that we possess, or can acquire, all of the knowledge necessary to explain some phenomena to whatever degree we might like, until experience has shown, with respect to these phenomena, that we *do* in fact possess all of the knowledge necessary to explain the phenomena to the desired extent. The phenomena that satisfy this condition are those we call "simple" and it is only with respect to these phenomena that constructivist rationalism is an appropriate attitude. Outside of this realm, where either our knowledge has yet to be tested or has in fact shown itself inadequate to the desired explanations, the assumption that the deliberate application of reason is both necessary and sufficient for the realization of our ambitions is an unfounded article of faith, and the constructivist attitude that ignores the possibility of ecologically rational outcomes is hubristic.

## NOTES

1 Related to this, see Note 28 below.

2 Hayek argued that social phenomena were complex. If this is right, then one might foreshorten the analysis and argue that science is complex, at least to the extent that science is a social phenomenon.

3 Changing prices tell market participants what to do in no very uncertain terms. Other things equal, an increased (decreased) price for a good tells market participants to consume less (more) and produce more (less) of the good, to consume more (less) of its substitutes, and to consume less (more) of its complements. However, in the absence of an economized price signal, it is far more ambiguous what market participants should do in response to, say, a drought-related supply shock of a particular magnitude.

4 I have argued that political manipulation is the greater concern here, if only because particular corporate interests tend to be in some degree of competition with each other; and the effects of the to-ing and fro-ing of these competing interests on the price system, therefore, tend to cancel each other out, at least in the medium-to-long-run (Scheall 2020). However, when governments manipulate prices for non-economic reasons, there is no countervailing contender whose competing attempts at manipulation might neutralize those of the government. Governments have several means to enforce manipulated prices that are not available to firms in competitive environments. Indeed, in the last analysis, governments can rely on a legal monopoly on coercion that few, if any, companies have possessed since the great joint-stock trading companies of the 17th and 18th centuries.

5 Of course, perfect or complete orderliness should never be expected, no matter how effective the signaling mechanism. Perfect order means that individuals instantaneously and faultlessly adapt to changing circumstances, an unlikely, if not impossible, condition in any domain, as long as individuals remain less than both omnipotent and omniscient.

6 "[S]patial pattern[s] such as will occur in the marching, defence, or hunting of a group of animals or men. The arrow formation of migrating wild geese, the defensive ring of the buffaloes, or the manner in which lionesses drive the prey towards the male for the kill, are simple instances in which it is presumably not an awareness of the overall pattern by the individual but some rules of how to respond to the immediate environment which co-ordinate the actions of the several individuals. More instructive are the abstract and more complex orders based on a division of labor which we find in such insect societies as those of bees, ants, and termites" (Hayek [1967a] 2014, 281).

7 According to Hayek's (2017 [1952], p. 149) theoretical psychology, the mind of a conscious organism is a complex order, "a particular order of a set of [neural] events taking place in some organism and in some manner related to but not identical with, the physical order of events in the environment."

8 The "chiefly negative (or prohibitory) rules of conduct which make possible the formation of social order are of three kinds…(1) rules that are merely observed in fact but have never been stated in words[;]…(2) rules that, though they have been stated in words, still merely express approximately what has long before been generally observed in action; and (3) rules that have been deliberately introduced and therefore necessarily exist as words set out in sentences" (Hayek 2014 [1970], pp. 343-344).

9 "[T]he degree to which outcomes are unintended is a continuum" (Schmidtz 2012).

10 A change ("mutation") in the rules according to which the members of a group act is *progressive* if and only if it contributes to an increase in the group's numbers across time (Hayek 2014 [1970], p. 345; also 2014 [1967a], p. 288). This might mean that individuals join the group who were outside of it prior to the mutation or that the mutation leads to more members being born into the group (and surviving) than pass out of the group via death or attrition.

Obviously, this is a descriptive rather than a normative conception of progress. There is no implication that the growth of a group constitutes progress *toward* any particular norm, standard, or goal (other than the goal of growth itself).

Although Hayek was not specific on this point, the definition of a progressive change in the rules that give rise to a social order should probably be relativized to the growth of the broader population of which the group in question may merely be a proper subset. We might hesitate to describe some rule change as progressive (even in this non-normative sense) if, say, despite the fact that it increases the numbers of a group's subscribers, the num-

bers of the broader population increase more than those of the group over the relevant timespan. We can, then, in like fashion, define a *static* rule change as one that merely maintains the group's numbers in a constant ratio with those of the broader population and a *regressive* mutation as one in which the proportion of group members shrinks relative to the population.

11 Different members of the same group might also at any given moment follow different rules "because different rules apply to different individuals according to age, sex, status, or some particular state in which each individual finds itself at the moment…[R]ules of conduct will always act only as a restraint on actions induced by other causes" (Hayek 2014 [1967a], p. 280).

12 It is important to emphasize that the table is a heuristic device and not a collection of postulates. The table shows an idealized way in which the rules that govern scientific conduct might be related to each other and should not be construed as a commitment to the claim that they in fact both exist and are so related to each other.

13 "We view science as a complex order comprised of components (individual scientists)…whose behavior is situated and constrained *within an institutional structure of routines, conventions, and organized groupings that are themselves ordinarily and substantially emergent phenomena of the order itself*" (McQuade and Butos 2005, p. 346; italics added).

14 Of course, inasmuch as a scientist might subscribe to the rules of science in general, while at the same time following the rules of her discipline, research tradition, sub-tradition, and so on, we will be dealing with integration among orders on more than three levels.

15 The descriptive, non-normative definitions of progressive, static, and regressive rule changes discussed in Note 10 above are—with certain qualifications—readily applicable to the problem of the orderliness of scientific activity. A progressive (full stop) change in the rules of conduct that give rise to an order in the activities of scientists at some level is one that increases the numbers of the group of scientists conforming to the mutated system of rules. Static and regressive mutations are those that, respectively, maintain and decrease the numbers of the group of scientists conforming to the modified system of rules.

More expressive notions of progressivity, stasis, and regressivity follow from considering the consequences of a mutation of a system of rules of scientific conduct in the light of changes in the social environment. In particular, we might say that a mutation of the rules of conduct that gives rise to an order in the activities of a group of scientists is progressive (static or regressive) relative to changes in the memberships of groups of scientists at either the same or higher levels of activity. For example, the rules of conduct of a research tradition might change so as to affect the numbers of its members relative to the numbers of members of either other research traditions within the same discipline, the discipline itself, natural science (social science), or all of science. Relativizing the notion of progressivity in this way permits more nuanced judgments concerning the condition of an order at some level of scientific activity.

For example, a research tradition that is progressing *simpliciter* may or may not be progressing relative to the changes in the membership of some other research tradition within the same discipline. A scientific order at some level of activity may be progressive *simpliciter* (if its membership is expanding) but regressive relative to one or more of its rivals (if the memberships of the latter are growing at a faster rate) or *vice versa*. Similarly, there may be contexts in which judgments are required concerning the progressivity of, say, a research tradition relative to the consequences of changes in the rules of conduct at the higher level of the discipline. A particular research tradition may be progressive (static or regressive) relative to the progressivity (stasis or regressivity) of the discipline to which it belongs. Indeed, yet more complicated judgments are possible given the conception of science as a complex social order: it may be, for example, that a research tradition is progressive *simpliciter*, regressive relative to at least one other tradition in the same discipline, progressive relative to the discipline itself (because membership in the tradition is increasing at a rate faster than that of the discipline), regressive relative to natural / social science (because membership in the tradition is increasing at a rate slower than that of natural / social science), and progressive relative to science itself (because membership in the tradition is increasing at a rate faster than that of the most comprehensive scientific order). Thus, the treatment of science as a complex social order affords intricate and highly contextualized judgments as to the progressivity of different orders of scientific activity.

The progressivity, stasis, and regressivity of mutations in systems of rules of conduct are inherently dynamic notions, but we can derive from them synchronic concepts concerning the condition of an order at a particular time. That is, we can define the *dominant* order on a particular level of scientific activity at a given time as the scientific order with the largest membership at that time. *Subordinate* orders are then simply orders on the same level of activity with smaller memberships. These synchronic concepts can then be combined with the dynamic notions of progressivity, stasis, and regressivity, and deployed in yet more complex judgments of the condition of an order on a particular level of scientific activity. A research tradition, say, might then be evaluated for the degree of its dominance and the extent of its progressivity relative to either other research traditions, its discipline, natural science / social science, or science itself.

16 Also see Polanyi (1962).

17 Science "involves an interpersonal process of persuasion […] More often [scientific consensus] is the result of heated arguments about the interpretation advanced by rival theories and subtle hints that the new theory somehow explains better" (Lavoie 2016 [1985b], p. 14, see also p. 63).

18 For a detailed description of how the PCR system informs scientists what to do to adapt to the objective data, see Scheall (2020).

19 Also see Polanyi (1962, p. 7): "[T]hrough these overlapping neighborhoods uniform standards of scientific merit will prevail over the entire range of science, all the way from astronomy to medicine. This network is the seat of scientific opinion."

20 Probably the most infamous and tragic case of this phenomenon is associated with the justifiably reviled names of Joseph Stalin and Trofim Lysenko. For a rather less dramatic case study closer to home, see Scheall, Butos, and McQuade (2019). Of course, copious examples could be cited from the COVID years.

21 Again, for a relevant case study, see Scheall, Butos, and McQuade (2019).

22 The goal of these constructivist philosophies of science was to "articulate an objective procedure or set of criteria by which such candidate knowledge [propositions generated by individual scientists] could be justified as being acceptable…without regard to the context in which they were produced" (McQuade 2010, p. 26).

23 Written in 1929, the "pamphlet is the product of teamwork; [Otto] Neurath did the writing, [Hans] Hahn and [Rudolf] Carnap edited the text with him; other members of the Circle were asked for their comments and contributions" (Carnap, Hahn, and Neurath 1929). However, not all members of the Circle were on board with the "manifesto," which "alienated [Kurt] Gödel…to the point that he came to the meetings less and less frequently" (Menger 1994, p. 210). Indeed, Moritz Schlick himself, "to whom the manifesto was dedicated, was less than satisfied with the result. This was first of all because he was not taken by the conception of the circle as a 'movement' of any sort, favouring a more modest and more narrowly scientific approach…But it was also because he was distressed by the political tone of the piece, and more specifically by those portions which suggested some sort of alignment of logical positivism with socialism and with the movement for workers' education in Vienna at the time" (Smith 1994, pp. 9-10).

Relations between members of Hayek's Austrian School of economics and the Vienna Circle of Logical Positivism were complicated, to say the least. On the one hand, the mathematician Karl Menger (son of Carl Menger, founder of the Austrian School) and the Husserlian philosopher Felix Kaufmann participated in, and maintained close, in some cases, lifelong, friendships with members of both *Kreise*. On the other hand, there was no love lost between Ludwig von Mises, the arch-liberal political economist around whom much of post-WWI Viennese economics centered, and Neurath, the arch-Marxist "social science expert" of the Vienna Circle. Mises and Neurath had been co-participants in Eugen Böhm-Bawerk's famous economics seminar before the war, as well as disputants in the German-Language Socialist Calculation Debate after the war (for more on the relationship between Mises and Neurath, see Chapter Five of Caldwell 2004).

24 And other, similarly-minded thinkers such as Stephen Toulmin (1953, 1961), Michael Polanyi (1958, 1966), Norwood Russell Hanson (1958), and Paul Feyerabend (1965)). Aspects of a Hayekian analysis of science can be assimilated to the works of some of these latter authors, especially Polanyi (see Butos and McQuade 2017)

25 Related to this, see Laudan (1990)

26 McQuade (2010, pp. 41-48) discusses various postpositivist explanations of science which, in his view, better conform to a Hayekian conception of science as an "adaptive classifying system."

27 There are well-known criticisms of Hayek's definitions of coercion and liberty, and their relations to each other, that need not be relitigated in the current context (see Hamowy 1961 and, for Hayek's response to Hamowy, Hayek 1961). Recall that my main concern in the present paper is to draw out the implications for science of Hayek's writings across multiple domains, not necessarily to defend the latter's correctness. This being said, I think the arguments about the superfluity and insufficiency of coercion, and the concomitant need for a degree of liberty, to generate scientific order, to the extent that the phenomena of science are complex, are sound, for the reasons given, regardless of any problems raised by Hamowy and others for Hayek's conceptions of coercion and liberty. Note that the conclusion of these arguments is consistent with the actual presence of a fair amount of coercion in orderly scientific processes, provided such coercion exists alongside a degree of methodological liberty.

28 As discussed above, Hayek's understanding of scientism and, thus, the reasons he offered for its inadequacy, changed over time. In fact, he offered two distinct explanations for the inefficacy of attempts to import the methods of the physical sciences into the social disciplines. According to Hayek's early methodological writings (see especially "Scientism and the Study of Society" 2010 [1952]), there is a meaningful difference between social and physical phenomena that makes the methods appropriate to explaining the latter inappropriate for explanations of the former. However, Hayek eventually came to the view, perhaps under the influence of Karl Popper, that this sharp distinction between the social and physical sciences was untenable. According to Hayek's later methodological writings (see especially Hayek 2014 [1955] and Hayek 2014 [1964b]), there is only one scientific method, and it looks more like the causal-genetic approach he had explicated in the "Scientism" essay as the spontaneously-evolved method of the social sciences than the constructivist suggestions of the defenders of scientism. To the extent this change meant that an appeal to the methods of scientism for the social sciences could not be justified on the grounds of their unique successes in the physical sciences, Hayek's early argument against scientism was buttressed; but, by the same token, since this change in his conception of the sciences also meant that there's nothing unique about the social sciences, Hayek's argument against scientism required some considerable modification. If the techniques of the social disciplines are the same as those of the physical disciplines, why are the predictions of the former so much less satisfactory and practically useful than those of the latter? Hayek's answer, foreshadowed in places in "Scientism and the Study of Society," and emphasized in his later methodological writings, was that the predictive limitations of certain disciplines, especially the social sciences, are to be attributed not to fundamentally different or deficient methods, but to the comparatively higher degree of complexity of the phenomena they investigate. The physical sciences are successful compared to the social disciplines not because their methods are, in some sense, "better" or worthy of imitation, but because they deal with phenomena that can be explained on the basis of closed models consisting of only a few variables. That is, where the scientific method is applied to phenomena that can be explained with a few variables relatable in terms of experimentally-discoverable laws, it is possible to predict with the degree of specificity and accuracy that we find in the paradigmatic physical sciences. However, where the same method is applied to complex phenomena—phenomena that can be fully explained only by an open model consisting of many variables—it is only possible to explain the "principle" from which the phenomena emerge and predict "patterns" in the phenomena. For more on Hayek's arguments against scientism, see Caldwell (2010, pp. 35-38).

29 To say that some degree of liberty is required is not to say that complete liberty (or anarchy) is required for scientific success. The methodological liberal is not a methodological anarchist. The former does not subscribe to Feyerabend's (2010 [1975], p. 12) dictum that the only rule of scientific practice is "anything goes." This is because, as scientific ends are (at least partially spontaneously) realized, as new scientific orders emerge, strong forces in the form of rules, customs, and traditions will be set up that serve to maintain the existing order. The observance of the rules that inform the activities of the members of some scientific order may be required to secure the persistence of either the order itself or of the scientist within the order. In other words, there will usually exist good (but perhaps only tacitly-known) reasons for scientists within established scientific communities to accept the problems and adopt the methodology associated with their respective community. But, this is not—indeed, cannot—be the case in new areas of inquiry where the problem is essentially the discovery of the rules, if any, which will secure an order and its persistence in the relevant environmental circumstances.

30 Hayek (1967) adopts this quote, Peirce's "first rule of reason," as the epigram of the *Politics* section of *Studies in Philosophy, Politics, and Economics*. This would seem to be a further indication of the extent to which, to Hayek's way of thinking, epistemological / methodological issues were deeply connected with the problems of politics.

31 There is another Hayekian route via which the necessity of the methodologist's limited knowledge might be established. According to Hayek (2017 [1952], p. 298), no classificatory system can adequately explain itself because any such system must be more complex than that which it classifies: "[a]n apparatus capable of building within itself models of different constellations of elements must be more complex…than any particular constellation of such elements of which it can form a model." For Hayek (2017 [1952], p. 139), examples of classificatory systems include the minds of organisms (which classify stimuli confronted in an organism's interactions with the physical environment) and science (which re-classifies the organism's interactions with the physical environment so as to generate a more reliable model). This means that, if it is to be capable of comprehensively classifying the phenomena of the environment, science must be capable of producing at least as many classifications as there are kinds of phenomena in that environment: a complete scientific explanation of the physical environment requires that science be at least as complex as the environment. But, since methodology classifies science, this means that a comprehensive descriptive methodology must be more complex than science and *a fortiori* more complex than the physical environment. (And, again, meta-methodology must be yet more complex than methodology, and so on.) But, since the scientist's knowledge of the complex phenomena of nature and / or society is limited, the methodologist's knowledge of science is more limited (and the meta-methodologist's knowledge of methodology is yet more limited, etc.)

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# Externalizing Memory Made Modern Civilization and Created Modern Humans

WALTER B. WEIMER
Professor emeritus, Pennsylvania State University

**Abstract:** How did our present distributed social cosmos, as a complex process of organization of cognition and civilization, emerge from more primitive directed taxis forms of primates and earlier hominins? Nothing resembling modern civilization or present-day humans existed until 15 to 10 thousand years ago. In that "blink of an eye" (compared to 200 million years of mammalian evolution) a spontaneously originated complex process of social organization emerged which enabled all modern knowledge and technological power over nature. This change in social organization and personal interaction resulted from one fundamental shift in functional cognitive organization or intellectual capacity, found extensively (as yet) only in *H. sapiens:* the externalization of memory capacity from activity internal to individual brains (including their inherited or "instinctive" organization) into a shared, dynamically evolving, social milieu. Transferring memory (and retrieval) processes and contents from brains into externalized storage out in the econiche has the twofold effect of: allowing brain capacity previously burdened with storage of particulars to be freed for other, more abstract cognitive tasks; simultaneously, it vastly increases processing capacity in and/or for other cognitive systems and functions. It is as if, to use a computer metaphor, we suddenly became equipped with external hard drive storage units of vast capacity when we had previously been limited to internal RAM in our brains.

These simple but profound changes brought us from separately naming individual particulars through counting on our fingers and then calculation machines to quantum computation in less than three millenia. Tomorrow the same processes will continue shaping our unforeseen future, without our ever intending them to do so, or even being aware that they do so.

Human evolution has occurred in an already occurring spontaneously ordered complex social matrix. To be spontaneously originated it must depend *only* upon the co-occurrence of simple but very powerful processes or "mechanisms" that are found (*already available* or given) in the environment in the absence of deliberate planning or choice (in other words, individual agency is not involved). We are (as Hayek 1979, 1983, 1989, noted) the *products* of that matrix rather than its deliberate creators. It is that spontaneous (by definition: unplanned, uncoordinated, unintended, not comprehended in its entirety or effects) confluence of events that has produced (and continues to produce) us and has enabled our civilization and its advances. Even when we have

had intentions and engaged in deliberate or "planned" conduct, it is the *unintended* consequences of behavior that most often enable us to achieve novel outcomes (as Ferguson put it in 1767, the results of our actions but not our designs). No one understood this as clearly as Hayek, who argued that it has not been human intelligence and deliberation which created our morals and social organizations, but rather the other way around: our social framework and its "unconscious" or not deliberate structures have led to the evolutionary matrix in which our conscious and seemingly "rational" behavior has arisen as its byproducts. As he said:

> We do not owe our morals to our intelligence: we owe them to the fact that some groups uncomprehendingly accepted certain rules of conduct—the rules of private property, of honesty, and of the family—that enabled the groups practising them to prosper, multiply, and gradually to displace the others. Man was never intelligent enough to design his own society, but the practices that helped him to multiply his numbers, spread for just that reason. It was a process of cultural selection, analogous to the process of biological selection, which made those groups and their practices prevail (1983, p. 47).

This is the framework in which our more recently discussed and debated psychological and political memory became externalized into the social milieu (see Wegner and Ward and associates).[1] Since that process was the result of action but not design, we at first rationalized it as being the "deliberate" effects of the intentional design of a mythic genius of the imagined prior "Golden Age," making our morals and rules of conduct the gift to us of a Solon or a Lycurgus (See Hayek, 1960, 1973; Weimer 2022a). That same context of evolutionary constraints, although *very* recent in its presence, is what has made us "modern" humans and given us our knowledge and control of nature. Making meaningful content available in the econiche simply by looking or listening (instead of having to try to remember it from internal CNS sources) has revolutionized our nervous system organization, the organization of society, and terraformed the planet. We have recently studied our most complex characteristics—development of language, market orders, political and similar systems—but have not yet understood that they all are entirely dependent upon the incredibly simple yet amazingly powerful evolutionarily emergent strategy of externalizing memory (and hence control systems for knowledge and behavior) *outside* the purview and limits of the individual brain.

*Symbolism is not the issue here.* Everyone recognizes that humans are symbolic creatures, but that power to make and use symbols is not actually the key to modern civilization. Life itself, from the use of the genetic "code" as a symbol manipulation system (Franks 1974, Pattee 2012) on "up" through species evolution to the development of spoken or "natural" languages is inherently symbolic. Presaged by greater and greater verbal fluency and more abstract thought, the crucial step was from the spoken word as a short-lived temporal symbol to a means of storing and accessing symbolism beyond its initial physical-temporal duration. This was adequately accomplished only when alphanumeric writing mapped letters and numerals onto phonemes (discussed below). Whatever is found in memory is inherently symbolic to begin with, and the issue is not the presence of symbolism but the manner of storage, which must be both correctly symbolic and readily and quickly retrieved. Hominins have always been symbolic creatures. They have only recently become market order civilized, through a process of externalization of memory functions in usable symbolic form, and subsequent storage in the econiche in a form which is almost instantly retrievable. We write things down or draw pictures.

*Information is not the issue either.* Economists (and to a lesser extent, psychologists) emphasize that the modern brain is a distributed information processing device. Market orders are immensely powerful because a tremendous amount of information (semantic or useful information) is made available or distributed to all who participate in the market process, and it is the combination of having that information summarized in convenient form (as a price) in conjunction with the local (not distributed) information

available only to the participant that is the basis of our current prosperity. But where did that information come from so that the market can then come into existence? Hominins were both symbolic creatures and also information processors long before markets or writing originated. At issue is how the information became distributed in the first place. Again, the answer lies in the externalization of large amounts (compared to that available in a single or individual brain) into the external to the body environment. We put our information "out there" and pick it up as needed. No other species routinely does so.

*Social and individual origins: opportunistic evolution and enablement, not conscious and rational creation.* Do you take notes to help retrieve things you want to remember? Do you read things in print or listen to audio broadcasts to learn new things? We all do this, routinely and incessantly, without any thought to its function or import. This function of *external record keeping* is part of the *very* recent social milieu or cosmos (as Hayek 1973, p. 37, introduced the term). That now pervasive cosmic or "ready-made" process or structure has enabled or produced us as we are today. No hominin prior to *H. Sapiens* had that or a similar context of constraints available to further its evolution. We are products of a series of "lucky" (from our present perspective) and incredibly recent accidents and co-occurrent events. We need to be aware of that mixture of (now frozen) happenings and their co-occurrent enablements, because they have been the precursors (if not linear "causes") or antecedents to what we have become today, and they foreshadow what we shall become tomorrow.

The first (lucky!) accident was the development of language beyond the level of expressive and signaling functions (to use Bühler's 1934 distinctions. See also Popper 1963). No other animal uses vocalization to *describe* the world beyond immediate needs (emphasized by Bühler) or to *argue* about a position or theory (Popper). How did this come about? By accident of co-occurrent events—evolution adopted a path in hominin reproduction to mitigate an *unrelated* problem that, as what we today would see as an unintended consequence, led to the emergent development of language capabilities beyond vocalizations of other primates. The problem to overcome was the increasing size of the hominin head as a competitive response to selection pressure from an increasingly more complex and hostile environment.

Language is mainly the unintended result of our having developed fatter heads, which resulted from increased brain size in earlier hominin development. Heads were growing too large for female pelvic capacity to expand to accommodate during birth. Evolution (as nothing but blind variation and selective retention) stumbled upon neoteny to stave off the increasing birth defects in the offspring and debilitating injuries or death in mothers, by initiating "premature" birth (in comparison to prior primate species). The fetus and newborn of primates have big brains relative to body size, flat faces, thinner or smaller eyebrow ridges, smaller (or baby) teeth, sparse hair and lighter colored skin. Only *H. Sapiens* have retained all those features as adults, along with the front-to-back head axis of the trunk, which allows horizontal line of sight when erect. And fundamentally different from all other mammals, fetal development is not completed in utero. In all other mammals, fetal development is completed in utero and what is born is (at least minimally) a smaller, but survival worthy, adult. Human infants cannot survive unaided: it takes years of mother—infant interaction and tuition to complete development of the nervous system to a point where the infant can even begin to coordinate movements into survival worthy behaviors (Porges 2011). Our species is "deliberately" (with respect to other primates) born prematurely with respect to neural development and cranial functioning (and also concomitant muscular development), and also requires considerable interaction between mother and offspring to develop the prosocial behaviors which allow for this completion. A definitive characteristic of humans is this difference between our extra uterine development and the entirely intrauterine development of all other species. To keep female pelvic structure from splitting, evolution (without direction: nothing more than blind variation and selective retention) *externalized* the process of making bigger heads— final neural and skeletal muscular growth and development became "farmed out" from the calming interior of the uterus to the cold harsh light of day. In so doing our evolution began to incorporate exosomatic factors into our evolutionary development. We changed our neural function and organization:

> The brain wiring that occurs in the last phase of fetal development provides the neurological basis for the mental models that the organism is going to use throughout its life. If that phase occurs in a highly stable and reproducible environment of the uterus, the operations of brain wiring follow a pre-established sequence of steps and generate a modeling system that has been highly conserved in evolution. In our species, however, the last phases of fetal development have been progressively displaced outside the uterus, in a radically different environment, and that created the opportunity for a radically new experiment in brain wiring. That was the precondition for the evolution of the uniquely human modeling system… (Barbieri, 2010, p. 215).

That unique modeling system (creating our knowledge of ourselves and the external world) incorporates far more malleable and plastic mechanisms for learning from experience than are found in the "instinctive" or more fixed behaviors of other species. That modeling system is unique in the fact that it is based upon natural language and its symbolism. Instead of trying to cope with our econiche by developing more "innate" or built-in neural circuitry, we developed experientially based (learned) approaches dependent upon language, now centering on fewer general principles or rules of determination for coping with unforeseen variability rather than, as earlier hominin species did, increasing the numbers and size of particular neural circuits for particular situations.

Language, developed in the necessity of communication (for coordination of behaviors) between mothers (and proximate caregivers) and helpless infants, rapidly expanded beyond this initial function of mother-infant bonding and care to the myriad tasks it now performs. Language both aids our performance of cognitive tasks and also performs them. We went from babbling to vocalizing to talking to parents and close relatives, to talking to larger groups and then unknown strangers, and from discussing concerns of our immediate situation to the abstract non-here and not-now of the counterfactual and the theoretical. That transition initially produced, and then began to transcend, our extended face-to-face or tribal society, leading extremely recently (with a warmer climate and settled agriculture about ten thousand years ago, when the ice age waned) to the beginnings of market orders.

*Market orders enabled rapid transition to "modern" civilization*. The market order could develop only when language was fully in place, and when population density increased beyond the point at which the members of the tribal group could be known and directly supervised by the tribal leader (or his or her cronies). At that point a crisis of knowledge and organization arose. Out of sight meant out of mind for the leader, and for the recalcitrant follower, allowed insubordination and incoordination to occur. The structure of tribal dictatorship began to break down: members of larger groups no longer knew all the other members of their group, and with the increase in division of labor and knowledge, they began to trade more impersonally and anonymously among themselves, and similarly among unknown members of other groups. Markets began to arise for transactions beyond face-to-face barter. When this happened groups of individuals who adopted the social order resulting from this primitive market interaction gradually came to displace those groups of individuals who did not. This occurred due to nothing more than traditional factors of Darwinian evolution—blind (but not at all random!) response variation, and selective winnowing by an indifferent environment. This process of competition is the key to all our exosomatic evolution: a "mechanism" (better: a process) by which individuals have been able to utilize knowledge and skill that greatly transcends the capacity of any of the individuals who have participated in creating or utilizing it. The market as an *epistemic* phenomenon is a form of organization that is so simple and simultaneously so powerful that without any conscious direction or thought we have become able to externalize our knowledge and its productive capacity beyond the limits of the cognitive abilities and memory capabilities of single individuals. In so doing that summary total of knowledge is made available to all who participate in the market order in which it is embedded. With the replacement of face-to-face barter by the impersonal market order, humans unintentionally created a knowledge creation and transmission process or "system" that, because it is far more economical and parsimonious in its function, allows us to avoid both responding to an indefinite number

of inputs and holding an infinite number of particulars in our individual memory. Additionally, through concomitant neural reorganization, we became able to access that "stored" externalized memory through symbolic processing. This is the *economy* of knowledge of market orders, and it has changed our neurophysiological structure and function. We no longer needed to develop bigger and bigger heads with dedicated neural circuits to "hold" more and more particulars of knowledge, and as a result human brain size is now decreasing (Stibel 2021, 2023; DeSilva et al. 2021). We have come to be able to utilize the external environment as, to use the prevalent computer metaphor, an indefinitely powerful (because extendable) hard drive storage system by externalizing our memory requirements. We have enabled brain functioning (not just perception of particular stimuli) to do other things, and do things better— by concentrating upon a smaller number of abstract or general "rules of order" (general programs, not algorithms) to aid in coping with and rendering intelligible the indefinite welter of stimulus situations or environmental contingencies. By following the same simple but powerful general rules of order we guided production of an infinitely nuanced and variegated series of responses to those indefinitely extended situations and contingencies. This procedure is indefinitely more powerful and efficient than attempting to deal with welters of particulars as particulars. With the aid of externalized (physical or exosomatic) memory devices—making external things cues or symbols for complex contents—(which literally become separate "hard" drive physical entities outside our bodies), first as language heard by others to remember and process, and then with writing (and writing began with the memory task of listing or record-keeping, Goody 1986; Schmandt-Besserat 2015), our knowledge and productive output has increased exponentially. This has become a quasi-Lamarckian evolutionary process operating in addition to traditional Darwinian processes. Exosomatic memory storage and knowledge in an abstract and impersonal framework is quite literally what has made us the humans we are today. Externalization of memory is the basis of present civilization. What economists and Scottish moralist social theorists appropriately called the twin miracles, the division of labor and its concomitant resultant, the division of knowledge, are the result of adoption by groups of individuals of the market order of social organization. This adoption was gradual and never intentional, and it was never recognized or understood by those groups who adopted market orders. It is, as Hayek has emphasized, merely the case that groups of individuals who have adopted that social order, especially the forms of record keeping enabling and resulting from market interaction, have come to displace those groups of individuals who did not.

*Two kinds of complexity in social order.* A market order is a spontaneously arisen complex phenomenon. Its incredible power is due to extreme simplicity of operation. It is an instance of *simple* complexity. To be *spontaneous*, which means without deliberate or conscious direction on the part of any agency, it must be governed by (consist in the operation of) very simple yet incredibly powerful *already available* constraints. The constraints have got to be simple in the sense that no extraordinary measures are necessary to bring them about: they must already be there in the econiche, concomitant or co-occurrent, due to the presence of other things that were simply going on at that time. They are the equivalent of "frozen accidents" or constraints in physical theory, not the result of what physicists have separated out as initial conditions, which occur only due to the intervention of agency. These "simple" constraints must result in complexity of output greater than they themselves provide. Spontaneously arisen complexity involves two seemingly contradictory factors: simplicity (great simplicity) in the operation of the rules of constraint producing the order; and complexity and productivity in the output of the order that occurs when the rules are present (Pattee and Sayama 2019). All complexity and variability of the *products* of the spontaneous order depend upon the simplicity and uniformity of application of the rules of order (constraints) producing those products. As Pattee and Sayama put it, we do not have "open ended" evolution (meaning that the processes of evolution change into new ones), we always find evolved "open-endedness" as a result of following uniform rules that are already available. The rules of evolution (blind variation and selective retention) remain simple but powerful constraints—it is their products that are novel, unforeseen and complex. It is important to emphasize how the simplicity of what can be called an order's "operational instructions" (analogous to software programming for a computer) can produce novelty and complexity as a result of employing recursive func-

tions. This is how languages (genetic or natural), with already available finite rules of production and finite vocabulary items, can produce an infinite number of meaningful functional sentences. This recursion is how externalization of memory, once it occurred, has been so amazingly powerful and widespread.

If modern brains operate by taking advantage of "streamlined" rules of order (simple but powerful—recursive—patterns of activity) that result in greater complexity and novelty of output (and in so doing require equal or less amounts of thermodynamic work to sustain them), then we can explain how present superior "intelligence" can co-occur with physically decreased brain size. We are using more efficient and powerful "programming" to produce more complex outputs. We need to understand that task complexity must be somewhat increased (as is done by the development of consciousness), while memory for the welter of possible effects of an infinite domain of possible particular outcomes must be externalized into the equivalent of the Internet cloud, simplified to a bare minimum by abstract rules of determination (roughly equivalent to search terms and algorithmic search procedures) that do not require us to manipulate or store countless particulars. Through competition, evolution has been ruthlessly efficient in simplifying the development of sapience. Increasing external memory allows smaller, more efficient brains to do and know more. And with the distributed information capacity of the common environment all individuals who gain access to that material can use it at their "will" (their agency's choice). Our physically smaller brains are now functionally more powerful than when they were bigger but operated with less efficient organization and could not take advantage of distributed information and competitive cooperation. This answers the apparent paradox found by in anthropological literature (Stibel, 2021, 2023; DeSilva et al., 2021): there is no paradox at all, only increased efficiency due to different functional organization which resulted from the externalization of memory.

There is a second kind of complexity in agency in "higher" organisms. This is "complex" complexity in comparison, and it involves the nervous system acting recursively as a series of self-initiating and continuing constraints underlying agency. The closure (realization, bringing about) of given constraints results in the operation of other constraints, which in turn initiate those same constraints over again. Agency (whether as self-control or self-awareness) is self-initiation by recurrent closure of constraints, so that organisms can be defined not in terms of physical properties that exist at any given moment in their lives, but as (recursive) functional processes—organisms *are* what they *do*, as Mossio and Bich (2017) succinctly put it. What counts as causality in agency is thus entirely functional. It is a series of circular loops that are self-contained as parts of each other so that the overall system is self-producing. As Montévil and Mossio (2020) put it, biological organization is the closure of constraints which are in themselves parts of other constraints. This effectively merges internal and externalized memory into a feedback system operating upon itself.[2]

*Writing as an unintended consequence of language.* A breakthrough in the externalization of memory, at least as great as the development of language itself, is the invention of writing. Here is another case in which development immediately occurred that went far beyond its initial function of listing items in a class (listing or enumeration as record keeping is fundamentally a memory aid externalized or taken away from other brain functions) or calming infants.

Our immediate awareness is apparently limited to the magic number 7 plus or minus 2, the title of Miller's (1956) well-known article. Our capacity to remember immediately given items is, like that of almost all other animals, very short. We cannot hold in immediate awareness (consciousness) anything near the amount of information necessary to support the complexity of modern society. We have had to develop and rely upon a much longer term (or span) of attention and memory capacity, which involves longer and longer linear strings of spoken language that can refer not only to the immediately given here and now but also to indefinitely extended times and places (Fitch 2010; Barbieri 2010). Consciousness itself has developed as a memory extension function: a hominin without consciousness could not comprehend a sentence this long: it would lack the immediate memory capacity to do so. Now we have only to write it down.

> Writing is incredibly recent. No one wrote anything 10,000 years ago. That is all but inconceivable to us today, when we could not survive without it. Writing is humankind's principal technology for collecting, manipulating, storing, retrieving, communicating and disseminating information.… Phonetic signs, introduced to transcribe the name of individuals, marked the turning point when writing started emulating spoken language and, as a result, became applicable to all fields of human experience (3000—1500 BC) (Schmandt-Besserat 2015, pp. 1-2).

Alphanumeric writing is only 5000 years old.

Consider a further comment from Schmandt-Besserat:

> Development from tokens to script reveals that writing emerged from counting and accounting. Writing was used exclusively for accounting until the third millennium BC, when the Sumerian concern for the afterlife paved the way to literature by using writing for funerary inscriptions. The evolution from tokens to script also documents a steady progression in abstracting data, from one-to-one correspondence with three-dimensional tangible tokens, to two-dimensional pictures, the invention of abstract numbers and phonetic syllabic signs and finally, in the second millennium BC, the ultimate abstraction of sound and meaning with representation of phonemes by the letters of the alphabet (Ibid., p. 1).

I cannot imagine a clearer example of the fact that cognition (function, structure, capacity), like the acquisition of knowledge, is in fact *driven* by technological advance. An example is the development of mathematics, which would be inconceivable without the written number (and symbols) as an abstraction. The technology of writing was an enablement (discussed below) of language, which in turn enables opening the door to unbelievably rapid growth and progress in unforeseen directions and fields, all of which having been due to the equally unbelievable increase in our ability to store and then gain access to items in memory because of the external storage function of written accounts (and the ease with which it can be retrieved).

*Enablements are not causes, they are co-occurrences.* Language did not cause the development of market orders—it enabled that development. Writing did not cause mathematics or computers—it enabled their occurrence. We need to explore a crucial distinction in the development of such complex systems: the co-occurrences that enable these novel things to emerge do not *cause* them in any classical or physical science sense. They create an opportunity space—a change in an econiche—in which other things can now emerge unbidden by physical necessity.[3]

Agents make choices which, operating through generations by downward causation (Campbell 1974), harness the physical world (including their own bodies). We are engaged in terraforming our own "physical" and mental environments to produce novel outcomes. We do this by thinking, talking and externalizing memory through writing—for example, drawing blueprints for new highways, buildings and cities, then changing the ground and building the highways and buildings. The inhabitants who move to those cities continue to do co-occurrent unanticipated things: perhaps the buildings may include a medical research and teaching facility which then produces medical advances that extend human life expectancy and perhaps increase food production. All such novel behavior and the acquisition of new knowledge and terraforming of the planet is a co-occurrence of human exosomatic social activity and it is equally an enablement of the novel and unforeseen, because it simultaneously opens up what Kauffman (2019) and other biologists (Longo et al. 2012; Mossio and Marino 2010; Montévil and Mossio 2020; Mossio and Bich 2017) have called "adjacent possibilities" of econiches in which agency arises and sustains its own activity. The tremendous explosion in this pattern of behavior in the last few thousand years is the result of the exosomatic factor of externalization of human memory into the impersonal social milieu, which enables but does not directly or physically cause not only the change in our brain structure and size but also created all of modern society beyond the face-to-face organization of the family and tribe.

Kauffman uses the example of the development of a swim bladder in fish to show how novel emergent possibilities arise. Water got in the lungs of some fish, and that resulted in a mixture of air and water which for some reason developed into swim bladders. With the swim bladder's emergence, a new *function*—not a physical phenomenon—came into existence: neutral buoyancy. At this point:

> Might a worm or bacterium evolve to live only in swim bladders? Yes of course. So the swim bladder, by existing, opens a new crack in the floor of nature, to borrow from Darwin, and a worm can live in that new crack.…
>
> And there is still more: does the bladder *cause* the worm to evolve to live in the swim bladder? No. The bladder enables the worm to evolve to live in the swim bladder—a subtle but crucial difference.… The mutation in worms that is part of the evolution of the capacity to live in swim bladders is itself a random quantum event. Much of the becoming of the biosphere has to do with *making possible*.… Natural selection played a role in "fashioning" a working swim bladder. But did natural selection fashion the swim bladder such that it constituted an adjacent possible empty niche in which a worm could evolve to live? NO! But that means that without selection accomplishing it, evolution creates its own possibilities of future evolution! Evolution, without selection achieving it, evolves its own future pathways of becoming (Kauffman 2019, pp. 116-117)!

Within the physical sciences we cannot formulate any measure or explanatory account of how this should be necessitated: biosphere emergence is enabled, not caused. It cannot be pre-stated, predicted, measured, or probabilified (except after the fact). Our understanding of such enabled phenomena is always in terms (and after the fact) of what Hayek (1967) called explanation of the principle involved, and it can never be of all the infinitude of particulars that somehow "went together" to make up those general regularities.

The development of society occurs primarily as a result of social co-occurrent enablement. The unintended consequences of human action change not only humans themselves but the non-conscious (actually, non-agency based) econiche in which they are found. This realm of the social (which is the not conscious) as opposed to the social psychological, is "caused" only by enablement. That is to say, there is no physical causality whatsoever: we could never pre-state in any physical science account the ever-changing phase spaces of ever new functionalities that arise in that domain. Thus, we cannot do what physical science does: write laws or equations of motion for that which emerges. There is no avoiding the fact that since we cannot integrate the equations of motion in a single relevant phase space, we do not have entailing laws as physical science provides. This was first pointed out in economics and social "theory" by Hayek, who argued that general or abstract rules of behavior compatible with (but not causal of) observed results are all that we can hope to find. Kauffman applied similar reasoning to the economic domain as well. Consider the development of computers. After von Neumann invented it, IBM made a few commercial machines, which sold better than their initial expectations. Then, independently, computer chips were invented (and replaced vacuum tubes), which paved the way to the smaller personal computer. But the big mainframe did not cause the invention of the personal computer—it enabled it. Then independently came the spreadsheet as a programming application, which complemented the personal computer in the sense that each one helped the other gain increasing sales. Again, the personal computer did not cause but rather enabled word processing, and enabled but did not cause companies such as Microsoft, and it did not cause but enabled the existence of the Internet and World Wide Web, which in turn enabled but did not cause the existence of companies such as eBay and Amazon, and then Google and a plethora of present-day search engines. That enablement continues today. As Kauffman said, "I note again that goods and services as contexts do not cause, but enabled the invention and introduction of the next good or service. ' Enablement' is not a word used in physics" (Ibid., p. 132).

