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Introduction

Friedrich August von Hayek (1899–1992) was almost certainly the most consequential thinker of the mainstream political right in the twentieth century. It is just possible that he was the most consequential twentieth-century political thinker, right or left, period. The apparent triumph of global capitalism at the dawn of the twenty-first century owes as much to his influence on policymakers and shapers of public opinion as it does to that of any other intellectual figure. Hayek's semi-popular book *The Road to Serfdom* (1944) was a key text of the emerging New Right, a movement whose influence ultimately made possible the elections of Margaret Thatcher, Ronald Reagan, and George W. Bush. Reagan claimed that his thinking on economics was directly influenced by Hayek's writings. Thatcher famously tried once to end debate on Conservative Party policy by slamming a copy of Hayek's more dryly academic tome *The Constitution of Liberty* (1960) down on the table and exclaiming, "*This* is what we believe!" Even Winston Churchill, long before the New Right's ascendancy, was moved by an (apparently superficial) reading of *The Road to Serfdom* to warn that the election of his opponent Clement Attlee in 1945 might result in the institution of a "Gestapo" to enforce Attlee's socialist economic policy. (Many suggested at the time that this rash charge might have cost Churchill the election; Hayek's influence on politicians did not always entail their political success.) A John Rawls or Isaiah Berlin, however much greater was the esteem with which such thinkers were regarded by most of their academic peers, could only envy such direct impact on practical politics.[1]

No doubt there are many who would regard Hayek's influence, and especially his influence on the political right, as a dubious

distinction. But whatever one's opinion of Hayek's political views, no such misgivings can reasonably derive from a dispassionate assessment of the quality of his intellectual output. Hayek's technical work in economics, the field in which he first made his reputation, garnered him the Nobel Prize in 1974 (though he had to share it with his ideological opposite Gunnar Myrdal). Together with his friend and mentor Ludwig von Mises, he developed what is widely regarded (including by many who are otherwise unsympathetic to his views) to be the decisive argument against the very possibility of a socialist economic order. This work eventually led him beyond economics into a wide-ranging examination of the nature of liberal capitalist society, and of the nature of complex systems in general, whether economic, social, or otherwise. The result was an intricate system of thought encompassing worked-out theories not only in economics and social and political philosophy, but also in the philosophy of law, the philosophy of science, and cognitive science. In the last-mentioned of these fields, Hayek is now recognized as having invented, contemporaneously with but independently of D. O. Hebb, the connectionist or parallel distributed processing model of the mind that has become the main rival to the long-dominant symbolic processing paradigm. In the philosophy of social science, he is acknowledged to have made an important contribution to our understanding of the nature of explanations of complex social phenomena. In general social and political theory, he is regarded as the outstanding twentieth-century representative of the classical liberal tradition of John Locke and Adam Smith.[2] Especially in the European context, but increasingly also in the United States, he appears to be regarded by many intellectuals of the left as *the* thinker of the contemporary mainstream right with whose thought they need to come to terms.[3] Despite a long period in the intellectual wilderness following the offense he caused to prevailing sensibilities by publishing *The Road to Serfdom*, there are signs that Hayek is at long last being welcomed, at least tentatively, into the canon.[4]

The breadth and quality of his work are two reasons for this. Its depth and style are two others. Robert Nozick, who derived much of his libertarian philosophy from his reading of Hayek,[5] had a greater direct influence than Hayek himself did on contemporary academic political philosophy, at least within the analytic tradition. But even Nozick's influence has waned, in large part because of his failure to

answer his many critics or develop his political philosophy beyond the inchoate state in which he had left it in *Anarchy, State, and Utopia* (1974), and thereby to generate a system as impressively worked out as that of his egalitarian liberal rival John Rawls. Hayek's star has risen in large part because he is not so easily accused of dilettantism; the many years he spent outside the mainstream academic conversation were devoted precisely to developing a thorough and systematic description and defense of a classical liberal economic and political order, first given full-dress presentation in *The Constitution of Liberty* and culminating in what is perhaps his greatest work, the three-volume *Law, Legislation, and Liberty* (1973, 1976, 1979). Hayek also presented his arguments in a fashion calculated to appeal to the secular and scientific (indeed, scientistic) temperament of the majority of his intellectual peers, giving him an advantage over other recent thinkers of the right. Conservative intellectuals of a religious bent could more easily be accused (however unjustly) of merely presenting secular rationalizations for positions whose true motivation was theological; while even a genuinely secular conservative philosopher like Michael Oakeshott, though widely respected, was bound, given his more literary style and eschewal of theory, to be dismissed by his ideological opponents (again, however unjustly) as an obscurantist. Hayek also consistently avoided polemic, and never attributed anything but the best motives to his opponents. Unlike more famous twentieth-century defenders of capitalism like Ayn Rand, Hayek cannot be written off as a shrill ideologue or crude popularizer.

