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THE COLLECTED WORKS OF
F. A. Hayek

VOLUME XIII

STUDIES ON THE ABUSE AND
DECLINE OF REASON
Text and Documents

EDITED BY
BRUCE CALDWELL



The University of Chicago Press

THE COLLECTED WORKS OF F. A. HAYEK

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EDITORIAL FOREWORD

It is with considerable pleasure, pride, and relief that I present to the reader volume 13 of *The Collected Works of F. A. Hayek*. For reasons explained in the editor’s introduction, *Studies on the Abuse and Decline of Reason* pairs the essays found in Hayek’s 1952 book, *The Counter-Revolution of Science*, with his famous piece “Individualism: True and False”. That one should feel both pride and pleasure in bringing out a new edition of these important texts is self-evident. The relief comes from the knowledge that no more footnotes need be checked!

The “Scientism and the Study of Society” and “The Counter-Revolution of Science” essays originally appeared in the journal *Economica* during World War II. Hayek frequently quoted from French and German sources, sometimes providing translations, and sometimes not. Typographical errors occasionally occurred, particularly in the spelling of foreign words. When the texts were reset for the Free Press edition of 1952, more errors crept in. Finally, quite apart from the question of French and German passages, Hayek himself was not always accurate in his citation practices. When he quoted others, sometimes the quotation he provided was different from what was found in the original. And sometimes the reference that accompanied the quotation was wrong in some way: for example, the author’s name was misspelled, or the volume number of a journal or a page number was incorrect.

Given these multiple possible sources of errors, the following guidelines were followed in correcting the text. All typographical errors in the text proper were silently corrected. All misspellings in the French and German passages were similarly corrected silently, and when not provided by Hayek, translations for the passages were given.

When Hayek quoted others, any errors in a quotation were usually silently corrected. The exception was when Hayek made a small change to allow the quotation to fit better into his own surrounding prose. If there was any possibility that a correction of the text might introduce a meaning change, this was noted. Direct quotations by Hayek of others were indicated by the use of double quotation marks. Single quotation marks were used by Hayek for emphasis, and they have been retained.

Finally, in Hayek’s citations, errors in the title of a book or journal were

THE SUBJECTIVE CHARACTER OF THE DATA OF THE SOCIAL SCIENCES

Before we proceed to consider the effect of scientism on the study of society it will be expedient briefly to survey the peculiar object and the methods of the social studies. They deal not with the relations between things, but with the relations between men and things or the relations between man and man. They are concerned with man's actions, and their aim is to explain the unintended or undesigned results of the actions of many men.

Not all the disciplines of knowledge which are concerned with the life of men in groups, however, raise problems which differ in any important respect from those of the natural sciences. The spread of contagious diseases is evidently a problem closely connected with the life of man in society and yet its study has none of the special characteristics of the social sciences in the narrower sense of the term. Similarly the study of heredity, or the study of nutrition, or the investigation of changes in the number or age composition of populations, does not differ significantly from similar studies of animals.¹ And the same applies to certain branches of anthropology, or ethnology, insofar as they are concerned with physical attributes of men. There are, in other words, natural sciences of man which do not necessarily raise problems with which we cannot cope with the methods of the natural sciences. Wherever we are concerned with unconscious reflexes or processes in the human body there is no obstacle to treating and investigating them 'mechanically' as caused by objectively observable external events. They take place without the knowledge of the man concerned and without his having power to modify them; and the conditions under which they are produced can be established by external observation without recourse to the assumption that the person observed classifies the external stimuli in any way differently from that in which they can be defined in purely physical terms.

The social sciences in the narrower sense, that is, those which used to be described as the moral sciences,² are concerned with man's conscious or

¹ Most of the problems of this latter group will, however, raise problems of the kind characteristic of the social sciences proper when we attempt to explain them.