*On growth and form.* In 1917 Darcy Thompson published an influential book with that title, making the case that evolution must follow the purely physical-mathematical rules according to which molecules can come together to form the only possible basic forms of biological structures and even whole organisms. The physical shape organisms take is "determined" in *the physical realm* by mathematical and physical constraints (such as gravity and surface tension) on putting things together. In psychology Kugler and Turvey (1987) extended this approach to physiological functioning underlying psychological processes. One hundred years later, Thompson still commands respect and guides research (Briscoe and Kicheva 2017). But does that mean that the principles of evolution should be discarded in favor of hard science explanations? Against that one-sided approach, Thompson was criticized by theorists who emphasized that evolution is not a physical phenomenon but rather a functional (biological and semiotic) fact of life. How can one get beyond either one sided account? It is only in the functional realm that, as Polanyi (1969) was the first to emphasize, life *harnesses* physicality, and in so doing transcends physicality alone. That is the perspective from which Kauffman's use of enablement, as well as the perspective of this essay, stem. Understanding both life and its emergence, and civilization and its explosive growth, demand both physical and functional accounts. But in the genesis of society and civilization, the functional realm now is totally dominant.

*A different perspective on Polanyi's tacit dimension.* A mainstay of the revolution against the old entirely explicit and conscious conception of rationality (stemming from the Euclidean-Cartesian approach to epistemology) has been Michael Polanyi's insistence that all conscious thought and awareness is preceded by and grounded within a tacit dimension of nonconscious and implicit processes. He is, with Hayek, one of the coiners of the concept of spontaneous order. What is explicitly available to conscious processing in focal attention stands out as such only against a background of subsidiary activity of which one cannot at that time be aware. Knowing is a from-to relational structure: we attend from the background in order to have the focal material brought into consciousness. Articulate knowledge rests on tacit "commitment" (presuppositions) in a framework that is not explicitly rational (in the Cartesian sense) or consciously articulated. We are what Polanyi called comprehensive entities, based on both at once, in the sense of life harnessing the physical domain by imposing functional constraints (Weimer, in press) on it. Here we have focused on the fact that any such higher order functional constraint system in hominin groups depends upon externalization of symbols into the econiche.

Externalization of memory has been responsible for moving this tacit process of knowing and doing from the individual nervous system out into the econiche (within the individual, tacit processing involves the influence of temporally prior activity upon subsequent neural patterns). This is what has made the human social cosmos more than Grassé's stigmergic activity found in the group insect world. Stigmergy refers to the indirect coordination of behavior by environmental cues which organize what we regard as "collective" activity. Stigmergy replaces the untenable idea of groups as "super organisms" or deliberate collectives. This is a simple feedback mechanism: traces left in the environment by organisms then feedback to influence their subsequent behavior. Social insect colonies record (totally unintentionally) their activity in external environmental effects and then use that record to organize seemingly "collective" behavior.

> Various forms of storage are used: gradients of pheromones, material structures (impregnated or not by chemical compounds), or spatial distributions of colony elements. Such structures materialize the dynamics of the colonies' collective behavior and constrain behavior of individuals through a feedback loop. Stigmergy also solves the coordination paradox: individuals do interact to achieve coordination but they interact indirectly so that each insect taken separately does not seem to be involved in a coordinated, collective behavior (Theraulaz and Bonabeau 1999, p. 111).

No doubt stigmergic activity coordinated the behavior of earlier and smaller primate groups (such as earlier hominins like *H. Erectus*), but it could not possibly be stretched to account for the explosive development of society after the last Ice Age. That requires development of symbolic record-keeping devices such as al-

phabets based upon phonemic transcription, and, in order to enable the retrieval of information, functional reorganization of brain patterns to read the letters and their combinations as representing what is available in spoken language. This is anticipation and expectation, a matter of feed forward, not backward (Weimer 2021, 2023a, 2023b).

*Competitive cooperation maximizes social externalization of memory.* Economists emphasize competition as a discovery procedure by which new knowledge is uncovered and goods are produced. But competition is a found or already given process for making maximal utilization of memory that is externalized and thus potentially available in the econiche of the social order. The "selfish" activity of taking advantage of one's unique position in the social milieu to make market transactions for one's own betterment is, in the present organization of social interaction, an enablement, which happens to be a maximally effective means of picking up and utilizing externalized information that has been compactly summarized in the single chunk of "information" provided by a price in the market. The recently evolved procedure of competitive interaction in market ordering is far superior to tribal central direction of resources (and controlling or limiting of information for a particular purpose) when it comes to the task of harnessing the externalized memory capacity found in society. The insolubility of the "distribution problem" in centrally directed economies is an indication of the superior utilization of externalized memory present in decentralized economic systems. This is why the history of the last few millenia is a history of the increasing spread of economic market ordering from initially small and isolated "backwaters" to larger and larger blocks of more dominant social groups (including countries and sometimes the majority of a continent) bound only by common operating systems that, in the last analysis, are means of improved utilization of indefinitely extended externalized memory, and as such, of more decentralized control allowing increased creativity and productivity.

*The dark side: tribal instincts and desires thwart competitive cooperation and decrease reliance on impersonal knowledge.* Despite externalization of memory functions, our present larger social groups are still based on the gut level and lower to midbrain organization of our primitive mammalian ancestors (Weimer 2022b). The "higher" cortex of hominins (as well as sharper separation of hemispheric function and "quasi-independent" identity or agency of hemispheres) is, like market ordering, a recent and co-occurrent addition, not always compatible in goals or functions with the rest of the CNS and the ANS (autonomic nervous system). Our emotions and sense of comfort arose in the intimacy of face-to-face benevolence and tribe provided care giving. The abstract society of external, rather than personal stimulation and cues for behavior, has no such comfort to us. This has led to disaster as well as progress. We have vastly increased the destructiveness of war and aggression (and armed stone age barbarians against civilization with "surplus" arms sales and tribalistic doctrines such as socialism and communism), aided theft and rape in conquest, used religion to advance the sacredness of life for the purpose of breeding more of "us" so we can with a clear conscience engage in genocide against the "infidel" other (whom it is quite alright to kill), and sought desperately to go back to the comforting organization of the tribe to avoid the alienation and malaise of modern abstract society. We deny at all costs the benefits of competitive market cooperation in favor of the tribal morality of benevolence and the dictator's beneficence. This double-edged sword aspect of market ordering has been recognized for centuries. Consider Ferguson (1767/1995):

> The latest efforts of human invention are but a continuation of certain devices which were practiced in the earliest ages of the world, and in the rudest state of mankind. What the savage projects, or observes, in the forest, are the steps which led nations, more advanced, from the architecture of the cottage to that of the palace, and conducted the human mind from the perceptions of sense, to the general conclusions of science.… Without the rivalship of nations, and the practice of war, civil society itself could hardly have found an object, or a form.… The intellectual talents of men have found their busiest scene in wielding their national forces, to overawe, or intimidate, or, when we cannot persuade with reason, to resist with fortitude, are the occupations which give its most

> animating exercise, and its greatest triumphs; and he who has never struggled with his fellow creatures, is a stranger to half the sentiments of mankind.… (pp. 13; 36).

Ignored in such cases (and completely unknown to the majority of individuals) are the positive aspects of competition and rivalry which come into play when we consider the division of labor and its resultant, the division of knowledge. As Ferguson said, the activities of individuals "are made, like the parts of an engine, to concur to a purpose, without any concert of their own; and equally blind with the trader to any general combination, they unite with him, furnishing to the state its resources, its conduct, and its force" (Ibid., pp. 278-279). But the unavoidable conflict between the undeniable advantages and benefits of the impersonal society based upon externalized memory and market orders, and our ancient and incredibly powerful tribal morality and internal memory and instincts, goes on, increasingly enabled by the products which those same markets have provided.

*The fall of public man.* This is a popular book title (Sennett 1974). Its theme is that the prior (tribal up to end of feudal) public presentation of ourselves to others, the public stage with face-to-face interaction and mutual caring upon which countless earlier generations interacted, has given way to a private interior mental stage of today's self-absorbed alienated moderns. This would make sense, since we long for the internal memory-based benevolence of tribal existence for our gut level emotional satisfaction and comfort: we are attempting to manufacture what is perceived to have been lost. But Sennett argues our communities have become uncivilized in the process. The archvillain, as portrayed by Sennett and progressivists schooled in the then New Left, was and is the horror of capitalism.[4] This is the assumption:

> [T]hat impersonality is a summation, a result, a tangible effect of all the worst evils of industrial capitalism.… Industrial capitalism, we all know, divorces the man at work from the work he does, for he does not control his own labor, but rather must sell it. Therefore, we all know, the fundamental problem of capitalism is dissociation, called variously alienation, non-cathectic activity, and the like; division, separation, isolation are the governing images which express this evil.... The very idea of the unknown can modulate into seeming one form of the problem of capitalism; just as man is distant from his work, he is distant from his fellows (Sennett 1974, p. 295).

Public man (as opposed to present day private, narcissistic and self-interested humanity) was a structured (scripted) and "formal" way of interacting with others (the requirement of always having good "manners") intended to keep violent disagreement at a minimum, to preserve the amiable form of tribal or face to face interaction. More than pleasantries, such ritualistic behavior allowed disagreements to be minimized and smoothed over to accomplish our transactions. It was, in effect, a ritualistic extension of how poisonous snakes who would kill each other by biting, now fight by wrestling rather than killing each other by injecting venom.

Should we look forward to impersonal cooperation based on externalized record keeping and symbolic interaction, or backward to "public man" face to face intimacy and mutual beneficence? First, is the description of capitalist "evil" correct? No. We do *not* "all know" what the Left has presumed to be true. It is not the case that (to note only Sennett's example) a worker is "divorced" and "dissociated" because he or she "sells" labor. That interaction is a market order exchange by contract, not force or coercion by another. An individual *owns* their own labor as an item of private property, and *chooses* to use it one way or another. Slavery, an institution of tribalism, robs the individual of their property and freedom, not capitalism as market order interaction, which is based upon individual freedom of choice among alternatives. What of the unknown and unforeseen as "unique" to capitalism? Does it distance one from fellows? Certainly no more so than for the tribal member cast out on a hostile hunt or flight from enemies is facing unknown consequences. So the "problems" of modern society are not actually those found in progressivist accounts.

Problems proffered by the Left as the alleged result of market economy and impersonal social organization turn out to have nothing to do with the economic order that replaced feudalism and tribalism. Those problems are inherent in restrictions imposed by larger populations per se, and the lack of interpersonal contact and bonding except that now found in individual voluntary association. Here the contrast is revealing: the labor union imposed upon workers, an instrument of tribal "benevolence" opposed to apparent interests of the "owners," is a typical example of alienation and malaise from following progressivist policy, because the union members have nothing in common except their work situation and the desire for more money. As a result, union members have no respite from alienation, isolation and malaise. In contrast, voluntary associations, based upon commonly shared interests, are what can combat that unpleasant situation, and unite those of disparate economic and social circumstances, while providing a welcome return to the camaraderie of the gut feelings of the tribal group (Weimer 2022b) within the larger context of the impersonal society. The externalization of memory that has shaped our society has not as yet managed to change our gut level emotionality.

## SUMMARY

Modern impersonal and abstract society has resulted from an enablement, an unintended consequence, of our very recent ability to move the burden of record keeping and memory functions from the limited internal patterning of neural activity within the individual brain out into the econiche, where all members of our now enlarged group populations have their own access to that content. We have created an intersubjective realm in addition to our individual experiences. We have made exosomatic objects and processes the repository of vast amounts of information and knowledge, capable of supporting an indefinitely extended range of behaviors and new functions. This change in social organization, of memory beyond the capacity of the individual and the momentary present, has enabled society to become impersonal (intersubjective to the philosopher) and transcend time rather than being limited to personal interactions with known individuals in the specious present. A spontaneously organized complex society emerged from, as the recent example of writing in which letters represent phonemes of spoken language provides, a means of externalizing knowledge and memory from individual brains to the indefinitely extended econiche we have created in the process of that externalization. Anyone who has access to records (written, spoken, however embodied or symbolized) can now participate in a vastly extended domain of knowledge and "information" by engaging in the resultant market ordered systems. "Public" man or woman may have fallen from view in the market orders of present abstract society, but the benefits of small group living can still be found in voluntary association and mutual benevolence in personally meaning filled forums provided by voluntary association and cooperation. Externalizing memory creates the impersonal social order we now find ourselves within, but it does not destroy or repudiate personal meaning and human satisfaction. Those "human" factors and concerns are now being relocated into spaces chosen by individuals rather than dictated to us by tribal proximity.

## NOTES

1 Scant mention of memory externalization in the literature focuses on the very recent examples of computer and internet instances (Wegner, Ward, and associates, e.g., 2013, 2021). Empirical studies center on how the internet bombardment of content has affected the consumers of that content. These studies take memory externalization for granted, and as only a contemporary phenomenon. One important result is that people mistake the internet's knowledge for their own: we now seem to internalize the external. There is no attempt at historical or developmental understanding of externalized memory or its enablement in these studies, nor discussion of its origin in the spontaneous social cosmos, or actual significance in having shaped our rapid development in society and intellect.

2 Agency as recursive closure of functional constraints depends upon pickup of information from both internal and external environments. What was external becomes internalized in a new functioning of a constraint operation. Agents initiate new internal constraint patterns as a result of picking up information that is external to that constraint's own operation, which then becomes internal (remembered) information used in other constraints in order to pick up and operate upon new (externalized) information leading to new constraint initiation. This is how we are what we do. This is why agency does not entail consciousness, which (found only in the highest primates) is a more recent self-constraining organization pattern that lengthens internal immediate or short-term internal memory enough for cognitive processes to begin to "see" what we are doing in being agents.

3 This relates to the age-old contrast between invention and discovery. Do we *invent* mathematical systems such as calculus or linear algebra, or *discover* them in some abstract conceptual space upon which we have stumbled? Usually we assume that if it is "intuitive" in some sense (involving a sense of familiarity) then it "must" be that we "invented" it, while if there is no readily available context, we think it was a new "discovery" by some intellectual explorer. For example, in the case of Cantor's work on the mathematics of infinite totalities we find it so unprecedented and unique in the history of thought that it "must" have been discovered by his genius, whereas any algebra is now, because of context, seen as "obviously" an invention.

This contrast even entered the political arena with discussion of the "social origins" of mathematics. Cartesian constructivists (as Hayek 1979, 1983, 1989, used the term) assume that all mathematics must be deliberately arrived at, an invention resulting from some felt need. Lancelot Hogben (1937), writing with the Marxist socialist's "clear Cartesian common sense," portrayed the entire history of mathematics as a matter of deliberate making of systems to fulfill a need that society *already* had to have. Writers of a classical liberal bent regard this as absurd, arguing that the development of mathematics is almost always a matter of the unintended consequences of other action rather than deliberate design or felt need.

When viewed as enablement co-occurrent developments in a spontaneous intellectual order these either-or approaches are of little utility, because both are usually involved to varying degrees.

4 Sennett followed the cultural Marxist shift of nearly all academics in the 60's:

> I put the matter so strongly because I and many other writers in the New Left during the last decade so erroneously believed that the rebuilding of local community was the starting point for politically rebuilding the larger society.… Even if the idea of building a community sharing intimately new forms of experience had been initiated by the oppressed, or sustained by them, I think the results would have come to the same dead-end. For what is wrong about the notion of building a community against the world is that it assumes that the very terms of intimate experience would indeed permit people to create a new kind of sociability, based on the sharing of their feelings (Sennett, 1974, p. 296).

The correct "villain" is also the source of our progress and hope for the future—the adoption of market orders as an enabled result of the externalization of memory. Market orders have absolutely no deliberate suppression of any participant. The continual socialist focus on oppression, alienation from one's immediate tribe, making money and wiping out all competitors, loss of the morality of beneficence, etc., ignores all the advantages that accrue to competitive cooperation in an impersonal society.

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# Spontaneous Order and Stigmergy: The *Kosmos* of Human and Nonhuman Social Orders

ADAM LOVASZ
Eötvös Lóránd University

**Abstract:** In this article, I compare the concepts of spontaneous order and stigmergy. First coined by obscure process philosopher Otis Lee in 1944, "spontaneous order" was adapted by Michael Polanyi and Friedrich August von Hayek to describe both human and nonhuman forms of order that emerge from local interactions. The phrase denotes a phenomenon of observable regularity that is more than the sum of its parts, unintended by any participant entities or agents. From its very inception, spontaneous order referred to a wide range of entities. Polanyi, as a chemist, was fascinated by autocatalytic chemical reactions. Similarly, already in his early interdisciplinary work on complexity Hayek references several types of spontaneous order. Later, Hayek would use the spontaneous order concept as a way of describing unplanned forms of social coordination in the human realm. These he calls *kosmos*, as distinct from organizations (*taxis*). In my view, by combining the idea of spontaneous order with the concept of stigmergy, we may deepen our understanding of such phenomena without needing to resort to an anthropocentric social theory. Stigmergy, first elaborated by entomologists researching the activities of social insects, refers to the construction of structures the scale of which surpasses the cognitive capacities of individual agents. Building on the work of both Hayekian scholars and researchers of stigmergy, we can obtain a theory of society applicable to human and nonhuman orders.

**Keywords:** complexity, post-anthropocentrism, spontaneous order, stigmergy.

## INTRODUCTION

The concept of spontaneous order had a long career in 20th century social thought. First coined by relatively obscure American philosopher Otis Lee, it was adapted by philosopher of science and liberal thinker Michael Polanyi, but came to be most widely recognized through the work of economist Friedrich August von Hayek. In this paper, I dispute the idea that spontaneous order refers exclusively to human societies alone. From its inception, the concept was applied by both Polanyi and Hayek to a wide range of phenomena. We have no intrinsic reason to restrict the concept to description of interactions by intelligent agents alone. Indeed, as I hope to show, the disconnect between the collectively intelligent nature of a spontaneous order and the (relative) individual ignorance of participants is an *essential* feature of any and all spontaneous orders. Any order may

be called spontaneous which emerges *unintentionally* as the result of local interactions among participating entities, living or non-living, cogent or non-cogent. In this regard, spontaneous order shares much with stigmergy, so much so that the latter is in essence synonymous with the former. By reading spontaneous order as a stigmergic view of society, we can obtain a view of society that is post-anthropocentric, applicable to all societies, human and nonhuman alike.

## THE ORIGIN OF THE SPONTANEOUS ORDER CONCEPT

The concept of spontaneous order has a long history in 20th century social thought. While its provenance has often been traced back to representatives of the Scottish Enlightenment such as Adam Ferguson, Adam Smith and David Hume, I am not entirely convinced of this connection. The most we can say is that the early representatives of the spontaneous order concept drew inspiration from these authors, but their ideas cannot be considered as constituting fully-developed representatives of spontaneous order (Petsoulas 2001). A substantially stronger case can be made for its provenance within the Austrian School of economics, for instance in the works of Carl Menger, who emphasized the organic and unintentional nature of social institutions, but again we search in vain among these works for explicit mention of "spontaneous order" as such (Lambert and Boettke 2022, pp. 103-120). While something along its lines definitely was emerging in multiple schools of thought, "spontaneous order" itself is very much a 20th century affair. The phrase "spontaneous order" was first coined by Otis Lee, one of process philosopher Alfred North Whitehead's lesser-known American followers who passed away at a tragically young age. In his essay "Value and the Situation," published in 1944, Lee compares centrally controlled social arrangements with free, individualistic and decentralized societies. Since the quote is, to the best of our knowledge, the first *explicit* mention of spontaneous order, it is worth quoting in full:

> Respect and solidarity together result in reciprocity of action. This is the difference between freedom and slavery, for in a free society the pattern of human relations provides the medium for mutual communication and interaction between the members, while in a slave society, although a quality may be shared, and the sharing of it may take place in an orderly, organized manner, nevertheless the end and way of life are imposed. Order which is imposed from without is repressive and tends to stagnation. But spontaneous order is a release of energy; people order themselves in relation to an activity which calls for a definite pattern and organization. Where there is autonomous, free activity, a natural order is generated, and the result is action that is two-way and mutual, and at the same time effective and disciplined. Such action can occur in many kinds of situation, under favorable conditions -family life, factory production, scientific research, common worship, carrying on a political campaign, the playing of games, the harvesting of crops, the production of a drama or rendition of a symphony (Lee 1944, p. 246).

It is worth taking a look at the main points of the above passage. According to Lee, the criterion of a free society would be that the communication medium through which members of a free society interact is formed from a patterning of human relations in an undisturbed way. While the order imposed by force from outside can only result in oppression and stagnation, the "spontaneous order is a release of energy," resulting in a change of scale: arising from the free activities of free individuals, unguided by any intention, spontaneous order leads to effective coordination without the need for explicit guidance, external regulation, or engineering. This is more than the negative freedom of classical liberalism: spontaneous order calls forth both positive solidarity and reciprocity. Whatever we may believe normatively about Lee's distinction between tyranny and freedom, even in its genesis the idea of spontaneous order refers to a positive condition of liberty, applicable to a range of human domains (economic production, science and art). The autonomy of institutions and the integrity of the order formed from individual interactions are at least as impor-

tant for Lee as the dignity of the individual. And most remarkably, the concept of spontaneous order is of an originally social scientific provenance. Indeed, Lee does not mention the natural sciences at all here.

It is one of the grave misfortunes of fate that Lee never could elaborate the spontaneous order concept in any great detail: he mentions it but once in the 1944 paper, and Lee's early death at the age of 45 precluded any further work in this direction. The task of elaborating the spontaneous order concept was left to Michael Polanyi, a Hungarian emigrée of Jewish descent (and incidentally, younger brother of socialist thinker Karl Polanyi). As distinct from Lee, Polanyi came from a natural science background, doing extensive and well-received work in chemistry before turning to the field of social science, chiefly philosophy. While Polanyi's 1941 article, "The Growth of Thought in Society" is occasionally referenced as a possible genesis of the spontaneous order concept (Jacobs 1997, pp. 14-28), Polanyi does not actually use the phrase there, preferring the term "dynamic order." As Polanyi writes, a dynamic order is "an ordered arrangement resulting by spontaneous mutual adjustment of the elements" (Polanyi 1941, p. 435). While the broad theme of Polanyi's paper is the use of knowledge in society, market transactions in particular, as a chemist he was also keenly interested in autocatalytic reactions such as crystal formation, and references this phenomenon as a physical example of dynamic order (1941, pp. 431-2). In a particularly intriguing section, Polanyi ventures the following observation, this time regarding human work: "the corporation must be so organised and directed that an employee will advance its interests best by following [a] line of action. The position of the individual partaking in a dynamic system is similar. The problem before him comprises his entire responsibility. To the solution of his own problem, to the fulfilment of his own special task, he owes his entire devotion. The rules by which he has to be guided in doing so (...) must be such as to safeguard the advancement of the dynamic order" (1941, p. 444). Individual participants need not have a cognitive grasp of the order their activities happen to be contributing to. As we shall see, this *disconnect* between limited individual knowledge and collectively intelligent structures is a crucial characteristic of what later came to be called spontaneous order and stigmergy.

In his 1948 study entitled "Spontaneous Order and Planning", Polanyi discusses the different types of spontaneous order for the first time. In Polanyi's case, there is no sharp distinction between phenomena of social and natural self-organization. As Struan Jacobs admits, even in later works such as *The Logic of Liberty*, "Polanyi applies the distinction between spontaneous and non-spontaneous orders indiscriminately - to society, nature, and artefacts" (Jacobs 2000, p. 56). Rather than seeing this as a conceptual weakness, in my view this actually constitutes an important advantage over more anthropomorphic ways of conceptualizing society. An autocatalytic reaction is a spontaneous order just like an economy or a scientific field. From autocatalysis Polanyi draws a broader lesson, namely that "when very large numbers are to be arranged carefully, it can be achieved only by the spontaneous mutual adjustment of the units, not by assignment of the several units to specifically prescribed positions" (Polanyi 1948, p. 239). Two conclusions emerge from this short sentence: on the one hand, reality, be it "social" or "natural" is largely uncontrollable and cannot on the whole be subordinated to specific goals. Furthermore, the most effective types of intervention are ones that leaves enough space for the play of natural forces. When dealing with large numbers of interactions, micromanagement and direct communication are precluded.

Because of our cognitive boundedness, we as agents cannot be aware of the whole. A spontaneous *social* order is an order characterized by a disconnect between individual nonknowledge and aggregate intelligence. There are cases that are of no interest to Polanyi: the random occupation of seats by passengers boarding a train cannot yet be considered a spontaneous order. Polanyi understands spontaneous social orders to be systems with temporal duration, "resulting in a complex and yet highly adaptable co-ordination" of individual activities (1948, pp. 243-4). There are two types of organization in modern societies. First of all, we can mention "corporate bodies". These entities are organizations that are goal-oriented, regulating and determining the activities of participants at the micro level. Secondly, we can talk about spontaneous orders in the true sense, in which mutual alignment on the part of agents occurs over time. The latter conditions "the actions of subordinates, but must never determine them" (1948, p. 244). While in corporate, i.e., artificially organized, order the specific positions of the agents is determined from above, in a spontaneous

order the participant's position is not explicitly regulated by the system. Polanyi formally demonstrates later in *The Logic of Liberty* that a polycentric or spontaneous order can achieve a higher degree of complexity than a centralized order (Polanyi 2002 [1951], p. 170).

Simply put, spontaneous orders are capable of becoming larger, because of the free association of their members: "when such a system is extended in size there may result an almost indefinite increase in the rate at which relations are readjusted per member, in sharp contrast to the conditions prevailing within a corporate system, the growth of which does not materially enhance the number of relations per person which the corporate authority can readjust per unit of time" (1948, pp. 247-8). In our time, central planning is a non-issue, but technocracy in a broader sense, the conscious shaping of social processes and administration, for example by utilizing the tools provided by Big Data, is a temptation that is still alive to this day. Society for Polanyi as a whole forms a spontaneous, unintentionally self-generated order, despite the fact that it may contain many corporate bodies and organizations (1948, p. 264). Were we to attribute purpose or overarching goals to society, we would treat it as a corporate organization and not as an extensive, complex order. Anyone who undertakes to manage society ends up in absurdity, due to the fatal category error of mistaking an unconsciously created order for a consciously created organization (1948, p. 265).[1]

## HAYEK'S ELABORATION OF SPONTANEOUS ORDER

While Polanyi contributed immensely to the promulgation of "spontaneous order," the concept arguably took off thanks to F. A. Hayek's seminal contributions to economics and social theory, the full scope of which lie far beyond the remit of this essay. It is no exaggeration to say that the complex and uncontrollable nature of modern society was at the core of Hayek's thinking (Skarbek 2022, pp. 101-117; Lewis 2012, pp. 368-378). For Hayek, social spontaneity is a key point of reference throughout his work. For example, already in an early 1933 text on economics, "The Trend of Economic Thinking", Hayek claims that all vital functions of society are performed by "spontaneous institutions" (Hayek 1991 [1933], pp. 13-31). At first sight, it would be obvious to associate Hayek's concept of "spontaneous order" with Polanyi, but John P. Bladel has convincingly shown that Hayek seems to have invented the concept independently of Polanyi (Bladel 2005, p. 19).[2] Whatever the precise origin of the concept, Hayek used it extensively as a way of lending an ontological basis to his classical liberal views. Indeed, the entirety of Hayek's social theory is grounded upon the concept of spontaneous order. We find a premonition of spontaneous order in Hayek's relatively unknown and, to date, under-researched book on the philosophy of mind, *The Sensory Order*. Again, because of its significance, it is worth quoting in full:

> *An order of events is something different from the properties of the individual events*, and that the same order of events can be formed from elements of a very different individual character, can be illustrated from a great number of different fields. The same pattern of movements may be performed by a swarm of fireflies, a flock of birds, a number of toy balloons or perhaps a flight of aeroplanes (...) *So long as the elements, whatever other properties they may possess, are capable of acting upon each other in the manner determining the structure of the machine, their other properties are irrelevant for our understanding of the machine* (Hayek 1952, p. 43, emphasis mine).

While the broad context is a speculative description of how consciousness[3] evolves and functions, we must bear in mind the importance of what Hayek is saying here: there are forms of emergent order which are more than the sum of their parts. Through interactions of individual elements, a whole emerges that none of them intended for, which nonetheless persists even when certain individuals are removed or changed. In all cases listed above, be they "natural" (a swarm of fireflies, a flock of birds) or "artificial" (toy balloons, aircraft), a spontaneous order of movements can be observed. I am certainly not suggesting that Hayek presaged 21st century technological advances in autonomous drone technology, but it is no stretch of the imag-

ination to claim that the above quote comes very close to constituting Hayek's first mention of spontaneous order.[4]

The first explicit mention by Hayek of spontaneous order occurs in the 1960 work, *The Constitution of Liberty*. As Hayek observes, writing about both chemical reactions and social processes, "we must rely on the fact that in certain conditions [elements of an order] will arrange themselves in a structure possessing certain characteristics. The use of these spontaneous forces, which in such instances is our only means of achieving the desired result, implies, then, that many features of the process creating the order will be beyond our control" (Hayek 2011 [1960], p. 230). In the case of a spontaneous or polycentric order, local interactions generate a structure the complexity of which surpasses that of individual participants. Indeed, in the case of complex phenomena "we can hardly ever ascertain all the facts which will contribute to determine the outcome" (Hayek 2014 [1964], p. 269). However intelligent they may appear to be, humans too are not unlike ants building their nest. Human cooperation on the whole proceeds through a process of "unconscious adaptation" to its social and natural environment (Hayek 2014 [1963], p. 225). Hayek does not deny that we are intelligent, cogent beings, but our knowledge and cognition are bounded. Already in *The Sensory Order*, Hayek stipulates that "any apparatus of classification must possess a structure of a higher degree of complexity than is possessed by the objects which it classifies:" by consequence, even our mind, conceived of as a self-organizing system, far surpasses our cognitive capabilities (Hayek 1952, p. 185). We as individuals are less intelligent than the orders we inhabit and collectively (yet unconsciously) enact.

By now it should be abundantly clear that there can be no question of reducing spontaneous order to the sum of human activities, and any such attempt runs aground on the inherently interdisciplinary nature of the concept itself. From its very beginnings, spontaneous order traverses the human-nonhuman dividing line. The elements of a spontaneous order certainly can be "intelligent human beings," but they need not be (Hayek 2011 [1960], p. 230). In this regard I am in strong disagreement with Daniel J. D'Amico's overly hasty and frankly highly contrived equation of spontaneous order with *specifically human* forms of cooperation: "spontaneous orders possess a unique feature relative to nonspontaneous emergent orders, namely, the presence of multiple and likely conflicting human intentions that are shaped subjectively by the unique preferences and choices of individuals. Spontaneous orders proceed in ways that promote and contribute to human social coordination and cooperation" (D'Amico 2015, p. 122). Any prospective anthropocentric reading of spontaneous order is obviated by an even cursory examination of Hayek's works. In *Law, Legislation and Liberty* too, Hayek is adamant that the phrase "spontaneous order" ought to be used in a "non-anthropomorphic sense," even in reference to "social" phenomena! (Hayek 1998 [1973], p. 27). The highly suspect hierarchical distinction between the degree of spontaneity of inorganic, animal and human entities posited by D'Amico is simply a non-starter if we proceed from what the progenitors of spontaneous order theory actually wrote (D'Amico 2015, p. 125).

Hayek's primary interest within *Law, Legislation and Liberty* is of course political philosophy, so it should come as no surprise that the book focuses mostly on human-human relations. Even here, Hayek does not restrict the gambit of spontaneous order to humans alone. D'Amico does not cite for instance Hayek's mention of animal societies, arguably a crucial point in the book. As Hayek observes, "*social orders* resting on most complex systems of (...) rules of conduct *we find even among animals very low on the evolutionary scale*," furthermore "in many animal societies" we find "highly ritualized forms of behaviour governed by rules of conudct which have the effect of reducing violence (...) *and thus secure an order of peace*" (Hayek 1998 [1973], pp. 74-5, emphasis mine). Presumably, Hayek is referencing social insects. Therefore spontaneous social orders are not restricted to the human realm alone. However, the Hayekian view of spontaneous order also has something deeper to say about the unintended results of human-human interactions too. Analogously to Polanyi's distinction between corporate and dynamic orders (Mullins 2016, pp. 33-46), Hayek distinguishes between *taxis* ("made orders") and *kosmos* ("grown orders"). The former are deliberately constructed and serves concrete purposes, whereas the latter are "self-generating" or "endogenous" (Hayek 1998 [1973], p. 37). A crucial characteristic of a spontaneous order is that, as distinct from a made order or organization, "its existence need not manifest itself to our senses" but rather "may be based

on purely abstract relations" (1998 [1973], p. 38). Because of the extreme levels of complexity and abstraction they achieve, spontaneous orders are mostly hidden from their participants. Consequently, they "will not be intuitively perceivable" or "recognizable" to agents, at least not directly (1998 [1973], p. 39). While Hayek does admit that such orders rest upon "purposive" actions of participant entities, this only entails that the aggregation of their actions contribute *unconsciously* to maintenance of the spontaneous order.

As mentioned, Hayek's goal with introducing this concept is a new way of thinking about societies, be they human or nonhuman. On Hayek's view, we ought to rid ourselves of the "anthropomorphic fallacy," which can be summarized as the belief that society is a deliberate construct (1998 [1973], p. 91).[5] We simply are not free to choose whichever social constructs we would like to live in, because on the whole these are self-generating. One could view this position as a type of conservatism that disempowers human beings, and if one is committed to a universalist humanist view of human emancipation and progress, such a position could indubitably strike us as repugnant, amoral, or even evil (Whyte 2019, pp. 156-184).[6] Whatever the political implications of Hayekian spontaneous order, it does have important merits. Firstly, it allows us to conceptualize social evolution and social processes independently of agent's intentions. Simply put, we do not have to know what is happening within the minds of participants; it is more than enough to observe their actions and the results of local interactions. Secondly, the concept of spontaneous order equips us with a social scientific idea that straddles the human—nonhuman dividing line, a crucial issue in our era. The very status of this dualism is at stake here, and spontaneous order is one way of seeing what lies beneath this distinction, without reducing either side to the other (Murdoch 1997, pp. 731-756). We have always already been nature-cultural, and so has society. Thirdly, spontaneous order also permits us to envision society as constituting something more than the sum of its parts, leading to a more intelligent and embedded form of individualism. Indeed, for Hayek, society is collectively more intelligent than the individual agents who participate in it, so much so that the former can itself be conceived of as a system of collective intelligence extending far beyond the cognitive scope of individual agents or actants (Marsh 2013, pp. 197-220). This latter insight has proven crucial for the second concept I wish to introduce to this discussion, namely stigmergy and stigmergic society. It is to this which I now turn.

## STIGMERGY: SOCIETIES ARE SMARTER THAN THEIR PARTICIPANTS

The word stigmergy was first coined by zoologist Pierre-Paul Grassé. The phrase is a composite of two Greek words, *stigma* (sting/trigger) and *ergon* (work). Grassé's interest lay in how termites are capable of constructing enormous mounds without any apparent direct communication, planning, or centralized coordination (Grassé 1959, pp. 41-81). When a system of cooperation is stigmergic, we have an "indirect coordination of individual activities" wherein each participant's activities are resultant of "stimulating structures" that trigger further episodes of constructive activity (Theraulaz and Bonabeau 1999, p. 102). Grassé's studies of the *Bellicositermes* termite demonstrated that the coordination and regulation of worker termite's activities were not dependent upon direct interactions among the workers, but rather the spontaneous evolution of the nest structure determined their subsequent actions. No foresight or cognitive mapping of the whole was necessary. Instead, individual contributions result in an environment that stimulates further action, resulting in a positive feedback mechanism or "autocatalytic, snowball effect" (1999, p. 104). Stigmergy allowed researchers to dispense with explanations centered on instinct, providing an elegant explanation of behaviors without recourse to any knowledge of internal conscious processes or decisions (Karsai 1999, p. 120). What matters is the observable behavior and, most importantly, the unintended results aggregating from these actions, independently of exactly how conscious we suppose the agents to be.

Researchers of stigmergy within the entomology field have always been open-minded to interdisciplinary applications of the concept (Deneubourg and Goss 1989, pp. 295-311). Indeed, entomologist Jean-Louis Deneubourg, one of the most influential proponents of stigmergy, collaborated with robotics researchers, contributing immensely to its expansion beyond the realm of biology to the study and engineering of non-living autonomous systems (Beckers, Holland and Deneubourg 2000, pp. 1008-1022; Dorigo et al. 2004,

pp. 223-245). Similarly important in expanding the scope of stigmergy has been the work of complexity researchers Guy Theraulaz and Eric Bonabeau. The literature distinguishes between quantitative and qualitative stigmergy. What this means is that in the former case, the same activities aggregate, while in the latter instance qualitative changes of behavior also result from individual interactions among members of the insect society in question. Of course, some level of communication is necessary: certain insect species solve this through laying pheromone trails. What the phenomenon of insect societies demonstrates is that "the complexity of these architectures does not require sophisticated construction rules," for "coordination is simply achieved through judiciously chosen stimulating patterns of matter. And the architecture provides enough information and constraints to ensure the coordination and regulation of building actions" (Theraulaz 2014, p. 56). In other words, an endogenously produced order generates itself through individual interactions.

Unsurprisingly, the concept of stigmergy has grown far beyond its original entomological disciplinary context. Andy Clark, progenitor of the externalist or "extended mind" hypothesis—the idea that mind extends beyond the individual body to incorporate ecological aspects too—famously extended the concept of stigmergy to incorporate human-human interactions. As Clark remarks, "the computational nature of individual cognition is not ideally suited to the negotiation of certain types of complex domains," therefore in such cases we can solve problems of coordination "only indirectly - by creating larger external structures, both physical and social, which can then prompt and coordinate a long sequence of individually tractable episodes of problem solving, preserving and transmitting partial solutions along the way" (Clark 1998, p. 186). While Clark does not explicitly use the term "spontaneous order," this recognition of the crucial role social institutions play in "scaffolding" individual cognition has proven highly fruitful and points in the same direction. What stigmergy allows us to do is posit *coordination without planning*. As Leslie Marsh and Christian Onof highlight, "stigmergy on the extended mind account is a dynamic form of scaffolded reason intrinsic to an adaptive intelligence" (Marsh and Onof 2008, p. 142). As H. Van Dyke Parunak has excellently summarized, "stigmergic systems can generate robust, complex, intelligent behavior at the system level even when the individual agents are simple and individually non-intelligent. In these systems, intelligence resides not in a single distinguished agent (as in the centralized model) nor in each individual agent (the intelligent agent model), but in the interactions among the agents and the shared dynamical environment" (Parunak 2005, p. 167).[7] Now we as human beings obviously are not equipped with pheromones, and we certainly like to imagine ourselves as being cognitively more sophisticated than insects. So what would be the criteria for stigmergy within a specifically human context?