That Hayek's work deserves the attention of philosophers in particular should be evident when it is remembered how central to it is a distinctive conception of the nature of human knowledge. For Hayek, there is nothing so important to understand about our knowledge as that it is limited, and limited severely wherever it concerns inherently complex phenomena like human minds and human social institutions. Moreover, even the knowledge we do have is fragmented and dispersed, any particular aspect of it directly available only to particular individuals and groups rather than to society as a whole or to its governmental representatives; and much of it is necessarily tacit, embodied in habits and practices, "know-how" rather than data that might be recorded in propositional form. Much of Hayek's work constitutes a sustained reflection on the

implications of these facts. In economics, the lesson he drew was that prices generated in a free market encapsulate this otherwise ungatherable information and make it available to individuals in a way that makes it possible for them to act so as to ensure as rational an allocation of resources as is practically possible. In law, he concluded that the piecemeal and organic development of the common law, wherein law is discovered in precedent and settled expectations rather than created in an act of legislation, is the paradigm of a rational and humane legal order. In politics, he held that only abstract and largely negative rules of conduct could reasonably be enforced by government within a free society, given the impossibility, as he saw it, of settling objectively the many disputes over matters of value that characterize modern pluralistic societies. In ethics and social theory, he came to believe that tradition played a role similar to that of the price mechanism, embodying the dispersed and inchoate moral insights of millions of individuals across countless generations and sensitive to far more social information than is available to any individual reformer or revolutionary, so that the radical moral innovator suffers from a hubris analogous to that inherent in socialism. In general philosophy, he took the view that there are inherent and insuperable limits on the mind's capacity to grasp the principles governing its own operations, the bulk of which must remain forever unconscious and inarticulable.

This epistemological emphasis in Hayek's work gives his defense of market society certain advantages. Adam Smith's famous appeal to the invisible hand is often interpreted (however mistakenly) as an apologia for unrestrained greed. The trouble with his argument, or so it is said, is that it assumes that human motives will always be base, so that his claim that market incentives impel us to serve others out of our own self-interest is irrelevant if human beings can be taught to act on more altruistic impulses. Hayek makes it clear that the case for the market has nothing essentially to do with motives. Even with the best wills in the world, we would still need the guidance of prices generated in a competitive market (and the information encapsulated therein), given our incurable ignorance of all the relevant economic circumstances. Furthermore, while Smith's emphasis on the advantages of the division of labor might seem to imply that advances in technology, and in particular the development of ever more ingenious labor-saving devices, might eventually make his case for

the market obsolete, Hayek's emphasis on the division of *knowledge* – its inherently scattered and ungatherable character – indicates that the need for market prices and incentives is as unaffected by contingent technological circumstances as it is by motives. This is only reinforced by the tacit element in economic knowledge; for to the extent that such knowledge is embodied in practical wisdom and concrete experience rather than recordable data, it is an illusion to suppose that advances in computing technology might solve the calculation problem facing the would-be economic central planner.

It is also worth noting that, to the extent that Hayek's case for tradition rests on considerations analogous to those underlying his case for the market, the advantages of the latter accrue to the former as well. It is tempting to suppose that, while traditional stigmas and taboos might indeed have had some value in discouraging irresponsible behavior within societies harsher and less compassionate than we take ours to be, they can be readily dispensed with in a therapeutic culture like our own, where gentle persuasion rather than stern moral judgment is the order of the day. But as with market prices, the value of tradition primarily lies in the remedy it supplies, not to our purported defects of character, but to our defects of knowledge. It is not because our forebears were hard-hearted that they had to make do with their austere moral rules; rather, they needed those rules, as we do, because they embody more information about actual human needs than is available to any individual, however patient and tenderhearted. Hayek rescues Edmund Burke, no less than he does Smith, from the charge of cynicism, and reformulates in hard-headed scientific terms an argument that unsympathetic critics of Burke have sometimes tended to dismiss as mere romanticism.

These considerations indicate that Hayek was not merely the most influential of recent mainstream right-of-center thinkers, but perhaps the most quintessential as well. For it is typical of New Right thinking to try to combine an emphasis on free markets, limited government, and individual liberty with the encouragement of personal moral restraint and respect for tradition and religion. Hayek's body of thought weaves these themes together systematically, regarding as it does both the deliverances of market competition and those of tradition as the byproducts of similar selection mechanisms or "filtering processes" (to borrow a term from Nozick),[6] whose rational superiority to the alternatives (the results of central

planning and moral avant-gardism, respectively) derives from their reflecting a far greater range of information about the concrete details of human life. If Hayek explicitly disavowed the label "conservative" in *The Constitution of Liberty*, he also rejected (and in the same book) the label "libertarian."[7] Moreover, his later writings exhibited a marked tendency toward moral conservatism, and also, despite his personal agnosticism, toward a commendation of traditional religious belief as a bulwark of the moral preconditions of market society.[8] A characteristically New Right combination of classical liberal economics and Burkean conservative social theory seems to have been his settled position, and by the end of his life, the label "Burkean Whig" was the one he indicated best characterized his politics.[9]