² Sometimes the German term *Geisteswissenschaften* is now used in English to describe the social sciences in the specific narrow sense with which we are here concerned. But this German term

reflected action, actions where a person can be said to choose between various courses open to him, and here the situation is essentially different. The external stimulus which may be said to cause or occasion such actions can of course also be defined in purely physical terms. But if we tried to do so for the purposes of explaining human action, we would confine ourselves to less than we know about the situation. It is not because we have found two things to behave alike in relation to other things, but because they appear alike to us, that we expect them to appear alike to other people. We know that people will react in the same way to external stimuli which according to all objective tests are different, and perhaps also that they will react in a completely different manner to a physically identical stimulus if it affects their bodies in different circumstances or at a different point. We know, in other words, that in his conscious decisions man classifies external stimuli in a way which we know solely from our own subjective experience of this kind of classification. We take it for granted that other men treat various things as alike or unlike just as we do, although no objective test, no knowledge of the relations of these things to other parts of the external world justifies this. Our procedure is based on the experience that other people as a rule (though not always—for example, not if they are colour-blind or mad) classify their sense impressions as we do.

But we not only know this. It would be impossible to explain or understand human action without making use of this knowledge. People do behave in the same manner towards things, not because these things are identical in a physical sense, but because they have learned to classify them as belonging to the same group, because they can put them to the same use or expect from them what to the people concerned is an equivalent effect. In fact, most of the objects of social or human action are not 'objective facts' in the special narrow sense in which this term is used by the Sciences and contrasted to 'opinions', and they cannot at all be defined in physical terms. So far as human actions are concerned the things *are* what the acting people think they are.

This is best shown by an example for which we can choose almost any object of human action. Take the concept of a 'tool' or 'instrument', or of any particular tool such as a hammer or a barometer. It is easily seen that these concepts cannot be interpreted to refer to 'objective facts', that is, to

was introduced by the translator of J. S. Mill's *Logic* to render the latter's moral sciences, and so there seems to be little case for using this translation instead of the original English term. [Hayek refers to John Stuart Mill, *System of Logic Ratiocinative and Inductive, Being a Connected View of the Principles of Evidence and the Methods of Scientific Investigation* [1843], ed. J. M. Robson, comprising vols. 7 (1973) and 8 (1974) of *Collected Works of John Stuart Mill*. The first German translation of Mill's *Logic* was *System der deduktiven und induktiven Logik: Eine Darlegung der Prinzipien wissenschaftlicher Forschung, insbesondere der Naturforschung*, translated by Jacob Schiel (Braunschweig: Vieweg, 1862–63).—Ed.]

things irrespective of what people think about them. Careful logical analysis of these concepts will show that they all express relationships between several (at least three) terms, of which one is the acting or thinking person, the second some desired or imagined effect, and the third a thing in the ordinary sense. If the reader will attempt a definition he will soon find that he cannot give one without using some term such as 'suitable for' or 'intended for' or some other expression referring to the use for which it is designed by somebody.³ And a definition which is to comprise all instances of the class will not contain any reference to its substance, or shape, or other physical attribute. An ordinary hammer and a steam-hammer, or an aneroid barometer and a mercury barometer, have nothing in common except the purpose⁴ for which men think they can be used.