Perhaps this very question itself is a misnomer. "Human intelligence," Marsh and Onof explain, "has always been in a reciprocal coalition with the artifactual": we are dependent upon objects and artefacts to coordinate our activities (Marsh and Onof 2008, p. 145). Social cognition in the human realm is always already mediated by a range of meaningful objects and tools, hence even human stigmergy is never *exclusively* human to begin with. Lacking the ability to lay pheromone trails, we are reliant upon both direct communication *and* indirect mediation via objects: "an artefact," writes Tarja Susi, "objectifies the procedures and conventions" rule-following agents must adhere to (Susi 2016, p. 47). That being said, there are certainly some minimal criteria which must pertain if we are to characterize a system as stigmergic or not. The basic characteristics of a stigmergic system are the following: agents will usually interact only locally, furthermore, as a result of these local interactions "a coherent system-level outcome" results that "provides the required control" for the system to function without collapsing into chaos (Parunak 2005, p. 163). Such a minimalist definition is exceptionally fruitful, because it allows us to conceptualize a very broad range of human interactions as stigmergic. Indeed, stigmergy in society is "ubiquitous": it is harder to find an example of a large-scale social institution or social process that is *not* stigmergic than one which is (Doyle and Marsh 2013, p. 2).[8]

Perhaps the most ambitious adaptation of stigmergy theory has been elaborated by Francis Heylighen. Because "the concept of agent does not appear to be necessary for a definition of stigmergy" this entails its near-universal applicability to any "indirect, mediated mechanism of coordination between actions, in

which the trace of an action left on a medium stimulates the performance of a subsequent action" (Heylighen 2016a, p. 6). Returning to the example of chemical reactions, a cascade of simple reactions can result in a new molecule: more broadly, stigmergy helps us understand how individual acts can result in highly complex phenomena. What is important is that "the medium is a non-trivial entity," furthermore—in the case of a stigmergic system—it functions as an "internal medium" triggering (or inhibiting) actions. (2016a, p. 7).[9] In every case of stigmergy, communication is indirect and mediated. While some stigmergic systems depend upon explicitly meaningful intentionally created signs, signals or markers (for instance, prices in a market system), they need not do so. For Heylighen, stigmergy theory shows that a plan is unnecessary for coordination among the components of a stigmergic system to pertain. Ants have no need of architects designing their nests, but neither do certain human forms of cooperation, such as open-source software development or Wikipedia, Heylighen's favored examples. As he points out, in the case of open-source programming "the website plays the role of a medium providing special markers to guide the execution of the work—similar to the pheromones used by ants" (2016a, p. 9).[10] Of crucial import to stigmergy, conceived of as a "universal coordination mechanism," is the mutual "independence of goal setting," leading to an "automatic division of labor" among participants (2016, p. 10). Although their actions are not random, being usually (although by no means always) purposive, the activities of agents are not directed intentionally at the creation of a complex order.[11]

Stigmergy allows us to recognize that "the environment is not a mere passive 'container,'" but rather "it embeds mechanisms and (reactive) processes that promote the emergence of local and global coordinated behaviours" (Ricci et. al. 2007, p. 129). For our purposes, it is also useful to distinguish between "sematectonic" and "marker-based" stigmergy. In the former case, the physical results of work, such as shapes, landscapes and surfaces, stimulate the activities of agents, whereas in the latter case the actions of agents are triggered by signals they receive from one another, such as pheromone traces. A crucial difference is that "for sematectonic stigmergy the communicative information tends to provide a direct contribution to the task/emergent property, whereas in marker-based stigmergy the cues do not take direct action but rather influence subsequent behaviour, stimulating self-organisation for its effective completion" (Gloag, Turnbull and Whitchurch 2015, p. 2). An important characteristic of stigmergic orders is their temporal and spatial *resilience*. They are capable of becoming metastable, resisting changes in the external environment, while also providing a hospitable environment for further activities. Similarly to spontaneous orders, they are in an operative sense homeostatic, stabilizing their structure even while experiencing large fluctuations among individual elements.[12] A further distinction to be made when it comes to stigmergic triggers is that between transient and persistent traces. As Heylighen emphasizes, in the case of insect pheromone trails, they tend to evaporate after a certain lapse of time, whereas persistent traces remain for longer, becoming embedded in the landscape. One does not need to wander very far to find examples of this: a pathway trampled and traversed by numerous pedestrians alongside the pavement is a prime exemplar of stigmergy in action (Heylighen 2016b, p. 53). Outside the rationally planned and regulated order of anthrologistics there manifests a spontaneously evolving order-of-movements that is independent of urban planning which is often more suited to both the terrain and individual preferences than the artificial grid of pavement and walkways previously implemented. Many of us have an irremediable and inexplicable love of crooked paths.

## CONCLUSION

The purpose of this article was a comparison between the concepts of spontaneous order and stigmergy. As I have shown, both are applicable to human and nonhuman societies. There can be no question of restricting spontaneous order to human society alone. Indeed, these concepts were inherently nature-cultural from the outset: they bisect and call into question the very foundations of the nature vs culture divide.[13] Even were we to restrict the gambit of our investigations to human-human interactions alone (although no such thing exists in pure form!), we still find a range of phenomena which are more than the sum of their parts. Quantitatively and qualitatively new orders emerge from local interactions, the complexity of which sur-

passes the cognitive capacities of individual participants. To summarize, an order is spontaneous or stigmergic when a level of complexity is achieved that surpasses the bounded cognition of participant entities while displaying a regularity or orderliness of more than momentary temporal duration which could not have been intended or planned by any of its components. Additionally, spontaneous or stigmergic orders orient the activities of their members temporally and spatially. Society in this manner may finally be conceptualized as an emergent order.

## NOTES

1 In his study, Polanyi refers to the "calculation debate" that took place in the 1920s and 1930s between free-market thinkers and market socialists, which also had a decisive influence on Hayek's intellectual career (Polanyi 1948, pp. 252-6). Polanyi's arguments against central planning are the same as those employed in Hayek's study "Economics and Knowledge," published in 1937, one of Hayek's most noteworthy interventions in the socialist calculation debate. The difference is that Hayek does not yet apply the concept of spontaneous order in this economic text. The underlying idea, namely that the dispersed, decentralized nature of knowledge necessarily precludes effective economic planning, is however the same for the two authors (Hayek 2014 [1937], p. 73). For one of the best actualizations of the debate, see: (Boettke and Candela 2023, pp. 44-54).

2 It is telling that Polanyi first started writing about "spontaneous orders" after the 1947 inaugural meeting of the liberal Mont Pelerin Society, which he attended. Thus, it can be assumed that the liberal environment, which already widely applied the concept of spontaneity, significantly influenced the direction of Polanyi's thinking.

3 Never once does Hayek specify what kind of mind he is writing of in *The Sensory Order*! Indeed, for Hayek, mind in general constitutes an internalization of external social and ecological interrelationships. As Paul Lewis and Peter Lewin have helpfully pointed out, in Hayek's view "social rules can—quite literally—become physically embodied in people's brains"—mind is the embodiment of said rules (Lewis and Lewin 2015, p. 8). This gives the lie to certain superficial critics of Hayek such as Laurent Dobuzinskis, who accuses the economist of atomistic individualism (Dobuzinskis 1989, p. 255). Mind on a Hayekian view is inherently social.

4 The "sensory order" (Hayek's phrase for "mind") can itself be conceptualized a spontaneous or stigmergic order.

5 Hayek's outlook is alien to any kind of radical or revolutionary voluntarism, and is also distant from activist conservative approaches that envision social order as being the product of conscious interventions or political decisions. Obstacles to violent religious conversion or the formation of state power would have been insurmountable without strong monarchical powers - claim conservative decisionists. The value of this type of sovereign decisionism is highly doubtful. For example, state power in a modern context can be (and has been) used precisely against those traditional values that conservatives ostensibly protect. Society would probably be more livable without religious revolutions controlled from above than the other way around. For a statist conservative critique of Hayekian spontaneous order, see: (Yenor 2007, pp. 107-127).

6 This of course would presuppose a humanist and anthropocentric commitment to the central importance of human self-emancipation, which is far from self-evident, neither morally nor ontologically. The modern rejection of submission to a higher power is debatable, and grounded in an essentially masculinist voluntarism that characterizes all forms of politics grounded in the valorization of human will-power. Is the unsubmissive life the good life? Not necessarily. The very condition of being born implies a submission to a myriad of ecological conditions which are not in our power to change. An ecologist could even say that humans as a species are collectively not submissive enough when it comes to their relationship to nature, or that human beings have too much power *vis-à-vis* nonhumans, and ought to be disempowered to rectify this immense power imbalance.

7 The closely related concept of "swarm intelligence" has been adapted and used in the engineering of multi-agent autonomous robotic systems. On a recent survey of swarm intelligence, see: (Hassanien and Emary 2018).

8 Parunak provides a helpful taxonomy of various forms of human-human stigmergy, not all of which are equally convincing. A political system, for example, looks very much like an example of centralized planning, although one could counter that during the course of its evolution, a political system too tends to display more and more

unintended consequences. It must be borne in mind though that spontaneous order ought not to be conflated with the former. Neither is the "unintended" entirely isomorphic with the "unanticipated" (de Zwart 2015, p. 284).

9 The most systematic elaboration to date of the idea that it is society itself which communicates, as distinct from individual participants, is found in the work of sociologist Niklas Luhmann, who conceived of society as a set of autopoietic (self-creative, self-generating) functional systems. A significant downside of Luhmann's approach (as opposed to stigmergic theory) is the complete absence of spatial considerations in the Luhmannian framework (Borch 2013, pp. 150-168).

10 One advantage of non-profit forms of human-human stigmergic cooperation such as open access task solution is that while prices are "merely one-dimensional," whereas "open access tasks could be ranked on a website according to independent stigmergic criteria, such as urgency, difficulty, expected utility, required expertise, etc," although market prices in practice could also be a great deal more complicated than Heylighen supposes (Heylighen 2006, p. 9).

11 "Self-organization means the emergence of order at the system level without central control, solely due to local interactions of the system's components. The basic ingredients of self-organization are positive and negative feedback loops, randomness and multiple interactions" (Salminen 2012, p. 4)). We must remember that the phrase "purposive" need not denote any conscious purpose!

12 As Rodrigo Nieto-Gomez emphasizes in a very interesting paper, this stability of stigmergy systems is not always positive for society as a whole. For example, drug dealing networks in the United States have proven very resilient to outside interventions, outliving periodic disruptions by law enforcement agencies. Not all spontaneous or stigmergic orders can be evaluated positively in terms of their effects upon society writ large (Nieto-Gomez 2016, pp. 31-40).

13 As sociologist Bruno Latour has shown, modernity is grounded in large part upon this division. Society for the moderns is the sum of those areas which humans can change through purposive action, whereas nature is exiled outside the social dimension (Latour 1993 [1991]). By expanding the concept of the social, we can overcome the anthropocentric nature vs culture/society divide, and both spontaneous order and stigmergy are useful for allowing us to think in a "nonmodern" and post-anthropocentric way about society.

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# 'Land is not a mat that can be rolled up and taken away': A dialogue on Li's materiality of land as defining land as property for its assembly

LAWRENCE W. C. LAI
Ronald Coase Centre for Property Rights Research, University of Hong Kong

**Abstract:** This essay uses a dialogue as a way of articulating complicated ideas on Li's (2014) paper to relate the notion of materiality of land-to-land grabbing and other dimensions of "materiality" invested by various lines of research on land. The work of Li is used as it mentions the idea of "inscription" and the use "title deed" that are "material" in a physical sense that conveniently articulates with the argument that the cadastral boundary is the "form" of land as real property rather than an open access resource, a situation which does not exist in most real-world situations. The treatment of a land boundary in terms of property rights in neo-institutional economics is discussed. The significance of land boundary re-delineation in global development, as a subject for those who employ the concept of "materiality", is highlighted by itemizing specialisms in the professional division of labour in the land market.

**Keywords:** Materiality of land, Transformation of land, Real property, Cadastral boundary, Rent seeking

## INTRODUCTION

Johnston (1982, p. 125), without mentioning "land" specifically, defines *human geography* as "the study of the spatially varying characteristics of the conditions of man's occupation of the earth's surface, focusing on this aspect of socio-economic reality." His definition is both physical and social and is relevant for understanding a discussion of the "materiality" of land in a global land rush (or land grabbing) as raised by Li (2014).

The following imagined dialogue between a tutor, T, and student, S, a technique much used by classical political thinkers and recently by geographers, say Pearce and Hermann (2010), and planners like Lai (2014, 2018, 2021, 2023), Vanoutrive (2017), Lai et al. (2019) may help highlight the versatility of the notion of materiality.

This dialogue on materiality is intended to assist readers who find it very hard to understand the "materiality of land", as an increasingly popular concept in the research literature, because previous authors rarely explained what "materiality" means, instead assuming that everyone understands what it means. Li's (2014) work is the most useful because it raises issues with the various dimensions of land materiality.


*Skins as physical and social boundaries of human persons?*

## A DIALOGUE ON LI'S MATERIALITY OF LAND

T: This passage of Li is very important for discussing Land as a global issue.

> First, what land is for a farmer is not the same thing as for a tax collector. Land (socio-economically) may be a source of food, a place to work, an alienable commodity or an object of taxation. Its uses and meanings are not stable and can be disputed. Second, *its materiality, the (socio-economic) form* of the resource, matters. Land is (fixed and it is for example) not like a mat. You cannot roll it up and take it away. *It has presence and location*. It has an especially rich and diverse array of 'affordances'—uses and values it affords to us, including the *capacity* to sustain human life. Third, *inscription devices*—the axe, the spade, the plough, the title deed, the tax register, maps, graphs, satellite images, ancestral graves, mango trees—do more than simply record the presence of land as a resource: they are integral to assembling it as a resource for different actors (2014, p. 589, italics and brackets author's).

S: What actually is *materiality* of Land? I searched the web and have got this definition of materiality, which is "the quality or character of being material or composed of matter." According to this definition, it would seem that the materiality referred to in Li (2014) is about immateriality. For if Land is a substance or material like a mat, it can surely be rolled up and taken away!

T: Obviously, Li (2014) is not talking about Land as mere "substance", or else she would be talking in purely physical, rather than in terms of human geography. Materiality in the passage should carry the socio-legal meaning of "the quality of being relevant or significant." She must be saying that land is relevant and significant to organized human life.

S: Granted that relevance is at stake, Land's relevance is seemingly circularly defined in terms of its *capacity* to sustain human life. I find such an ecological, rather than simply physical understanding persuasive, but even so…

T: Well, let us say, in any case, that capacity is not an *object* like a mat.

S: I am not sure. Surely such capacity can be both physically as well as institutionally destroyed. I recall that in classical Mediterranean warfare, the destruction of the enemy's harvest both destroyed the physically productive source for a year or more and, therefore, threatened the survival of the society that depended on it (Hanson 1998).

T: Even in your Mediterranean case, it is clear that "presence and location" cannot be destroyed. Barren it may have been made, but the land was still there and still belonged to its owner. That is institutional, thus relational and invisible. This is a significant and relevant character of Land.

S: I am not sure about "presence". What of Roman general Scipio's 'salting' of Carthaginian fields so that nothing would grow? Were the 'fields' still present although infertile? As far as *indestructible* location is concerned therefore, is this so only when we are talking about Land as *property* that each unit (lot/plot), being locationally unique, must be delineated to demarcate one plot from another or, using Li's terminology used in her third point, "inscribed"? Is it just that destroyed plants, crops, fields or infrastructure like granaries, mills and presses are still someone's or at least potentially someone's?

T: Li (2014) is using the *philosophical* concept of "form," i.e., the focus is what gives Land its "form", treating form as "materiality".

S: Sorry, I still cannot see what that "form" of Land really is. Perhaps, it is the impossibility of removing it, insofar as it still endures as possessed or possessable, used or usable whether barren or productive? Many things, like human dignity, cannot be removed either.

T: However you want to come at it, the key point is that "materiality" is an important inclusive concept in human geography. As explained by Bakker and Bridge (2006, p. 8), the concept should be "simultaneously physical and cultural".

S: I agree that Land as a concept is physical and cultural!

T: Land assembly is the focus of discussion. The term "assembling" appears 5 times in Li's work. The other name of land assembling this is the "land grabbing" of rural and peri-rural land in developing countries by international investors.

S: My attention has been drawn to a very interesting paper by Smith and Mark (2003, p. 411) on the ontology of landforms, pointing out that a mountain or hill, as a natural landform, is distinct from organisms (like crows) or artifacts (like chairs, cups) because they have "complete boundaries that enclose them and separate them from their environments". Mountains and other geographical features on maps have no clear boundaries. On maps, they appear as big or small letters, tight or spaced-out contours. We can tell their locations relative to other physical features (like valleys) but really cannot see where they join or separate save, if fuzzily, through human attributes like 'watershed', 'ridge line', etc.

T: That paper reminds us what really constitutes the form of land (as physical matter). "Complete boundaries that enclose" is the key. What we may say is this: land as a physical resource is *not yet* "land property", "real estate" or simply "property" until it is unitized and given a *de jure* and locationally unique (cadastral) boundary, not open ended as a line but in the form of a loop of some shape, whether in isolation or next to another/other units of property. The cadastral boundary is the form of land, like the soul is the form of a person.

S: There are instances where the distinction between land and artifacts is blurred. Take the example of a World War II gun battery. We have guns and emplacements, objects and structures including range finding buildings, which are definitely not living organisms. Yet as fixtures, they are legally part of the land. To say that their boundaries are their footprints seems artificial to me!

T: The military site, if once permanently occupied as a base, usually had a clear official border formally mapped and physically protected by barriers. That the map record and physical boundary signs are gone is another matter.

## INTERPRETATION

The dialogue shows that the dictionary definitions of "materiality" as "matter" and legal or other types of "relevance" understood by the ordinary man or woman are not able to accommodate its current academic geographical use. The former will limit it to physical geography, techniques of land surveying. The latter, being social, cannot deal with what Li seeks to achieve by treating land as *resources*, not so much as *real property*. Nor does Li's (2014) reference to "form" or "matter" fall within the ambit of Aristotelian metaphysics as that defines a "substance".

T brings out the concerns of Li with Land as resources in terms of capacity, presence and location. The unifying principle for all these features of Land is "assembling land" "as a *resource* for different *actors*" (Li 2014, p. 589, italics added), which points to the need to operationalize the concept of materiality in discussing land in the process of assembly, and as involving various types of professional people, as discussed below. Obviously. Li sees various inscriptional devices as pivotal in such a practical (material) process. T may wish to add the prime devices, glossed over by Li, such as the title deeds and cadastral maps that are products of surveying. They are referents for such activities as squatting, expropriation, land readjustment (Lai et al. 2022).

Here, it should be pointed out that Li's (2014) position differs from the narrow "thoroughly materialistic" view of matter adopted by Anderson and Wylie (2009), who reject the idea that "materiality has properties of shape consistency and obduracy that are assumed to define the state of a solid or the element of earth." This rejection throws out proprietary boundaries as *de jure* and *de facto* rigidities in legal and social reality, or as "forms" of land as property units.

T's statement that the cadastral "boundary is the form of property", capitalizing on the point of Smith and Mark (2003) that natural land form (materially physical resources) is the idea this essay seeks to bring out. Land becomes property only after it is defined as property by demarcating its boundary. The property boundary is to unitized land like skin [Figure 1] is to a human person in terms of social contact and distance, following the line of thinking of Smith & Mark (2003) that organisms have "complete boundaries that enclose them and separate them from their environments". Though we may say that even if the skin is not a good defensive boundary of a person, it is a very sensitive and meaningful one!

Coasian Neo-Institutional Economics (NIE), which regards government intervention in, or court adjudication of land use conflicts as options apart from private settlement, denies the polarized Pigovian non-interactive understanding (Lai 1996, 1997, 2007), and treats the private front as a negotiable fence that can be moved forward or backward depending on the values of respective land use activities. To test the effectiveness of government zoning in statistical modelling, the zonal border line is again reduced to a point, or rather to a binary matter of 0 or 1: whether it exists or not. (Lai and Davies 2020, p. 425).

The symposium "Property: A Bundle of Rights?" edited by Klein and Roberstson (2011) had four NIE papers that mentioned boundaries. The editors saw that a land boundary was part of the "exclusion/boundary/in rem/dominion formulation."

Claeys (2011, p. 208) mentioned "boundary" twice in relation to exclusion against invasion of one's land. The locus of such boundary is not in mind.

Ellickson (2011, p. 220) mentioned the upkeeping of the cost of erecting a fence along the "common boundary" under the law but the focus is not the alignment of the common boundary but the rights/duties of owners on either side.

Katz (2011, p. 239) recapitulated an earlier statement "The standard property right, on an exclusion-based or boundary approach, consists in a norm that protects the boundaries around a space or object so as to exclude the whole world but the owner" and that the "the owner has a gate-keeping function." How that gate, door, or portal keeping function is affected by the shape and location of the boundary is not in sight.

Smith (2011, p. 286) addressed directly the locus of property boundaries:

> Part of the point of placing property boundaries where they are is that complementary attributes—those whose uses impact each other a lot—will be inside, and the boundary will to the extent possible not involve intense interaction between attributes inside and those outside the boundary.… This is what a modular structure means in a system that is nearly decomposable: intense interactions on the inside of components that are mostly hidden from other components that are (relatively) weakly interacting.

A boundary fence or wall is to keep "sticks" as complementary attributes inside one's property and its location is to minimise interaction of these sticks with things outside the fence or wall. Again, the boundary serves to set apart one's property from the rest of the world. That *shape and location of the boundary is in itself a kind of "stick"* (i.e., as an integral part of, rather than merely a pigeon hole for, the bundle of property rights of land) is not at issue.

## DISCUSSION

What constitutes "materiality" is debatable but the discussion above highlights it as a convenient human geography reference to various disciplines in land development with very formal methods, such as land economics, surveying and real estate development.

Any argument about "materiality" is also one about the nature of geography (Unstead 1907; Johnston 1982). Unstead (1907, p. 21) sees geography as concerning the "connexion between man and his physical environment." This should be wide enough to accommodate materiality in whichever sense.

The notion of materiality is as useful for dealing with *assembling* ("grabbing") land as with *partitioning* and *segregating* land beyond mapping.

To deal practically with the physical, social, and economic transformation of land as a physical resource into property as a tradable asset, a host of paid specialists or experts has emerged during the "land conversion" process, in which land as a resource is unitized for commodification and exchange as an input or asset.

These remunerated experts, falling under the category of "actors" in Li (2014, p. 589), include:

- Surveyors (the first town planers), who plot and lay out land parcels for allocation to owners, draw up cadastral plans, and register land titles.
- Engineers, who form land physically as sites for development (including building construction).
- Project managers, who execute the construction of the building projects.
- Valuers, who appraise the value of land parcels and fixtures for property transactions and rating purposes.
- The police, who deal with violations of property rights and environmental law.
- Lawyers, who handle property transactions and disputes.
- Town planners, who regulate the uses and development of land through zoning and other methods.
- Developers, who seek to subdivide or assemble existing land lots for their conversion into higher value redevelopment or use.
- Agents for developers, who help with land assembly.
- Bankers, who finance land purchases and real estate development.
- Regulators (other than those in 7 above), who control various processes.
- Politicians, who mediate the interests of various parties.

These experts derive income from their involvement in the process. In the materiality of land literature in relation to housing or land grabs, they are generally grouped under the class of "rent-seekers" who engage in often corrupt rent-seeking activities to capture income by means of erecting barriers to the exchange and exercise of rights so that they can derive monopoly rent for themselves.

Sometimes a high proportion of rent comprises the income for some parties involved (notably agents for developers and politicians). However, most earn both rent and returns for their expertise, which help generate value.

Land grabbing, even if fairly conducted, may be pure transfers or redistributions of wealth from original to new owners. However, the process, as driven by investors, would add new value to land by substantially transforming its materiality physically and institutionally. How such new value is distributed or redistributed (in other rounds of rent-seeking, perhaps) and whether it is sustainable are major questions.

The expert categories non-exhaustively mentioned above show how materiality of land is *differentiated* into diverse professional streams of income as new values are generated and land is transformed into real property during the land conversion process, which, at the same time, is physical and institutional. This is a research direction that focuses on the transformation of materiality—surely a process of production conditioned by property boundaries as policy parameters or variables—and is worth pursuing.

The flexibility of the English language, which is excellent for connecting ideas, often leads to confusion. The terms "material" and "immaterial", the subject of discussion, are cases in point. Added to the confusion in discussions in relation to land and development are the expressions "formal" and "informal", as they can be used in a narrow technical or several common senses. "Form" can be contrasted with "matter" in philosophy, with "function" in biological science, or more generally with "manner"/"meaning". "Formal" may refer to "form" in any sense, or be contrasted with "informal", which may mean "unofficial" whether or not technically advanced or otherwise.

Davy (2020), in disputing the idea of "form follows function" in offering a "credibility thesis" of property that qualifies from Ho's (2014, pp. 856-858), gave four meanings of the "form" of property. They are (a) "formal property as a mere shell for ownership"; (b) "*fontes iuris*" (sources of law); (c) "level of title formalization"; and (d) "bundle of sticks". Davy left hanging in the air just what formally "property" (whether formal or informal) means. It is not just land or flat land or land with human activities.

The dialogue of this paper underlines the above by stressing the importance of cadastral boundaries as the "formal" (meaning "defining", not the opposite of "material" in legal usage) nature of land as "property", however "informal" (technologically imprecise as in the case of the Imperial Ming Chinese "fish scale atlas") may be the boundaries thus established or recorded.

## CONCLUSION

Land is not property until it is unitized by zoning in a generic sense. Any discussion of materiality of land as (real) property surely cannot ignore its boundary. Practically, ignoring it by a proprietor may lead to loss of one's property; "professionally", it is a matter of competence and due diligence as a regulator or proprietor; and intellectually, it is matter of one's understanding and attitude towards property in the real world.

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# "I Am Here Now" and Our Claim to Self-Ownership

WALTER E. BLOCK[α] AND JEREMIAH DYKE[β]

[α] Harold E. Wirth Eminent Scholar Endowed Chair and Professor of Economics
Loyola University New Orleans

[β] Professor of Mathematics LFCC

**Abstract:** The issue of how we come to own ourselves must be one of the most vexing in all of political philosophy. Operationally speaking, claims to self-ownership are the recognition that within each of us exists a freedom of will. Although we may argue the details of how free is said will, the existence of a will is established through its usage. To dismiss the existence of one's will requires one to organize thoughts in such a way as to inform their beliefs. This organization of action as a means toward an end is embedded within the claim they seek to dismiss. Yet, how do we demonstrate the preferences of our will to the world external to our mind? How are preferences demonstrated by our actions and how do our preferential claims come to be known and respected by others? We cannot claim to have solved this problem in its entirety, but we herein make what we consider a modest contribution to this challenge.

**Keywords:** Ownership; property; parents; own ourselves

**JEL Category:** Z00

How is it possible to claim ownership of ourselves, and, also, to uphold the libertarian notion of private property rights, when we, all of us, consist, at least originally, totally of matter belonging to our parents, a sperm and an egg, plus the food they gave us?

The first stage in the process toward claiming self-ownership is to construct a linguistic fence line around what we consider to be our bodily property. This normally begins with exclamations of pain or pleasure, like that of a puppy yelping when a bigger dog is playing too rough with him. These basic linguistic constructions aid us in differentiating the world from what is "me" and that which is "not me". After some time, and lots of trial and error, we finally settle on a perception of spatial consciousness that comprises of what we consider to be the "me" within a world of "non-me". This spatial perception is later confirmed by reference of the first-person personal pronoun "I". This use of "I" is a more formal linguistic fence line than the use of exclamations like "ouch" since it describes the totality of what is to be considered to be "me". The continued use of the first-person personal pronoun "I" transitions from usage as a proclamation to that of an appeal to others around us. It is a form of crude argumentation in which the pronoun "I" serves as truth statement to which the individual who makes the claim takes on the burden of proof to make its conclusion evident.

Historically the presumption of the claim to what is "I" was well received by any audience of similar group dynamics. Naturally, there was a strong correlation between the homogeneity of the group and the acceptance of the claim. Claims of individual rights made by outsiders were less likely to be accepted then those of those within any group. There are indubitably all types of evolutionary advantages to such group motivation but the reasoning need not have been strictly advantageous. This form of group bias toward the acceptance of individual rights may just as likely have been rooted in ignorance and/or bigotry.

As time passes it is a natural consequence self-ownership claims to install a mechanism to differentiate the numerous "I" assertions that make up society. This was accomplished by the articulation (and use) of naming. A name, such as Tom Smith, acts as a place holder for the "I" claim and allows for a point of reference in future dialog.

As the child grows he often continues refining the boundaries of his body by actively engaging in rebelliousness. It is the act of rebelling that helps him solidify his-independence. Such rebellion may take the form of a child crawling as far as he may crawl before mom/dad relocates him. This testing of boundaries is critical for self-development and is something we continue to participate in throughout the rest of our lives. Rooted in all property right claims is the understood notion of autonomy of movement. The ability to engage in autonomous movement is the focal point from which property right claims can be built. Even the right to free speech is essentially a right to the movement of one's tongue within the comforts of one's mouth. As time passes the child moves from making claims of self-ownership to making external property claims over articles found in nature or to parts of nature itself. Both internal and external property claims may be classified as a territorial claim.

Territorial claims are indexical in that they must possess a personal, spatial and temporal deixis. For example, the utterance "I here now" is a territorial claim. Moreover, it is the only undisputable territorial claim since it is simply a linguistic manifestation of the law of identity. "I" claims are necessarily first-person and cannot be used as a referent to anything else or by anyone else except the referrer. The fact that one can perform the utterance demonstrates the truth of the utterance. Any property claim without a spatial element is to confuse what can be owned with what cannot. A prime example of this is when one claims ownership of abstract objects like their ideas or their reputation. These abstractions exist only within the mind of the referrer and therefore any such ownership claim constitutes self-deception. Since we cannot (yet) trespass within the minds of others we cannot reasonably be labeled a transgressor to any property claim lacking a spatial element. If there is no transgressor there can be no victim. If there is no victim there can be no violation of a property right.

A temporal element is also a prerequisite for any property claim. All property claims are initially present-tense and any said claim is recognized only by its usage. During play, a child claims to a stick by using it. If the child discards the stick for a new one the other children will no longer associate the discarded stick as owned by the first child. They may decide to pick up the discarded stick and begin to play with it. For the most part this process is completed without much protest (if you watch a group of children play at a park they may jump from the swings to the slide to the monkey bars without much altercation) At times however, a child may want the discarded item back. He may make his case as to why the stick is still his or may try to use force to take it, but either way the children are engaged in a vital form of learning with respect to negotiating the boundaries of their dynamic world. They learn that their property claims are much more likely to be respected by others if they are actively using the property. Moreover, they learn that when they (or someone else) resorts to the use of force to take property the game usually ends and what were once former friends now become enemies.

Although property disputes always occur at the boundaries of order, these conflicts normally have more to do with ill-defined borders than lacking respect for each other's perimeters (Shaffer 2009). However, the above discussion of children and property tells us only where the property disputes may occur not why they transpire in the first place. External property claims are imbedded in scarcity. One normally never makes a claim of ownership to non-scarce resources and those who do normally find their claims disrespected. Virtually-the only motivation to making our property claims known to others is that we hope said claims

are respected. It follows that if we know in advance that our claims will not be respected there is little motivation to make them known. Territorial claims of scarce property only become problematic when two or more persons make a claim to the same item at the same interval of time. When this transpires individuals may either seek to remedy the situation by argumentation or may seek the council of others to rule on the incident. When all else fails the parties may decide to take up force against their neighbors but this is normally only a last resort as violence is the most costly method of acquiring territory.

However, many territorial claims come not from lacking respect for other borders but from them not being well defined. We make our property claims known to others in the present-tense by its usage. However, to make our future-tense claims known we normally engage in an act of marking boundaries. We do this by constructing fences around the claimed property. The use of the term "fence" need not be restricted to that which we see around a home. A fence can be defined by any enclosure to which we use to protect our property. In this respect a cell phone case, car alarm, safe box, etc. all serve to buttress property claims. It should be apparent that any property that we seek to enclose must have been valued higher than the system of fencing we use to enclose it. otherwise the fence would not benefit us. In addition, fences may be classified by their usage. They may be used to either "fence-in" or "fence-out" property. To make the subtle distinction explicit a cell phone case may be thought of as an example of a "fence-in" enclosure. A cell phone passcode may be thought of as a "fence-out" enclosure. The majority of the enclosures that we invest in would be that of the "fence-in" type. The reasoning for this would be that the chief perpetrator of property destruction is not pillagers or burglars but the actual owner of said property. Today you are much more likely to break your cell phone during use than you are to have it stolen.

This is all a testament to our ancestors who saw that the mutual gains received from the specialization of labor and reciprocity is interlaced in the capacity to respect each other's claims to property. It would not have had to have been like this. We, like 99% of all other species who ever roamed this planet, would not have had to be here at all. Property rights, no matter what the level of the phylogenetic scale, are of benefit for survival.

What does all this discussion of children and their property rights in sticks have to do with the claim that we, they, not our, their, parents, all own ourselves, despite being composed of their property, which was not, at least not initially, ours. We are heavily relying on instincts, boundaries, fences, here. No one questions that those children own themselves, least not they. Yes, their parents own the guardianship rights over them, as long as they continue to care for, guard, their progeny. But just as no one questions stick ownership, even less is this done for property rights in ourselves. Using a stick confers ownership over it for us. Well, we all "use" ourselves, and our parents never did, even when we were babies. We were always separate from them.

As we hint above, we do not believe we have "nailed" this vexing challenge. But we content ourselves that the more it is written about, the more first steps are taken in an attempt to solve it, the greater are the chances that someone, perhaps those who are now children confronting sticks, will do so, perhaps with a little help from the present essay.

## NOTES

1 There is a large literature, going by the rubric of "the Paradox of Universal Self-Ownership" which claims that the libertarian philosophy is incoherent, since it has not fully solved this challenge. See on this Alstott 2004; Cohen 1992; Curchin 2007; Fried 2004, 2005; Hicks 2015; Jeske 1996; Okin 1991; Shnayderman 2012; Woollard 2016. For libertarian attempts to wrestle with this conundrum, apart from the present paper, see Block 2016; Kinsella 2006; MacIntosh 2007; Steiner 1994a:242-248, 1994b, 2002, 2008; Vallentyne 2000, 2002, 2008; Vallentyne, Steiner and Otsuka 2005; Young 2015.

2 Wolves mark "their" territory by urination. We are not all that much more sophisticated, but a bit.

3 It would seem that we must acknowledge local presence before we can acknowledge the presence of other things. self-reference must be first in the chain of references—that is, the first referent (the thing that is being referenced) must be the "self". The form from which this initial self-reference takes place need not be an utterance, as most babies first reference their mothers or fathers, but prior to outward referents an individual must first have a point of self-reference. That is, "first-person" reference must precede "second-person". "Third-person" reference comes later in cognitive development as a form of short-hand for communication as it allows us to avoid continually needing common nouns to describe the world around us.

4 For a property claim to exist it must exist in both space and time.

5 For a critique of intellectual property such as patents or copyrights, see Block 2013; Boldrin and Levine 2008; De Wachter 2013; Kinsella 2001, 2012; Long 1995; Menell 2007a, 2007b; Mukherjee and Block 2012; Navabi 2015; Palmer 1989.

6 For the case against libel laws, see Block 1976, ch. 7, 2008; Rothbard 1998, ch. 16

7 We choose youngsters to demonstrate property boundaries since they are closer than adults to instinctive feelings about the matter.

8 On argumentation ethics see Block 2004, 2011; Eabrasu 2009; Gordon 1988; Hoppe 1988a, 1988b, 1988c, 1988d, 1993, 1995; Kinsella 1996, 2002; Meng 2002; Rothbard 1988, Van Dun 2009.

9 This is of course only normally the case. A dirty napkin within a locked car would of course not entail that the napkin is valued more than the car alarm.

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# The Problem of Cost. A Proposal for a Phenomenologically-based Synthesis

MATÚŠ POŠVANC
F. A. Hayek Foundation
Bratislava, Slovakia

**Abstract:** I am critical of the absence of a coherent theory of costs. I criticize existing cost concepts that define cost externally, through an objectified phenomenon (input price, scarcity of goods, the value/utility of the alternative which is forgone or sacrificed) and similar Böhm-Bawerk´s attempts derived from the value of a marginal product. The critique of the opportunity costs concept, which are regarded as an agent´s economic costs regardless of the fact that they are forever lost in the alternative course of history, is under scrutiny as well.

The initial proposal for a modification of the cost theory is presented. The proposal is based on the introduction of the concept of individual utility as a mental structure, called an Idea of Economic Orientation. Agent defines how something should be desirable as well as possible, and thus creates the Idea. It is reflected in reality in the form of an agent's portfolio of goods. The individual utility is based on a structural coincidence of an Idea as a mental structure with the real economic state of affairs of an agent.

I claim that an integral part of the individual utility is the structure of cost, which is reflected in reality as one part of an agent´s portfolio of goods. The cost structure thus has its factual status (recorded by accounting operations), which is at the same time influenced by the opportunistic (counterfactual) consideration of the cost structuring; so, what is contrafactual shapes the factual. The proposal thus enables the synthesis of some vital elements of previous cost theories.

**Keywords:** Cost, Opportunity cost, Theory of subjective value, Idea of Economic Orientation

## I. INTRODUCTION

"What are costs?" The answer will depend on who you ask. Any "practitioner", i.e., an accountant, a business economist, and/or a layman, views cost in the production sense of the expenditure of some good (*mutatis mutandis* a monetary unit) in order to achieve a desired result.

Economists add, in a quite unprecedented agreement, that the above view doesn't describe total economic costs, but only production costs, and one faces another kind of costs, the so-called opportunity costs (Buchanan 1969, 1991, 2008; Coase 1938; Collander 2004; Hayne, Boettke, and Prychitko 2013; Gravelle and Rees 2004; Samuelson

and Nordhaus 2020; Thirlby 1946a, b, 1952). Following this rare consensus, economists subsequently begin to differ on how to define these costs.

This is also pointed out by the recent debate triggered by Ferraro and Taylor (2005) about what do economists consider an opportunity cost (henceforth referred to as OpCs).[1] The OpCs differ in their emphasis on either the value sacrificed (but measured in monetary terms) or the good sacrificed, the consumption/production of which had to "give up" to more preferred alternative. Newman (2018) faults the approaches in question for a cardinal or objective approach to evaluation, where the OpCs are presented "alongside production tradeoffs, and the two terms are used interchangeably" (Newman 2018, p. 13), where it is not clear "whether the opportunity cost is the actor's forgone satisfaction or a quantity of goods" (Ibid., p. 14).

Austrian economists, in turn, explain that OpCs are the ascribed value of the closest alternative that an agent gives up in order to achieve more valued and preferred goal by the agent. This follows from the neo-Misesian preference scale, where we decide between alternative goals from which we choose the most preferred one (Rothbard 2004, pp. 5-6) and whose realization becomes the object of our action, relegating the other goal to the counterfactual domain. The OpCs are, therefore, future-oriented, subjective and hence immeasurable, and are constantly being discovered. However, Riesman (1998, p. 460) calls the OpCs doctrine as "obfuscation, not perception", because these costs are according to him an "imputed cost—a cost which doesn't actually exists … but which is treated as though it existed" (Ibid., p. 459).

The reader's attention on the ambiguity of cost could be also shown by the findings of empirical economic behavioral studies (see, e.g., Friedman and Neumann 1980; Larrick, Morgan, and Nisbett 1990; Larrick, Nisbett, and Morgan 1993; Van Osselaer, Alba, and Manchanda 2004; Shane et al., 2009; Spiller 2011), which suggest that people *do not always use* the OpCs concept when making decisions, whereas training and education in the field increases awareness of the importance of the concept. Of course, a critic may point to the empirical ambiguity of the research in question. However, if this is a necessary part of the decision-making process, surely the question of why people (more specifically, those who have been part of those studies) are not aware of what the economic costs actually are, is legitimate. To what extent, then, are the OpCs a part of the decision-making process, or are they merely an economic tool or "a framework for telling stories" (Polley 2012, p. 6)?

The question we should be interested in as well is why do we have multiple versions of attempts at costs at all? Is there any relationship between them? While Buchanan, Coase, and Thirlby view the OpCs as those real costs, distinct from production costs, Collander, Hayne, Boetke and Prychitko, Gravelle and Rees, Samuelson and Nordhaus suggest that production costs are not the whole picture of a person's economic situation, implying that there are some total costs that consist of production and opportunity costs. But what are these total costs? Are they a combination of production and opportunity costs? And if so, how are they connected? Thirlby (1946a, b), for example, points out that opportunity costs are ex-ante costs and production costs are ex-post in nature, i.e., they are realizations that occur after the decision. When a new choice is made, a new (real) economic cost reappears, from which the newly-constructed production cost is derived. A similar view is taken by Buchanan (1969), who uses terminology along the lines of "cost influencing and cost-influenced". So, are production costs a consequence of opportunity costs? Or are opportunity costs and production costs a part of some overall cost concept? The overall cost concept is suggested by examples that point to the existence of OpCs in economics textbooks, where economists add the OpCs to the valued direct costs. Does this mean that the agent has a coherent cost concept, but we don't know what it is, because we can measure production costs, but there is a problem with measuring the OpCs unless we conflate it with production costs as the mainstream does?

The claim that we don't have a coherent theory of costs in front of us, and that we are rather looking at some sorts of bits and pieces of theory that sometimes fit together and sometimes don't, should be obvious. The aim of this paper will be to provide an *initial phenomenological synthesis* of cost theory; *initial* in the sense of a conceptual background. The reason for a phenomenological path is that the agent's action is preceded by a mental process that has formal-phenomenological regularities. Simply put, I conceptually an-

chor the concept of cost (as part of the concept of utility) in the human mind and at the same time I show its transposition into the reality.

This will be possible by introducing the individual concept of utility, which will be presented as a mental structure of the mind (Idea of Economic Orientation) reflected in reality through the concept of a portfolio of goods. The reflection will be interpreted as the agent's effort for a coincidence of the *form* of the mental structuring (representational economic-information about reality) with the *form* of the structure of the portfolio of goods in reality. Within this framework, the individual cost structure will also be presented in the same manner.

A description of the mental regularities associated with the cost/utility concept and their mutual dynamics will subsequently allow us to provide a synthetic view of cost theory. I will also eliminate the inconsistencies of current approaches but retain their vital parts, define the factual nature of the cost structure as well as its relation to the counterfactual cost domain, and anchor cost as an apriori part of individual decision, choice, and action. I will also show its overlap with marginal utility theory and economic equilibrium in the context of the Evenly Rotating Economy (henceforth referred to as ERE).

I will proceed as follows. In the second section, I define the methodological problems associated with cost theory. In the third section, I will present the solution. Finally, I will provide a summary and some possible follow-up research.

## II. MAIN PROBLEMS AND METHODOLOGICAL BACKGROUNDS OF THESE PROBLEMS

The fragmentation of the theory of costs established in the introduction is connected with the interpretation of what costs are derived from, in my opinion, and not what costs are. Within the framework of current interpretations, it is possible to trace down two methodological problems. The first is the derivation of costs from some externally given input (input price, marginal product, scarcity of goods as an objective feature of reality, the value/utility of the alternative which is forgone or lost). The second is the derivation of costs from something which is contra-factual, which is conducted either as a subjective interpretation (subjectively foregone or lost goals) or as something sacrificed, but what is scarified is, once again, externally determined, e.g., by the price of the foregone alternative, foregone value, or foregone production usability.