At the same time, Hayek was never blind to the potential difficulties inherent in this political synthesis, nor dismissive of the serious criticisms of capitalist society and liberal theory presented by thinkers of the left. He explicitly disavowed the ideal of laissez-faire and distanced himself from the sort of free market utopianism common among more extreme libertarians. He thought it foolish to pretend that capitalism always rewards those who work the hardest or are otherwise deserving, advocated a minimal social safety net for those incapable of supporting themselves in the market, and had no objection to government taking on tasks far beyond those defining the "minimal state" of Nozick's libertarianism, so long as this did not result in monopoly and private firms were allowed to compete with government for provision of the services in question. Like Marx, he believed that liberal capitalist society has a tendency to produce alienation, insofar as the impersonal rules of conduct upon which it rests necessarily eschew any reference to a common social end or purpose, and thus cannot satisfy the deepest human yearnings for solidarity. Unlike Marx, he also thought we nevertheless simply have no alternative to capitalism if we want to maintain the level of individual autonomy and material prosperity that are the most prized characteristics of modernity, and that it is naive and dangerous to pretend otherwise. For Hayek, those who would like to combine the autonomy and prosperity with a deeper sense of community are trying to square the circle. We cannot have our cake and eat it too; tragic as it is, we must either choose to follow out the logic of modernity to its conclusion and forever abandon the hope of satisfying those communal desires hardwired into us while we still lived in

bands of hunters and gatherers, or we must return to a premodern form of life and therefore also to a premodern standard of living. There is no third way. Hayek's promotion of a mild Burkean moralism and religiosity would seem to be his way of taking the bite out of this unhappy situation, as far as that is possible; a stolid bourgeois allegiance to what is left in the modern world of the traditional family and the church or synagogue would seem in his view to be all we have left to keep us warm in the chilly atmosphere of liberal individualism and market dynamism.[10]

Clearly, Hayek's thought is rich with nuances; equally clearly, it is open to possible challenges on several fronts. Both the nuances and the challenges are amply explored in the essays comprising this volume.

Bruce Caldwell's "Hayek and the Austrian tradition" lays the groundwork for the rest of the collection by setting out the details of Hayek's personal and intellectual background in the Austria of the early twentieth century. Caldwell recounts Hayek's early family life and education, his encounter with the thought of Ernst Mach and the Vienna Circle of logical positivists, and his relationship to the Austrian School in economics and its controversies with other schools of thought. The central themes that dominated Hayek's thinking throughout the course of his life, Caldwell suggests, bear the imprint of his formation within the Austrian tradition.

In "Hayek on money and the business cycle," Roger E. Backhouse provides an exposition of some of the central themes of Hayek's early technical work in economics, including those bearing on his favored explanation of the great depression. He also addresses certain difficulties with Hayek's work, in particular his theory of capital, and compares it with the Keynesian paradigm to which it ultimately lost out.

Peter J. Boettke's "Hayek and market socialism" considers another facet of Hayek's early work in economics, namely his contribution to the socialist calculation debate. Boettke recounts the arguments of Hayek's mentor Ludwig von Mises against the very possibility of socialism, and the arguments deployed by various "market socialists" in the hope of countering Mises' objections. He then shows how Hayek's own position, developed in order to undermine the arguments of the market socialists, expanded upon and deepened Mises' insights in a way that led eventually to his distinctive epistemologically based conception of liberal political economy.

Marx was, of course, the most consequential of all socialist thinkers, and Hayek is regarded by many as a kind of anti-Marx, a guru and theoretician of capitalism who played a role in its defense analogous to that played by Marx in critiquing it. A systematic comparison of the two thinkers is therefore in order, and in "Hayek and Marx," Meghnad Desai provides just this, focusing on their respective analyses of money, capital, and economic cycles.

John Maynard Keynes was Hayek's great contemporary rival, and their disagreements over economic theory and policy are well known. But as Robert Skidelsky shows in "Hayek versus Keynes: the road to reconciliation," the two men had in common a commitment to liberalism and liberal institutions, and to a great extent their differences concerned means rather than ends. Skidelsky's examination of these agreements and differences focuses on what each man had to say about the great depression, the war economy, and the dangers inherent in state intervention, and indicates respects in which sometimes Hayek, and sometimes Keynes, had the better of the argument.