³It has often been suggested that for this reason economics and the other theoretical sciences of society should be described as 'teleological' sciences. This term is, however, misleading as it is apt to suggest that not only the actions of individual men but also the social structures which they produce are deliberately designed by somebody for a purpose. It leads thus either to an 'explanation' of social phenomena in terms of ends fixed by some superior power or to the opposite and no less fatal mistake of regarding all social phenomena as the product of conscious human design, to a 'pragmatic' interpretation which is a bar to all real understanding of these phenomena. Some authors, particularly O. Spann, have used the term *teleological* to justify the most abstruse metaphysical speculations. Others, like K. Engliš, have used it in an unobjectionable manner and sharply distinguished between teleological and normative sciences. See particularly the illuminating discussions of the problem in Karel Engliš, *Teleologische Theorie der Staatswirtschaft* (Brünn: R. M. Rohrer, 1933). But the term remains nevertheless misleading. If a name is needed, the term *praxeological* sciences, deriving from A. Espinas, adopted by T. Kotarbinski and E. Slutsky, and now clearly defined and extensively used by Ludwig von Mises, *Nationalökonomie*, would appear to be the most appropriate. [Austrian sociologist and economist Othmar Spann (1878–1950), prophet of 'intuitive universalism', was a critic of democracy, individualism, socialism, and liberalism, and for a time was Hayek's teacher at the University of Vienna. For more on Spann, see Caldwell, *Hayek's Challenge*, pp. 138–39. For more on Czech economist Karel Engliš's (1880–1961) teleological approach to the study of economics, see Jaroslav G. Polach's introduction to Engliš's book *An Essay on Economic Systems: A Teleological Approach*, translated by Ivo Moravčík (Boulder, CO: East Europe Monographs, 1986). French scholar Alfred Victor Espinas (1844–1922), who appears to have been the first to use the term *praxeology* in his article "Les origines de la technologie", *Revue philosophique*, vol. 30, August 1890, pp. 114–15, argued that social science should be based on organicism and evolutionism. Polish philosopher Tadeusz Kotarbinski (1886–1981) wrote on the philosophy of action utilising praxeological categories; both he and Oskar Lange thought that the use of such categories could improve the workings of a socialist economy. Russian economist Eugen Slutsky (1880–1948), best remembered among economists for identifying the income and substitution effects of a price change in his Slutsky equation, also made contributions in statistics and probability theory. Austrian economist Ludwig von Mises (1881–1973) was Hayek's mentor and friend; besides using the term in his 1940 book, he identified praxeology as constituting 'the science of human action' in part 1 of his book, *Human Action: A Treatise on Economics* (New Haven: Yale University Press, 1949; 3rd revised edition, Chicago: Henry Regnery, 1966).—Ed.]

⁴While the great majority of the objects or events which determine human action, and which from that angle have to be defined not by their physical characteristics but by the human atti-

It must not be objected that these are merely instances of abstractions to arrive at generic terms just as those used in the physical sciences. The point is that they are abstractions from *all* the physical attributes of the things in question and that their definitions must run entirely in terms of mental attitudes of men towards the things. The significant difference between the two views of the things stands out clearly if we think, for example, of the problem of the archaeologist trying to determine whether what looks like a stone implement is in truth an 'artefact', made by man, or merely a chance product of nature. There is no way of deciding this but by trying to understand the working of the mind of prehistoric man, of attempting to understand how he would have made such an implement. If we are not more aware that this is what we actually do in such cases and that we necessarily rely on our own knowledge of the working of a human mind, this is so mainly because of the impossibility of conceiving of an observer who does not possess a human mind and interprets what he sees in terms of the working of his own mind.

We can do no better when describing this difference between the approach of the natural and that of the social sciences than to call the former 'objective' and the latter 'subjective'. Yet these terms are ambiguous and might prove misleading without further explanation. While for the natural scientist the contrast between objective facts and subjective opinions is a simple one, the distinction cannot as readily be applied to the object of the social sciences. The reason for this is that the object or the 'facts' of the social sciences are also opinions—not opinions of the student of the social phenomena, of course, but opinions of those whose actions produce the object of the social scientist. In one sense his facts are thus as little 'subjective' as those of the natural sciences, because they are independent of the particular observer; what he studies is not determined by his fancy or imagination but is in the same manner given to the observation by different people. But in another sense in which we distinguish facts from opinions, the facts of the social sciences are merely opinions, views held by the people whose actions we study. They differ from the facts of the physical sciences in being beliefs or opinions held by particular people, beliefs which as such are our data, irrespective of whether they are true or false, and which, moreover, we cannot directly observe in the minds of the people but which we can recognise from what they do and say merely because we have ourselves a mind similar to theirs.

tudes towards them, are means for an end, this does not mean that the purposive or 'teleological' nature of their definition is the essential point. The human purposes for which different things serve are the most important, but still only one, kind of human attitudes which will form the basis of such classification. A ghost or a bad or good omen belongs no less to the class of events determining human action which have no physical counterpart, although such cannot possibly be regarded as an instrument of human action.