These two fundamental problems are intertwined in different ways in different approaches; so, it is useful to look at the problem also from the point of view of two types of schools: The mainstream and the Austrians, which can be summarized as follows:

1. The mainstream interpretation is based on an external definition of cost, whether we deal with production costs or OpCs:

The interpretation defines costs externally, through an objectified phenomenon; e.g., an input price or the existence of an independent utility/cost function, and this is so for both production costs and OpCs. Production costs are treated as money spent, input price paid, or good/money expense, or the utility loss carried by goods that the agent cannot use because the agent exchanged or spent it. The counterfactual domain of the OpCs is given as a tradeoff between two productions (potentially existing; and as such possibly measurable) or as a price, which is the value of the alternative which is forgone (Newman 2018), or as a foregone utility because of an existing objective scarcity of goods.

So, it is the absence of a purely subjective interpretation within mainstream which is the base for the Austrian-Mainstream controversy about costs; the notion of subjectivity is here only "behind the scenes", as something which is presupposed or implicit, but not as a crucial "interpretative force". The Austrian-Mainstream cost controversy is, therefore, conducted in the context of measurability, objectivity-subjectivity, and considered market alternatives, such as existing vs. the discovery/creation of those alternatives.

2. The present-time Austrian interpretation is twofold, but in any case, it is not better compared to the mainstream:

- The Austrian subjectivist version of the OpCs (treated as real subjective costs) is defined on the basis of a sacrificed goal; and this makes the interpretation purely subjective compared to the mainstream. However, it causes that costs are inferred from something that has never happened, meaning here some subjective goal that is only considered. This creates a threefold problem: a problem of comparison of costs as OpCs over time (it isn't possible to compare a foregone alternative with another foregone alternative later in time), an interpretation isn't resistant to Nozick´s (1977) criticism of incurring the cost as an OpCs from the choice and not from the preference scale (the line of the argument should be the definition of a preference scale and then choice, and not the existence of choice and then incurring some OpCs), and the third problem of what costs actually are (the problem of a void structuration of OpCs, and a non-existent factual concept and its dynamism),
- However, within Austrians, there is a branch of theorists based on Böhm-Bawerk works who equally define cost on some external assumption. This kind of interpretation lacks a solely subjective perspective. This is because costs *are not specified* as a regularity within the individual's decision-making process without an externally defined assumption; the external assumption is given in the form of price of a marginal product, which plays some limit role of cost.

The methodological background of the problem of external-objectified phenomena and of counter-factuality is worth describing in more detail.

**Externally defined assumption (position of Mainstream and Böhm-Bawerk)**

Suppose Alice produces oranges and Bob sells petrol (and he likes oranges), and Alice needs petrol to deliver oranges to clients. Buying gasoline for oranges is an expense for Alice if she accepts Bob's asking price. Cost is defined here as the difference between the value of using some of the oranges to obtain gasoline today versus using them later (cf. Keynes 2018, p. 62), or the loss of utility provided by the (owned or produced) oranges. If the interpretation is made in money, the cost is the money Alice spent (e.g., for petrol) in order to continue to produce oranges and to deliver them to clients. However, the interpretation leads to Alice's costs being determined by Bob's supply; mutatis mutandis, Alice determines the costs for someone to whom she supplies oranges (e.g., a café owner selling orange juice), etc., etc., round and round throughout the economic system. A change in the scarcity of a commodity (e.g., Bob produces less / more gasoline) in terms of the quantity of the supply of the commodity changes the supply of the commodity and its price, which in turn causes costs to rise or fall.

External inference and definition of costs is also unavoidable in the more market-anonymized Böhm-Bawerk method, which derives the value of costs from the value of an (anonymized) marginal product that is located somewhere in the market (Reisman 2002, p. 31). The value of cost is determined by the alternative (marginal) use of good in question in other productions; i.e., the value of the cost is expressed by the value of the marginal product that will no longer be produced because the factors of production are used to produce the last economically meaningful good in the current production.

The requirement for the existence of an external assumption—either individually historical or derived from the evaluation of others—to define the evaluation of costs derived from the value of the marginal product can be seen explicitly in Böhm-Bawerk (2002, p. 59), when he writes that we must assume "the existence of other, preceding valuations" ... which come "from the same or, more often, other people",[2] or when he mentions the example of Robinson, where he argues that we must assume "a valuation he himself must have made on a previous occasion and which he still 'knows".

Böhm-Bawerk, in other words, turns to either a historically defined cost valuation derived from an individually produced marginal product (whereby a given notion arises vis-à-vis a historical notion of some alternative individual production) or derives a cost value from the marginal product provided by other agents in the market (whereby the marginal product offered by them arises vis-à-vis the potential alternative productions considered by them). However, as Bukharin (1927, pp. 39-42, 48-54) shows, this is a circu-

lar argument. Indeed, an externally defined valuation that is expressed by nothing more than the price of a marginal product or a historically realized valuation that is known to the agent (Robinson) is already a sought-after consequence and cannot be the cause of the cost assessment. The interpretive problem is that the price or historically realized valuation is/was the *result* of an evaluation process that involves the assessment of costs and profits. To use price or an individual historical evaluation of production alternatives to explain cost is to interpret individually perceived costs/profits by individually perceived costs/profits (an argumentative circle).

In other words, if Alice's costs are defined by Bob's ask price (or the price of some related marginal product), and Bob's costs are defined by David's ask price (or the price of some related marginal product), etc., and Bob, David, and etc., set their ask price based on their individual assessment of costs and profits, we argue for Alice, Bob, David, and etc., about costs in the circle, or, as Bukharin summarizes his critique of Böhm-Bawerk; Bukharin (1927, p. 100):

> … the value of the productive commodities (production costs) is determined by the value of the product; the value of the product depends on its quantity; the quantity of the product is determined by the costs of production, or, in other words, the costs of production are determined by the costs of production.

As can be seen at the same time, the problem of costs in this interpretation is related to the quantity of goods, or scarcity, from which the value attributed to the input product/marginal product is derived as something objective. This is a *crucial problem* for an argument conducted on the basis of an externally defined cost assumption; input prices/marginal products prices and hence costs vary according to the objectively defined availability of commodities—an externally defined objective factor. However, this is a methodological flaw because the given objective characteristic of reality in the form of scarcity doesn't exist. This claim seems to be wrong because reality intuitively appears to us as scarce. The key point, however, is that it *appears* that way to us, or that we *interpret* it that way; not that the scarcity *is an objective characteristic* of it.

The scarcity isn't an objective feature of reality.[3] We don't live in the Garden of Eden, of course. The reality is what it is. However, its characteristic features, e.g., the impossibility of time inversion, or the quantity of a commodity are just sufficient conditions for the decision-making process and our perception of reality. A necessary condition is an agent's consideration. Mises (1998, pp. 13-14) reminds us that human action is aimed at eliminating uneasiness. Not the one we are currently experiencing, but the one we might experience if we do not act. For we cannot change the past and, as Shackle (1992) reminds us, the present is in the same position because it is just happening. What matters to the agent, then, is the future state she wants to achieve. What she wants to achieve is determined normatively; i.e., *how something ought to be* whereas *it is not currently so*. From this comparison, the agent infers scarcity. The scarcity is given by how something is not, and not by how something is. If something is as the agent thinks it ought to be, automatically, without the need for intervention by the agent, the agent doesn't economize the domain in question. A given domain is already the way the agent wants it to be; for the agent it is automatically given *general conditions of human welfare* (Mises 1998, p. 93).

The problem of scarcity is usually considered as an objective fact of reality. However, even in its general interpretation it is stated: "Scarcity implies limited quantities of resources to meet unlimited wants" (O'Sullivan and Sheffrin 2003, p. 4). What I am arguing is in principle just that in defining scarcity I take as a necessary condition the unlimited wants of humans that are applied to reality and therefore, we perceive it as scarce. That scarcity isn't an objective fact of reality can be demonstrated by the following example. Suppose we lived in a reality where every person would always find an apple in his hand as soon as he opens his eyes in the morning. The apple's appearance would therefore be a fact of reality. Would the apple(s) in question be scarce? The answer is related to the wishes of an agent who receives the apple, and is in no way dependent on whether or not the apple appears; indeed, it always appears in our illustrative example. If an agent wishes for only one apple a day, she will regard it as a general condition of human welfare; but if she

wishes for two apples a day, she will interpret the fact of reality in the context of scarcity, because reality is not as she wishes; and if she isn't interested in an apple for whatever reason, she may even ignore this fact of reality. We recognize scarcity by *what reality is not*, which is also a characteristic *we attribute* to reality. It is not what reality is that is crucial within the interpretation and which is its objective characteristic. In order for reality to be interpreted as scarce, in other words, we must first have some desires that cause us to want reality to be other than what it is, thereby actually creating a perception of scarcity that wasn't previously present in reality. For reality has no obligations to our demands.

Scarcity, as an external limit condition for the existence of costs given by reality, is therefore inapplicable in interpretation. The existence of costs is related to the subjective condition of how something is not and the agent demands that it be otherwise, i.e., the way she wishes it to be. This, in turn, implies a cost associated with changing the given condition and overcoming the externally defined nature of reality. Therefore, the nature of reality in the context of its quantitative and qualitative givens is only a sufficient condition for the decision process. Reality isn't scarce *per se*. It is what it is. It is humans who interpret its elements as relatively scarce with respect to the goals they set.

What we define as a normative (teleological) idea of how something should be, therefore, equally implies at the same time—dichotomously—both cost and profit. By having to change something, we equally imply economic activity without which we cannot get to that state (if we can get to that state without our intervention—then we have no reason to intervene by acting—we would be passive). As Grassl (2017, p. 12) writes, one of the fundamental insights of the Austrian economic-philosophical, post-Brentano, tradition is the insight that "benefits can be realized or obtained only at a cost to the valuer; benefits are in this sense inversely related to the costs of obtaining them". This dichotomy is unavoidable given the intentionality of our view of reality.

Any relevant conception of costs must therefore be derived from the *agent's view of reality* and economic-social processes. Its anchoring *cannot be* defined by external conditions; neither those that are the results of other agents' economic activities in economizing reality, nor those that are defined by nature itself or those that we have already experienced and that are equally the result of our economization of reality. We must seek an inner and subjective interpretation. It is the Austrian School, or part of it, that requires cost to be a wholly subjective phenomenon. However, their interpretation based on the OpCs concept faces other serious problems.

**Opportunity costs—individual but counterfactually defined costs**

As was already stated, the diversity of perspectives on the OpCs problem is no exception within the Austrian school. Newman (2018) points to Reisman (1998) or Braun (2014, 2016 a, b) when he explains (see also Howden 2015, 2016a, b) that both Reisman and Braun make the mistake of viewing the OpCs from an ex-post perspective. The OpCs should only be seen from an ex-ante perspective. But that is precisely the problem. I don't deny the future orientation of costs, of course, but a purely *ex-ante* guided interpretation implies that the OpCs are a kind of one-off, never repeatable and thus necessarily incomparable over time discontinuous phenomenon present in the domain of consideration, where we compare a *potential* increase in utility (a preferred—but unrealized—idea that may have led to an action) in the context of a *potentially* sacrificed utility (preferred as a second-ordered, but still only under consideration, alternative).

If so, the key question is (see also Herbener 2018) how do we actually apply costs over time? The concept of OpCs implies a one-time character related to a decision at a given moment, "here and now"; in other words, further cost decisions over time are apriori in a different economic context, and thus different alternatives are considered; in other words, the OpCs at t1 are incomparable to the OpCs at t2. So, can the OpCs be evaluated ex-post at all? Rothbard (2004), Newman (2018), Howden (2016a, b) suggest this possibility, but how to evaluate a one-time non-repeatable event that we do not even have something to compare against? Doing so isn't just a matter of establishing a denominator for comparisons over time. *The point* is that the

sacrificed value never occurred and was lost in the counterfactual domain at the moment the decision was made, and comparing nothing to nothing and even over time is a nonsense.

Braun's comment (2014, p. 33) that the OpCs concept "creates costs where they do not exist—in decisions—and neglects costs when they actually arise—in action" is therefore correct. Howden (2016a, b) defends the traditional interpretation by merely stating that decision, choice, and action require coherence, and that choice is (usually) followed by action, and that the distinction in question isn't substantive. Much more precise is Buchanan (1991), who *requires a direct association* of the OpCs *only with choice* and argues that otherwise the OpCs don't even arise.[4]

However, this direct association of OpCs only with choice is a problem pointed out by Nozick (1977, pp. 372-374). It is an *interpretive problem* related to a choice, preference scale (on the basis of which Austrians interpret the OpCs), and action. Indeed, the value scale implies that the cost of the realized choice A was some less preferred one compared to the *second* in order, alternative B. The latter is followed by, e.g., alternatives C (3rd), D (4th), etc... However, only B is an OpCs, because claiming that the cost was the sum of all the alternatives (B to N) makes no sense according to Nozick. However, to make this claim, according to Nozick, Austrians need a concept of weak preferences[5] that basically allows the existence of an independent scale and ranking B to N on a scale so that alternative B is second, C is third, D is fourth, etc... However, the concept of weak preferences is categorically rejected by Austrians, which causes them to infer the existence of an alternative opportunity B *only from choice as action* (from chosen option A), thereby merely implying the existence of B.[6] The choice A, however, is a consequence of preferential scale. The line of argument should identify first the scale, the best alternative of which is A and which is eventually realized, and the alternatives B to N ranked below it. If neo-Misesians cannot identify B as second without it being derived from A, they have no concept of cost. In the words of Nozick (Ibid., p. 374): "If the Austrians were correct in speaking of scales of values as existing only in actual choices, there could not be a particular cost of a choice."

Nozick´s correct observation can be demonstrated, e.g., by Howden (2016a, p. 183, Table 3) who provides us with this example of scale:

**Table 3: Opportunity Costs**

| Rank | Alternative | Opportunity Cost |
|---|---|---|
| 1st | red apple | yellow apple |
| 2nd | yellow apple | red apple |
| 3rd | granola bar | red apple |
| 4th | 1st reading, Braun (2014) | red apple |
| • | • | • |
| • | • | • |
| $(n\text{-}1)^{th}$ | death | red apple |
| $n^{th}$ | 2nd reading, Braun (2014) | red apple |

Howden shows, using the example of a tourist's scaled preferences, that in terms of the 2nd alternative (yellow apple), the 3rd alternative (granola bar), and the 4th alternative (1st reading of Braun), their inverse OpCs is only a choice as the 1st preference (red apple), whereas *the* choice itself has the opportunity cost only as the 2nd alternative (yellow apple).

Howden realizes exactly the logical error that Nozick points out. He derives the OpCs from choice. This is evident because the choice (red apple) is listed as the OpCs for all other alternatives and not only for the second one in the sequence (yellow apple). If the scale were determinative and primary, Howden should indicate in his Table that the 3rd one (granola bar) should have inverse OpCs to the red and then the yellow apple (as more preferred) as well as the 1st reading of Braun and something 5th (as less preferred). Only then he could subsequently deduce what was first, second, third, fourth, etc.. However, once he determined that to the 2nd, 3rd, 4th (and so on) preference there is an alternative choice (red apple) in the form of OpCs, then he shouldn't know whether the alternative-preference yellow apple is second, the granola bar is third, or the 1st reading of Braun fourth, unless he presupposes the first choice and subsequently adjusts the preference scale to this presupposition.

The Austrian line of reasoning related to the determination of the OpCs has no logical way to avoid the fact that it must determine first: 1) the preference scale shaping the decision and 2) then the choice must follow. The primacy of the preference scale isn't important for neo-Misesians because they are satisfied with Mises's claim (1998, p. 95) that scales have no independent existence from action. However, the primacy of scale is logically necessary *within this line of interpretation*. Otherwise, these scholars wouldn't know what is second and what is preferentially third, fourth. This is why Nozick points out that unless Austrians subscribe to the concept of weak preferences which should somehow exist outside of choice (a kind of quasi-choices between which we are indifferent and which we rank on the preference scale), *they have no theory of costs* because agents cannot logically know what is second, meaning sacrificed, and this way costs.

But can these scholars accede to the theory of weak preferences? As Block (1980) already shows, this would be an illogical step. To separate preference from choice, or to claim that preferences/quasi-choices are at first somehow weak or that we are just indifferent between them, is an illogical step which is contrary to everything that a choice means. For choice is always framed as strict, and it is linked to a particular action.

The interpretation creates a logical paradox; neo-Misesian interpretation is logical from the point of view of choice but at the same time illogical from the point of view of preference scale. This could only lead to the conclusion that it is the interpretation which is incorrect. But let's further show that even just thinking about what exactly OpCs are has its own problems. I claim that the definition of cost as the OpCs is indeed void or shapeless.

If we think about it in detail, it must lead us at least to some uncertainty about how to grasp the cost concept as the OpCs. Consider, for example, the explanation in Buchanan (1969, p. xiii):

> You face a choice. You must now decide whether to read this Preface, to read something else, to think silent thoughts, or perhaps to write a bit for yourself. The value that you place on the most attractive of these several alternatives is the cost that you must pay if you choose to read this Preface now.

Uncertainty with the definition should increase with further description:

> This value is and must remain wholly speculative. It represents what you now think the other opportunity might offer.

However, if this value is purely speculative, to what extent does it actually represent the true alternative under consideration? He continues:

> Once you have chosen to read this Preface, any chance of realizing the alternative and, hence, measuring its value, has vanished forever. Only at the moment or instant of choice is cost able to modify behavior.

Does this mean that the agent did or did not evaluate the alternative? At the very least, the agent should know that it is a less preferred target than the one he chose. But on what basis (what criteria?) did he know it was less preferred? I mean, except the answer that the lesser preference was determined subjectively. The agent had to determine the value to know it was less preferred. However, how, when it is only "wholly speculative" and "represents what you now think the other opportunity might offer" and "any chance of realizing the alternative and, hence, measuring its value, has vanished forever?"

Another of the related questions is why consider only "to read something else, to think silent thoughts, or perhaps to write a bit for yourself" as alternatives in the context of reading Buchanan's introduction? Why not something else as well? Costs are ex-ante in nature, they are in the realm of plans and expectations, and they are just what we consider. So why can't they be literally anything? For example, couldn't I have sacrificed my plan to build a time machine and a carrot-wrap-powered rocket, which would have allowed me to travel with Buchanan and Hayek at the speed of light to the Andromeda galaxy? Obviously, I made this reason up. Our knowledge and technological means don't allow us to fulfil this dream. However, I can demonstrate to my surroundings the accumulation of economic resources that I can save for a given goal, e.g., in the form of time, monetary savings, carrots, and I can claim to everyone that I need exactly these resources for the given plan, and in the end, I will decide to read Buchanan, and I will be munching carrots while I do it. So, the question is, what *exactly* have I sacrificed? Did I sacrifice "to read something else, to think silent thoughts" or my fanciful dream as well? And if it's just a dream, can dreams be costs?

Is it possible to identify any criteria for which an idea is sacrificed and how it is sacrificed, and on what basis do we consider the concept of costs as the OpCs? If we define a sacrifice as *just* something which is second as non-preferred, the concept of costs as the OpCs stays empty. For example, can we sacrifice an idea or plan that we haven't even thought of yet? And if we have thought of a plan and an idea, have we sacrificed it, and does that mean it is/was our economic cost? We can have infinite thoughts and ideas, many of which we don't even remember, many of which come as nonsensical figments of the mind, and others may be gibberish.[7]

Based on the traditional Austrian concept of the cost (as OpCs) we can only say that costs exist but, frankly speaking, Austrians don't know what the cost are; under the interpretation, there is no room for individual factual concept of costs persisting over time with the possibility of being evaluated, and their interpretation faces logical inconsistencies, and it is void.

## III. PROPOSAL

The concept of cost requires a subjective approach without anchoring cost in any objectified (external) information. It is necessary to require that cost be subjectively factual and counterfactual in nature so that it can be seen as an economic regularity related to economic causality, and the theory is sufficiently universal so that it is applicable to any agent. The theory needs to be equally anchored in a time continuum, i.e., we need to be able to evaluate costs ex-post.

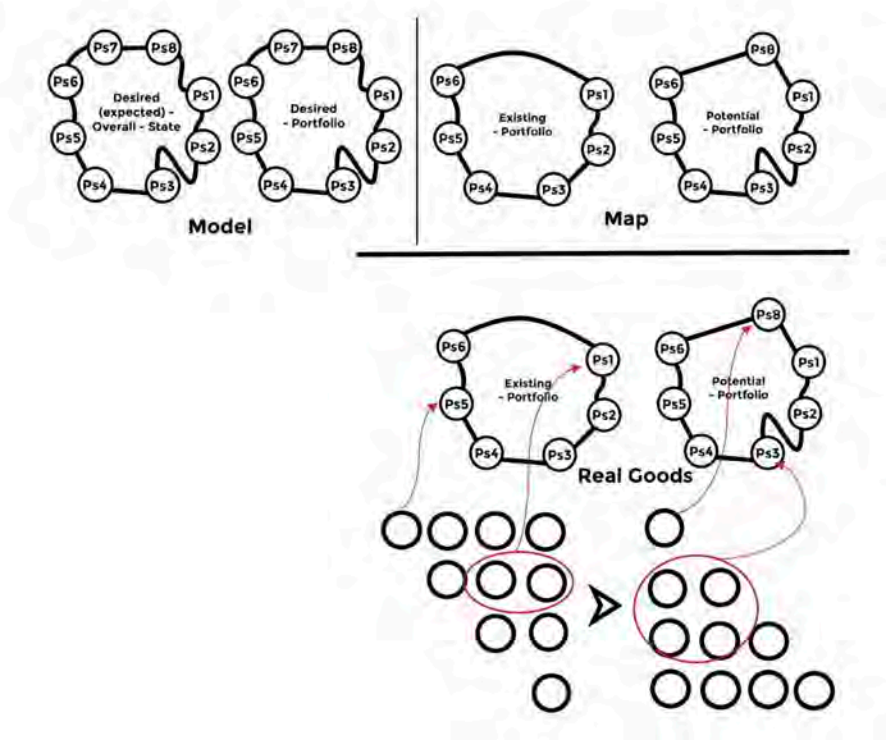
However, approaching costs as something sacrificed or foregone is problematic. The costs don't arise from some foregone utility of the good that an agent sacrifices to achieve something else; as if utility was given and we just lost it while incurring costs. The costs are related to the agent's dissatisfaction with the state of affairs. They are related to the agent's perception of how *something is not,* and an agent *wants to be something different* because the way she wants it is more satisfying to her needs. Therefore, for an agent, the costs must be useful. She must ascribe value to the costs, and they shouldn't be interpreted in terms of loss or foregone value. Their ascribed value/utility is directly related to the fact that via costs an agent will change the state of affairs; otherwise, otherwise something will happen that does not suit her and that she does not want to happen. The concept of cost must, therefore, be anchored within the concept of individual utility.

These aren't new requirements. O'Driscoll and Rizo (1996, p. 35) require for cost theory that "cost must be seen in a way that takes account of both its foundations in utility theory and its forward-looking orienta-

tion". Thus, as a first step, we need to identify an appropriate description of individual utility and its structuring.

To describe the individual utility structure, we can use Pošvanc (forthcoming) focusing on the problem of the law of diminishing marginal utility. Pošvanc provides the description of universal utility structure on a mental level which is reflected in reality by the building of an agent´s portfolio of goods. He calls the structure the *Idea of Economic Orientation*; it is an agent´s knowledge on how to meet one's own needs. The concept of Idea is constructed by Pošvanc as a combination of the Hayek's theory of mind (and his explanation of functioning of mind by analogy of a Map and a Model)[8] and Hegel's dialectical method.[9] The Idea of Economic Orientation is described by the following scheme (source Pošvanc forthcoming); the logic behind the Idea lies in what it is composed of: the desired, actual-and-potential states together defining man's economic satisfaction and the dynamics between these states:

Scheme 1:




The scheme shows the Idea of Economic Orientation as part of the general mental Map and Model (top), and its reflection into reality (bottom—real goods). The Idea is outlined as a relational coincidence between mental desired state of satisfaction as fulfilled by some desired-ideal portfolio of goods (top left); mental objects are in full coincidence. This ideal is confronted still at the mental level with the state of existing portfolio (based on sensory information from reality; i.e., what the agent actually possesses in the reality) and a potential one, which agent is capable of achieving on the basis of her economic knowledge (top right); the existing portfolio is less similar to the desired one than the potential portfolio, and both are mirror-reflected in reality.

The goods in reality (bottom part of the diagram) are grouped into the portfolio based on reflection between mental states and the corresponding reality; so, existing state is mentally changed as an idea into a potential, and consequently, the agent performs an action to create a new composition of the portfolio in reality. Each portfolio is composed of some partial states, e.g., Ps1 may represent goods that provide housing, Ps2 goods related to food, Ps3 personal hobbies, etc.

Pošvanc argues that the Idea consists of knowledge of how to satisfy a combination of needs (as a whole) through a mental idea of a portfolio of goods (as a whole). Thus, at the *mental* level, there is a structure of needs (as a mental whole) that is linked to the idea of a combination of goods (as well as a mental whole). The phenomenological construct has an overlap with noumenal reality (i.e., something outside the phenomenological world of the agent) through reflection of this structuration.

In other words, the interference into reality is realized on the basis of "shape isomorphism", when the representational structures of the mind (in the sense of cognition) and structures of reality affect each other. We discover and get to know the structuring of reality, we create a representative information structure about it, which we compare with the real perceived structures of reality (we create a cognitive order), and then we shape the reality according to our ideas. So, an agent shapes her portfolio as things from reality based on knowledge about reality—what an impartial observer could see as just a sum of things that an agent controls; an agent thinking of the structure of the portfolio of goods. She creates/perceives relations among given things and interprets a structure among them.

In other words, the hoe, the clay, the water, the fertilizer, and the tree are relationally perceived by the agent, they do not have objectively defined economizing relations, and they are composed into the portfolio by the agent who has knowledge of their possible combination within some goals.

This whole-structure, as a diverse combination of things, gives her satisfaction because it is shaped and combined as the agent wills. The overlap with reality is thus conceptual: a thought structure is applied to reality, thereby also creating for herself a sensually verifiable structure in reality (a portfolio of goods).

The use of scheme 1 (or scheme 2 below) isn't, therefore, accidental; they are ideas of the mental domain. This follows from Hayek's (1952) notion of the mental-sensory-neuronal order of the mind. The mental order is imagined here as a geometrical, independently functioning information structure that is a kind of a new order, as if "grown up" from the biological functioning of the neuronal-sensory order. Indeed, the neuronal-sensory order produces different kinds of information, where the kinds are determined by a combination of what part of the brain the information is produced in, what sensory-neuronal stimuli are used, and what kinds of information are connected to each other[10] (see the phenomenological account of brain functioning, e.g., in Thompson 2007). The information produced thus constitutes a separate mental order as a stabilized (always evoked) but also dynamically changing information structure (mind). Its semantic content and syntactic relations are, in the author's view, determined geometrically; i.e., clusters, groups, combinations or areas of information generate representational meaning by their location, relation to other structures as well as by their own geometry or shape (*gestalt*); we basically call this differentiation of knowledge.

The Idea has also its semantic meaning as well as syntactic rules. By its geometry it creates a representative information about needs and their satisfaction. The content of the Idea is, therefore, determined by the structure, the relationships between the individual properties of things/goods (knowledge about properties) and their position within this "information cluster". A schematic/geometric representation of this structure therefore illustrates in principle the same thing that should happen at the mental level (as a simplified concept, of course). This meaning is also communicated by the agent to the other members of the community. The factual form of the Idea is even accurately recorded and communicated by accounting standards.[11]

We have to imagine the Idea in a dynamic mode. The desired state (how something should be) is confronted with the actual state (how something is). The comparison of the desired and actual states generates an "internal conflict" that forces the agent to change the existing perceived state so as to move closer to the desired state using her economic knowledge. However, not everything is possible, which causes the perception to update only to the potential state; i.e., the current state at time t1 updates to the potential state, which becomes the new actual state at time t2. At the same time, what is important in the time continuum isn't only that the potentially achieved state doesn't coincide with the desired state, which inevitably implies further action, but also that the agent can change the desired state itself (which is certainly happening).

The Idea creates a structure of individual utility as a whole and in a dynamic mode; a structure of whole needs is satisfied by a structure of portfolio of goods in a time continuum. The agent ordinally prefers the desired state to the actual state. A potential state that it can get to is preferred over the actual one in case the

potential one is structurally more similar with the desired one. From the coincidence of given states is also derived the attribution of valuation to goods and their preferences; those goods that cause a higher coincidence of the structure of the portfolio are preferred over other goods.

The concept of individual utility has several characteristics that are different from traditional interpretations. Higher levels of satisfaction are not interpreted as the achievement of a higher number of goods or goals (Hudik 2020). Utility and its changes are defined as a *representational coincidence*; i.e., as a *mental idea* of how something should be versus a *mental idea* (mediated by the senses) of how something is or how something could potentially happen in reality (based on knowledge). Utility is a purely mental phenomenon; and as such is the phenomenological structure of reality. Coincidence is realized in the mind in the form of the coincidence/mismatch of mental thought structures to sensory stimuli; basically, we compare Map area with Model area in Hayekian terminology.

The presented concept of utility is equally focused on maximizing, but not the actual number of goods/plans, but at *maximizing coincidence*. The higher the degree of coincidence between the desired state and the actual/potential state occurs, the higher the individual utility/satisfaction and vice versa. So, a higher degree of satisfaction can be achieved by a higher number of goods/plans, but also by a smaller number of goods/plans and even by an equal number of goods/plans between which the agent only changes the meaning of their relations.

Utility is basically ordinal, but as such it creates cardinality: so, we prefer (desired or potential) state A as a whole to some actual state B as a whole; but structures in question are only distinguishable in the way that they are otherwise cardinally ordered in their composition. The cardinal, unitary character of the utility (compositional element) is formed against the background of the whole of the utility structure.[12,13]

Marginal utility is associated with marginal change of the structural state of the Idea as a whole; *what is marginally changed is this whole structure*. It is changed by particular and *strict actions* which *cause a marginal change of the factual state of affairs*; and of course, it must be reflected into the change of an agent´s portfolio, or more precisely, her desired but at the same time only possibly attainable state of reality. Thus, individual utility is created as what is a factual state of the Idea; a state that is both perceived and actually achieved in reality.[14]

In interpretation, we do not have a neo-Misesian infinite vertical preference scale that changes after every action. The preference scale is only two-dimensional; preferences are, "as if vertically", factual and counterfactual. Needs (as a whole) are satisfied by a portfolio of goods (as a whole). So, the factual level is thus horizontally constituted by continuously updated combinations of preferences the satisfaction of which is realized by the portfolio. This structure is constantly changing after each action, but only marginally, because at the same time some parts of it remain relatively similar, and it is still a structure over time as a whole. The counterfactual level is made up of imaginary needs interconnected by imaginary goods that an agent cannot realize either in the context of being inherently impossible (enchantment, changing the flow of time), or because of insufficient knowledge when she is still searching for or creating a solution, and/or because of insufficient resources to fulfill her desires. In scheme 1, this is shown as a mismatch between structures in question under the concept of the mental Model and Map.

Thus, preferences are given in their entirety as a developing factual-contrafactual structure in a time continuum. This means that, e.g., the need for housing satisfied through owning/renting an apartment is temporally continuous, even if I am not thinking about it. Factual preferences are dynamically actualized at each point in time into a new structure of the Idea, where their satisfaction is realized by the portfolio of goods in the time continuum. When I decide whether to spend my leisure time either by the sea or in the mountains and I choose the mountains, at that moment I am relegating the alternative "sea" to the counterfactual domain, marginally changing the Idea in the form of spending time in the mountains and acting appropriately. At the same time, however, I still have an actualized factual preference within the Idea for housing (and therefore continue to pay rent) or satisfying hunger and thirst (therefore I eat and drink everyday), which seems to be as if silent, but it is there, and in the counterfactual domain I can speculate from time to time whether I will be able to go to the sea, e.g., next summer, or I'll forget about it completely.

**Definition of costs**

The structuring of individual utility allows us to identify an area within which we need to look for costs, and which also allows us to define costs as a factual and time-usable concept. The dynamics behind the interpretation ensures that the actually perceived state vs. the potentially achievable state and the potentially achievable vs. desired state, in the context of their potential coincidence or mismatch, create two kinds of spreads. These spreads are mental and implicit. Basically, they are derived ideas. Once I dream about what would be "ideal" for me to possess to satisfy my needs versus what I have and what I can practically have, I can derive the difference in question.

The range of the spread between the desired and the potentially attainable portfolio thus defines the degree of perceived potential satisfaction/dissatisfaction gain/loss, and the spread between the actual state and the potentially attainable state defines the difficulty/simplicity of getting from actual into that potential state. The first spread defines the degree of potential individual satisfaction (the gain/loss), and the second spread indicates the range of costs to narrow the difference; and it is in this area that we need to describe the structure of the costs first as a mental phenomenon and then as its outcome in reality in the form of a suitable combination of goods/actions we call cost.

Costs are created factually based on knowledge defining the processes involved in an individual's change from an actual to a potential state of satisfaction. This knowledge is reflected into the structure of goods/actions which is used by the agent to bridge (eliminate the difference) the currently perceived state of the portfolio and the potential state an agent *can* achieve (not wants to achieve!).

Here it is appropriate to respond directly to a question from one of the reviewers as to whether we should be looking for costs between the actual and the desired state rather than between the actual and potentially achievable state. This is an instructive question. The potential state will always become the new actual state later in time. A potential state is in principle an update of an older actual state (both states are under our mental Map but in different times). Cost is what makes change possible. Without them, asked change wouldn't occur.

So, costs, as opposed to profit, which is purely mental, also require real/actual changes in reality that an agent can record. In other words, she must change some combination of things in reality in order to reach a new potential state. The gain/loss is then derived as a result of a higher/lower coincidence of the desired and new state of affairs.

Thus, the cost structure is not merely mental (as opposed to the perception of profit); on the contrary, it must necessarily be real as well, i.e., it is the realized idea in reality of some combination of goods that *will cause* the new potential state of affairs to be achieved. This also implies OpCs and a counterfactual consideration of the cost structure.

If the agent could achieve the new potential state and it also equaled the desired state, this would imply his *absolute* maximum satisfaction and *absolute* maximum possible profit; there would be no room for achieving new profits (since the profit spread would have been eliminated) and the costs incurred would have *absolute* maximum efficiency. This is possible only as an imaginative construct within the ERE framework. That is, the reviser's remark is valid in the context of absolute equilibration, i.e., the assured perpetual coincidence of a potential and a desired state, which an agent seeks, but doesn't attain. Hence, cost, apart from this imaginative state, must be associated with the dynamics of the actual and potential states.[15]

Cost is therefore a semi-permanent cognitively defined flexible *sub-structure* of the Idea of Economic Orientation with direct overlap into the reality. It is continual. It is focused on changing the structuration of the Idea to get rid of the inappropriate actual state and achieve at the same time a higher (degree of) coincidence between any potentially achievable state of affairs compared to some image of a desired state of affairs. It is a kind of knowledge that is feasible and applicable to the change of reality; fanciful, unrealistic, and inappropriate ideas about costs never materialize. Costs are related to the satisfaction of potentially possible needs and the associated combination of goods. They are thus a build sub-structure by which the

agent *actualizes* the Idea of economic orientation into its new potentiality, which is reflected in reality by the change in the agent's portfolio construction. Costs basically shapes individual utility into the new state.

In reality, we see—as a consequence of decision about cost structure—the agent's actions associated with the transformation of the actual portfolio into the potential one: through the expenditure, exchange, productive use of goods, new combination of goods, which will cause a new composition of the portfolio. Since it is a sub-structure, we have to identify its boundaries within the Idea to be able to distinguish between costs and utility.

This is important since I claim that the structure in question is found in the structuring of the utility and it is necessary to distinguish between utility and cost. For this, we can combine the vital parts of the Böhm-Bawerk´s structural interpretation, the concept of OpCs, and the introduced concept of individual utility. Although Böhm-Bawerk composes a cost structure relying on external, *historically existing* assumptions (the value of marginal product), he is inspiring; he tried to find the structure of value based on the relationship of utility and cost;[16] in principle we do the same, except that our design has no external assumption; it is purely individual.[17] At the individual level, however, this requires the counterfactual nature of the costs, which sets the boundary for the factual structuring because costs must be both a mental idea of a change of reality and an actual change of reality. We also need the structure of the individual utility, which provides the context. The cost structure (so far as an initial proposal) arises, is build and permanently actualized within the Idea of economic orientation based on the following three-fold dynamism:

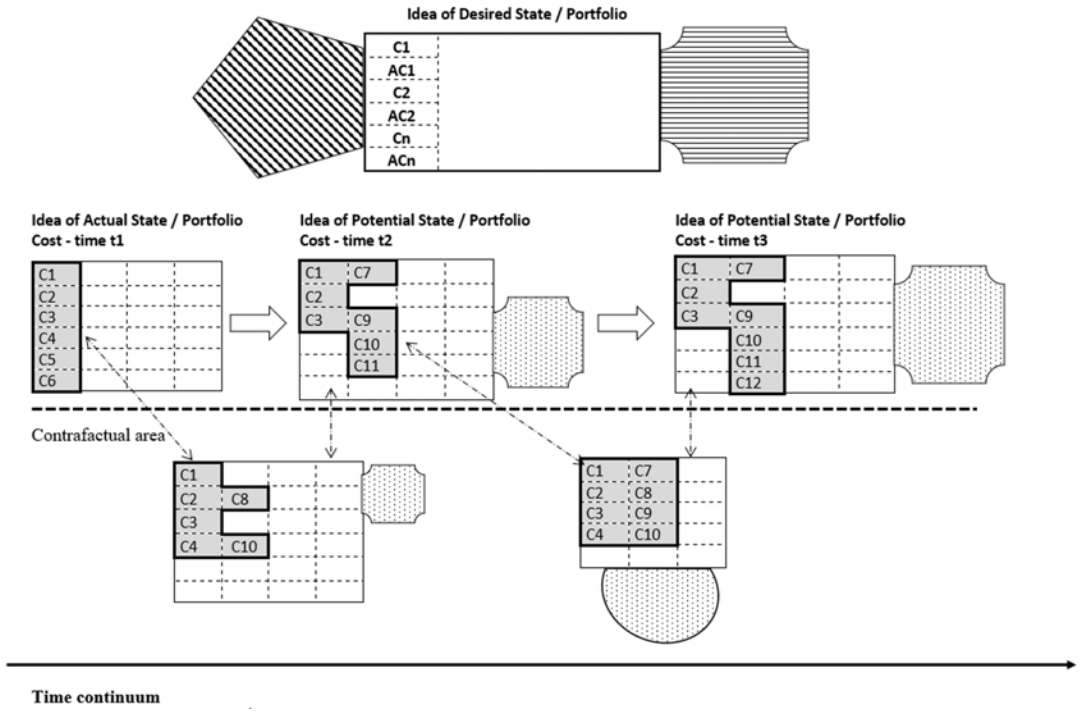
- the spread between the actual and the potential state of affairs is created in the context of the desired state of affairs. This dynamic has a factual character derived from an individual's normative notion of "how something ought to be", thereby defining the agent´s economic context.[18] This is the reason for the feeling of uneasiness (Mises 1998, pp. 13-14), which is perceived as: if something isn't done an agent will be worse off compared to non-action. It is based on an endogenous dynamism within the Idea; desired state of affairs is incompatible with the present one and an agent seeks some potential one which is more similar to the desired one.

- the maximum cost range (ex-ante) shouldn't simultaneously compromise or jeopardize the agent's continuous satisfaction of her needs over time. This boundary is defined so that the potential state shouldn't widen the spread between the potential and the desired state compared to the actual and desired state; in other words, costs shouldn't exceed revenues (at least ex ante),

- the consideration of OpCs which "shows" the agent how to potentially and realistically achieve the specified state differently. However, this domain isn't at all anything that an agent can reason about in the way that might have been implied by the traditional interpretation of the OpCs. Rather, it is defined by the desired state, within the framework of which the agent considers her alternative possibilities (as a regularity). However, these contra-speculations are not her costs! The OpCs are just one of the boundaries of the factual cost structure; of course, an important one.[19] Nozick's (1977) critique isn't concerned with interpretation. Costs are factual; counterfactual OpCs merely do-form them. The preference scale is always two-leveled; an agent prefers the factual cost/utility structure, and she "moves" the actual non-preferred cost/utility structures into the counterfactual domain accordingly.

Schematically, we can simplistically indicate cost-structure and its development as follows:

Scheme 2:




The illustrative scheme shows the simplified structure of some portfolio at time t1, t2, t3. Top is a representation of the ideal (desired) state, which is not changed just for simplicity; in fact, it changes as well. The idea of the difference between the actual portfolio and the desired one is shown by the shaded boxes. According to the utility interpretation above, the preferred potential state is such that it begins to resemble the desired state more closely relative to the actual state; this is indicated in t2 and t3. The scheme is further divided into a factual flow and counter-factual alternatives.