Andrew Gamble's essay "Hayek on knowledge, economics, and society" provides a natural transition from the more economics-oriented topics of the preceding essays to the broad philosophical and political themes treated in the remaining chapters of the volume. Gamble explores the various aspects and implications of Hayek's theory of knowledge, including his critique of what he took to be the excessive rationalism inherent not only in rival positions in economics, but also in most modern thinking about politics, morality, and the social world generally. He also suggests that Hayek did not entirely succeed in extricating himself from the very tendencies of thought he criticized.

Anthony O'Hear's "Hayek and Popper: the road to serfdom and the open society" compares and contrasts Hayek's arguments in *The Road to Serfdom* with those of one of the other great diagnosticians of totalitarianism in the twentieth century, Hayek's friend Karl Popper. Along the way, O'Hear considers some difficulties with each author's position, but also suggests that, despite the collapse of the systems they criticized, what is of lasting value in their arguments has yet to be fully appreciated.

In "Hayek's politics," Jeremy Shearmur explores the ways in which Hayek's emphasis on the limitations of our knowledge and

the moral dangers inherent in central planning influenced his distinctive conceptions of liberty, the rule of law, and the impossibility of realizing an ideal of "social justice" in a market-based society. Shearmur regards the lines of argument Hayek deployed in *The Road to Serfdom* as key to his overall political thought, and traces their development in Hayek's mind in the years leading up to the book's publication. He also considers the tensions in Hayek's thought entailed by his advocacy of a limited degree of "social engineering" in order to bring existing political institutions more into line with his own favored principles.

Aeon J. Skoble's "Hayek the philosopher of law" examines the way in which Hayek's conception of the limitations of knowledge and the dangers of centralized direction led him to a distinctive philosophy of law, one which saw in the English common law a paradigm of a rational legal order and led him to make a crucial distinction between law and legislation. Along the way, Skoble considers several objections that critics have made to Hayek's account and how they might be answered.

Hayek stood in the broad liberal tradition, but on the "classical" rather than the modern and egalitarian side of it. Chandran Kukathas's "Hayek and liberalism" examines Hayek's relationship to this latter, rival brand of liberalism, and suggests that his theoretical differences with it originate from the overriding practical concern he had in countering the dangerous nationalist and totalitarian tendencies that characterized world politics in the twentieth century. This concern led Hayek to be less interested in abstract philosophical foundations than most contemporary liberals are, and more attentive to the concrete features of liberal institutions. It also led him to endorse a thoroughgoing internationalism that would have made him far less exercised by communitarian criticism than some recent egalitarian liberal theorists are.

This internationalism is, in Roger Scruton's view, precisely where Hayek differs most sharply from the conservative tradition in political thought – a tradition to which, as Scruton argues in "Hayek and conservatism," Hayek was otherwise in many respects very close. Scruton also regards it as the greatest potential weakness in Hayek's political philosophy. For citizens' commitment to the liberal institutions Hayek favored arguably cannot be sustained over time without a greater sense of loyalty to the nation in which

those institutions are embedded than liberals are usually comfortable with.

In "Hayek on the evolution of society and mind," Gerald F. Gaus presents a systematic exposition of Hayek's account of the interconnected evolutionary processes he saw as molding both social institutions and the individual human mind, laying bare its many subtleties and complex theoretical structure. Gaus argues that the standard objections to Hayek's theory of cultural evolution rest on misinterpretations, and that many of his critics do not appreciate its richness and sophistication because they fail to interpret it in the context of his larger system of ideas.

Eric Mack's "Hayek on justice and the order of actions" provides an equally systematic account of Hayek's conception of just rules of individual conduct and their role in generating and maintaining the sort of unplanned but nevertheless rational large-scale pattern of human actions that Hayek regarded as essential to a free and pluralistic society. In Mack's view, Hayek's defense of his favored conception of justice is teleological without being utilitarian.

Finally, Edward Feser's "Hayek the cognitive scientist and philosopher of mind" examines the philosophical themes contained in Hayek's treatise in cognitive science, *The Sensory Order*. Feser situates Hayek's views firmly within the history of twentieth-century philosophy of mind, relating them to those of Hayek's contemporaries Schlick, Russell, Carnap, and Wittgenstein, and noting the respects in which they foreshadow the views of more recent thinkers. In Feser's estimation, Hayek's philosophy of mind constitutes an impressive synthesis that is superior in many ways to other and better-known naturalistic approaches. But, as he also recounts, Hayek's way of carrying out a naturalistic analysis of the mind opened him up to a possibly fatal set of objections presented by his friend Karl Popper. Yet the upshot of Popper's criticisms if anything only reinforces the critique of scientism that was so central a theme of Hayek's work.

NOTES

1. See Ebenstein 2001 for discussion of Hayek's influence, especially ch. 17 (which deals with his post-*Road to Serfdom* celebrity, including the Churchill episode), ch. 26 (which discusses his general influence on