In the sense in which we here use the contrast between the subjectivist approach of the social sciences and the objectivist approach of the natural sciences it says little more than what is commonly expressed by saying that the former deal in the first instance with the phenomena of individual minds, or mental phenomena, and not directly with material phenomena. They deal with phenomena which can be understood only because the object of our study has a mind of a structure similar to our own. That this is so is no less an empirical fact than our knowledge of the external world. It is shown not merely by the possibility of communicating with other people—we act on this knowledge every time we speak or write; it is confirmed by the very results of our study of the external world. So long as it was naïvely assumed that all the sense qualities (or their relations) which different men had in common were properties of the external world, it could be argued that our knowledge of other minds is no more than our common knowledge of the external world. But once we have learned that our senses make things appear to us alike or different which prove to be alike or different in none of their relations between themselves, but only in the way in which they affect our senses, this fact that men classify external stimuli in a particular way becomes a significant fact of experience. While qualities disappear from our scientific picture of the external world they must remain part of our scientific picture of the human mind. In fact, the elimination of qualities from our picture of the external world does not mean that these qualities do not 'exist', but that when we study qualities we study not the physical world but the mind of man.

In some connections, for instance when we distinguish between the 'objective' properties of things which manifest themselves in their relations to each other, and the properties merely attributed to them by men, it might be preferable to contrast 'objective' with 'attributed', instead of using the ambiguous term *subjective*. The word *attributed* is, however, only of limited usefulness. The main reasons why it is expedient to retain the terms *subjective* and *objective* for the contrast with which we are concerned, although they inevitably carry with them some misleading connotations, are that most of the other available terms, such as *mental* and *material*, carry with them an even worse burden of metaphysical associations, and that at least in economics⁵ the term *subjective* has long been used precisely in the sense in which we use it here. What is more important is that the term *subjective* stresses another important fact to which we shall yet have to refer: that the knowledge and beliefs of different people, while possessing that common structure which makes communication possible, will yet be different and often conflicting in many respects. If we could assume that all the knowledge and beliefs of different people were identical, or if we were concerned with a single mind, it would not matter whether we

⁵I believe also in the discussions on psychological methods.

described it as an 'objective' fact or as a subjective phenomenon. But the concrete knowledge which guides the action of any group of people never exists as a consistent and coherent body. It only exists in the dispersed, incomplete, and inconsistent form in which it appears in many individual minds, and the dispersion and imperfection of all knowledge are two of the basic facts from which the social sciences have to start. What philosophers and logicians often contemptuously dismiss as a 'mere' imperfection of the human mind becomes in the social sciences a basic fact of crucial importance. We shall later see how the opposite 'absolutist' view, as if knowledge, and particularly the concrete knowledge of particular circumstances, were given 'objectively', that is, as if it were the same for all people, is a source of constant errors in the social sciences.

The 'tool' or 'instrument' which we have before used as an illustration of the objects of human action can be matched by similar instances from any other branch of social study. A 'word' or a 'sentence', a 'crime' or a 'punishment'⁶ is of course not an objective fact in the sense that it can be defined without referring to our knowledge of people's conscious intentions with regard to it. And the same is quite generally true wherever we have to explain human behaviour towards things; these things must then not be defined in terms of what we might find out about them by the objective methods of science, but in terms of what the person acting thinks about them. A medicine or a cosmetic, for example, for the purposes of social study, is not what cures an ailment or improves a person's looks, but what people think will have that effect. Any knowledge which we may happen to possess about the true nature of the material thing, but which the people whose action we want to explain do not possess, is as little relevant to the explanation of their actions as our private disbelief in the efficacy of a magic charm is to understanding the behaviour of the savage who believes in it. If in investigating our contemporary society the 'laws of nature', which we have to use as a datum because they affect people's actions, are approximately the same as those which figure in the works of the natural scientists, this is for our purposes an accident which must not deceive us about the different character of these laws in the two fields. What is relevant in the study of society is not whether these laws of nature are true in any objective sense, but solely whether they are believed and acted upon by the people. If the current 'scientific' knowledge of the society which we study included the belief that the soil will bear not fruit till