Under the actual state t1, the scheme indicates the existence of an overall cost structure composed of partial states of cost structure or "cost blocks" (schematically indicated as C1-C6). At the mental level, this is a combination of knowledge of how to use some parts of reality to achieve desired outcomes, which in reality manifests itself in the combination of goods we use as costs; C1 may be a production line, C2 a commodity mix, C3 labor, etc... The agent, in reaching the potential state at t2, considers at t1 a second alternative indicated in the counter-factual area as a cost structure (C1-C4 + C8 and C10). However, (C1-C6) is chosen and this is because agent presupposes that it will cause a higher coincidence of the new state with the desired state; thus, the second alternative is rejected due to its lower efficiency. In other words, I indicate that different cost structures cause different outcomes.

The achieved potential state at t2, which becomes the new actual state in the time continuum, in turn contains a new cost structure (which is schematically indicated as C1, 2, 3—the "cost-blocks" taken from the older structuring and the new "cost-blocks" C7, 9, 11) that reflects the newly perceived economic context in t2. Again, it can be weighed against another cost structure (combination of cost-blocks), which is rejected because it would result in a complete dis-parity, i.e., a deterioration of the agent's state. What I am trying to indicate here is that the cost structure may be based on older, proven/successful types of cost blocks, but the economic context may also necessitate a new combination of additional knowledge and resources at the agent's disposal in order to achieve a higher level of satisfaction.

The cost structure has a mental—phenomenological—character just like the Idea; therefore, it is permanently updated into a new particular form. I indicate that the agent builds the structure permanently in time continuum; so there is some new structure in t3, etc..

The structure emerges gradually, whereas in the early stages of human development it should have an implicit character, i.e., it is given instinctively as some unconscious set of processes which the not-yet-conscious individual uses automatically.

In the Ideal state, which forms a kind of reference point, I indicate also consciously generated automatically realized costs (labels AC1, AC2, AC-n), which will be dealt with in a moment on the topic of individual and social equilibrium.

The easier it is for an agent to achieve a potential state, the lower her costs are either in quantitative terms, which, as a consequence is manifested, e.g., by a lower number of issued, productively used goods from the portfolio (mutatis mutandis money), and/or the more efficient and effective the costs are in qualitative terms. This means that that knowledge which causes the fastest and/or most efficient way to reach the potential state is used to construct the cost structure.

It should be emphasized that I am not describing production costs. What we are describing is a mental structure reflected in reality that will result in a potentially higher perceived utility; a higher state of coincidence of what occurs with what is desired. This manifests itself in reality in many ways: sometimes as an issue of goods or an exchange, sometimes as a productive activity, consumption of goods, but also as a new/repeated combination of goods, or just as an intellectual process.

The range of a given spread says nothing about the robustness of the cost structure. The knowledge that causes the actualization of the potentiality of the Idea of economic orientation can represent both simple as well as robust production processes, or the structure of a given piece of information can consist of both simple individual combinations of knowledge (e.g., how Robinson grows an apple) and/or complex (e.g., how an automobile producer produces an automobile). This follows from the fact that the interpretation of utility and cost is in the nature of maximizing the coincidence of the desired state with the potential state that can be achieved, and isn't based on maximizing the number of goods or plans.

The above illustrative scheme can represent costs focused on different kinds of utility of an agent: it can be production costs but also costs related to leisure or socio-cultural costs. Above schematically described can be a production process composed of machines, input commodities, labor, and other related costs such as marketing or branding, sales network, or seasonal labor, where the outcome (shaded box) is some kind of products as part of the overall portfolio/balance sheet of the enterprise.

However, equally, the scheme may represent a combination of goods in conjunction with leisure or maintaining camaraderie. A higher utility may be in the nature of a good feeling that is created by the combination of, e.g., food, music, light, a sofa, a movie (as economic goods) and a company of another person or animal (non-economic factors), which, at the mental, level creates a change of a representational state of the utility "alone at home" into the utility "spending time with a loved one", which causes a good feeling and which reflects states of reality.

*Various cost sub-structures*

Interpretation based on the existence of a cost structure as a knowledge structure and its partial states (as "cost-blocks" in the Scheme 2), allows us not only to define very subjective cost structure, but also enable explain its inter-subjectivation. The reader should not get the impression that I am advocating the objective notion of costs. Cost is always individual and subjective; it is always based on an individual combination of knowledge that is unique in some economic and agent′s context. However, even an individual combination of costs is based on some intersubjectively discovered knowledge that predisposes, e.g., an entrepreneurial idea to build a wrap-drive rocket to an unequivocal economic failure (for now), but that doesn't mean that the project in question must be investment-uninteresting. However, cost structuring also allows for inter-subjective characteristics, given that cost as a mental structure is also a formal-logical con-

struct that is universal in principle and exactly that allows any Bob at least to understand any Alice´s individual cost mix.

Subjectively defined structures are of course based on the uniqueness of the agent's knowledge about the appropriate combination of goods and her interpretation of the surrounding reality (as shown in Scheme 2, the agent can combine any "cost-block" to create a unique individual cost structure). However, what makes a cost mix always individual are not only the individually defined quantitative combinations, but also the qualitatively defined relations among goods and their properties. Qualitative factors can play a role here, which are either fully psychological-individual, or are constructed in the context of the socio-cultural context in which the agent operates.

However, the agent also generates various types of automatisms (automatically performed activities)[20] and standards (relatively stable recurring activities) within the individual cost mix. Thus, these are objectified characteristics of individual costs. Examples are, of course, the production provided by machines, but also an employment contract by which an entrepreneur entrusts an employee to provide part of her planned schedule under predefined conditions, or any other contract related to the external purchase of some goods. Standardization is also important in this area, as well as defining practices, standards, processes or the quality characteristics of the products used.

These types of repetition of structuring allow for intersubjective cost perceptions that can be assessed by a third party, e.g., an investor or a competitor. The intersubjective assessment of these structures (from an individual point of view, these are logical-formal structures, which are therefore graspable by others) is furthermore identically possible to set universal benchmarks for their assessment.

The construction of cost within the line of the desired context, jeopardization of satisfaction of needs and OpCs creates for agents a possibility to realize parallel economic activities.[21] An agent evaluates counterfactual alternatives and her decision leads to the most advantageous alternative for the agent being implemented. Other combinations in the context of his goals are discarded into the contrafactual arena. However, credit relations allow for parallelization of counterfactual economical ideas, although not in absolute terms. The allocation of savings from creditors to debtors allows for the parallel implementation of several cost-benefit activities. They don't exactly correspond to individually defined alternatives, but they do so relatively; in fact, both creditor and debtor have to agree on some common conditions for the allocation of resources and the elimination of debt. This is what creates the inter-subjective notion of cost structure of projects that are carried out. The creditor allows the debtor to do something that the debtor couldn't otherwise do, and the debtor does something that the creditor wouldn't do on her own, thus allowing the emergence of cost-production structures that would otherwise remain in the counterfactual area.[22]

Given that these are knowledge structures within the Idea of Economic Orientation, the structures in question can be both long-term and short-term in nature, be more/less rigid, have the characteristics of automatisms, be related to intersubjective goals (e.g., the community), can have the character of various semi-stable plans, activities, or processes, and as such can be relatively flexibly modified or changed. But, of course, we can also change, remove, or eliminate them altogether if they prove to be inappropriate, i.e., as something that doesn't fulfill the agent-defined normative goal of "how something ought to be". So, the interpretation provides us with apparatus to distinguish fixed or variable costs and in the case of some extremely rigid structures 'sunk costs'.

**Costs in the time continuum**

Presented interpretation allows for a seamless interpretation along the time continuum. The implementation of the plan and its subsequent modification do not cause a value and cost discontinuity in the interpretation. By adapting to new contingencies, we do not change the plan-value/cost absolutely, but only relatively. Over time, of course, individual particular cost structure change, but by characterizing costs as a structural whole, comparison overtime is possible precisely at the level of that structure of the whole. Over time, we compare the (utility-cost) structure in t1 with the (utility-cost) structure in t-n. So what accoun-

tants record, in other words, also has a real informational and economic relevance for the agent (cf. contrary to Buchanan 1969; Thirlby 1946a, b, 1952; Coase 1938).

Agent can ex-post tell whether the chosen alternative was *relatively* correct, i.e., whether she was successful to narrow the spread between what she achieved (the potential state) and what she wanted, notwithstanding that both states are simultaneously dynamic and ever-changing. In this context, she can equally speculate ex-post on the rejected alternatives, i.e., whether the rejected combination might have narrowed the spread more than she eventually succeeded in doing so.

The associated gain yields a higher degree of coincidence between the potentially achieved and desired states than was the case for the original actual state and the desired state; she is in a loss if the realized activity eventually widened the spread between the achieved and desired states, relative to what she perceived the spread to be before. The interpretation allows us to recognize the dynamism between individual profits and associated costs and provides us with criteria to recognize profit/loss out of the monetary economy and demonstrated preferences which are an effect not a cause.

Here, we must note that the desired state is dynamic and its structure may have changed between t1 and t2; i.e., even if the agent anticipated at t1 that some action would lead her to a better state at t2, this anticipation may not materialize due to the fact that she herself redefines the desired state in the context of some endogenous or exogenous factors. Thus, the entire cost and utility structure is in a very dynamic mode.

Marginal costs are associated with some change of the structure of cost; what is marginally changed is the cost structure as a whole, and it is changed by a particular action/decision; marginal change, like utility changes, is defined in Pošvanc (forthcoming) as an economically meaningful and relevant change causing explicit and at the same time *perceived* (sic!) change in the state of the Idea reflected in the change of an agent´s portfolio. This means that marginal cost is what will change the nature of a given structure so that either the relative position of parts of the overall structure is changed or some part of the given structure is added or removed, or it may be a combination of all.

**Individual and social state of ERE (as a thought construct)**

The interpretation allows us to link the marginal utility and the cost theory with the Austrian equilibrium theory. Pošvanc (2021b, forthcoming) shows that a personal equilibrium is reached by an agent when the current-potential and desired states of the agent's Idea and portfolio structure in reality are in maximal coincidence. At that moment, the agent is indifferent, is in equilibrium (maximal individual satisfaction), and doesn't act because she has no reason to change the given state. However, we must look at this state dynamically, not in a static mode. It means that an agent doesn't change a given state because what she wishes is automatically happening. At a given moment, marginal cost and marginal utility must be zero, given that the spread between the actual and potential portfolio state and the spread between the potential and desired portfolio state don't exist. *Marginal utility and marginal cost* are zero due to the full identity of the desired state with the actual/potential state; remember, it is a coincidence of states that matters.

What is the cost structure of an agent within this state? Of course, we cannot claim that the agent achieves maximum utility without incurring any costs. Given that both the utility and cost structures are in a dynamic mode, in order to hold permanently marginal utility and marginal cost as zero and preserve the equilibrium over time, a given state must be reached for the agent in an automated fashion. So, there are costs, of course, at that state of affairs, but they should all be fully automated, standardized, and automatically reconciled (as if the ERE concept is applied to the individual). The reader may recall Scheme 2, where automatically executed "costs-blocks" are also defined in the ideal desired state. Although the concept of the ERE is a theoretical construct, agents already today use many automatically executed processes. These assist in achieving higher levels of individual satisfaction/utility, which implies that this theoretical construct has a practical character (practical interpretative character of the ERE construct is emphasized also by Rothbard 2004, pp. 322-323, 329).

However, only some theoretical imaginative full-range automatization could cause the actual-potential-desired structure of the Idea and the portfolio to be in a permanent coincidence. In principle, the agent would then permanently experience the *absolute general conditions of her welfare* and devote herself only to her freedom, since everything else in the form of satisfaction would accrue automatically as the agent wishes to be; in principle, the entity in question (which probably could no longer be a human being) wouldn't even be aware of this state in that case, because it would take it as if an agent were breathing today.[23]

What about market equilibrium and the ERE? Very much the same; in principle, it is a state where all agents are in an individual state of equilibrium and their mutual satisfaction is implemented in the context of some pre-set automatisms, the operation of which doesn't need to be intervened in. It should be plan-based, meaning here that equilibration tendencies of all actors must be dealt with already at the level of plans (see also Hudik 2020). In that state, social utility should reach its maximum, monetary profit should be arbitraged to zero, all agents should achieve maximum individual satisfaction and be at the maximum of their individual profit. The state should be achieved automatically, without the need for intervention (human-based action), market price spreads should be arbitraged to zero, and bid-ask prices should be equal to marginal cost.

How is this state achievable? As Pošvanc (2021b) shows, it is a problem of attainment of the maximum level of knowledge and utility. To achieve the market ERE state we would actually have to eliminate the consideration of any OpCs; i.e., our knowledge should provide *absolute* certainty of knowing that any other alternative that should be automatically implemented (or considered for us by some automatism) against any other already automatically set resource utilization alternative makes no sense and need not even be considered, and/or is already being fulfilled by some automatism.[24] At the same time, at a given moment, we should not be dependent on any automatism set by Nature, and on the contrary, everything should be set in the context of how we want it to be set; in Hegelian terminology, it should be a state where the Spirit finally feels at home and devotes itself only to its Freedom and nothing else.[25]

## CONCLUSION

Connecting the interpretation of costs to the concept of accountancy costs should not be a problem; the balance sheet, cashflow tracking, the budget related to the implementation of the plan, the assessment of assets and equity, or the tracking of costs and revenues is not an expression of anything other than the evolution of the cost structure within the Idea of Economic Orientation over time. The cost theory of the individual is not fundamentally different from the cost theory of the firm (the latter is merely more sophisticated). The OpCs define a boundary for factual costs. From a behavioral perspective, it should be equally obvious that we really need to focus on the OpCs to be aware of them, and, on the contrary, sometimes we act based on pre-set automatisms, and at the same time, the better the alternatives we consider, the more successful our factual costs should be.

The presented synthesis of the cost concept should also meet other claims: costs aren't interpreted externally, thus avoiding the criticism of the argument in the circle; costs are not explained as a production trade-off; the OpCs have their context in the factual nature of costs. The cost structure allows for a fluid interpretation of the phenomenon over time, it is ex-ante and subjective in nature, it allows for ex-post evaluation and hence for the agent to learn from her mistakes, it allows for inter-subjectification of cost information and the explanation of different types of costs (variable, fixed, sunk, direct, indirect, etc. ), links the individual cost view with the firm's cost, it links cost structuring with utility structuring, allows the explanation of economic costing beyond monetary economics, and it is linkable to the ERE concept.

The last question that remains is how the presented concept changes the Austrian interpretation of costs and what the implications are. In my view, the interpretation brings together vital parts of Böhm-Bawerk's and OpCs interpretations and connects the economic concept of cost to business practice as well as to the economic mainstream, to which it provides a philosophical-economic-choice-based background.

It doesn't change the subjective nature of costs. On the contrary. The interpretation is fully subjective and, within the framework of subjectivism, shows why it is possible to understand the cost-mixes of others, why it is possible to compare two or more individuals/entrepreneurs and why we can distinguish which one of them is more economically successful.

Interpretation should alter several methodological explanations. I am unable to mention them all, of course, because the concept of cost is very basic. But from the field of my personal interests, I see possibilities to uncover the problem of the origin of originary interest, the origin of money, the principles of calculation outside the money economy.

The concept also allows for philosophical speculation about the application of interpretation outside the world of humans. Indeed, the basis of interpretation is the dynamics of utility and cost phenomena within a conscious mental *order*. Given that these are, in my view, a priori dynamics, it is possible to speculate (mutatis mutandis) about the application of these concepts to the rest of living nature, where the living organism is conceived of as a self-relation (living *order*), and, in an extended version, to speculate (mutatis mutandis) about the application of the concepts to inanimate nature, which is likewise a system (*order*) of some kind. I think these are interesting questions that the context of the interpretation presented here at least allows for.

## NOTES

1 The reader can follow the debate in Arce (2016), Colander (2016), O'Donnell (2016), Parkin (2016a, b), Stone (2016).

2 Böhm-Bawerk (2002, p.59): "Usually, I say, these other valuations emanate from people other than those who directly value goods reproducible at will according to their costs. This is always the case, for example, when our cost valuation is based on a purchase price".

3 For some hints to support this claim see also Wysocki and Block (2018, pp. 134-135) explaining how some things as parts of reality become goods; or direct criticism of the concept of scarcity as an objective feature of reality in (Pošvanc 2019, p. 18).

4 Buchanan (1991, p. 520): 'Opportunity value of "that which might be" if choice were made differently. Note that it is not the value of "that which might have been" without the qualifying reference to a choice. In the absence of choice, it might be sometimes meaningful to discuss values of events that might have occurred but did not. It is not meaningful to define these values as opportunity cost, since the alternative scenario doesn't represent a lost or sacrificed opportunity.'

5 Weak preferences are defined by Nozick (1977, p. 370) as follows: "We can understand 'the person weakly prefers doing A to doing B' as: the person prefers doing A to doing B, or the person is indifferent between doing A and doing B. In terms of this relation of weak preference, a person is indifferent between doing A and doing B if and only if he weakly prefers A to B, and he weakly prefers B to A. A person strongly prefers A to B if and only if he weakly prefers A to B and he does not weakly prefer B to A."

6 For it is only through action that the agent, according to neo-Misesian Austrians, perceives the preference scale, which immediately disappears after action and is replaced by a new scale related to new decision-making and action; see Mises (1998, p. 95).

7 One of the reviewers pointed out here that "if the agent making the decision hasn't thought of something, then it simply doesn't intervene in the computation of his OpCs". I agree. But from my point of view the remark points out rather what is absent from the present definition of OpCs. The OpCs cannot be anything. But what I ask for are some criteria, structure, and a factual context. The remark equally implies that OpCs may not always be applied if we don't think about them; examples are actions which are our personal automatisms we repeat and some of actions/decision done under "false" or practical certainty without considering anything else.

The reviewer's remark also made me think of an interesting philosophical question of whether OpCs exist at all if they are a purely thought and never realized construct. Here the reader can follow the debate originally

triggered between Meinong and Russell about the nature of being and existence (see e.g., Berto 2013, Jacquette 2015, Findlay 1963 for a more detailed discussion; for a concise introduction to the problem see Marek 2022). The debate was conducted in terms of whether or not there exits, for example, Sherlock Holmes, a fictional literary character who, even if he is only fictional, has a real impact on the lives of at least those who read the stories in question. Equally, the discussion was focused on the question of whether there exist pure thought constructs, such as the round-square, which cannot even logically be. The problem of OpCs seems to me in terms of their merely thought and never actually realized "existence" very much like these problems. As the reader will see below, I think the OpCs exist, but we have to give them a structuration; and as a reviewer correctly points out -- the structuration has to be a thought one.

8 Hayek (1952) explains the mental order on the basis of the so-called Map and Model analogy. The Mental Map provides any living organism with an orientation in reality. The Map consists of universal knowledge, which has arisen from the mutual differentiation of particular perceptions. These are applied retrospectively to the particular reality through the Model. The model is future-oriented and combines universal knowledge about reality to "search" for the best way to get to the desired goal. The concept of mental order allows defining a phenomenological mental structure, which creates an idea of agent's needs and the ways of satisfying them through the structure of goods (portfolio).

9 Hegel's conception is based on the triadic relation between the incongruence of the moment of understanding with the moment of negation, and the subsequent (by necessity) overcoming of that incongruence when "later determinations 'sublate' earlier determinations" so "the earlier determinations are not completely cancelled or negated" (see briefly, e.g., Maybe 2020). This concept is used in defining the dynamics between the desired, potential, and actual state of an agent's portfolio. The actual state with the desired state create a mismatch, which is overcome through some potentially achievable state; so the earlier determinations are not completely cancelled or negated, and the previous structure of the portfolio is transformed into the new structural state by a marginal change.

10 Let´s imagine the process of biological functioning of the brain and sensory order. They produce different kinds of information. This information varies precisely in where they are produced, what they are produced by, and how they relate to and differentiate themselves from each other. This location-structure-differentiation produces (as a new kind of mental order) an image of reality for the mind, and at the same time, an image of the mind as such or "me" (at the level of the human being, of course).

11 As we look at historical development of the origins of accounting and our ancestors' intuitions, we are able to track a development of this phenomenological thought construct. One of the seminal events in the history of accounting was when Luca Pacioli introduced the principle of double-entry bookkeeping. The fact that it was in the 14th century was related, according to accounting scholar Littleton, to seven reasons: records of private property, the increasing importance of capital, large-scale business practices, the increasing intensity of credit, the spread of knowledge of writing, arithmetical knowledge, and, of course, monetary exchange, the combination of which culminated in that very period (see Alexander 2002, p. 2).

However, as Mattessich (1987, 2012) points out, this was already the consequence of a long period of building the logical (mental) structure behind double-entry bookkeeping; in other words, *double-entry was already being used by people long before its principles were defined* in the 14th century. Mattessich anchors his claims empirically to the period 8,000-3,200 BC in the context of the research of Prof. Schmandt-Besserat related to the discovery of what Schmandt-Besserat calls tokens, clay of tokens, and string of tokens, which were supposed to represent different kinds of economic goods. According to Mattessich, clay of tokens could also express a representation of who owed who, or serve as a record of debt elimination preserved in temples, or as a record of individual wealth and capital. Mattessich (1987, p. 9) writes:

"Thus the "aggregate" or superaccount represented by a clay envelope or a collection of tokens on a string, is not too much different from a balance sheet. It certainly had a dual significance: in its details, it represented the individual assets, in its totality it represented an equity."

Mattessich theorizes that the *mental structures* represented by the objects in question were also behind the emergence of writing or arithmetical symbolism, when the objects in question not only conveyed representational information (e.g., in the form of a representation of economic goods), but themselves began to form an informa-

tional structure that evolved into writing or mathematics as an abstract-logical representation of thought structures. Bennison-Chapman's (2019, p. 1) criticism that "'Tokens' were multi-functional artefacts; even within a single site clay objects performed multiple roles" does not, in my view, undermine the nature of the argument that they represented an idea-structure, where one of these could have been a utility/cost structure.

12 I leave the question of whether it is possible to define a unit of utility to a separate work.

13 One of reviewers posed the question of whether the here-presented description isn't similar to Bernardelli´s approach to utility. Hudik (2014, p. 12) writes that Bernadelli specifies "a reference-dependent utility function w (y; h), where y is an initial state (endowment), and h is a vector of increments of goods." As can be seen, the approach to utility presented here is similar in the context of the existence of some initial state, but different in the context that utility is dependent on the coincidence of mental states.

14 The reader should realize that what I describe is fully mental. We think of *both* factual states (what we actually do and achieve) and counterfactual states (what we would like to achieve). Even what happens in reality is mediated as a mental reflection by our sensory order. Therefore, utility as a mental phenomenon is what is perceived as a factual state of affairs, and at the same time, achieved outside of this mental perception. The counterfactual thought states of the Idea provide just contextual "boundaries" or the shape for what is factual for an agent.

15 I describe the characteristics of the absolute state equilibrium in more detail below.

16 See e.g.: "The blade of the pair of scissors that demand represents consists wholly of utility, and the blade that 'cost' represents is perhaps composed of nine-tenths utility and a ninth disutility on rough average. In total, therefore, value is perhaps based on utility up to 19/20 and on disutility up to 1/20!" (taken from Okada 2017, p. 639)

17 Although Bil'o (2004) points out that Böhm-Bawerk's horizontal and vertical structuring of the value of goods is cardinal, based on external prices, which Čuhel-Mises correctly rejected, the vitality of Böhm-Bawerk must, in my view, be seen in the attempt to describe the structuration of the phenomena of value and cost. We can speculate that if we apply horizontal-vertical relations *within* the Idea of Economic Orientation, where the coincidence of the structure of needs with the idea of a portfolio of goods *is dependent on knowledge of relations* about needs-goods-satisfaction (and the relations in question may be horizontal-vertical in character), then we might subsequently get a structural picture of individually perceived value, utility as well as costs. A related question is whether we can then define the unit of this structuration (util); but as I indicated above this must be deal with in different work.

18 If I am in the desert, for example, and I want to quench my thirst, it is the context that defines my consideration of costs and attributions of value of the surrounding things in reality. I will behave differently if I am in the desert as a tourist discovering the magic of the desert landscape, differently as a person whose plane has crashed 1 km from the nearest town and a person whose plane has crashed in the middle of nowhere, and differently compared to a person who possesses knowledge about desert-survival.

19 The OpCs are important in this very respect. This is because they enable speculate about new combinations of knowledge about cost and utility structuring; but we are looking for the best alternative to achieve what we are able to achieve. Indeed, the Hayekian mental order operates precisely on the basis of various associations of universal differentiation of knowledge, which makes related and unrelated associations and the merging of older universal knowledge into new ones possible. Hegel's dialectic has a very similar character.

20 I consider automatism to be a repetitive process that is pre-set, responding to defined stimuli; it can have an evolutionary-natural character (instincts), an impositional-cognitive character (defined on the basis of human knowledge about reality; e.g., machine-automatic processes, design of goods), or a normative-social character (interpersonal contracts) or an evolutionary-social character (cultural-social rules, catallactic rules).

21 Emphasized to me by František Chroustal (personal interview Vienna 19.1.2023).

22 Braun (2014) is thus intuitively correct to look for the origin of the originary interest in the context of the concept of cost, but his mistake is that he looks for the origin at the individual level rather than in an intersubjective relationship where counterfactually perceived projects become factual; indeed, the agreement of the creditor and debtor implies that what wouldn't otherwise be realized is realized with respect to the perceptions of both actors. In other words, the origin of the originary interest is interconnected with making the contra-factual projects factual. For an intersubjective concept of an original interest, see Pošvanc (2020).

23 I remind the reader that this is about defining the conditions for a dynamic full-range individual equilibrium, not about whether an agent can ever realistically reach this state; see also last footnote.

24 Igor Wysocki (personal email communication 12.11.2022) posed an interesting question about why we cannot actually act conceptually on the basis of certainty. In my opinion, one of the criteria that could define a state of absolute certainty would occur if we do not consider any other cost alternative; because we act with certainty. The counterfactual domain would be deliberately "emptied".

25 Likewise, the reader should recall the reviser's comment that OpCs must be thought of if it is to be applied (footnote 7). In the hypothetical ERE state, the agent wouldn't consider any OpCs, given that everything should automatically and with absolute certainty happen as the agent requires in the context of the agent's defined desires and even automatically coordinated with the desires of others.

Philosophically, then, the individual Spirit is concerned only with her *absolute* freedom. At the same time, absolutely free would not mean that Spirit doesn't decide. It would mean that the Spirit doesn't decide *alternatively*. Spirit is then absolutely certain, absolutely in control of and comprehending reality in its essential form, and everything behaves according to the automatisms set by Spirit; I conceive of a given state philosophically-speculatively as a self-equal discussion with God, which implies that the entity in question would also have to be God. Only then we wouldn't have to consider alternatives.

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# Mill vs. Bentham's Positive Philosophy

NICHOLAS CAPALDI
Loyola University New Orleans

**Abstract:** The liberal view of liberty, going back to Hobbes, Spinoza, Locke, and Bentham, is that human nature is nothing but appetites. The role of liberty is to mediate between the unbound appetites and the binding required by other appetitive beings. This requires removing the strictures upon the appetites. The politics of emancipation in the West is the dialectical resolution of the modern components of the idea of liberty. It incorporates the satiation of one's appetites, the right of respect (dignity) for having one's appetites and determinations (being/ identity), control of education to enable the breaking up of oppressive/ traditional forms of social reproduction to enable this appetitive self, as well as the political demand that this emancipated self receives the resources, whether through reparations, or career and office holding opportunities distributed on the basis of one's being/identity, that enable its perpetuity. Indeed, as we are witnessing, the emancipated self requires for its realization a complete overhaul of the entire political, economic, pedagogical, and social spheres.

The alternative view of the self that liberty is in the service of, or the means to, freedom or faith in its own dignity is the major impetus for Kant and J.S. Mill. Mill understood (reconstructed) utilitarianism to incorporate all four versions of Kant's categorical imperative. Individuality is treating a person as an end. Instead of confounding politics and morals, Mill makes the moral domain define the political domain.

My thesis is that 'classical' liberalism [restrains government] degenerated into 'modern' liberalism [empowers unlimited activist government], socialism, and Marxism. Hence liberalism contains the seeds of its own destruction. Many of us have wrestled with this serious 'transition'. My own reading of and writing about Mill is that he specifically opposed this transition: opposed as a voting member of Parliament the reduction of working hours for women, indeed opposed socialism, saw the dangers of and tried to offset the emergence of universal voting, did not romanticize the working class, and despised Tory philanthropy.

What is John Stuart Mill's (hereafter 'Mill') relation to the Positive Philosophy of the 19th century? In what follows, I shall argue five things:

1. Mill has been routinely interpreted[1] as a proponent of positive philosophy when he was not.
2. On the contrary, he was a critic of positive philosophy, specifically in its Benthamite form (Capaldi 2022).
3. The critique of Bentham allowed Mill to save classical liberalism from itself. By this, I mean avoiding the collapse of classical liberalism into modern liberalism, socialism, Marxism, fascism, and now 'wokism'.
4. The alternative offered by Mill places him within the long-standing Platonic tradition of maintaining that the moral dimension defines the political dimension. This involves distinguishing 'liberty' from 'freedom' and understanding liberty to be in the service of freedom. This deepens our understanding of *On Liberty,* necessitated a new exposition of 'utilitarianism', a clearer conception of the structure and role of government in response to mass democracy expressed in *Representative Government*, a clearer exposition of epistemology and ontology made in *Hamilton*, and an expose of the degradation of Comte's *Positivism*.

   All of this is made explicit in a series of publications over a six-year period from 1859 to 1865:

| | |
|---|---|
| *On Liberty* | 1859 |
| *Considerations on Rep Government* | 1861 |
| *Utilitarianism* | 1863 |
| *Hamilton* | 1865 |
| *Auguste Comte and Positivism* | 1865 |

5. The inspiration and model for this transition was Kant's defense of freedom in the articulation of the categorical imperative, specifically as manifested in the 19th-century Romantic conception of autonomy.

## A. MILL AND POSITIVE PHILOSOPHY

You may object that Mill was a proponent of positive philosophy. This is certainly how Comte, Brentano[2] and Dilthey understood Mill. It is also the basis of Winch's[3] attribution of positivism and scientism[4] to Mill as expressed in Mill's *Logic*.[5]

It would be much more to the point to argue that his father James Mill and Bentham were committed to positive philosophy. It is apropos to observe that Mill spent an entire lifetime distancing himself from many of their views. Moreover, despite his early friendship with Comte, Mill came in time to view Comte, whom he derides as the "Pontiff of Positivism" for laying the foundation of modern forms of despotism.

In the cardboard caricature that passes for the history of philosophy, it is routinely and falsely assumed that Mill is an integral if confused (if not stupid)[6] part of an alleged narrow British empiricist tradition, (ii) and it is falsely argued that Mill is a naturalist because many of his Anglo interpreters want to appropriate Mill as an advocate on their own behalf.[7]

## B. CRITIQUE OF BENTHAM'S POSITIVISM[8]

Positive philosophy subscribes to (a) the experiential foundation of knowledge, (b) the discovery of alleged social laws underlying all phenomena including norms,[9] and (c) the production of instrumental knowledge to serve a social technology. Social technology inevitably prioritizes politics over both law and morality.

Liberalism as a policy becomes defective by presuming human beings to be motivated ultimately and decisively by a preponderance of pleasurable appetites. Such a preponderance authorizes governments to engage in any form of action including total control of the economy specifically to prioritize distribution over production, the suppression of unpleasant beliefs regardless of their truth (e.g. differences in the distribution of talents or expressions of disapproval of someone's lifestyle or choice of pronouns, etc.), opening the doors to total social censorship.

In order to combat the foregoing assumption about human nature one would have to argue that something else is more important than maximizing some (pleasant) appetites and minimizing some (painful) experiences.

There is a long tradition, acknowledged by both philosophers and theologians, claiming that agents can control or overcome the power of some or all appetites/passions/drives. At some point, this entails acknowledging the existence of something like 'free will'. Moreover, if the exercise of this power of free will were in the service of a greater (or greatest) good, then the suppression or control of the appetites would undercut the present misguided conception of liberalism. Finally, and most important, since the exercise of this power lies wholly within the control of the agent and cannot be engineered from the outside, it *ought* neither to be advocated nor made into policy on pain of self-contradiction. In short, there is a moral prohibition on certain forms of political policy or activity.

When we examine Mill's writings we shall find that he was engaged in an extended critique and restatement of Bentham along precisely these lines.

Mill wrote two essays highly critical of Bentham. The first, "Remarks on Bentham's Philosophy," was published anonymously[10] in 1833 (when Mill was 27 and anxious to disguise his disagreement both with his father and with Bentham). What are Mill's major objections to Bentham?

Recall that 'ethics', going back to Aristotle, presupposed teleology. The medieval Aristotelian world view and its inherent 'teleology' were rejected from Descartes onwards. That is why 'moral philosophy' begins to replace 'ethics' as early as the 15th-century.

Bentham confuses legislation and morality, as seen in the title of his most famous work. Utility applies to legislation but not to morality[11] What is it about legislation that does not apply to morality? Legislation does not take into account the importance of motive, and the formation of character. "Such a philosophy will be most apt to fail in the consideration of the greater social questions … carrying forward the members of the community towards perfection, or preserving them from degeneracy" (Ibid., p. 9). Here, Mill pointed out that the emphasis on expediency at the expense of virtue was incompatible with "all rational hope of good for the human species" (Ibid., p. 15). Writing in the first blush of exposure to the German romantic writers, Mill argued that what was needed was a change in the inner person.

Moreover, Bentham made no attempt to understand other writers on morality. Mill insisted that Bentham had not answered the "doctrines either of the Reid and Stewart school, or of the German metaphysicians" and did not understand the importance of the moral sense as a motive "for virtuous action" (Ibid., pp. 5-6).

What Bentham lacked was "insight into the formation of human character" (Ibid., p. 8), specifically the development of "feelings of moral obligation" (Ibid., p. 13) but most especially "the training by the human being himself of his affections and will. This department is a blank in Bentham's system" (Ibid., p. 98).

The distancing from Bentham and James Mill continued in 1834 in a review of Sedgwick in the *London and Westminster Review*. In the *Autobiography* Mill tells us that he defended utilitarian ethics against the unjust criticisms of Sedgwick, but the defense contained "a number of opinions which constituted my views on those subjects, as distinguished from my old associates. In this I partly succeeded, though my relation to my father would have made it painful to me in any case, and impossible in a review for which he wrote, to speak out my whole mind on the subject at this time."[12]

The 1833 criticism is repeated in 1838, following the death of James Mill, when Mill openly acknowledged authorship of the essay on *Bentham*. Bentham "needed a greater knowledge of the formation of

character, and of the consequences of actions upon the agent's own frame of mind than [he] Bentham possessed."[13]

In 1852 in "Whewell on Moral Philosophy," Mill defended utility on the grounds that it was just as compatible with traditional virtues as the *a priori* view of ethics, while admitting that Bentham had failed to make this clear.[14]

My contention is that Mill tried to reclaim the moral foundations of utilitarianism from its positivistic Benthamite defamers. The genealogy of Mill's critique of Bentham is rooted historically in a major perennial debate in the Western intellectual inheritance: specifically whether the moral defines the political (Plato's view) or the political defines the moral (Aristotle's teleological view). In Plato's dualism, the ideal explains the experiential, how we understand ourselves is basic and how we understand the world is derivative, human beings are understood as engaging in the life-long struggle to control their passions (animal instincts), a project Plato assigned to reason. Success in this struggle permitted the moral dimension to define the political dimension. Within Christianity, this debate resurfaced in Augustine's Platonic conceptualization of Christianity wherein reason was replaced by 'will' and 'grace'. In the classical world, only the Polis could be the locus of autonomy. Whereas, in the Christian world as understood by Augustine, God had made it possible for the Christian community to be autonomous (Voegelin's "dedivinization" of the state). In St. Thomas' later rival Aristotelian version, teleology resurfaced in the therapeutic role Catholics assigned to the Church (confession, penance, reconciliation) and to its subsidiarity the state).[15] The Protestant reformation rejected Aquinas' Aristotelianism and reclaimed Augustine now understood as espousing the autonomy of the individual.

Bentham represents a modern secularized version of Aristotle. Bentham also presumed a Newtonian atomized individual contains an inner homeostasis permitting the felicific calculus. If that is not breathtaking enough the utopian Benthamite homeostasis and calculus carries over to the social level as well in the form of political democracy. The ethical domain is reduced to the social/political calculation.

A modern secularized version of the Platonic inheritance, wherein the moral defines the political, was articulated by Kant. Mill, under Kant's influence, endorsed the Platonic conception.[16] Furthermore, Mill imbibed and internalized the Protestant work ethic from his father noting both his father's intellectual pedigree and its secularization,[17] as well as Mill's upbringing as overseen by his father.[18]

## C. BENTHAM AND THE LIBERAL INHERITANCE

The critique of Bentham allowed Mill to save classical liberalism from itself. By this, I mean avoiding the collapse of classical liberalism into modern liberalism.

All modern moral philosophy began with the Renaissance (Mirandola) postulation of an individual human being choosing and pursuing his/her own directions of activity. What needed to be explained is what obligations we have to others (Oakeshott [1961] 1991, pp. 367-68).

What was Bentham's position and in what way did this spawn the deterioration of classical liberalism? On the surface it appears as if Bentham begins with a conception of the individual and proceeds to its political implications. On the contrary, he presupposes a calculated political framework and foists it upon his conception of the individual. The negative liberty of the British Enlightenment presupposes a self (selves) pursuing its (their) self-interest properly understood. The 'proper' understanding of self-interest is its alleged congruence with the social calculation. Unfortunately, in a deterministic (Newtonian) world there is no telos that guarantees that any individual possesses an individual homeostasis or that a group of individuals has such a homeostasis that would enable 'proper' understanding. This lack of a guarantee becomes all the more problematic in democratic societies (threat of the 'tyranny' of the majority as articulated in Tocqueville and in J. S. Mill). Bentham's 'liberalism' is not necessarily compatible with 'democracy'. Whatever the shortcomings of other positions, there is no knock-down argument that any individual is better off always respecting the interests of others (recall Hume's sensible knave).

Now, according to A. V. Dicey (1917, p. 48), "Socialistic ideas were … in no way a part of dominant legislative opinion earlier than 1865, and their influence on legislation did not become perceptible …till 1868 or 1870, or dominant until say1880." … [Moreover] "The patent opposition between the individualistic liberalism of 1830 and the democratic socialism of 1905 conceals the heavy debt owed by English collectivists to the utilitarian reformers. From Benthamism the socialists of to-day have inherited a legislative dogma [principle of utility], a legislative instrument [parliamentary sovereignty], and a legislative tendency ["constant extension and improvement of the mechanism of government"]" (Ibid., pp. 215-220).[19] The specific ends of Benthamite legislation were subsistence, abundance, security, sexual equality, environmentalism, and animal rights "each maximized, in so far as is compatible with the maximization of the rest." Subsequent scholarship has shown that the principle of the greatest happiness of the greatest number is inimical to the idea of liberty and to the idea of rights (Himmelfarb 1968, p. 77).

Liberalism in general has always known what it is against but not what it favors. It inherited a moral compass, but philosophically it rejected custom and tradition and history as sufficient grounds. The consequence is the loss of a moral compass. Hence, the modern liberal welfare state does not have a clear conception of the nature and limits of the use of social technology. Instead, (modern) liberalism has used social technology to redefine morality. It struggles to design education as a way of dealing with the challenges of parliamentary democracy, and continually expands the role of government until it becomes indistinguishable from democratic socialism. The perceptive Marxist critique of democratic socialism ultimately nudges it to discard the 'democratic' qualifier as inhibiting long-term planning. Hence the embrace by some of 'wokism' indistinguishable in practice from other forms of totalitarianism (Marxism and fascism). Modern/radical liberalism's social technology leads to totalitarian democracy (Talmon 1960), as witnessed in the work of Comte.

## D. MILL'S RESPONSE

1. In responding to these challenges, Mill is led to reexamine the psychological structure of the individual. In so doing, Mill rejects many of the views his father shared with Bentham, specifically attacks the main contentions of positive philosophy, embraces the romantic or 'bildung' conception of autonomy, understands that autonomy requires free will, distinguishes between outer 'liberty' and inner 'freedom', and demands that liberty be in the service of freedom. That is, the moral defines the political. Finally, Mill reconceptualizes utilitarianism along Kantian lines, thereby avoiding the inherent decline of classical liberalism into modern liberalism, socialism, Marxism, and the self-immolation of 'wokeness'.
2. As opposed to the other forms of liberalism, Mill, following Kant,[20] maintains that no one can or should promote or have an obligation to promote from the outside the moral perfection of another person because that contradicts and undermines the internal freedom that is a condition of moral perfection.[21]
3. Mill's utilitarianism prioritizes morals over politics. This accounts for Mill's critique of the 'tyranny of the majority' and his endorsement of arguments against censorship and arguments in favor of intellectual freedom. The main points of Mill's *Considerations on Representative Government* are that (a) "A form of government is good chiefly in proportion to the security it affords for the possession of … perfect freedom of discussion in all its modes" (*Diary* [1854]. CW XXVII, pp. 661-662; plural voting designed specifically to make sure that all the arguments are heard; and (c) participation in government (e.g. juries) is designed to reinforce a pre-existing moral perspective.

   The formation of character is (the?) one of the main (theme)s in Mill's essay *On Liberty*. Invoking Wilhelm von Humboldt's *The Spheres and duties of Government*, autonomy or "individuality is one of the principle ingredients of Human happiness" (CW XVIII, p. 261). Individuality is further specified as "the highest and most harmonious development of his powers to a complete and consistent whole" and that this is "not suggested by vague and transient desires" (Ibid.) but is, in Kantian fashion, "prescribed by the eternal and immutable dictates of reason" (Ibid.).

## E. MILL'S KANTIAN TURN

Mill was introduced to Kant's both from the mentorship by Carlyle and Mill's engagement with Coleridge and later with Humboldt.

To what extent was Mill directly familiar with Kant's work?[22]

In his published works, Mill refers specifically to *The Critique of Pure Reason, The Critique of Practical Reason, The Groundwork of the Metaphysics of Morals, The Metaphysics of Morals, "Idea for a Universal History,"* and the *Metaphysical Basis of Law.* Kant is mentioned by name in the *Logic*, in *On Liberty*, in *Utilitarianism*, and in *Hamilton* as well as referenced in a number of letters as early as 1828 (when Mill was 22 years old).

Mill is making an ontological criticism of Bentham and asserting a different conception of the human condition. In order to make sense of all this, it is incumbent upon Mill to show that human beings do in fact have the power to alter and reconstruct themselves. In short, human beings must have the power of 'free will'. This is an issue with which Mill wrestled throughout his life (Capaldi 2004). In his final and definitive response to this challenge, Mill invokes Kant in *Hamilton*.

Mill's argument:

1. Kant:
   Kant … holds so essential a place in the development of philosophic thought, that until somebody had done what Kant did, metaphysics according to our present conception of it could not have been continued … he has become one of the turning points in the history of philosophy.[23]

   a. neither strict empiricism nor rationalism[24] is correct
   b. the mind structures experience[25]
   c. the 'mind' cannot be a natural object
   d. The mind as an "I"—is a necessary presupposition of our experience and thought.
      The fact of recognizing a sensation … remembering that it has been felt before … and the inexplicable tie … which connects the present consciousness with the past one … is as near as I think we can get to a positive conception of Self. That there is something real in this tie … I hold to be indubitable … Whether we are directly conscious of it in the act of remembrance … or whether, according to the opinion of Kant, we are not conscious of a Self at all, but are compelled to assume it as a necessary condition of Memory, I do not undertake to decide … As such, I ascribe a reality to the ego—to my own Mind—different from that real existence as a Permanent Possibility, which is the only reality I acknowledge in Matter: and by fair experiential inference from that one ego, I ascribe the same reality to other egos, or Minds (*Hamilton*, IX: pp. 207–8).[26]
   e. Once we understand knowledge as the *introspective* discovery of an active or constructive mind then the existence of other minds (the social world) becomes an issue; analogously, if we understand morality as commencing with an individual and his/her choices then what we owe (obligations to) others becomes a central issue.

2. Now let us note what Mill does with Kant:

   a. By introspection I know that "I" can control itself/myself and alter my character. This is how I directly experience my 'will'. In Kantian terms, the observable world can never give us direct experience of the "I" or of 'freedom' (things in themselves). However, we appear to ourselves as free. Freedom is a presupposition of the question "what *ought* I to do?" This is what gives us sufficient basis for ascribing moral responsibility:

b. "The true doctrine of the Causation of human actions maintains … that not only our conduct, but our character, is in part amenable to our will; that we can, by employing the proper means, improve our character …"[27] In Kantian terms, *autonomy is* "the property the will has of being a law unto itself."
c. An "unfree" will is a contradiction.[28]
d. Fatalism is therefore false. "According to Kant, in his *Metaphysics of Ethics [Metaphysik der Sitten Werke*, IX, pp. 21-30] [even] such capability of prediction is quite compatible with the freedom of the will".[29]
e. "I" is free.[30] The freedom of the "I" is the most fundamental truth about human beings, a truth acquired as the product of a personal journey.[31]
f. As an aside, I note that those British thinkers who take Newtonian physics as the model for everything (Locke, Hume, Smith, Bentham, most later liberals as late even as Rawls and Nozick) are saddled with the prospect of determinism. Individual human freedom understood as free will is a non-starter for them. This is the origin of 'victimization' and 'exploitation' theories and the temptation to engage in social technology.
g. Returning to the issue of a personal journey, 'We' have, therefore, a moral obligation to impose order on ourselves.[32] "[W]e are under a moral obligation to seek the improvement of our moral character."[33] Recall that Kant introduced a distinction between *autonomy* (impose laws on oneself) and *heteronomy*. The third formulation of the categorical imperative requires autonomy. We must respect this obligation as well that others have towards themselves.[34]
h. We have an obligation to encourage others. *This means treating them as 'ends' [minds] in themselves*. However, since the mind ("I") is not a natural object we cannot and ought not try to engineer this recognition from the outside.
   "… the only purpose or which power can be rightfully exercised over any member of a civilized society, against his will, is to prevent harm to others. His own good, either physical or mental, is not a sufficient warrant… [there] are good reasons for remonstrating with him, or reasoning with him, or persuading him, or entreating him, but not for compelling him…"[35]
i. We have a political obligation to respect this moral obligation. Negative external 'Liberty' is in the service of internal 'freedom'. In making this move, Mill saves liberalism from itself (a) by providing a moral foundation for negative liberty and (b) blocking the descent into any form of social technology.

## F. THE RELATION OF LIBERTY AND FREEDOM

What will turn out to be special about Mill (and Kant) is that he advocates positive freedom with negative liberty. What makes this point difficult to grasp immediately is that in the English language we use 'liberty' and 'freedom' interchangeably (Berlin 1969, pp. 118-72).[36] This underscores the appeal to the Germanic Kant.

The meaning given to the concept of 'liberty' by Hobbes and Locke is the absence of arbitrary external constraints. In much of liberal social philosophy, it is presumed that all human beings share a set of fundamental and universally held desires. It is further presumed that if individuals are given liberty by removing almost all constraints, certainly the arbitrary ones, then human flourishing will be the result of such liberty. It does not matter in this conception where the desires originate or even if they are caused by factors beyond the control of the agent. The only thing that matters is whether there are external obstacles to the satisfaction of those desires. Moreover, it was further presumed that (a) all individuals had the same basic desires, that (b) these desires within each individual did not ultimately conflict with each other but could achieve a kind of homeostasis, and that (c) the homeostasis of each individual was compatible with the homeostasis

of every other individual. Not only are these presuppositions dubious they also lead inexorably to totalitarianism.

For Mill, "Liberty' as the absence of arbitrary external constraints ('negative liberty') is not an unqualified end in itself. *On Liberty* is about when it should be granted and when withheld. Mill did not believe in a simple teleology,[37] or mechanical homeostasis in human nature, and he rejected what he considered metaphysically suspect categories like the concept of 'rights'. In addition, he rejected the view that all human impulses are wholesome.

'*Freedom*' refers to an inner state and not an outer condition.[38] To be free is to be autonomous (synonymous with being inner-directed or self-governing or self-sufficient). 'Freedom' refers both to an inherent and innate capacity[39] and to the recognition and realization of that capacity.[40] We are born 'free'[41] but the recognition and realization of the capacity are achievements. Consciousness of freedom is available only to those who have exercised autonomy or self-government.[42] As an achievement we refer to it as being 'autonomous.' Our capacity to be free does not depend for its existence solely on liberty, but the recognition and realization of that capacity can flourish, in Mill's view, under liberty. Mill's discussion of 'liberty' is always in the service of 'freedom.'[43] Perhaps the best piece of evidence that this is what Mill had in mind as the central principle of *On Liberty* is a letter to Emile Acollas in which Mill specifically says "l'autonomie de l'individuel" is what that work is about.[44]

An often overlooked aspect of Mill's opposition to censorship is his insistence that each individual has a responsibility to rehash all the arguments pro and con of whatever position that is held or espoused. The project of reviewing the arguments is another opportunity for exercising self-discipline and self-discovery. Education is, in this sense, transformative of our character.[45]

John Stuart Mill's conception of autonomy has a romantic dimension. Here Mill cited the German philosopher Novalis in support of his conception of freedom in its relation to "self-culture." "A character is a completely fashioned will."[46] We are autonomous, that is we both recognize and realize our freedom, to the extent that we have constructed our own character. We are molders of both the world and of ourselves. Mill insisted that we can make our own character. To be or to have a mind is to engage in a form of self-construction. Self-construction is not in the service of the libido and is therefore not the same position as Shelly's or Reich's sexual liberation. Recall Mill's early relationship to Harriet Taylor. It has a Humboldtian direction, "the end of man … {is} not suggested by vague and transient desires, is the highest and most harmonious development of his powers to a complete and consistent whole."[47]

There is no ultimate conflict between any one individual's autonomy and any other individual's autonomy. The harmonious development of any one individual's powers does not depend upon the heteronomous acquisition of a particular resource or role. Quite the contrary, competition[48] can be viewed as a good thing because it leads to the development of character not just the acquisition of a prize. Mill thus has both a substantive conception of the human good but one that allows for a great variety of forms. This is not to be confused with neutrality. Unlike Comte, autonomy is not equivalent to altruism.

## G. UTILITARIANISM[49]

As early as 1842, Mill recognized that social reform could not be carried out prior to moral reform, i.e. morality is more fundamental than politics. "[I]t is becoming more and more clearly evident to me that the mental regeneration of Europe must precede its social regeneration & also that none of the ways in which that mental regeneration is sought, Bible Societies, Tract Societies, Puseyism, Socialism, Chartism, Benthamism &c. will *do*."[50]

*Utilitarianism* reflects Mill's attempt to transform the views of his father and Bentham[51] with the deeper view of human nature that Mill had absorbed from the German romantics as well as the attempt to capture the everyday moral convictions that would serve as the basis for the moral regeneration.

Benthamite Utilitarianism failed on two counts. First, the mere focus on 'pleasure' and 'pain' fails to specify as a goal something that is intrinsically valuable. In addition, human beings do not have built-in

ends. Benthamite utilitarianism, in Kantian terms, never rises above hypothetical imperatives focusing on positive outcomes for the agents themselves. Moral principles are designed specifically to restrain individuals in their pursuit of private outcomes. Second, Bentham cannot guarantee a convergence between the pursuits of the individuals and a social good.

Mill repairs the first defect in the following way. Human beings all share an important truth about themselves, namely their capacity for autonomy. Moral principles are ultimately prioritized by reference to autonomy. Morality demands categorical imperatives that point to things that are intrinsically valuable. Specifically, to be autonomous or self-governing is part of what we are aiming at in order to achieve fulfillment.[52] Having moved away from Bentham, Mill still wanted to make clear that he was also opposed to the position of moral intuitionism or the moral sense school. The notion that timeless moral truths can be accessed independent of experience is, in John Stuart Mill's eyes, the theoretical basis for a defense of the status quo. More importantly, the doctrine of moral intuitionism made no room for the internal struggle and the self-formation of character that are central to autonomy.

Mill repairs the second defect by stressing the need for a first principle. There are many moral rules of thumb; there are many obligations; but this means that conflicts will inevitably arise. In order to resolve those conflicts there must be some way of prioritizing obligations, some principle in terms of which we resolve the conflict. This is what the principle of utility is designed to do. Mill makes this point by reference to Kant's *Groundwork of the Metaphysics of Morals*.[53]

> When Kant… propounds as the fundamental principle of morals, 'So act, that thy rule of conduct might be adopted as a law by all rational beings,' he virtually acknowledges that the interest of mankind collectively, or at least mankind indiscriminately, must be in the mind of the agent when conscientiously deciding on the morality of the act.[54]

Respecting this universal autonomy is what ultimately overcomes any potential conflict among individuals.

To sum up Mill's Kantianism, we note its convergence with the several formulations of the categorical imperative: autonomy is universalizable,[55] demands that we treat other humans as ends in themselves, guarantees the absence of ultimate conflict, and allows us to become members of a kingdom of ends,[56] namely, the religion of humanity in Mill's terminology.

Classical liberalism always recognized a sphere of personal and social endeavor outside the sphere of politics. Politics is a pragmatic, trial and error process. What Mill has specified is the forbidden zone. It involves two stages. First, if harm to others is a consequence of an action and only if the public policy limiting of the action does not produce a greater harm (onus on the limiter) then an action may be curtailed. What is out of bounds is the invasion of the autonomous zone. It is worth adding, that economic markets are not in principle out of bounds, but what we have learned through trial and error, and understood since Hayek, is why that intervention is counterproductive.

## NEW VERSION OF UTILITARIANISM

How, then, are we to understand Mill's espousal of utilitarianism? Mill's provided a conceptual/*semantic* reformulation of Bentham. Utilitarianism is about happiness. Happiness is a matter of pleasure and pain; there are degrees of pleasure; the highest pleasure is autonomy.[57] This is the argument in a nutshell. If you need a greater elaboration, see my book on Mill (Capaldi 2004).

Autonomy avoids all of the traditional objections to Benthamite utilitarianism. First, it is not something to be measured. Second, there are no possible dilemmas that involve the sacrifice of one person's autonomy for another's. Third, autonomy, as the ultimate intrinsic good, encompasses consideration of both the motive and the consequences of action.

Given the assumption that the goal of recognizing and realizing autonomy is a universal truth about human nature, and given the assumption that autonomy per se in one person can never conflict with au-

tonomy in another person, and given the argument that autonomy can only be achieved and sustained in a society in which it is recognized that autonomy should be had by all, what can we make of Mill's proof of the principle of utility?[58] The proof runs as follows:

> …happiness is a good: that each person's happiness is a good to that person, and the general happiness, therefore, a good to the aggregate of all persons (Ibid., p. 234).

Just substitute autonomy for happiness and the proof becomes an obvious consequence of the preceding semanticized argument. Autonomy is a good; each person's autonomy is a good to that person, and the general autonomy, therefore, is good to the aggregate of all persons.

Traditional utilitarians like Jevons were furious with Mill's reformulation. "The view which he [John Stuart Mill] professes to uphold [utilitarianism] is the direct opposite of what he really upholds" (Jevons 1890, pp. 200-1).[59] Mill has also made good on his claim that utilitarianism so conceived is neither atheistic nor a reduction of morality to expediency. More importantly, he has provided a moral basis for liberalism and thereby saved it from itself.

## NOTES

1 Misguided critiques of Mill's *Utilitarianism* have been an industry since the time of Sidgwick's *Methods of Ethics* (1874) and G. E. Moore's *Principia Ethica* (1903). Some of this egregious misrepresentation is summarized in Skorupski (1989), Chapter 9. However, as we pointed out, Skorupski does not share our view of the central role of autonomy. Especially egregious is the charge that Mill committed any number of logical howlers.

2 Although Brentano does not adopt Mill's view of psychology as a "purely phenomenalist science", his empirical psychology is entirely based on Mill's inductive-deductive model of science: i) inductively determine the general laws that rule the succession of mental phenomena; ii) derive from them more specific laws that refer to complex mental phenomena; iii) inductively test those specific laws after having deduced them. At the same time, despite the great influence that both Mill and Comte exerted on him, Brentano never regarded them as representatives of a new, ascending phase in philosophy, though he did consider himself to be such. On the contrary, he regarded them as "extreme empiricists", representatives of skepticism, the second phase of decay in modern philosophy.

3 Winch (1970) makes important points, but they are misattributed to Mill.

4 "Naturalism', and 'positivism'' are versions of 'scientism' and as such ultimately refer back to what I call "Aristotelianism."

5 For my objections see Capaldi (2022).

6 In 1953 [1969, p. 180], Urmson pointed out that "Instead of Mill's own doctrines a travesty is discussed, so that the most common criticisms of him are simply irrelevant."

7 One of Mill's best scholars recognizes that Mill "defends the 'negative', enlightenment concept of liberty as freedom from interference precisely in terms of the 'positive', romantic concept of self-realization" (Skorupski 1989, p. 343). But, at the same time, Skorupski (p. 345), rejects the notion that Mill took autonomy to be an end. Although recognizing the importance of autonomy in Mill, Skorupski thinks that Mill cannot square autonomy with naturalism. I have argued that Mill is not a naturalist in the sense that Skorupski holds him to be.

8 Law and legislation is primarily concerned with actions and not motives. Morality is primarily concerned with motives not actions. On reflection, Bentham has politicized morality or made politics the basis of morality instead of making morals the check on politics. For him, the principles of legislation are the principles of morals.

9 In both the Anglo/American and Continental philosophical inheritances this view has been shown to be untenable. Following Wittgenstein, Winch argues that this notion of human society involves a scheme of concepts which is logically incompatible with the kinds of explanation offered in the natural sciences" (1970, p. 72).

10 Appendix B in Bulwer 1833.

11 Remarks on Bentham's Philosophy, CW X, p. 7.

12 *Autobiography,* CW I, p. 209.

13 '*Bentham*', CW X, pp. 111-112.

14 "Whewell" CW, X, p. 194.

15 Catholic writers such as Acton often represent this as limiting the power of the state. On the contrary, it allows the Church to appropriate the role of the state. Acton should not have been shocked by Pope Leo's articulation of 'infallibility'.

16 Grote was another longtime associate who expressed misgivings about Mill's position. Ironically, Mill was able to reply to Grote in memorable praise of "Grote's Plato." Mill delighted in the "Apologue of the Choice of Hercules", one of his father's favorites, for being "one of the most impressive exhortations in ancient literature to a life of labour and self-denial in preference to one of ease and pleasure." Mill went on to cite Plato's *Gorgias* as an example of "the cultivation of a disinterested preference of duty for its own sake" instead of "sacrificing self-preferences to a more distant self-interest," and he concluded with praise of the Stoics for grounding "the obligation of morals on the brotherhood…of the whole human race." *Grote's Plato* (1866), CW XI, pp. 391-92, 416, 419.

17 [though] "educated in the creed of Scotch Presbyterianism, [James Mill] had, by his own studies and reflections, been early led to reject not only the belief in Revelation, but the foundations of what is commonly called Natural Religion." *Autobiography*, CW I, p. 41.

18 "…justice, temperance (to which he gave a very extended application), veracity, perseverance, readiness to encounter pain and especially labour; regard for the public good; estimation of persons according to their merits, and of things according to their intrinsic usefulness; a life of exertion, in contradiction to one of self-indulgent sloth. These and other moralities he conveyed in brief sentences, uttered as occasion arose, of grave exhortation, or stern reprobation and contempt" (*Autobiography*, CW I, p. 49). In a letter of 1840 Mill maintained that "there is only one plain rule of life eternally binding ... try thyself unweariedly till thou findest the highest thing thou art capable of doing, faculties and outward circumstances being both duly considered—then DO IT" (CW, XIII, pp. 425-6 (letter dated 16/4/40).

19 It is important in any thinker to distinguish among basic philosophical assumptions, what was intended, what policies were suggested, what was actually entailed by those assumptions, and what was actually achieved. Bentham's basic assumptions [inherited from the French *philosophes*] were a quasi-mechanistic conception of human nature, namely a form of psychological egoism, the view that "Nature has placed mankind under the governance of two sovereign masters, pain and pleasure" and the belief that this could be the basis of a social technology (principle of utility). Implicit was the further utopian assumption that one could calculate both an individual and social maximizing homeostasis (felicific calculus). That the individual maximum entails a social maximum leads both to an authoritarian and totalitarian government ("greatest happiness of the greatest number). Legislation becomes a science. Despite what Bentham personally advocated, namely individual and economic freedoms including the freedom of expression, it is not what his theory entails.

20 "[U]niform equality of human beings as subjects of a state is…perfectly consistent with the utmost inequality of the mass in the degree of its possessions, whether these take the form of physical or mental superiority over others, or of fortuitous external property….they are all equal as subjects before the law, which, as the pronouncement of the general will…concerns the form of right and not the material or object in relation to which I possess rights" ("*On the Common Saying: 'This May be True in Theory, but It does not Apply in Practice'*") AA VIII, p. 292.

21 How does this conception of personal autonomy relate to one's obligations to others? In a letter to Carlyle in 1834, Mill spelled it out: "Though I hold the good of the species (or rather of its separate units) to be the ultimate end (which is the alpha and omega of my utilitarianism), I believe with the fullest belief that the end can in no other way be forwarded but by the means you speak of, namely, by each taking for his exclusive aim the development of what is best in himself" (12 January 1834), *Letters*, CW XII, p. 207.

22 The following statement is symptomatic of the ignoring of Kant's influence on Coleridge, Carlyle, and Mill: "After 1806, Kant's name virtually disappeared from English periodicals for decades. And translations of Kant's work, which had already been scarce, were not in demand. His practical philosophy was especially slow to find its way into English. In particular, the *Groundwork*, where he made his famous claims about dignity, was not professionally translated into English until 1836, when J. W. Semple, a Scotsman, offered the first serious edition. And even

this translation was not easily accessible until a revised edition appeared in 1869, 'at a third of the original price', by another Scotsman, Henry Calderwood. Indeed, what scholarly interest in Kant did exist in the first half of the nineteenth century was mostly contained to Scotland, where the balance of attention was still on his theoretical philosophy. Taken all together, then, whatever influence Kant had on Anglophone moral philosophy, let alone the Anglophone concept of respect in general, must have been slight before 1870, if not much later" (https://blogs.lse.ac.uk/theforum/a-history-of-human-dignity/, based Debes 2017).

23 *Hamilton*, IX: 493n

24 Rising above the contrast between Locke and Kant is a rhetorical strategy Mill adopted in both the *Logic* and *Hamilton*.

25 "This is the doctrine of the Relativity of our knowledge as held by Kant, who has been followed in it by many subsequent thinkers, German, English, and French. …Taking the same view with Kant of the unknowableness of Things in themselves and also agreeing with him that we mentally invest the objects of our perceptions with attributes which … are in some cases constructed by the mind's own laws … (*Hamilton*, CW IX, 9). More fundamentally, Hamilton does not see the incoherence of combining the primacy of the subject (Kant's view) with the belief in the external "objectivity" of objects (Reid). To put this in our terms, you cannot be both an idealist and a naturalist at the same time. Moreover, we cannot explain the subject by reference to anything transcendent or transcendental (Mill's critique of Hamilton, Mansel, theology, and Continental thought in general) because the norms of common sense inference (Mill's enumerative induction) will not license it. Following Berkeley, Mill asserts that (1) the mind is incontrovertibly aware of "sensations," (2) we can never be directly aware of physical objects, and (3) we cannot infer the latter from the former. Matter is the permanent possibility of sensation. This philosophical idealism, which Mill thinks is consonant with common sense, is a rejection of both naturalism and the kind of idealism one finds in Berkeley, Green, and Bradley. Unlike Berkeley, Mill does not endorse an *inference* to the mind of God. Given his inductivism, Mill rejects (parts of) Kant's and Green's "transcendental idealism" and Hegel's "absolute idealism."

26 This quotation reinforces my contention that by subscribing to the Platonic view, how we understand ourselves is different from and is the basis of our understanding of the world.

27 *Hamilton*, CW, IX, pp. 465-466.

28 Kant: For a will to be considered *free*, we must understand it as capable of affecting causal power without being caused to do so. However, the idea of lawless free will, meaning a will acting without any causal structure, is incomprehensible. Therefore, a free will must be acting under laws that it gives to *itself*.

29 *Hamilton*, CW, IX, p. 467.

30 That which can be determined only by *inclination* (sensible impulse, *stimulus*) would be animal choice (*arbitrium brutum*). Human choice, however, is a choice that can indeed be *affected* but not *determined* by impulses, and is therefore of itself (apart from an acquired proficiency of reason) not pure but can still be determined to actions by pure will — Kant, *Metaphysics of Morals* 6, pp. 213-4.

31 Wilhelm von Humboldt (1767-1835) wrote *The Limits of State Action* posthumously published in 1850 (1854 English translation under the title *The Sphere and Duties of Government*). That work directly inspired Mill's *On Liberty*. Humboldt had been influenced by both Kant and Goethe. Humboldt advocated '*bildung*' (the German tradition of self-cultivation and a journey of self-realization and freedom). 'Bildung' was also reflected in a literary tradition of 'Bildungsroman'. Thomas Carlyle's authored an English translation of this genre, namely Goethe's novel *Wilhelm Meister's Apprenticeship* (1824), and his own *Sartor Resartus* (1833-34) was the first English bildungsroman. Both J. S. Mill and the poet Browning were directly influenced by Goethe's work in their nineteenth century 'romanticization' of their relationship with a woman, in Mill's case Harriet Taylor. Cherché la roman?

32 We have an obligation to carefully review all the arguments for and against all moral and political principles (*On Liberty*), otherwise they become 'dead dogmas". The autonomous individual governs himself/herself. The autonomous person does this by freely imposing order on her/his life. In this sense, the autonomous person can oppose and override desire. This looks like and is similar to the notion of having the capacity for reason to overrule desire or redirect desire. However, those who speak in the latter terms usually have in mind the idea of a human telos in

terms of which the overruling and redirecting operate. Since Mill rejected that kind of telos, the overruling and redirecting have to be understood somewhat differently.

Barring a telos, what then is the framework in terms of which the autonomy operates? John Stuart Mill's conception of autonomy has a romantic dimension. Here Mill cited the German philosopher Novalis in support of his conception of freedom in its relation to "self-culture." "A character is a completely fashioned will" (*Logic*, CW VIII, p. 843). The reference to Novalis comes to Mill via Carlyle's essay on Novalis.

33 *Hamilton*, CW, IX, p. 466

34 "…and by fair experiential inference from that one ego, I ascribe the same reality to other egos, or Minds." *Hamilton*, CW, IX, pp. 207-8.

35 *On Liberty*, CW XVIII, pp. 223-224.

36 This distinction is also known as the distinction between 'positive' and 'negative' freedom. Advocates of the latter include Plato (perhaps the first), Spinoza, Rousseau, Kant, and Hegel; and I shall add J. S. Mill. Advocates of the former are primarily English and include Hobbes, Hume, and Bentham. T. H. Green is often classified with the former and is known for suggesting the distinction between 'positive' and 'negative' rights. However, Green collapses that distinction by asserting that a more encompassing social framework is necessary for promoting positive freedom. Social union is a necessary condition for the development of individual freedom. Human self-perfection cannot be gained in isolation; it is attainable only in interaction with fellow-citizens in the social community. The latter point is specifically what both Kant and Mill would reject.

37 Writing to d'Eichtal in 1829, Mill asserted that "men do not come into the world to fulfill one single end, and there is no single end which if fulfilled even in the most complete manner would make them happy." *Letters*, *CW* XII, 36 (8/10/29).

38 "The moral rules which forbid mankind to **hurt** one another (in which we must never forget to include **wrongful interference with each other's freedom**) are more vital to human well-being than any maxims, however important, which only point out the best mode of managing some department of human affairs…. Thus the moralities which protect every individual from being harmed by others, either directly or by being hindered in his freedom of pursuing his own good, are at once those which he himself has most at heart, and those which he has the strongest interest in publishing and enforcing by word and deed" (*Utilitarianism*, CW X, pp. 255-56).

39 Skinner (1972, pp. 20, 32, 61, 70) is a critic of Mill on precisely this point.

40 "It is clear that Mill is thinking of autonomy not as a mere human capacity the possession of which adds to one's welfare, but as the exercise of that capacity in self-government (nomos is the Greek word for 'government', while the prefix auto- means 'self') (Crisp 1997, p. 196).

41 Mill and Kant in this respect follow Rousseau. The difference is that for Rousseau the exercise of this capacity is to choose to submit to a collective good. In this respect, T. H. Green follows Rousseau. Jerry Cohen opted for a similar strategy.

42 *Logic*, CW VIII, p. 841.

43 Mill 'defends the 'negative', enlightenment concept of liberty as freedom from interference precisely in terms of the 'positive', romantic concept of self-realization" Skorupski (1989, p. 343).

44 *Later Letters,* CW, XVII, pp. 1831-32.

45 Mill added some important additional information about the growth of moral self-awareness. We may begin our lives by acting virtuously because it serves our narrow self-interest, such as pleasing our parents or teachers. In time, what was desired as a means to an end becomes an end in itself. In these cases, the means have become a part of the end, and a more important part of it than any of the things which they are means to (*Utilitarianism*, CW X, p. 236). In further elaboration of his moral psychology, Mill, again pointing back to Kant, noted that the will becomes independent of desire. Will, the active phenomenon, is a different thing from desire, the state of passive sensibility, and though originally an offshoot from it, may in time take root and detach itself from the parent stock; so much so, that in the case of an habitual purpose, instead of willing the thing because we desire it, we often desire it only because we will it (Ibid., p. 238). This is a point of which Mill will make further use in his later address at St. Andrews—the importance of free will for virtue. The problem with the middle class is that they pur-

sued virtue as a duty and not as an end in itself. What Mill urged college students to recognize was their capacity to let virtue become an end in itself.

The genetic (i.e., historical) account of the development of our moral conscience has the advantage of being inductive or proceeding from individual experiences, of denying the validity of the claim that the sense of virtue is innate or intuitive, of showing how we come in time to discover the importance of autonomy. It is not a matter of association or conditioning, it is a matter of self-discovery, of irreversible emancipatory knowledge, of character formation, and of *bildung*.

46 *Logic*, CW VIII, p. 843.

47 This is Mill quoting Humboldt in *Liberty*, CW XVIII, p. 261.

48 See Mill's defense of competition in the *Principles of Political Economy*.

49 "Mill's rationale for shifting involvements is self-cultivation, and the particular promise he holds out is the experience of larger sentiments that are not excited or expressed in the ordinary course of private life. As a utilitarian Mill might have ignored sentiment and inner culture entirely. As someone sympathetic to romantic impulses he might have been content to criticize the crippling effects of prosaic civil society on emotion and individuality. Instead he makes utilitarianism and romanticism mutually supportive and rethinks liberalism from the inside out" Rosenblum (1987, p. 131).

50 *Letters*, Dec. 19, 1842; pp. 563-64.

51 After using 'utilitarianism' as a designation for several years, he and others had abandoned it from a growing dislike to anything resembling a badge or watchword of sectarian distinction. *Utilitarianism,* CW X, p. 210. Mill wanted to present his version of utilitarianism as the correct understanding against defenders of the old view such as Grote who questioned Mill's "persistence in the true faith" (Bain 1882, pp. 83-84).

52 Hastings Rashdall (1858-1924) is a later exemplar of this ideal utilitarianism, a position inspired in Rashdall by T. H. Green and expressed in Rashdall's book *The Theory of Good and Evil*. More recently, Robert Nozick has tried to formulate a deontological position of this kind, but it fails because he lacks a notion of autonomy.

53 *Utilitarianism*, CW X, p. 207.

54 *Utilitarianism*, CW X, p. 249.

55 In discussing the conditions of permanent political society Mill noted (*Coleridge* 1840 and *Logic*) the need for a "feeling of allegiance or loyalty, i.e. common good—he claims that the only shape in which the feeling is likely to exist hereafter [is]…the principles of individual freedom and political and social equality as realized in institutions which as yet exist nowhere, or exist only in a rudimentary state."

One final qualification must be kept in mind. Neither Hegel nor Mill ever proposed a collective good or whole which subsumed the individual good. As Mill repeatedly insisted, "the great majority of good actions are intended, not for the benefit of the world, but for that of individuals, of which the good of the world is made up." In a parting shot at Comte, Mill reiterates that concern for others can never be purchased at the cost of one's own autonomy, namely, it would "interfere unduly with human freedom and individuality" (*Utilitarianism*, CW X, p. 232).

56 …if there were not, in short, a natural basis of sentiment for utilitarian morality, it might well happen that this association [moral faculty] also, even after it had been implanted by education, might be analyzed away [Recall Mill's concern about this during his crisis].

But there *is* this basis of powerful natural sentiment…the social feelings of mankind; the desire to be in unity with our fellow creatures, which is already a powerful principle in human nature…. Now, society between human beings, except in the relation of **master and slave**, is manifestly impossible on any other footing than that the interests of all are to be consulted. Society between equals can only exist on the understanding that the interests of all are to be regarded equally…. And in every age some advance is made towards a state in which it will be impossible to live permanently on other terms with anybody (Ibid., p. 231).

57 A being of higher faculties requires more to make him happy….we may refer it to the love of liberty and personal independence, an appeal to which was with the Stoics one of the most effective means for the inculcation of it… but *its most appropriate appellation is a sense of dignity*, which all human beings possess in one form or other, and in some, though by no means in exact, proportion to their higher faculties, and which is *so essential a part of the*

*happiness of those in whom it is strong*, that nothing which conflicts with it could be, otherwise than momentarily, an object of desire to them…. It is better to be a human being dissatisfied than a pig satisfied; *better to be Socrates dissatisfied than a fool satisfied* (Ibid., p. 212, italics added).

This argument is already present as early as Mill's *Logic*: "I do not mean to assert that the promotion of all happiness should be itself the end of all actions or even the rule of actions...*the cultivation of an ideal of nobleness of will* [italics mine] and conduct should be to individual human beings an end, to which the specific pursuit...of happiness...should give way. But I hold that the very question what constitutes this elevation of character, is itself to be decided by a reference to happiness as the standard...because the existence of this ideal, or a near approach to it, ...would go further than all things else towards making human life happy, both in the comparatively humble sense of pleasure and freedom from pain, and in the higher meaning of rendering life...such as human beings with highly developed faculties can care to have (*Logic*, CW, VI, Ch. xii, 7).

58 This also allows Mill to reply to Herbert Spencer that "everybody has an equal right to happiness [read: autonomy]. This, however, is not a presupposition; not a premise needful to support the principle of utility, but the very principle itself" (*Utilitarianism*, CW X, p. 258n).

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# The LSE Right's Conservative Realism: A Dying Breed or Shining Future?

OJEL L. RODRÍGUEZ BURGOS
University of St. Andrews

## INTRODUCTION

The 21st century has ignited a resurgence of conservatism, prompting discussions about the 'conservatism crisis' and its response to Western civilisation's challenges. This has led to debates over the core tenets and political goals of conservatism. These debates are evident in the contrasting visions for the Right's future put forth by David French (2019), advocating the retention of classical liberal ideals, and Sohrab Ahmari (2019), advocating their abandonment to salvage Western civilisation.

Post-war, the Right coalesced around its opposition to dominant collectivist ideologies of the post-war era (Schoenwald 2002). Key concerns included curtailing communism, safeguarding individual rights, and advocating limited government. Presently, the modern Right is united in its reaction to perceived challenges to Western civilisation's heritage and practices. As a result, the movement confronts issues like adept participation in the cultural conflict, nurturing a virtuous society, and utilising economic measures for marginalised groups.

These inquiries are not novel and have perpetuated ongoing conservative dialogues, particularly in the United States (Continetti 2022). Nonetheless, the Right's inability to safeguard fundamental Western values has spawned an alternate movement known as the global reactionary Right. Inspired by the French *Nouvelle Droite* and influenced by Gramscian hegemonic theory, this movement attributes modern-world shortcomings to liberalism and advocates a post-liberal world (Abrahamsen et al. 2020). The emergence of the global reactionary Right in intellectual and political spheres, coupled with its electoral achievements, has profoundly reshaped politics, sidelining certain conservative doctrines aligned with liberalism. Consequently, conservative strands or intellectual movement that value modernity, individualism, free markets, and their supporting social institutions are progressively marginalised in present-day discussions.

One of these diminishing strands of conservatism is 'The London School of Economics Right', a conservative intellectual movement identified by the conservative scholar Maurice Cowling (1990). The LSE Right advocated a distinct perspective on conservatism, which Kenneth Minogue labelled as 'conservative realism'. This brand of conservatism is characterised by scepticism towards grand schemes aimed at perfecting society, regardless of whether they originated from the left or the right. Couple with a realistic stance concerning on what can realistically be achieved through political action.

This paper intends to resurrect the disregarded legacy of the LSE Right's conservative tradition, which has been overlooked both in scholarly discourse and public conversations. Through an examination of its origins, intellectual attributes, and its pertinence as a conservative retort amid the ascent of the global reactionary Right. The initial section delves into the motivations behind Kenneth Minogue's efforts to delineate the uniqueness of the LSE Right's 'conservative realism'. Following that, the paper delves into the three prevailing themes of the LSE Right's conservatism—conservative individualism, scepticism, and limited politics. In the concluding section, the paper scrutinises the reasons behind the limited acceptance of the LSE Right's conservatism, while also presenting arguments advocating its potential to offer valuable insights for the future of conservative politics within the context of the reactionary global Right.

## I: SPECIFYING A TRADITION

Maurice Cowling (1990), in discussing the academic intellectual movements central to the New Right, identified the LSE Right as one of them. However, Cowling failed to outline the conservatism of the LSE Right, other than specifying its similarities with the intellectual movement to which he belonged, the Peterhouse Right. The task of specifying the individuality of the LSE Right's conservatism fell on Kenneth Minogue, who introduced the label of 'Conservative Realism' for this purpose. Therefore, before delving into the principles and intellectual underpinnings of the LSE Right's conservatism, it is imperative to explore the rationale behind Minogue's impetus for specifying the nature of the LSE Right's conservatism.

### A Tribute

Minogue initially introduced the label 'conservative realism' in connection to a conference he was tasked with organising by the Centre for Policy Studies (CPS) in the spring of 1995. The central goal of this conference was to honour the legacy and intellectual contributions of Shirley Robin Letwin (1924-1993), a distinguished advocate and director at the CPS. However, Minogue opted to expand the conference's purview to encompass the commemoration of other notable LSE Right members who had also passed away in the 1990s: Michael Oakeshott (1901-1990) and Elie Kedourie (1926-1994). The event, which played host to other conservative intellectuals and politicians such as Margaret Thatcher, not only served as a tribute to the LSE Right members but also became a comprehensive discourse on the state of conservatism in the Anglosphere world.

The LSE Right constituted a cohort of scholars recruited during Michael Oakeshott's leadership of the government department at LSE. Among them were Minogue, Letwin, Kedourie, and Cranston, who shared a collective admiration for Oakeshott's viewpoints on history, philosophy, and the pragmatic application of politics (Skeffington 2021). The presence and influence of these scholars in the government department led to its characterisation as "the most right-wing government department in the West" (Newman 1981, p. 1).

The emerging Oakeshottian cohort, including future government department convenors, held a crucial role in 1970s London's political discourse on British conservatism, prominently within Shirley Letwin's salon (O'Sullivan 2013). Shirley's salons were crucial intellectual gatherings that played a significant role in shaping conservatism in Britain. These salons not only provided a platform for intellectual discussions but also played a pivotal role in supporting and strengthening Margaret Thatcher during her time in political leadership. Consequently, the LSE Right formed an exceptional assembly of scholars that solidified conservatism as a substantial academic and political influence in Britain.

The LSE Right significantly championed the New Right and exhibited their dedication through their robust support of the Thatcherite project. Firstly, their impact extended to the domain of public policy, with figures such as Kedourie, Letwin, and Minogue taking on leadership roles within the CPS and producing a range of policy papers. Secondly, the LSE Right actively and publicly advocated for Thatcherism, with Kenneth Minogue emerging as a prominent spokesperson for the New Right. Moreover, they offered a sustained intellectual defence of the New Right and Thatcher's conservative credentials, portraying the proj-

ect as a revival of the British way of life in the lineage of Lord Salisbury (Kedourie 1972; Letwin S. R. 1993; Minogue 1989).

Despite their endorsement of the Thatcher government, the LSE Right's approval was not without reservations. They voiced notable criticism of the inclination to centralise power in a bid to foster an entrepreneurial culture. Kenneth Minogue (1987, p. XVII), for instance, highlighted "the paradoxes of her period of rule that the project of diminishing government has often led to an actual increase in the range of governmental intervention." Likewise, Shirley Letwin (1996) cautioned against Thatcherism using the language of perpetual revolution. Moreover, the LSE Right vehemently contested Thatcherite policies in higher education. Elie Kedourie (1993), for instance, spearheaded a campaign against the Education Reform Act (1988), perceiving the rationale behind such reforms as subjecting universities to a system analogous to that of a central planning economy.

The LSE Right played an essential role in shaping Conservative Party doctrine, leaving a lasting impression on the intellectual landscape of conservatism. Letwin's endorsement of the moral aspect and British individualism within Thatcherism, Kedourie's emphasis on pragmatic political strategies in third world policy, and Oakeshott's exploration of governmental authority and civic associations all formed essential components of this intellectual groundwork (Minogue 1996b). Nonetheless, with the conclusion of Thatcher's premiership and the passing of these influential thinkers, the prominence of the LSE Right's conservative realism gradually diminished. The conference provided Minogue with an opportunity to re-examine and underscore the importance of the LSE Right by commemorating the ideas and intellectual inclinations of Oakeshott, Kedourie, and Letwin. Yet, in a more holistic sense, by introducing the label of 'conservative realism', Kenneth Minogue not only paid symbolic homage to the LSE Right and their pivotal role in shaping conservatism during the 1980s, but also highlighted that the LSE Right constituted a unique intellectual school or movement of conservatism. Nevertheless, Minogue (1994c) acknowledged a certain decline in the momentum of the politics the LSE Right believed in during the 1990s. His aspiration was that the conference would rekindle the influence of LSE Right's politics and counteract the rising sway of ideals that deviated from them.

**The waning of New Right Politics**

Specifying the nature of the LSE Right's conservatism through the label of 'conservative realism' initially emerged as a homage to some of its members who had recently passed away. Yet, for Minogue, the purpose of the conference and raising of the LSE Right's 'conservative realist' banner was targeted at a broader concern. The collapse of Soviet communism during the 1990s and the prevalence of New Right politics in the capitalist West should have been a cause for celebration. Even Minogue (1990) exhibited a qualified sense of jubilation following communism's downfall. Nevertheless, this mood proved fleeting. After participating in a gathering of like-minded intellectuals, Minogue (1992a, p. 83) observed that "a sense of gloom was more palpable among the participants than any sense of triumph." The victory over Soviet communism failed to engender a more agreeable world; instead, the persistence of collectivist politics and emerging threats to the Western world cast a shadow of gloom.