⁶It is sheer illusion when some sociologists believe that they can make 'crime' an objective fact by defining it as those acts for which a person is punished. This only pushes the subjective element a step further back, but does not eliminate it. Punishment is still a subjective thing which cannot be defined in objective terms. If, for example, we see that every time a person commits a certain act he is made to wear a chain around his neck, this does not tell us whether it is a reward or a punishment.

certain rites or incantations are performed, this would be quite as important for us as any law of nature which we now believe to be correct. And all the 'physical laws of production' which we meet, for example, in economics, are not physical laws in the sense of the physical sciences, but people's beliefs about what they can do.

What is true about the relations of men to things is, of course, even more true of the relations between men, which for the purposes of social study cannot be defined in the objective terms of the physical sciences but only in terms of human beliefs. Even such a seemingly purely biological relationship as that between parent and child is in social study not defined in physical terms and cannot be so defined for their purposes: it makes no difference with regard to people's actions whether their belief that a particular child is their natural offspring is mistaken or not.

All this stands out most clearly in that among the social sciences whose theory has been most highly developed, economics. And it is probably no exaggeration to say that every important advance in economic theory during the last hundred years was a further step in the consistent application of subjectivism.⁷ That the objects of economic activity cannot be defined in objective terms but only with reference to a human purpose goes without saying. Neither a 'commodity' or an 'economic good', nor 'food' or 'money', can be defined in physical terms but only in terms of views people hold about things. Economic theory has nothing to say about the little round disks of metal as which an objective or materialist view might try to define money. It has nothing to say about iron or steel, timber or oil, or wheat or eggs as such. The history of any particular commodity indeed shows that as human knowledge changes the same material thing may represent quite different economic categories. Nor could we distinguish in physical terms whether two men barter or exchange or whether they are playing some game or performing some religious ritual. Unless we can understand what the acting people mean by their

⁷This is a development which has probably been carried out most consistently by Ludwig von Mises, and I believe that most peculiarities of his views which at first strike many readers as strange and unacceptable trace to the fact that in the consistent development of the subjectivist approach he has for a long time moved ahead of his contemporaries. Probably all the characteristic features of his theories—from his theory of money (so much ahead of the time in 1912) to what he calls his *a priorism*—his views about mathematical economics in general and the measurement of economic phenomena in particular, and his criticism of planning all follow directly (although, perhaps, not all with the same necessity) from this central position. See particularly his *Grundprobleme der Nationalökonomie* (Jena: G. Fischer, 1933) and *Human Action*. [In mentioning Mises's 'theory of money' Hayek refers to Ludwig von Mises, *Theorie des Geldes und der Umlaufsmittel* (Munich: Duncker and Humblot, 1912; 2nd ed., 1924), 2nd edition translated by H. E. Batson as *The Theory of Money and Credit* (London: Cape, 1934; reprinted, Indianapolis, IN: LibertyClassics, 1981). Mises's *Grundprobleme* is also now available in English as *Epistemological Problems of Economics*, translated by George Reisman (Princeton, NJ: Van Nostrand, 1960).—Ed.]

actions any attempt to explain them, that is, to subsume them under rules which connect similar situations with similar actions, is bound to fail.⁸

This essentially subjective character of all economic theory, which it has developed much more clearly than most other branches of the social sciences,⁹ but which I believe it has in common with all the social sciences in the narrower sense, is best shown by a closer consideration of one of its simplest theorems, for example, the 'law of rent'. In its original form this was a proposition about changes in the value of a thing defined in physical terms, namely, land. It stated, in effect,¹⁰ that changes in the value of the commodities in the production of which land was required would cause much greater changes in the value of land than in the value of the other factors whose co-operation was required. In this form it is an empirical generalisation which tells us neither why nor under what conditions it will be true. In modern economics its place is taken by two distinct propositions of different character which together lead to the same conclusion. One is part of pure economic theory and asserts that whenever in the production of one commodity different (scarce) factors are