According to Minogue (1996b), the successes of the New Right in the 1980s were being challenged by the emergence of collectivist politics rooted in communitarian ideals. This situation was exacerbated by the political landscape in the Anglosphere. The exit of Margaret Thatcher from leadership, succeeded by John Major, and the electoral defeat of George H. W. Bush to Bill Clinton, prompted Minogue (1994a, para. 2) to assert that "there is a pervasive sense, not only in Britain, that rulers have lost sight of what conservatism means, and indeed, lost sight even of sane and limited politics." The waning influence of the New Right during the 1990s, particularly in nations like Britain, impelled Minogue to synthesise the LSE Right's conservatism for public consumption.

In Britain, the British Conservative Party largely adopted New Right doctrine and politics during Margaret Thatcher's leadership (Williams 2021). The emergence of the New Right in Britain can be traced

back to Heath's leadership failures and governmental shortcomings. These events motivated intellectual figures who were wary of the dominant statist inclinations in British politics. After Heath's tenure, the New Right commenced shaping both political and doctrinal discussions (Gamble 1994).

The New Right's intellectual program was influenced by arguments propounded by post-war classical liberal critics of collectivism, such as Hayek, and their popularity within British conservative circles (Williams 2021). The New Right's sought to situate realism as the central element of political activity, giving precedence to it over visionary political projects. While the Conservative Party has traditionally embraced realism to strike a balance between political polarities, the realism of the New Right diverged from this tradition (Letwin S. R. 1993; Minogue 1987). The New Right ascent marked a resurgence of traditional realist politics that had been overshadowed by the postwar rationalism (Minogue 1987). Within the intellectual context of the New Right, the LSE Right's conservative realist politics, as outlined by Minogue (1993d), centred an emphasis on the cost of political commitments and the challenges confronting the welfare state in domestic policy. In international affairs, it entails resisting vacuous peace rhetoric, discarding moral equivalence, and affirming the significance of making moral judgments.

The LSE Right viewed Margaret Thatcher as the epitome of a practitioner of the conservatism they believed in (Minogue 1987). Nonetheless, as her tenure concluded and John Major assumed the Prime Minister's role, uncertainties emerged regarding the ongoing influence of the LSE Right's conservatism (Minogue 1991). With the progression of Major's premiership, Minogue (1994b) privately voiced criticism of his administration, branding it as 'un-conservative'. This critique was rooted in Minogue's conviction that Major had strayed from the Thatcherite heritage of advocating for free markets and the revival of the British way of life. Major's reliance on state regulation to address social and moral matters contradicted the principles of LSE Right conservative realist politics (Minogue 1993a).

The New Right's political influence experienced a global decline, notwithstanding its significant intellectual influence on political strategies across the spectrum, including Tony Blair's New Labour (Minogue 1996a). According to Minogue, beyond political events, the fading of New Right politics can be attributed to the success and appeal of Third Way ideology in political discourse and public policy. The Third Way ideology aimed to tackle globalisation challenges by adopting measures that combined free market advantages with an emphasis on social equity (Giddens 1998). However, Minogue (2000b) perceived this approach as a form of benevolent government intervention, characterised by subsidies and regulations supposedly aiding 'ordinary citizens'. In Minogue's (1996b) view, Third Way politics replaced collectivism with managerialism, endangering the ethical and political underpinnings of Western civilisation championed by the New Right.

Minogue (1996a, p. 2) voiced apprehension regarding the current state of Western politics, noting, "In spite of a century of bitter experience, the basic assumption of modern politics is still that salvation comes from the top." He bemoaned the persistence of societal engineering policies, despite the New Right's triumphs in elections and policy implementations. Such policies continued in various guises, embraced by stakeholders across the political continuum. Minogue specified the uniqueness of the LSE Right's conservatism as a catalyst for political self-reflection and the rejuvenation of New Right politics to address the challenges of the 1990s.

**The collapse of the New Right Intellectual consensus in Britain**

The New Right was not one single movement but a coalition of different traditions that coalesced around their apprehension about the ascendancy of collectivism in the post-war era. Andrew Gamble (1994) has argued that the New Right was composed of two distinct factions: liberal and conservative. The liberal faction of the New Right emphasised limited government and a free-market economy (Gamble 1994). Within this faction, we may find the LSE Right; however, it would be a mistake to equate this conservative movement with classical liberalism or Hayekian liberalism. For example, the LSE Right's conviction concerning the inherent value of practices in moulding individuals' moral identity contrasts with the instrumental value

placed on them by liberals (Minogue 1986a). Moreover, the LSE Right contends that a free market demands a more comprehensive spectrum of values, potentially differing from those classical liberals might acknowledge or prioritize (Letwin S. R. 1993). Thirdly, the LSE Right harbours scepticism regarding the attainable accomplishments of politics, an attitude classical liberals might not consistently apply to their own political pursuits (Kedourie 1992; Minogue 2002; Oakeshott 1962). Fourthly, while the classical liberal sees authority as a kind of necessary evil to avoid conflicts between individualists, the LSE Right sees authority as a prerequisite for the individualist disposition (Letwin, 1978a). Lastly, the classical liberal perspective fails to recognise the distinctiveness of Western civilisation in shaping the evolution of an individualistic way of life (Letwin S.R. 1982; Minogue 2013).

The other faction of the New Right was the conservatives, which prioritised the revival of societal, political, and moral authority (Gamble 1994). This faction understood the dangers facing the West to include external enemies such as the Soviet Union, and internal enemies such as the erosion of institutional and civil societal authority (Gamble 1994). On this front, the LSE Right shared strong affinities with this faction; concerning external threats, they were equally opposed to Soviet communism. Regarding internal enemies, the LSE Right would affirm, as we shall see, the importance of authority but display a sort of optimism that authority embedded in these institutions and civil society could survive. Indeed, social and cultural issues central to the conservative faction received little treatment in LSE Right literature. It would not be until after the collapse of communism that the LSE Right, particularly Kenneth Minogue, focused on social and cultural themes.

Despite both factions' apprehensions of post-war collectivism, worries showcased in Maurice Cowling's *Conservative Essays* (1978), which features contributions from both the liberal faction with LSE Right figures such as Minogue and Letwin, and representatives of the conservative faction, including Roger Scruton and Edward Norman, there was an inherent tension between both factions. This tension became evident, as exemplified in Peregrine Worsthorne's (1980) critique of the free-market advocates as more radical than the Labour Party. These internal tensions within the New Right underscore the diverse spectrum of right-wing individuals who converged to shape political dialogue. Hence, the reference to a New Right intellectual consensus does not imply a homogeneous intellectual lineage but rather denotes a political movement aligned with an anti-collectivist agenda.

Thatcher's leadership and the ensuing election provided the New Right an opportunity to redefine the Conservative Party's principles and priorities. Despite certain political and intellectual reservations about Thatcher's governance from figures aligned with the one-nation tradition, the New Right's accomplishments and sway within the party and administration maintained the wide-ranging coalition. Nonetheless, fractures surfaced following Thatcher's ousting and the subsequent leadership contest, as conservatives questioned the conservative authenticity of Thatcherism. New Right adherents like John Gray began to scrutinise the conservative legitimacy of Thatcherism, triggering initial fractures and eventual dissolution of the coalition.

The criticism directed at Thatcherism was rooted in the assertion that it abandoned notions like community and authority in favour of individualism and free markets (Gray 1993). Despite Thatcher and her adherents asserting their embodiment of conservatism and its intellectual heritage, they faced accusations of neglecting the essential tenets of tradition, authority, and culture in their actions. The conservative faction contended that the liberal faction, in pursuing their agenda, failed to acknowledge the inherent tension between promoting free-market principles and upholding conservative values concerning cultural and social matters. John Gray (1990, p. 98) underscored that "the New Right failed to perceive the dependency of individualist civil society on a dwindling but real patrimony of ideas, beliefs, and values."

John Gray's critique of the Thatcherite project serves as a significant illustration of the erosion of the intellectual unity within the New Right. Gray's transformation from an initial supporter of the liberal New Right platform to an unwavering critic amplifies his significance. Early in his intellectual journey, influenced by Hayek, Gray perceived social engineering and state planning as misguided outcomes of the Enlightenment (Colls 1998). However, as the liberal New Right principles gained momentum and were en-

acted in Britain, Gray (1993) came to believe that established institutions and customs were jeopardised. The ethical restoration of institutions crucial for market functionality was missing, as the liberal New Right overlooked moral considerations crucial to the conservative faction. Gray (1995) attributed this absence of a moral agenda to what he termed market fundamentalism, a term he aligned with diverse Enlightenment undertakings like Marxism.

The conservative faction contended that the perspective of the liberal faction, which perceived policies and individuals through the prism of free markets and individualism, was not inherently conservative but rather aligned with Hayekian liberalism. This brand of liberalism prioritised liberation from state control and collectivism; however, in practice, it undermined or disregarded the significant associative traditions of Britain. Hence, the liberal faction "concerned itself very little with the cultural or social conditions of a stable restoration of market institutions" (Gray 1993, p. 275).

Moral critiques of the liberal New Right agenda were not novel to Minogue. Indeed, throughout the Thatcher era, Minogue's (1987) central intellectual emphasis resided in asserting that the crux of Thatcherism lay not in liberal economic notions, but in the rekindling of the British individualistic way of life. Yet, his concern arose from the fact that these critiques were emerging from within the New Right coalition itself, rather than from anticipated sources. These conservative criticisms caused the disintegration of the New Right's intellectual accord and prompted the genesis of the conservative realist label as both a safeguard for the Thatcher era and the legacy of the LSE Right conservatism.

Minogue specified the uniqueness of the LSE Right's conservatism with the label of 'conservative realism' to safeguard the conservative credentials and moral foundations that underpinned of the liberal New Right and Thatcherism. This defence becomes evident in Minogue's counter to Gray and his endorsement of Thatcherism. Firstly, Minogue (1986b) contends that Thatcherism wasn't a rationalist agenda; instead, it was a rejection of prior rationalist endeavours, reaffirming the imperfect and individualistic fabric of society. Consequently, detractors misconstrue the essential tenets of Thatcherism, which centre on morally restoring British individualism through fostering 'vigorous virtues' (Letwin S.R. 1993). Secondly, Minogue (1997) critiques Gray for departing from his Hayekian leanings and embracing communitarian ideals. Thirdly, he probes the intellectual coherence of Gray's ideas (Minogue 1997) and asserts that Gray's advocacy for culture and authority translates into endorsing governmental control of the market (Minogue 1997).

## II: THE PRINCIPLES OF THE LSE RIGHT'S CONSERVATISM

A comprehensive and unified body of literature offering a complete portrayal of the LSE Right's conservatism does not exist. None of the LSE Right members discussed in this paper have authored an entire treatise solely focused on this subject. This absence of a systematic exploration is unsurprising, as Kedourie (1990) observed that the examination of conservatism frequently appears disjointed, relying on an assortment of works reacting to various political and societal circumstances. Nevertheless, their conservative convictions can be delineated as follows:

> scepticism about what politics can accomplish…[not] concerned with enforcing right opinions or a moral codes, and it does not work for a theodicy… suspicious of the impulse to use politics for accomplishing the good, since the results of action, however well meant, are unpredictable (Kedourie 1992, p. 6).

This characterisation of conservatism is one that very few within the conservative realm would disagree with. The apprehension towards radical transformations has long constituted a core facet of conservatism, exemplified by Edmund Burke's critique of the French Revolution. Nonetheless, the LSE Right assert that their strain of conservatism possesses distinctive attributes (Minogue 1996a). The distinctiveness of the LSE Right conservative tradition can be comprehended through three principal themes ingrained in their thinking: scepticism, sceptical politics, and conservative individualism.

**Scepticism**

The sceptical orientation of the LSE Right originates from a lineage of thinkers like Hume and Montaigne who challenge the assertions of comprehensive knowledge based solely on reason (Minogue 1967; Oakeshott 1962). However, their scepticism diverges from other traditions. For instance, they contrast with Hayek's scepticism of collectivist ideologies. While the LSE Right acknowledges the value of Hayek's critique of rationalism (Letwin S. R. 2003; Minogue 2000b), they critique his omission of the same scepticism when it comes to the free-market doctrine he promotes (Minogue 1986a; Oakeshott 1962). Indeed, the LSE Right's critique of Hayek is that in his defence of Western liberty and civilisation, he embraced rationalist and ideological presuppositions. Kenneth Minogue (1986b, p. 22) encapsulates this critique by asserting that "[what] distinguishes Hayek from a conservative is his propensity to turn the advantages of a free market exchange economy into a scientific truth beyond the scope of politics." Thus, the scepticism of LSE Right extends to any political project asserting indisputable truth about political questions.

The scepticism ingrained in LSE Right's conservative realism propels their unrelenting critique of rationalist doctrines that disregard human experiences and practices in favour of incontrovertible political truths. However, this sceptical disposition doesn't imply that the LSE Right embrace nihilism (Letwin S. R. 1999). On the contrary, they possess a keen awareness of the perils associated with unchecked scepticism, which has contributed to the disintegration of contemporary culture (Minogue 1999). Consequently, the sceptical inquiry undertaken by the LSE Right pertains specifically to rational claims of indisputable truth. Nevertheless, if there is no rational source for indisputable truth, the LSE Right is tasked with the intricate challenge of elucidating the coexistence of order while safeguarding the individuality of human beings.

The LSE Right's rejoinder commences by asserting that their scepticism doesn't insinuate a deficiency in individuals' capacity for reasoning. In fact, Michael Oakeshott's (2011) critique of Hans Morgenthau's tragic politics underscores the LSE Right's conviction in a positive interpretation of rational conduct. As per the LSE Right, rational conduct is a context-sensitive response that emerges as individuals engage with their inner and outer experiences. Rather than being propelled by preordained objectives, individuals tap into their personal human experiences as a wellspring for rational conduct (Oakeshott 1962). In this perspective, the LSE Right don't elevate reason above individuality nor do they exacerbate the disconnect between individuals and reason. Instead, this comprehension of reasoning furnishes individuals with benchmarks to contemplate their conduct without enforcing uniformity upon them (Letwin S.R. 2005). As a result, this rational comportment accommodates the observed variety in human actions and doesn't imply irrationality in human nature.

The second pivotal facet of the LSE Right's response to the sceptical quandary is encapsulated in the concept of practice, as delineated by Oakeshott. According to Oakeshott (1975, p. 55), a practice encompasses "a set of considerations, manners, uses, observances, customs, standards, canons, maxims, principles, rules, and offices specifying useful procedures or denoting obligations or duties which relate to human actions and utterances." Practices furnish individuals with an array of benchmarks upon which they can rely when contemplating human conduct. What proves paramount about the notion of practice in addressing the sceptical predicament is that individuals voluntarily embrace these conventions, as opposed to being coerced (Letwin S. R. 1982). In this vein, practices mold the entirety of human actions without imposing a single conception of the 'correct' course of action.

A quintessential exemplar that the LSE Right employs to elucidate this notion is language. Language establishes prerequisites for individual involvement in communication, devoid of enforcing the content of communication. Consequently, individual reasoning isn't impelled by a preconceived objective, but by shared practices (Letwin S. R. 2005). The conception of practices, as embraced by the LSE Right, averts nihilism by striking an equilibrium between reason and individuality, thus accounting for our structured existence. Moreover, the idea of practice underscores that the individual isn't an artificial construct, but rather contingent upon the myriad practices that govern human conduct (Kedourie 1984b; Oakeshott 1975).

The sceptical standpoint of the LSE Right contests the idea of a universally applicable human conduct that could serve as a basis for far-reaching, assertions of indisputable truth. This viewpoint is likely to strike a chord with numerous conservatives, given that scepticism is a concept that fosters cohesion, particularly within the Anglo-Saxon tradition (O'Sullivan 1976). However, when extended to the domain of politics, this scepticism yields a unique comprehension of the political arena.

**Sceptical Politics**

The LSE Right's interpretation of the political realm is more confined than what certain elements within the conservative tradition might deem acceptable. This becomes conspicuous in the LSE Right's hesitance to embrace Cowling's (1978) call for a broader scope of conservative politics. An illustration of this reticence is evident in Minogue's (1986c) brief critique of Scruton's conservatism, which Minogue perceived as divergent from Oakeshott and evocative of the radicalism of the 1960s. Consequently, cultural and social subjects garner limited attention within the literature of the LSE Right.

The LSE Right's perception of the political domain is encapsulated in Minogue's (2000a, p. 1) characterisation of politics as "the activity by which the framework of human life is sustained; it is not life itself." According to this definition, the LSE Right perceives politics as a balanced, pragmatic, delimited, and conflict-prone endeavour, rather than an all-encompassing process that permeates every facet of human existence (Letwin S. R. 1998). It is not preoccupied with abstract theorisation, the pursuit of an overarching societal plan, or an exclusive concentration on troubleshooting societal problems, which often dominates modern political science education (Minogue 2004a).

In this context, the scepticism of the LSE Right becomes apparent as they dismiss the notion of a technical approach to politics that prescribes a *telos* to guide political action. Instead, they contend that politics ought to be informed by the actual experiences of engaging with others and the established practices of the political community. By negating the existence of a *telos* in politics, the LSE Right conceive politics as a triangular conversation where conservatism, liberalism, and socialism—the three major Western traditions—interact. This triangular model, akin to an equilateral triangle, implies that these traditions are equally significant and do not possess indisputable truth when it comes to political activity.

According to the LSE Right politics can be conceptualised as the process of persuading fellow citizens about the framework of rules that facilitate the harmonious cohabitation of diverse individuals within a society. The term 'persuasion' acknowledges the intricate fabric of societies, wherein individuals harbours diverse preferences and moral identities. Moreover, persuasion entails the imperative of garnering consensus among others concerning the framework of laws of the society. Lastly, the process of persuasion hinges on an appreciation of societal practices to evaluate existing or proposed alterations to the framework.

Viewing politics as persuasion underscores the core of LSE Right politics. This perspective becomes clearer when we delve into the examination of the two distinct forms of human association within the state: civil and enterprise. In an enterprise association, individuals are compelled to pursue a collective objective, irrespective of their personal agreement (Oakeshott 1975). Politics in this kind of association seeks to impose a uniform belief among the members of the polity, guided by a *telos*. However, the LSE Right rejects enterprise politics for three key reasons. Firstly, it contends that enforcing uniformity of belief diminishes individuality. Secondly, their sceptical perspective challenges the viability of achieving a shared end to guide society, as there exists no universal ideal or infallible wisdom for politics. Such rationalist aspirations are prone to failure as they disregard the insights gained from political reality (Kedourie 1989). Lastly, the pursuit of enterprise politics would necessitate state coercion and undermine institutional checks on government power.

In contrast, the civil association state is characterised by individuals adhering to a set of laws while pursuing their self-determined objectives (Oakeshott 1975). It is within this type of association that LSE Right politics give precedence to procedural considerations concerning legal frameworks. Politics within a civil association revolves around procedural aspects, concentrating on the establishment of a framework of

laws that empowers individuals to pursue their individual well-being (Letwin S. R. 2005). Accordingly, the role of government is to safeguard the pursuits of individuals while managing conflicts that inevitably arise within the boundaries of the rule of law. In this context, the government functions as an impartial referee, ensuring the enforcement of rules that facilitate the smooth operation of the game.

The emphasis on the legal framework of the civil association also encompasses the LSE Right's constitutionalism. A well-balanced constitution with effective checks and balances is deemed crucial for nurturing individualism within the civil association. Consequently, any proposals for constitutional innovations are expected to meet a high burden of proof. This commitment to constitutionalism is clearly evident in Kedourie's writings (1984a, 1984c), who expressed concern over the Conservative party's shift away from a balanced constitution in favour of popular sovereignty and an unchecked executive. Additionally, the perceived departure from a balanced constitution in both Britain and, to some extent, the Western world, has led, according to the LSE Right, to what they describe as a 'constitutional mania.' This phenomenon is characterised by attempts to identify problems and suggest remedies through constitutional changes (Minogue 1993b).

LSE Right politics and its constitutionalism do not advocate for a minimalist government. It recognises the necessity of a robust government to maintain the order required for the pursuit of felicity and moral identity, while avoiding excessive power that could endanger these pursuits (Oakeshott 1961). As highlighted by Shirley Letwin (2005, p. 344), "a community worthy of its name is bound to set certain limits." Furthermore, the LSE Right acknowledges a role for government in addressing the health and welfare needs of its citizens, but underscore the importance of preserving individuals' freedom of choice and minimizing taxation (Kedourie 1984a).

**Conservative Individualism**

The term 'individualism' is not commonly associated with conservatism, as it implies rebellion and dissent against established institutions, customs, and traditions. The LSE Right acknowledged the inherent conflict between individualism and maintaining social order (Letwin S. R. 1978b). They argued that unchecked individualism could lead to licentious conduct and the rise of ideologies like Nationalism (Kedourie 1970; Minogue 1988). However, they saw no contradiction in advocating for a conservative individualism, envisioning a mutualistic relationship between individual freedom and a moral order to restrain it (Letwin S. R. 1978b). According to the LSE Right, order is a necessary prerequisite for individualism (Letwin S.R. 1980). They also attributed the distinctiveness of the Western way of life and the modern world to this narrative of conservative individualism.

The emergence of individualism, according to the LSE Right, can be traced back to the 15th and 16th centuries in Europe, particularly during the Italian Renaissance (Oakeshott 1961). They recognise the significant influence of Christianity and humanist sceptics in shaping this development. The LSE Right acknowledges the role of Christianity in promoting individualism, emphasising concepts such as the uniqueness of the soul, individual salvation, and the notion of individual will (Letwin S. R. 1976; 1977). Additionally, they highlight figures from the humanist sceptic tradition, like Montaigne, as important intellectual proponents of this emerging individualistic disposition (Oakeshott 1975, 1996).

Despite the significant influence of these intellectual factors, the emergence of individualism for the LSE Right was not tied to a specific event or philosophical revolution but rather stemmed from individuals' desire to seek felicity and moral identity. This inclination arose as people began questioning established norms in Western society, fostering a sceptical and critical outlook on traditional order (Minogue 2012a). This shift allowed individuals to explore new perspectives and understandings of themselves and the world.

The intellectual influences, combined with a critical and sceptical outlook, led to the 'discovery' of the individual. This discovery marked a transition from traditional societies based on established order to modern societies where individuals explored new ways of understanding themselves and the world, pursuing their own chosen paths. The LSE Right sees the development of the individualist disposition as the core of

modernity, enabling remarkable advancements (Minogue 2000a). The LSE Right vision of modernity rejects the homogeneity of traditional societies and instead embraces the diversity and conflicts arising from individuals freely pursuing their felicity and moral identity. In this sense, the LSE Right's perspective on modernity loosely aligns with what Rengger (1995) describes as 'modernity as mood'—a mood that recognises the importance of individual felicity and identity as the driving force behind the development of the modern world.

However, the LSE Right emphasise that the rise of individualism and the advent of modernity are specific to Europe. As Minogue (2012a, p. 259) points out,

> The basic "secret," one might say, is that modern European states differed from other cultures by the moral practice of individualism, in which the wants and beliefs of individuals are recognized not as disruptive, but as valuable themselves. Intellectually speaking, individualism led to a revolution in the way in which Europeans thought about the world.

The LSE Right's perspective on individualism diverges from that of liberalism, as they emphasise the uniqueness and historical context of the individualist way of life. While liberalism emphasises individual rights and autonomy, LSE Right argues that this narrative fails to elucidate the origins of individualism in Europe (Minogue 2012b). The LSE Right's view acknowledges the intricacies of the narrative, considering factors like Christianity and specific conditions that contributed to the evolution of individualism in Europe, distinguishing it from other civilisations.

However, the LSE Right's narrative of individualism offers more than just a means of distinguishing it from liberal individualism; it introduces a more crucial distinction, that of individualism as a moral practice. The central concept revolves around a moral practice, signifying a way of life guided by prescribed conditions that individuals must subscribe to in order to engage in a specific activity (Oakeshott 1975). Within this moral practice framework, the LSE Right emphasise that the pursuit of individualism relies on authoritative conditions. These conditions can be classified as formal, informal, and inner.

Formal authority, in the perspective of the LSE Right, is linked to the idea of the rule of law, which can be defined as "an authoritative prescription of conditions to be subscribed to in acting, and its counterpart is an obligation to subscribe to these conditions" (Letwin S. R. 2005, p. 318). The rule of law encompasses a set of mutually agreed-upon rules that individuals are expected to subscribe to. These rules are not meant to dictate or constrain every facet of conduct, but rather to provide guidance while preserving individuals' liberty to pursue their own felicity. Freedom is compromised only when the law is transformed into a command that imposes an externally determined objective upon the individual.

Informal authority finds expression within social institutions like the family and marriage, addressing the gaps that legal frameworks may have in accommodating the diverse facets of human life. These institutions derive their authority from several sources. Firstly, there's the argument of practicality—a society can't function effectively if these institutions are constantly under challenge. Secondly, they embody long-standing practices that have stood the test of time. Lastly, individuals maintain a moral commitment to these institutions. There are two categories of commitment that individuals might have. The first is a deliberate commitment, wherein individuals recognise the significance of these institutions in fulfilling their own desires or contributing to communal interests. The second category of commitment arises from one's inherent circumstances at birth, such as being born into a particular family or community.

The final authoritative condition for individualism is inner authority, which steers actions and decisions through internal and external experiences. This moral compass necessitates self-discipline, integrity, respect, personal accountability, and other virtues as individuals strive for their own well-being and moral identity (Letwin S. R. 1997). The archetype of the English gentleman exemplifies an individual with an intrinsic moral framework that values the welfare of both oneself and others (Ibid.). As a result, inner authority moderates the process of deliberating human conduct, guiding individuals through intricate choices.

Hence, individualism necessitates adherence to these conditions, and the LSE Right puts forward a three-fold rationale to support this perspective. Firstly, individuals demonstrate moral integrity by honouring the commitments they have made to themselves, societal institutions, and the governing authority. Secondly, individuals exercise autonomy by willingly abiding by these regulations, fostering an environment conducive to self-driven felicity and identity. Lastly, within a civil association that encompasses a variety of individuals, this adherence nurtures a sense of civility vital for the collective welfare of the polity.

These authoritative conditions delineate the essence of conservative individualism, which is characterised as "the disposition to recognise imagining, deliberating, wanting, choosing, and acting not as costs incurred in seeking enjoyments, the exercise of a gratifying self-determination or personal autonomy" (Oakeshott 1975, p. 236). This ethos of individualism is motivated by self-interest in the pursuit of the good life, as defined by each person. For the LSE Right, the concept of the good life corresponds with the Hobbesian pursuit of felicity—the perpetual passion, pursuit, and fulfilment of individual aspirations (Hobbes 1651/2014).

Nevertheless, embracing Hobbesian felicity does not entail irrational or unrestrained pursuit. In this context, the LSE Right draws a pivotal distinction between desire and impulse. The former signifies rational passion, shaped by the commitments an individual has entered into and the reality of coexisting with fellow individualists who also pursue their desires (Minogue 2012b). On the other hand, the latter, characterised by irrational passion, neglects rational conduct and the established practices of the political community (Minogue 2001). The LSE Right advocate for prioritising desires over the irrationality of impulses when navigating the intricate landscape of human conduct.

Indeed, the pursuit of felicity is only one facet of human conduct; the other crucial aspect is the preservation of a moral identity or self-enactment. Self-enactment pertains to the underlying motivations driving actions and the implications they carry for one's moral identity (Oakeshott 1975). The concern for moral identity introduces a layer of intricacy to human conduct, as individuals endeavour to maintain their sense of self in the process of deliberation. Minogue (1992b, p. 12) delves into this profound moral dimension, affirming, "choice is a much deeper idea, because it includes consideration not only of what satisfactions different courses of action may give, but also the sense of moral identity revealed in choosing whatever we may choose."

Within the framework of conservative individualism, the LSE Right proposes a reconciliation between the tensions of order and individualism. They view individualism as a valid recognition of self-determined desires and identity. However, this recognition is not a *carte blanche* but rather a moral commitment that demands fidelity to the authoritative conditions that facilitate this manner of existence. Shirley Letwin (1978b) astutely noted that adopting this way of life involves relinquishing the allure of uniformity in human conduct. Yet, in doing so, it enriches and amplifies the richness of both internal introspection and external interactions that constitute the human experience.

## III: DYING BREED OR SHINING FUTURE?

The limited acceptance of the LSE Right's conservatism within the wider conservative community can be attributed to several factors, including the relatively niche appeal of Oakeshottian ideas, which forms the foundation of this specific brand of conservatism (Himmelfarb 1975; Quinton 2001). Moreover, the LSE Right's strong association with Thatcherism and the liberal faction of the New Right, a doctrine and faction that faced criticism even from within conservative circles, has likely contributed to its reduced popularity, particularly following Margaret Thatcher's departure from office. Given the prominent role that the LSE Right has historically held within the British conservative landscape, I intend to delve deeply into my argument that the LSE Right's conservatism is a dying breed.

**A Threatened Species**

The LSE Right's conservatism lacks broad support within the conservative community, and this might be attributed to its association with liberalism. The LSE Right's alignment with liberalism originates from its emphasis on individual-focused political and intellectual discourse, as opposed to community-centred approaches. As a result, they were critical of any attempts to shift this discourse towards prioritising community values over individualism (Minogue 1996b). Furthermore, the LSE Right's adoption of the civil association concept shares similarities with the liberal understanding of the state. Firstly, both underscore the individual or will as the cornerstone of the state (Oakeshott 2000). Secondly, they acknowledge the significance of the rule of law (Letwin S. R. 2005). Lastly, they value the flourishing of individualism within the context of civil association (Letwin S. R. 1978b).

Nevertheless, the LSE Right's inclination towards liberalism was tempered by a robust critique of its ideological inclinations. For instance, Kedourie (1989) criticised liberalism for its idealism and evasion of the intricacies of human conduct. Minogue (2001) questioned liberalism's scepticism towards authority and its proclivity to pursue salvation. Oakeshott (1962) scrutinised the abstract and universalist notions within liberal thought. Despite their criticisms of liberalism, certain thinkers within the LSE Right would not hesitate to identify themselves or be categorised as liberals (Letwin S. R. 1988; Minogue 1988).

The precarious position of the LSE Right's conservatism can also be attributed to their endorsement of free market economics. They have played a pivotal role in offering intellectual, public, and practical endorsement to the principles of the liberal New Right and free markets (Minogue 1995). In practical terms, they advocate for market liberalisation through their policy initiatives at the CPS, promoting solutions aligned with free markets (Letwin W. 1991). On the intellectual front, their support for free markets is evident in their critiques of welfare-collectivism and state planning (Kedourie 1984a; 1984d). In the public sphere, they actively champion free market ideas, exemplified by Kenneth Minogue's hosting of the TV documentary "The New Enlightenment" on Channel 4.

The third factor contributing to the vulnerability of the LSE Right's conservatism is their relative disregard for cultural and social themes in their political discourse. Instead, as mentioned previously, the LSE Right demonstrated a sense of optimism about civil society's capacity to counteract liberal ideologies (Minogue 2001). Their primary focus was on the civil association state during the post-war era of collectivism, rather than addressing cultural and social matters (Kedourie 1984a).

A final factor contributing to the diminished prominence of the LSE Right's conservatism lies in its secular nature. The LSE Right contends that conservatism can be comprehended without recourse to religious or metaphysical realms (Oakeshott 1962). They argue that conservatism should derive its conclusions from scepticism and the practices of the political community (Kedourie 1992). Nevertheless, they do recognise the significance of the Judeo-Christian religion concerning practice and individualism (Letwin S. R. 1977; Minogue 2012a). Their view on the role of religion in politics is evident in their admiration for Lord Salisbury's conservatism, which eschewed religious belief as a prerequisite for sound political action (Kedourie 1984c). Thus, the LSE Right asserts that "Conservatism need have no connection at all with religious belief" (Minogue 1967, p. 196).

In light of the expanding reactionary global Right, these factors lend credence to my assertion that the LSE Right's conservatism is progressively waning. The reactionary global Right is a political and intellectual movement that has emerged in the past decades, adopting the vocabulary and language of reactionism and radicalism to challenge the dominance of liberal ideas in Western civilization (Drolet and Williams 2021). The LSE Right's support for liberal ideas and free market are unlikely to resonate with these reactionaries who envision a futuristic utopian world beyond the purview of liberalism and its underpinning free-market economics (Varga and Buzogány 2022). While the LSE Right has also scrutinised liberalism and its inclination to divorce free markets from political considerations, the pivotal distinction lies in the LSE Right's aim to establish a *modus vivendi* with liberalism, whereas the reactionaries regard it as irredeemable. Hence, it is unsurprising that the literature of these reactionaries offers the most potent critique of free-market capitalism and liberalism (Williams 2022).

Additionally, the reactionary global Right has embraced Gramscian concepts as the bedrock of their counterhegemonic endeavour aimed at supplanting liberal culture (Abrahamsen et al. 2020). These 'Gramscians of the Right' are dedicated to repossessing control over civil institutions, viewing this as pivotal in restoring and upholding political influence and power, seen as essential for safeguarding Western civilisation (Drolet 2020). Consequently, their discourse, both public and intellectual, centres on identifying threats to cultural and national identity, along with the preservation of Western civilisation (Bar-On 2018). The LSE Right's comparatively limited emphasis on cultural and social concerns leaves it with little to contribute toward restoring the traditional facets of Western civilisation. This predicament is compounded by their recognition that conservatives are left with no recourse except silence when the familiar gives way to the unfamiliar (Minogue 2004b).

Furthermore, the secular nature of the LSE Right's conservatism diverges from the prevailing narrative within the reactionary global Right. This narrative places strong emphasis on the revival of Judeo-Christian religion as the primary guiding force across all facets of human conduct and cognition (Minkenberg 2018). Neoconservatives have also critiqued the LSE Right's conservatism for its secular disposition (Kristol 1996). This departure from the sentiments of reactionary and traditional conservative circles regarding the role of religion is another contributing factor to the relative neglect of the LSE Right.

**Towards a Shining future**

Despite the factors I've outlined, which have led to the limited recognition and acceptance of the LSE Right's conservatism, I contend that this tradition holds valuable insights that could beneficially influence the trajectory of conservatism and its political landscape. These insights are in line with O'Sullivan's (1976) identification of shared elements in conservative traditions: a sense of scepticism and an emphasis on restrained politics. As such, my intention is to underscore the contributions of the LSE Right, pointing towards a potentially promising direction for the future of conservative politics.

The initial significant insight pertains to a nuanced perspective on modernity, steering clear of conservative tendencies towards radical restoration of traditional Western practices. The LSE Right's take on conservative individualism plays a crucial role in bridging the ideological divide between left and right ideologues. This approach embodies what I term 'content with modernity', recognising both the hurdles posed by the contemporary world and the enriching and exploratory dimensions it has introduced to human life.

The concept of 'content with modernity' serves as a counterpoint to the reactionary global Right's misconstrued view of individualism as the exclusive source of modernity's challenges. In contrast, the LSE Right acknowledges individualism as an integral and ingrained facet of Western civilisation. The reactionary Right's misunderstanding of this issue originates from their inability to distinguish between conservative individualism and liberal individualism. The former is rooted in authority and the safeguarding of traditional ways of life, whereas the latter aims to liberate individualism from its authoritative constraints.

The reactionary global Right's misguided focus on modernity's challenges propels them toward an impractical pursuit of a utopian future. In contrast, the LSE Right's second valuable insight draws from their scepticism and approach to politics, which offers a more pragmatic path forward. While the reactionaries advocate for a rationalist blueprint enforced universally, guided by a predefined *telos*, the LSE Right, in their sceptical stance, refute the feasibility of such a teleological agenda to steer political endeavours. They acknowledge the constraints in establishing a fixed *telos* to shape political activity.

Furthermore, teleocratic politics diverges from the principles of sceptical and restrained politics, necessitating coercive measures to enforce predetermined objectives on individuals. Pursuing a *telos* would signify the end of politics, as its conflictual nature contradicts the envisioned utopian harmony (Minogue 2000a). In contrast, the LSE Right endeavour to dissociate conservative politics from endorsing a teleocratic notion of a homogenised conservative world. They instead prioritise nurturing the framework of rules within the civil association. This approach advocates for a limited state that safeguards the conditions con-

ducive to the individualist way of life, bolstered by constitutional checks to curb arbitrary authority and maintain equilibrium.

The third insight towards a viable future for conservatism involves receptiveness to the concerns of the global Right. The LSE Right's conservatism exemplifies this by initially providing a critique of liberal salvationism. This critique revolves around the rationalisation of human conduct by liberal salvationism, which overlooks the intricacies of political experience (Kedourie 1989). The peril of liberal salvationism lies in its negation of the chasm between envisioned teleocratic deliverance and the intricate realm of political reality (Kedourie 1989). This disregard for the gap between sought-after salvation and political reality poses hazards, nurturing a faith in governmental deliverance at home and neglecting a well-balanced international order in favour of nationalist inclinations (Kedourie 1984e; Minogue 2012b).

Another domain that underscores the receptivity of the LSE Right is their critique of internationalism, advocating for the supremacy of international organizations and agreements over state institutions. The LSE Right presents a dual-edged critique of internationalism. Primarily, they contend that internationalism leads to the erosion of national sovereignty, which elucidates their Eurosceptic standpoint on Britain's affiliation with Europe (Letwin S. R. 1996). Secondly, they posit that internationalism seeks to institute supranational entities through these organisations, ultimately subverting national identity in favour of a fresh international identity (Minogue 1993c). It is noteworthy that the LSE Right doesn't idealise the nation-state; in fact, they express reservations about it (Kedourie 1961). The critique of internationalism is rooted in concern for national sovereignty and the historical growth of nations rather than an attachment to the nation-state.

The LSE Right further displays its openness in its concern for preserving the traditions of Western civilisation. While their literature didn't extensively delve into cultural and social aspects, Minogue later acknowledged the impact of ideology on the authoritative conditions essential for the individualistic way of life (Minogue 2001). Minogue (2012a, p. 264) mourned that "[o]ur time has thus been a graveyard of inherited conventions." It's important to note that Minogue refrained from outlining a specific blueprint for restoring these traditions, as his conservatism restrained him from doing so. Nevertheless, the incorporation of these themes into Minogue's intellectual discourse suggests that conservatives can address these concerns without resorting to radical measures.

The final insight from the LSE Right is its contemporary relevance to conservative politics. Lord Willetts (2021) argues that ensuring a sustainable future for conservative politics entails finding equilibrium between freedom and belonging. In the current landscape, conservative politics faces a challenge due to an excessive focus on belonging at the expense of freedom. This imbalance has arisen alongside the surge of communitarian politics, which reacts to the 'unrestrained individualism' advocated by the New Right (Minogue, 1996b). The remedy to this imbalance is provided by the LSE Right's conservatism, which reintroduces the concept of conservative individualism. This idea incorporates both freedom and belonging, enabling individuals to pursue felicity and moral identity while subscribing to authoritative conditions. The sense of belonging is anchored in the historical origins and distinctiveness of this way of life, as well as the practices that sustain it. Hence, the initial facet of this insight involves contextualising and refining this equilibrium in the context of the modern world.

The secular essence of the LSE Right's conservatism provides the second facet for shaping the future of conservative politics. Given the declining religious affiliation among individuals in the Western world, it becomes increasingly challenging for conservative approaches deeply rooted in religious themes or ideas to garner widespread electoral support. As illuminated in this article, conservative politics can reach conservative conclusions without necessitating metaphysical foundations or a theo-political vision. Consequently, the LSE Right's conservative realism emerges as a form of conservatism that holds appeal for both non-religious voters and those who cherish the religious traditions and practices of the West.

## CONCLUSION

Despite influencing the New Right and the British political landscape, the conservative realism of the LSE Right remains relatively obscure. This paper aims to rectify this by introducing readers to LSE Right's conservatism, examining its origins, principles, and potential implications for the future. Through a comprehensive review of the LSE Right's literature and analysis, the article emphasises its significant importance within the broader conservative framework. It underscores the need for greater recognition, not only of its less-prominent thinkers but also of its influential role in shaping British political discourse.

While the paper offers initial insights into the LSE Right's defence of Thatcherism, its policy impact, and its implications for the Conservative party's future, it does not extensively delve into these aspects. Additionally, it doesn't fully contextualise the LSE Right's conservatism within the wider political thought landscape. Further research is required to thoroughly explore these areas, contributing to the effort of bringing LSE Right's conservative realism to prominence and highlighting its significance in political discourse.

In the context of the expanding reactionary global Right and ongoing debates surrounding the future of conservative politics, the importance of this introductory examination of the LSE Right's conservative realism is heightened. Amidst discussions among conservatives and reactionaries on preserving Western civilisation's practices, and deliberations among liberal-minded individuals on appropriate responses, the LSE Right's conservatism emerges as a pertinent and meaningful tradition. It offers valuable insights for effectively navigating the ship in the boundless ocean filled with contemporary political challenges.

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Review

# Hermann Heller. Life, Work, and Legacy

## *Hermann Hellers Demokratischer Konstitutionalismus* edited by Verena Frick and Oliver W. Lembcke

CHRISTOPHER ADAIR-TOTEFF
University of South Florida

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## HERMANN HELLER: AN INTRODUCTION

During the Weimar Republic (1919-1933) there were two professors whose names stood out in the protracted legal and political conflicts: Carl Schmitt and Hans Kelsen. While these two were among the most well-known at the time, they were not the only legal scholars who were engaged in disputes about Weimar's legal powers. The other names include Gerhard Anschütz, Richard Thoma, Rudolf Smend, Hugo Preuß, and Heinrich Triepel. But there is another professor who also took part in these legal battles—Hermann Heller. If his name is not as recognizable as some of the others, it is because of several things: Since he was Jewish and a member of the left-wing Sozialdemokratische Partei Deutschlands (SPD), he was not even appointed to an "extraordinary" (associate) professorship until 1927 and to an "ordinary" (full) professorship until 1932. The following year he was in London when he was warned by some friends back in Germany that he would be arrested if he returned home. As a result, he moved to Spain where he died at the age of 42. In 1935, the Nazi's systematically destroyed his works and it was not until the 1950s that his name began to reappear. In 1971, several of his former students collected his works and the three volumes were published by a small but well-respected Dutch publishing firm. By the 1980s several scholars began writing on Heller's thinking and in 1992 the Tübingen publisher Mohr Siebeck reissued the *Gesammelte Schriften*. Heller's works are continuing to draw more interest and the three books under review here are testimonies to the enduring legacy of Herman Heller's political and legal thinking. This review essay is divided into three main sections correspond to the three books: life, work, and his legacy. The review essay concludes with a brief evaluation of Heller's thought and its continuing relevance for democratic thinking today.

## HERMANN HELLER: LIFE

There is still no full biography of Hermann Heller but Thilo Scholle's *Hermann Heller. Begründer des Rechtsstaats* provides a compact account of Heller's life and ideas. Although it is in the series "Jüdische Miniaturen" Scholle does not emphasize Heller's Jewishness but does stress his political ideas and activities. Scholle briefly discusses Heller's family, his birth, and the years up to the time of his dissertation. He spends little time discussing Heller's early works but concentrates on his private and political life. Scholle admits that there is little known about his private life but notes that in December 1920, Heller married Gertrud Falke who was

a dancer. They had three children: two daughters—Hilde 1923 and Monika 1927—and one son Lukas 1930. Heller was active in political circles and Scholle emphasizes his participation in a group of young socialists. But he also stresses that Heller's rejection of Marxist doctrine caused friction between Heller and other members and those disagreements prompted Heller to leave that group in 1926. That was the same year that he was offered a professorship at the "Kaiser-Wilhelm-Institut für ausländisches öffentliches Recht und Völkerrecht" in Berlin (Scholle 2023, p. 37). Scholle does spend some time discussing Heller's disagreements with Hans Kelsen. Both were committed democrats and defenders of the Weimar Republic, but Heller criticized Kelsen's formal neo-Kantianism and insisted that law necessarily had a sociological aspect. Both Heller and Kelsen were preoccupied with the concept of sovereignty and in 1927 the former published a book with the title *The Sovereignty (Die Souveränität).*[1] In October the following year he became a professor of law at the University of Berlin. It was around this time that he had an affair with the writer Elisabeth Langgässer who gave birth to a daughter on Jan. 1, 1929. Although Langgässer moved to Berlin to write, Heller never established contact with her or their joint daughter Cordelia (Scholle 2023, pp. 46-38).

Scholle suggests that Heller had major disagreements with Carl Schmitt but unlike with Kelsen, he was on friendly terms with Schmitt. After a several months-long stay in Italy, Heller wrote a book warning about dictatorship. *Europa und Fascismus* (1929) is about Mussolini and Italy but it was also directed towards Germans regarding Hitler. Scholle notes that Heller used various means to warn about the dangers of a strong leader: in print, in lectures, and on the radio (Scholle 2023, pp. 64-66). The strain of this debate caused a resurgence of heart problems that first arose during the war and as a result he was relieved from teaching during 1931/1932. He recovered and was finally appointed full professor at the University in Frankfurt am Main. Scholle points out that some of the faculty were against his professorship because of his Jewish background.

Scholle devotes eight pages to Heller's engagement in the so-called Preussenschlag. Briefly, this was President Hindenburg's appeal to Art. 48 of the Weimar Reichsverfassung which he claimed gave him authority to replace the Prussian government with the Reich officials to restore "Public Security and Order" ("Öffentliche Sicherheit und Ordnung"). This occurred on July 20, 1932 but the Prussian government appealed. The court case was heard in October the same year and the decision was mixed. But despite Prussia's partial success, the Reich was still in charge. Scholle hints that Heller had ambivalent feelings about the verdict but that he took the danger of the Nazis far more seriously than he did the alleged threat from the Communists (Scholle 2023, pp. 67-75). The penultimate chapter is devoted to Heller's final months—he was in England visiting the London School of Economics and was inquiring about a position when he was warned by some friends in Germany that he should not return because of the danger to his life. He moved to Spain where he taught for a short while. The Frankfurt faculty withdrew his license to teach and on November 5, 1933 he suffered another and this time fatal heart attack. The final chapter details the Nazi measures taken to destroy Heller's works and reputation. Unfortunately, Carl Schmitt played an important role in discrediting the "Jew" Hermann Heller (Scholle 2023, pp. 91-92). The final pages are an assessment of Heller's later work and how his insistence on homogeneity would not likely be accepted by too many political thinkers today. But there is no question that Theo Scholle's miniature biography is a compelling account. One hopes that he might be engaged in writing a full-scale biography of Hermann Heller.

## HERMANN HELLER: WORK

The collection *Hermann Heller Kämpfen für die Demokratie* contains ten smaller works and an extensive afterword. The editors Hubertus Buchstein and Dirk Jörke provide a brief account of Heller's life and then focus on the main themes of some of Heller's essays. All ten are worth reading but there are three that stand out. The first one is one of Heller's attempts to explain his idea of social homogeneity. Entitled "Politische Demokratie und soziale Homogenität" Heller does not so much make a plea for social homogeneity as he does make an attempt to clarify what it is and why it is important in a political democracy.[2] He draws on Machiavelli's insistence that a state is a "unity in multiplicity" ("Einheit in der Vielheit") (Heller 2023, pp.

45, 48, 50). In this, Heller agrees with Carl Schmitt that unity is necessary in order to make decisions, but he disagrees that unity can be gained by utilizing the "Friend and Foe" ("Freund und Feind") distinction. Furthermore, Heller complained that the Catholic Church's attempt at unity failed because it was too idealistic but he also contends that the belief that a "strong man" will be able to instill unity. Both conceptions fail because they ignore the various differences in the "Volk" whether these are differences in age, gender, education, or property-ownership (Heller 2023, pp. 49). Heller is more realistic than the Church or Schmitt and he notes that there can only be degrees of homogeneity (Heller 2023, p. 51). Heller maintained that the notion of "super structure" ("Überbau"), ideology, and fictions are philosophically useable but are unrealistic in confronting genuine social, political, and economic problems. But he insisted that a democracy cannot function for long if it is plagued by major economic disparity (Heller 2023, pp. 52, 55-57). Heller returned to the notion of religion as the means of unification. He referred to Dostoevsky's insistence in the *Devils* that he who has no "Volk," also does has no God ("Wer kein Volk hat, der hat auch keinen Gott."). But Heller insisted that one cannot create a "Volk" or a God out of the "myth of the nation" ("Mythos der Nation") (Heller 2023, p. 58).

The second essay well-worth examining is "Rechtsstaat oder Diktatur?" and in it, Heller makes the case for the legal state over a dictatorship. "Rechtsstaat oder Diktatur?" was published as an essay in 1929 and as a booklet in 1930.[3] This booklet was published by J. C. B. Mohr (Paul Siebeck), Max Weber's publisher and the publisher of the *Archiv für Sozialwissenschaft und Sozialpolitik*. Mohr Siebeck also published some of Hans Kelsen's essays as well as one or two of Schmitt's writings.[4]

Anyone who is familiar with Heller's thinking might be surprised by the question in the title "Rechtsstaat oder Diktatur?" because they would know that he was firmly on the side of the "Rechtsstaat." The term is a relatively modern German term and is somewhat resistant to translation. It means a state based upon the rule of law which is another way of saying a "constitutional state." This essay is one of Heller's more famous essays and for good reason. It contains not only one of Heller's best short explanations for what a "Rechtsstaat" is but it also includes one of his best brief denunciations of dictatorship. A "Rechtsstaat" is important for politics and for economics because it possesses stability and promotes calculation. Because a "Rechtsstaat" is based upon the rule of law ("Gesetzesherrschaft"), citizens and businesses are able to plan. A dictatorship lacks such predictability because it is ruled by the "unpredictable arbitrary will" ("unberechenbare Willkür") of the dictator (Heller 2023, pp. 60-62).

During the last several decades of the Eighteenth century the notion of the "Rechtsstaat" seemed unstoppable. However, during the middle of the Nineteenth century doubts about the efficacy of the "Rechtsstaat" began to surface. The fundamental notion of equality before the law began to be questioned: it is a noble ideal but is unrealistic. Heller believed that these doubts about the rule of law were augmented by the Kantian idea of eternal peace and by the Neo-Kantian conception of pure law. What had been taking its place was the Nietzschean notion of the "Herrenmenschen"—the masters of the herd (Heller 2023, pp. 63, 66-67). Previously, rulers relied on religion for their authority; the "Herrenmenschen" have a new religion: "nationalism." Heller maintained that the "Herrenmenschen" ideologized their own "arbitrariness" ("Willkür") for themselves and the ideologization of the law for the herd (Heller 2023, pp. 68-69). After discussing how the dictator praises himself for pointing out corruption in the "Rechtsstaat", Heller pointed out that there is no myth that is more untrue than the myth of the "corruption-killing dictatorship" ("Korruptionstöter Diktatur") (Heller 2023, p. 71). There are other myths: that dictatorship is order when it is the political form of social anarchy and that dictatorship is the "true" democracy." All of today's dictators and all those who want to be assure us that they have realized democracy or will be realizing it. Heller adds "What else could they say?" (Heller 2023, p. 73).

Towards the end of "Rechtsstaat oder Diktatur?" Heller returns to the notion of the dictator. He defined dictatorship as having the centralized force in the hands of the dictator and that means control over everything, even the economy. Heller argued that dictatorship eliminates not only economic independence but also all of the basic rights which are guaranteed in a "Rechtsstaat": freedom of expression, freedom of religion, freedom of the press, and the independence of art and science (Heller 2023, pp. 76-77). Rather than

providing freedom as well as order, the dictator wants to curb liberties in the service of his idea of order. Heller concludes with the claim that neither the "bloodless rationalists" ("blutlöser Rationalisten") nor the "blood-lusty irrationalists" ("blutgieriger Irrationalisten") offer a real future; instead, the genuine future is secured by choosing the social "Rechtsstaat" (Heller 2023, p. 79).

The third essay "Autoritärer Liberalismus" ("Authoritarian Liberalism") may seem to be an essay bound by its time. The two major figures are Carl Schmitt and Walther Schotte. Schotte began his academic life as a liberal but by 1932 he was the ideological confidant of the German Kanzler Franz von Papen. In 1932 Schotte published *Der neue Staat* and it was one of the two books that Heller criticizes in "Autoritärer Liberalismus."[5] However, this essay is much more than a critical book review; it is a brilliant account of the tension between law and power ("Recht und Macht") and between democracy and autocracy. Heller makes fun of the idea of "authoritarian state" by asking what is the state other than a government that has authority? The question is only, to what degree should a state have authority; that is, power? That seems to be an "eternal question" which Heller does not answer. But at the time there was a similar question: should the state allow economic freedom and many people (then and many now) subscribe to the dictum "Freiheit der Wirtschaft vom Staat!" ("Freedom of the economy from the state!") (Heller 2023, p. 144). It is noteworthy that Carl Schmitt was one of these who insisted in the early thirties that the state should stay out of economics, but that Germany needed a "Starke Staat" ("Strong state") if not a "total state." But as Heller argued that the time, the "total state" was an impossibility (Heller 2023, p. 145). Heller was rarely mistaken, but the events after his death proved that there could indeed be a "total state"—Nazi Germany. But he was not mistaken with his repeated warnings about the increasing threat of a German dictatorship.

## HERMAN HELLER: LEGACY

The book *Hermann Hellers demokratischer Konstitutionalismus* is a collection of ten essays written on Heller's ideas regarding the state, democracy, and social order. Some essays, like the one on bureaucrats may appeal to a limited readership, but all of these essays are worth careful reading. Because of space, examinations will be limited to six of the essays. The first one to be considered is Anthoula Malkopoulou's essay: it is chosen first because it is in English, is closely connected to the notions of liberalism and anti-democratic forces, and because it is very good. Malkopoulou's main thesis is that Heller recognized the threats that anti-democratic forces meant for Weimar's government. She examines one of the means that democracy can use to defend itself and that is the notion of "militant democracy." She notes that that is often connected to the writings of Karl Loewenstein and Carl Schmitt but her focus is on Heller's notion (Frick und Lembcke 2022, pp. 186-187). Malkopoulou also maintains that the notion of "militant democracy" is current so an analysis of it is not just valuable historically but has contemporary implications. After criticizing Schmitt's legal thinking and Mussolini's fascist philosophy, she turns to Heller's conception of the state. Heller contended that many of his fellow legal theorists focused too much on economic independence whereas the focus should be on culture. What was needed was the integration of all social classes and that could be accomplished by adhering to social values. This would provide the legitimacy that democracy needs and would be a sufficient defense against illiberal attacks. While lacking the sense of "militancy" that other theories have, Malkopoulou contends that it promotes "social justice and cultural integration" (Frick und Lembcke 2022, pp. 196-197, 200-201).

The second essay is by David Dyzenhaus and it is also in English. It is not entirely dedicated to understanding Heller's thinking; indeed, much of it is devoted to a discussion of Hobbes' notion of sovereignty and much of it is devoted to Hans Kelsen's and Carl Schmitt's responses to the three "puzzles" that Hobbes has regarding the sovereign: how can the absolute authority of the sovereign be constrained by law; how can rationalism be applicable to the sovereign when he is regarded as a machine; and how does the sovereign reign during states of exception (Frick und Lembcke 2022, p. 167). Dyzenhaus' examination of these three issues is well-worth considering; here the comments are restricted to his discussion of Heller's response to Hobbes' puzzles. Dyzenhaus is not only an authority on Heller's thinking; he is also an expert on that of

Schmitt as well as those by Kelsen. A discussion of the merits of Dyzenhaus' "Deus in Machina" would require a far more detailed analysis than can be offered here. Instead, I want to emphasize two critically important points that Dyzenhaus addresses: the tension between the individual and the state where one needs to adopts Martin Luther's "Here I stand, I can do no other" and where neither the normative nor the positive legal theories are ultimately workable; there must be a combination. Neither Schmitt's nor Kelsen's theories recognize, as Heller's does, that humans are not just political animals or legal constructs but are both (Frick und Lembcke 2022, pp. 180-182).

The third essay may not seem to warrant much attention here but that is not the case. Ernst-Wolfgang Böckenförde's reputation is based upon three things: he was a judge on the German Constitutional Court, a noted legal professor, and a follower of Carl Schmitt. As such, he was expected to be a staunch critic of Heller since Heller and Schmitt were regarded as antipodes. That helps explain part of Lembcke's title "On the Other Side of the Moon" and it is indicated by the other part of the title "Böckenfördes Heller-Rezeption." Lembcke acknowledges that Böckenförde had insisted that *Begriff des Politischen* was the key text to understanding Carl Schmitt's thinking (Frick und Lembcke 2022, pp. 43-47). But Lembcke pointed out that even Böckenförde realized that Schmitt's focus on the exclusivity of the political as means, meant that there was no place in Schmitt's thought for ends. It was Böckenförde's realization that Heller, who accepted Schmitt's primacy of the political, also insisted that politics and governments are interested in achieving goals (Frick und Lembcke 2022, pp. 49-50). Lembcke argued that Böckenförde believed in democracy and constitutionalism (hence "demokratischer Konstitutionalismus") which he shared with Heller in contrast to Schmitt (Frick und Lembcke 2022, pp. 52-53, 56-57). Lembcke concludes with the claim that Böckenförde recognized that Schmitt's concept of the political was the starting point and not the end. Böckenförde's adaptation of Heller's ideas about "Volk" and "Volksouveränität" means that he could be considered a "liberal Schmittianer", if not Heller's student ("Schüler Hellers") (Frick und Lembcke 2022, p. 65).

The fourth essay is by Katrin Groh. As with Dyzenhaus, Groh is knowledgeable about Heller, Kelsen, Thoma, Anschütz, and Hugo Preuß as indicated by her magisterial *Demokratische Staatsrechtslehrer in der Weimarer Republik* (Groh 2010). Here, in "Antipositivismus und demokratischer Etatismus" Groh addresses two issues: was Heller against positivism and how much emphasis did he place on the state. She makes it abundantly clear that Heller was an anti-positivist and that Kelsen was his opponent. Heller maintained that Kelsen's positivism robbed law of its reality and its substance and that Kelsen's legal theory was empty and ineffective because it refused to acknowledge that law is about power and that the legal order rests with society (Frick und Lembcke 2022, pp. 22-26, 29). Groh is less insistent about the importance of the state and she modifies Heller's "statism" by adding that it was "democratic." In this sense, Heller's opponent was the Austro-Marxist Max Adler (Frick und Lembcke 2022, pp. 24-25, 35-36).

The fifth essay is by Rüdiger Voigt and it is one of the shortest essays in this collection but it is also one of those which is the most wide-ranging as his topic is Heller and German political science ("Hermann Heller und die deutsche Politikwissenschaft"). Voigt explains that Heller rejected legal positivism because a theory of state is not possible without considering the state, power, and political practice (Frick und Lembcke 2022, p. 70). It is Heller's concern with all three that lends justification to the claim that Heller is the "father of universal political science" (Frick und Lembcke 2022: p. 76; Groh 2010, p. 143). Unlike the legal positivists, from Laband, through Jellinek, to Kelsen, Heller placed the notion of "power" ("Macht") at the center of his doctrine of the state—hence contributing to the discussion of politics today (Frick und Lembcke 2022, p. 78).

The final essay under review consists of two: the introduction and the concluding essay, both written by the editors Verena Frick and Oliver W. Lembcke. The two essays can be read as one not only because the authors are the same but that Frick and Lembcke cover some of the same ground in both essays. For Frick and Lembcke, the core of Heller's political science is the notion that it is practical and that it is not so much a theory but an "art" ("Kunst"). A theory of the state cannot be something formal and universal because it must also include material and specific factors (Frick und Lembcke 2022, pp. 6-8). Later, they maintained that Heller's political science and his theory of state are dynamic (Frick und Lembcke 2022, p. 208). Frick

and Lembcke conclude the final essay of the collection with comments about Heller's possible view of the European Union and with the observation that for Heller there needs to an appropriate combination of political autonomy and social-state security (Frick und Lembcke 2022, p. 220).

*Hermann Hellers demokratischer Konstitutionalismus* helps establish Heller's legacy in several ways. Malkopoulou's essay is a convincing account of Heller's philosophy of social justice and cultural integration that has resonance for today's political and cultural polarization. Dyzenhaus brings an astonishing amount of knowledge in order to compare and contrast various answers to the concept of sovereignty and the problem of the state of exception. Hobbes was one of the first philosophers to have tried to address it but it is Heller who appears to provide the most compelling answer. That is one part of his legacy. Lembcke showed that as much as Böckenförde has been regarded as one of Schmitt's disciples, that he had realized the deficiencies in his master's teaching. It was Heller's insistence on the importance of the peoples' will that prompted Böckenförde to reevaluate his dependency on Schmitt's concept of the political and to understand the importance of democratic consensus—thus extending Heller's legacy. Katrin Groh argues persuasively that Heller's legal thinking is well-worth considering today and that his concerns about the lack of non-legal thinking in law harms law in theory and certainly in practice. She emphasizes Heller's critique of legal positivism and, like other scholars in this collection, suggests that law and society are necessarily bound together—something we need to remind ourselves of today. Voigt's contribution to Heller's legacy is historical but he reminds us how much Heller's ideas influenced German political science after the Second World War and how much their realism contributed to present day German political science. It is this theme that Frick and Lembcke take up both in their introduction and in their concluding essay.

## HERMANN HELLER: AN EVALUATION

Hermann Heller is not as well-known as Carl Schmitt or Hans Kelsen, but he should be. He countered Schmitt's politically-charged authoritarianism and he vigorously opposed Kelsen's lifeless legal formalism. He may not have been as politically challenging as Schmitt nor as intellectually accomplished as Kelsen, but he did hold his own in his confrontations with his more famous opponents. Heller could be positioned somewhere between Schmitt's Right and Kelsen's Left but that makes Heller appear as either a "middle of the roader" or as a Hegelian "synthesis." But Heller was too outspoken to be a "middle of the roader." He rejected Hegelian metaphysics and he regarded Hegel as the first of the German thinkers to promote "Machtpolitik."[6] But he agreed with Schmitt that law must be connected to politics and he shared Kelsen's belief in freedom. One wonders what Heller could have achieved if he had lived and worked as long as Schmitt (95) or Kelsen (92). These three books provide a sufficient basis for understanding what Heller believed in and fought for; and they offer a compelling reason to study Hermann Heller's life, work, and legacy.

## NOTES

1 *Die Souveränität* is found in Band 2 of Heller's *Gesammelte Schriften*. See Heller 1992b, pp. 31-202.

2 "Politische Demokratie und soziale Homogenität" is included in Heller 1992b, pp. 421-433.

3 "Rechtsstaat oder Diktatur?" is also included in Heller 1992b, pp. 443-462.

4 *Rechtsstaat oder Diktatur?* was published in the Mohr Siebeck series "Rechts und Staat in Geschichte und Gegenwart" in 1930 as Number 68. Carl Schmitt's *Hugo Preuss. Sein Staatsbegriif und seine Stellung in der deutschen Staatslehre* was published the same year as Number 72.

5 "Autoritärer Liberalismus" is also included in Heller 1992b, pp. 643-653.

6 For Heller's dislike of Hegelian dialectics see "Einleitung in G. W. H., *Die Verfassung Deutschlands*" and for his claim that Hegel was the first of the thinkers promoting "Machtpolitik" see *Hegel und der nationale Machstaatsgedanken in Deutschland*. Both are in Heller 1992a, pp. 13-20 and 20-240.

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Review

# *Reintroducing Ferdinand Tönnies* by Christopher Adair-Toteff

ERIC MALCZEWSKI
Center for Public Administration and Policy, Virginia Tech

*Reintroducing Ferdinand Tönnies* by Christopher Adair-Toteff, London: Routledge, 2023.

Ferdinand Tönnies is hailed as one of the founding fathers of sociology. The content of his scholarly oeuvre as well as his significant efforts leading the *Deutsche Gesellschaft für Soziologie* for over two decades warrant his acclaim. Tönnies is best known for his magnum opus *Gemeinschaft und Gesellschaft* (1887). Although they are less well-known today, Tönnies' numerous other contributions specifying the constitutive principles and several epistemic dimensions of sociology are incisive and relevant to longstanding inquiries concerning the nature and object of social inquiry. Additionally, Tönnies' pivotal contributions to reawakening interest in the thought of Thomas Hobbes and charting a course for Hobbes scholarship continue to manifest their effects. In fact, Tönnies' 1889 critical edition of Hobbes' *The Elements of Law Natural and Politic* remains the authoritative scholarly volume. Tönnies worked with and alongside many intellectual peers who were widely influential in their day and several of whom—namely, Max Scheler, Georg Simmel, and Max Weber—presently are recognized as major figures in twentieth century thought. Despite the obvious importance of his scholarly contributions and institution-building efforts, Tönnies largely has been neglected.

There have been two notable surges of interest in Tönnies' thought in Anglophone scholarship. The first of these occurred in the 1970s and was marked by the publication of several of Tönnies' minor texts in English translation. These texts complemented Charles P. Loomis' 1957 translation of *Gemeinschaft und Gesellschaft*. A number of secondary works in English also appeared at this time. The second surge of interest is a phenomenon of the present. Its most prominent indicators are the publication of *The Anthem Companion to Ferdinand Tönnies* (2016), De Gruyter's several volumes of Tönnies' complete works in *Ferdinand Tönnies Gesamtausgabe* (which includes the 2019 critical edition of *Gemeinschaft und Gesellschaft*), and a series of over a dozen articles and a monograph on Tönnies by Niall Bond published by LIT Verlag (2013). The current resurgence of engagement with Tönnies is also marked by the work of a key scholar—Christopher Adair-Toteff. One of Adair-Toteff's latest works, *Reintroducing Ferdinand Tönnies* (2023), sustains the uplifting movement of this present surge of interest by demonstrating that Tönnies' guiding ideas and empirical claims are still germane to social theory and by offering an accessible guide to Tönnies' bountiful contributions.

Adair-Toteff is especially well-qualified for such a task as reintroducing a compelling social thinker and for reintroducing Tönnies in particular. His important article in *Sociological Theory* "Ferdinand Tönnies: Utopian

Visionary" (1995) demonstrated that Tönnies' perspective and intention have been travestied and his thought underappreciated. Adair-Toteff served as editor of *The Anthem Companion to Ferdinand Tönnies* (2016), a touchstone volume for which he assembled an international group of contributors who illuminated several dimensions of Tönnies' ideas, legacy, and utility; he contributed the "Introduction" and a substantive chapter on the development of sociology to that volume. Adair-Toteff also has authored or edited books on several major figures in social theory, including Raymond Aron, Carl Schmitt, Edward Shils, Ernst Troeltsch, Stephen Turner, and Max Weber. Several dozen of his articles have been published in peer-reviewed journals, and his book reviews, review essays, and encyclopedia entries are even more numerous. Adair-Toteff has demonstrated serious and sustained engagement with the big questions of social theory and with the variety of conceptual frameworks sprung from the tradition of social scientific inquiry. *Reintroducing Ferdinand Tönnies* continues Adair-Toteff's valuable work by exhibiting sensitivity to Tönnies' intellectual legacy.

The aim of the book is to draw attention to the enduring value of Tönnies' work and importance to the history of thought. Adair-Toteff pursues this aim by providing overviews of Tönnies' writings—including several lesser-known works—and by offering intellectual historical context and interpretive pointers. The merit of this approach is that it serves to introduce Tönnies' achievements whilst indicating ways that those achievements ramify through conceptual frameworks of Tönnies' day and of our day. The work succeeds at demonstrating the strength of Tönnies' commitment to developing the ideational core of sociology and to institutionalizing the discipline of sociology. The impressive quality of Tönnies' mind is manifest across the pages of this work, as is the strength of Tönnies' theoretical and analytical spirit.

Adair-Toteff covers a lot of terrain in just over 120 pages, yet the image he presents of Tönnies is striking and indelible: it is the image of a true original who advanced (as Tönnies himself put it in his preface to the 1887 edition of *Gemeinschaft und Gesellschaft*) a "*new analysis of the fundamental problems of social life*" and did so with theoretical ambition, epistemological precision, and sensitivity to major longstanding debates concerning the nature and sources of human action and interaction. The fact that Tönnies did such work whilst institutionalizing a new discipline is all the more memorable—and it is inspirational, too, at a moment when the social sciences appear to have lost theoretical ambition and an awareness of their place in conceptual history. In rendering this scale image of Tönnies, Adair-Toteff also attends to the finer details; this is perhaps most evident in his discussions of some of Tönnies' major concepts, such as *Gemeinschaft*, *Gesellschaft*, *Wesenwille*, *Kürwille*, and *Sitte*. He presents the elements of Tönnies' legacy in a manner that scholars can draw value from and that is inviting and accessible to the newcomer.

The book spans seven chapters. Chapter 1 provides a brief biographical overview of Tönnies' life and career. Chapter 2 sets the intellectual context in which Tönnies was situated, and it focuses on three consequential thinkers in whom Tönnies found inspiration (namely, Friedrich Nietzsche, Karl Marx, and Thomas Hobbes). Tönnies wrote books on both Marx and Hobbes as well as a pamphlet on Nietzsche. He gained renown for discovering several works by Hobbes, including *The Elements of Law Natural and Politic*, *Behemoth or the Long Parliament*, and dozens of Hobbes' letters and some minor writings. Tönnies edited critical editions of the two monographs and published a series of four articles that reintroduced and reinterpreted Hobbes based on the newly reliable primary sources. Adair-Toteff addresses aspects of the thought of each of these thinkers that were salient to Tonnies and takes up the question of their influence on Tönnies. His discussion provides a guide to study and illuminates some of Tönnies' preoccupations. The value of this contribution extends beyond its usefulness for understanding the roots and branches of Tönnies' own intellectual development—it provides context concerning frameworks of thought out of which not only Tönnies' theory but also sociology as such blossomed.

Chapter 3 provides a synopsis of the structure and argument of *Gemeinschaft und Gesellschaft* and addresses notable points concerning its publication history. This chapter functions as a primer for scholars unversed in that canonical work whilst exhibiting penetrating comprehension of Tönnies' framework of thought that experts will find engaging. It illuminates the critical link between Tönnies' theory of human will and the complementary theory of the forms of interaction of wills. In this way, the (oft-misunderstood)

relations between the concepts *Wesenwille*, *Kürwille*, *Gemeinschaft*, and *Gesellschaft* appear clearly. Set in context with the discussion of Tönnies' work on Hobbes, one envisions opportunities for future scholarship that investigates the relations and differences between notions common to both Hobbes and Tönnies (e.g. "natural law" and "will") or that considers the contributions of the work when read as a political philosophical treatise.

Adair-Toteff addresses another one of Tönnies' key ideas—*Sitte*—in Chapter 4. This chapter offers a rare, extended discussion of Tönnies' 1909 work *Die Sitte* and advances an interpretation of this work and its central concept that is compelling. The argument focuses on Tönnies' interlinking of practice, repetition, usage, and habit and the traces it leaves in "will" according to his broader theory. Adair-Toteff's analysis hits the mark perfectly insofar as it both reintroduces one of Tönnies' seemingly minor texts and demonstrates its largely uninvestigated theoretical power. This analysis shows that Tönnies was at least as sensitive as Max Weber to the powers of habit and of custom in the emergence and maintenance of collective order and that he also recognized a marked distinction between these powers and those powers manifest in interactions of the *Gesellschaft* form. Another payoff of this discussion is a clearer view of the manner in which Tönnies articulates the several components of his theory with one another: to wit, he does so in such a way that there are explicit relations of modal dependence between the forms of will, forms of interaction of wills, and experience in the world. Adair-Toteff brings the theoretical coherence of Tönnies' thought into focus and remarks upon important details. The discussion here is fresh, insightful, and timely, and it represents the theme of reintroduction magnificently. The remainder of this chapter provides an overview of the twenty-plus years Tönnies spent as a leading figure in the *Deutsche Gesellschaft für Soziologie*.

Chapters 5 and 6 mainly engage work from later in Tönnies' half-century-long career. Adair-Toteff structures these chapters around Tönnies' writings on war, public opinion, and the studies in sociology. The discussion of Tönnies' two books published at the height of the First World War is especially striking. Adair-Toteff provides detailed overviews of *Der Englische Staat und der Deutsche Staat: Eine Studie* (1917) and *Weltkrieg und Völkerrecht* (1917). Adair-Toteff throws into sharp relief Tönnies' comparative-historical sociological sensibility as well as his deep sensitivity to fundamental differences in the constitutive qualities of the English and German collectivities and the ways in which they manifest in the forms of their respective states, self-images of community, and notions of right. The Ferdinand Tönnies we meet here is a scholar's scholar engaged with public matters of the deepest importance. The discussion of Tönnies' works on public opinion and sociology calls out key notions and points of interest with helpful interpretive insight. The book concludes with a brief summative chapter.

*Reintroducing Ferdinand Tönnies* is a most welcome and timely volume. It is a must-read for anyone interested in the thought of Ferdinand Tönnies, the emergence of the social sciences, intellectual history, and social theory. It is an ideal text to include in courses in sociological theory and classical sociological thought, given its accessibility, clear layout, and map to the bounteous works of a great leading light. It is supported by an index of concepts, personages, and locales, and each chapter has its own Notes and References section. What is of especial value are the interpretive and contextual pointers offered by Adair-Toteff and the judicious balance he strikes between surveying Tönnies' contributions from on high whilst attending to key details and nuanced points often overlooked. Adair-Toteff's pointers offer just enough guidance to set scholars on the right track without presuming to offer the "final reading" or "last word" on Tönnies' rich body of ideas. This book serves as a stark reminder that Ferdinand Tönnies—a man whose ideas were key touchstones for Émile Durkheim and Max Weber—is hailed as one of sociology's founding fathers for very good reason. His influence on Hobbes' studies and contributions to the rethinking of what it means to speak of natural law reminds the contemporary social sciences that they were born out of a philosophical tradition whose frames of knowledge they carry on. Adair-Toteff's book illuminates these frames as well as relations of intellectual filiation. Most importantly, it adeptly reintroduces us to Ferdinand Tönnies, an eminent scholar worthy of our continued attention.

Review

# *Confucian Liberalism: Mou Zongsan and Hegelian Liberalism,* by Roy Tseng

WING-CHEUK CHAN
Brock University

*Confucian Liberalism: Mou Zongsan and Hegelian Liberalism.*
By Roy Tseng. Albany: SUNY, 2023.

No one would object that Hegel was the greatest philosopher of the 19th century. But then in the following century Croce raised the question: What is living and what is dead in Hegel's philosophy? Mou Zongsan (牟宗三) is arguably the most important figure in Chinese philosophy of the 20th century. Similarly, one might now raise the following question: What is living and what is dead in Mou's philosophy? Toward answering this question, Roy Tseng's current volume provides with us a solid starting-point. As is well-known, Mou, among the major founders of Modern Confucianism, is unique in developing a new Confucian social-political philosophy. In short, Mou started with a moral metaphysics inherited from the famous Buddhist text, *The Awakening of Faith* as its model. Structurally, this Buddhist system consists of the so-called "One mind opening two gates." In Mou's framework, the One mind is replaced with a transcendental, infinite moral mind, whereas the two gates refer instead to democracy, on the one hand, and science, on the other hand. More importantly, Mou construed the relation between the One mind and the two gates in terms of a self-negation in the Hegelian sense. That is, the journey from the infinite moral mind to democracy and science is understood as a dialectic development. Mou thereby developed a teleological path in modernizing Chinese society. As Tseng succinctly underscored, what Mou tried to achieve is a so-called "Confucian liberalism."

Tseng's volume is the first book dedicated to a comprehensive examination of Mou's social and political philosophy in Western language. In expounding Mou's Confucian liberalism, Tseng explicitly points out that Mou's goal is to provide an alternative in the debate between the conservative Confucianists (seeing modernity as a destruction of the tradition) and the scholars urging for total Westernization (seeing the tradition as an obstruction to modernization). Positively speaking, Tseng argues that Mou's effort signifies an attempt in making possible the "reunion of Confucianism and liberalism" (p. 276). Furthermore, he aims to uncover that Mou's Confucian liberalism is, in reality, perfectionist liberalism. As a definition of perfectionist liberalism, Roy writes that "(it) endorses a nondominant concept of the common good surrounded by a set of Confucian governing and civic virtues" (Ibid.).

What is innovative with Tseng's volume is shown in its goal to explore a Hegelian extension of Confucian political philosophy. At this juncture, Tseng particularly links Modern Confucianism to British idealism. In this context, he respectively identifies Mou as the representative of Modern Confucianism and T. H. Green as the representative of British idealism. In short, the core of Tseng's volume

is to show how a Modern Confucian political philosophy is possible in terms of an inter-cultural dialogue between Mou and Green. Note that besides Tang Junyi (唐君毅), no Modern Confucian has knowledge in British idealism. In fact, even Tang's acquaintance of British idealists is merely limited to F. H. Bradley and Bernard Bosanquet. To a large extent, up to now Green's name remains unknown, not only to the Modern Confucian, but also Chinese circles in general. In this regard, Tseng has not only done a great service in creating a dialogue between Modern Confucianism and Green's idealism, but is also able to provide a concise but subtle exposition of Green's idealism. In taking care of Green's Hegelian version of ethical liberalism, Tseng's approach is especially significant in trying to re-activate Mencius's idea of the people of fundamental (民本 *minben*). Interestingly enough, in terms of linking Mou's political philosophy to Green's liberalism, Tseng also tries to counterbalance the renowned Chinese-American historian Yu Yingshi's (余英時) challenge that "the connection between Confucianism and the political and social systems was broken, and institutionalized Confucianism died" (p. 280).

In sum, one might appreciate the following major contributions of Tseng's volume.

First, in creating an inter-cultural dialogue between Mou and Green, he shows how Modern Confucianism can concretize Mencius's idea of "humane government" (仁政) as a Hegelian version of ethical liberalism.

Second, in "making better sense of Confucian *res publica* as a nondominant conception of the common good" (p. 279), Tseng introduces Green's perfectionist liberalism. In his eyes, "Green's notion of the common good identified as a 'good for each and all' demands that the state should strive to remove obstacles to every citizen's self-realization, meaning that the business of the state is to create equal conditions for all citizens to attain self-realization by sustaining a system of rights and duties" (p. 241).

Finally, in achieving a synthesis of positive and negative freedom, Tseng relates Modern Confucianism to Green's liberalism. At this juncture, Tseng also justifies his Hegelian, rather than Kantian, line in reconstructing Mou's Confucian political philosophy. For Tseng, this is the only way for Mou's Confucian liberalism to overcome "the two extreme poles of anti-Confucian liberalism and anti-liberal Confucianism" (p. 245).

Seen from a reflective perspective, Tseng should be, first of all, appreciated in being able to stress the important role played by the concept of "individuality" in Confucianism. As is well-known, Hegel complained that the oriental culture lacks the principle of individuality. In fact, although Mou tried to meet Hegel's challenge by arguing that besides moral subjectivity, Chinese culture also appreciates aesthetics subjectivity. However, Mou's solution failed, for it suffers from confusing "individuality" with "subjectivity." In reality, Mou ignored that the individual is defined with reference to community, while subjectivity is defined against objectivity. All this indicates that Mou remains imprisoned within the boundary of monological approach.

To be critical, more importantly, despite Tseng's effort, the whole result achieved in this volume is limited in following idealistic traditions. To be sure, turning to Green's British idealism for help, Tseng is able to go beyond Mou's Kant-Fichtean idealism. Nonetheless, as Habermas observes, neither idealism nor philosophy of consciousness (*Bewußtseinsphilosophie*) can survive in this age of post-metaphysical thinking. Both Modern Confucianism and British idealism are, in essence, different forms of philosophy of consciousness. As a result, they are subjected to the Habermasian critique. This indicates that in order to preserve what Tseng has shown the advantages of a Confucian liberalism, it is necessary to abolish an idealistic philosophical framework. That is, a paradigmatic change to post-metaphysical thinking is necessary. To be more precise, it is only within a framework of communicative rationality that one is able to work out a viable concept of individuality in terms of inter-subjectivity. The fundamental limitation of Modern Confucianism and British Idealism is shown their blindness to the primacy of inter-subjectivity. Indeed, in spite of Tseng's attempt, neither Mou nor Green is able to do justice to the fact that individualization *is* socialization. Furthermore, if a social-political philosophy is grounded in an idealistic framework which centered on an infinite mind or absolute spirit, then one can hardly explain why it on the political level does not turn to an all-powerful dictator as its corporal representative. In fact, paradoxically, out of Mou's

original expectation, his idealistic political philosophy can well be employed to support the current dictatorship in Mainland China. In this way, to ground a political philosophy upon idealism would rather create an obstruction for its way linking toward liberalism. In my recent work, *A New Interpretation of the Doctrine of Force* (qi) *and the Threefold Typology of Song-Ming Neo-Confucianism* (《氣論與宋明儒三系說新解》, Hsinchu: National Tsing-Hua University Publisher, 2023), I show that Mou's moral metaphysics collapsed in the face of the challenges coming from Zhili's (知禮) criticism against the Shanwai (山外) School, Heidegger's overcoming of subjectivistic metaphysics as well as Habermas's critique of metaphysical thinking. As a matter of fact, even seen from an etymological standpoint, the term "society" in Greek is *koinonia*, and in Latin is *societas* or *communitas,* while the term "state" in Greek is *polis,* and in Latin is *civitas*. All of their meanings indicate the primacy of community. However, such a position is missing in Mou's work. Accordingly, this points to the necessity of a more radical self-transformation of Confucianism.

As a running remark, to my knowledge, Tseng is currently conducting research on the Scottish School. This may help him to recognize that the internalization of Adam Smith's political economy and his theory of moral sentiments, as well as Adam Ferguson's doctrine of the primacy of community, is essential for the future development of Confucian liberalism. Historically, it is a pity that although the major representatives of Modern Confucianism such as Mou and Tang enjoyed the golden age of Hong Kong, they overlooked the function of Adam Smith's political philosophy exercised in this former British colony. Such a limitation also accounts for the necessity for Tseng to reformulate his version of Confucian liberalism.

Finally, it should be pointed out that despite the aforementioned critical remarks on Tseng's volume, one should not undermine its valuable contributions. In particular, Tseng's exploration of Confucian liberalism along the lines of British idealism should be appreciated in terms of following Hegel's viable legacy: a modern state must be founded upon the principle of freedom as its basic idea; the *Folksgeist* functions as the substance of historical development. In this regard, Tseng's volume should be welcomed not only by Western readers but also by Chinese scholars.

# Author Index

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Laurent Dobuzinskis
Department of Political Science
Simon Fraser University
AQ6069—8888 University Drive
Burnaby, B.C.
Canada V5A 1S6

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