⁸This was seen very clearly by some of the early economists, but later obscured by the attempts to make economics 'objective' in the sense of the natural sciences. Ferdinando Galiani, for example, in his *Della Moneta* (1751) emphasised that "those things are equal which afford equal satisfaction to the one with respect to whom they are said to be equivalent. Anyone who seeks equality elsewhere, following other principles, and expects to find it in weight, or similarity of appearance, will show little understanding of the facts of human life. A sheet of paper is often the equivalent of money, from which it differs both in weight and appearance; on the other hand, two moneys of equal weight and quality, and similar in appearance, are often not equal" (in *Early Economic Thought: Selections from Economic Literature Prior to Adam Smith*, ed. Arthur Eli Monroe (Cambridge, MA: Harvard University Press, 1930), p. 303 [pp. 303–4]). [Italian economist and civil servant Ferdinando Galiani (1728–87) was only 22 when he published *Della Moneta*, or *Money*. In it he developed, among other things, a subjective approach to the theory of value.—Ed.]

⁹Except probably linguistics, for which it may indeed be claimed with some justification that it "is of strategic importance for the methodology of the social sciences" (Edward Sapir, *Selected Writings in Language, Culture, and Personality*, ed. David G. Mandelbaum (Berkeley: University of California Press, 1949), p. 166). Sapir, whose writings were unknown to me when I wrote this essay, stresses many of the points here emphasised. See, for instance, *ibid.*, p. 46: "No entity in human experience can be adequately defined as the mechanical sum or product of its physical properties", and "all significant entities in experience are thus revised from the physically given by passing through the filter of the functionally or relatedly meaningful".

¹⁰In the extreme Ricardian form the statement is, of course, that a change in the value of the product will affect *only* the value of the land and leave the value of the co-operating labour altogether unaffected. In this form (connected with Ricardo's 'objective' theory of value) the proposition can be regarded as a limiting case of the more general proposition stated in the text. [Hayek refers to the theory of rent and labour theory of value articulated by the English economist David Ricardo (1772–1823) in his *On the Principles of Political Economy and Taxation* [3rd ed., 1821], reprinted as vol. 1 (1951) of *The Works and Correspondence of David Ricardo*, ed. Piero Sraffa with the collaboration of M. H. Dobb (Cambridge: For the Royal Economic Society by Cambridge University Press, 1951–73).—Ed.]

required in proportions which can be varied, and of which one can be used only for this purpose (or only for comparatively few) while the others are of a more general usefulness, a change in the value of the product will affect the value of the former more than that of the latter. The second proposition is the empirical statement that land is as a rule in the position of the first kind of factor, that is, that people know of many more uses of their labour than they will know for a particular piece of land. The first of these propositions, like all propositions of pure economic theory, is a statement about the implications of certain human attitudes towards things and as such necessarily true irrespective of time and place. The second is an assertion that the conditions postulated in the first proposition prevail at a given time and with respect to a particular piece of land, because the people dealing with it hold certain beliefs about its usefulness and the usefulness of other things required in order to cultivate it. As an empirical generalisation it can of course be disproved and frequently will be disproved. If, for example, a piece of land is used to produce some special fruit the cultivation of which requires a certain rare skill, the effect of a fall in the demand for the fruit may fall exclusively on the wages of the men with the special skill, while the value of the land may remain practically unaffected. In such a situation it would be labour to which the 'law of rent' applies. But when we ask why, or how can we find out whether the law of rent will apply in any particular case, no information about the physical attributes of the land, the labour, or the product can give us the answer. It depends on the subjective factors stated in the theoretical law of rent; and only insofar as we can find out what the knowledge and beliefs of the people concerned are in the relevant respects shall we be in a position to predict in what manner a change in the price of the product will affect the prices of the factors. What is true of the theory of rent is true of the theory of price generally: it has nothing to say about the behaviour of the price of iron or wool, of things of such and such physical properties, but only about things about which people have certain beliefs and which they want to use in a certain manner. And our explanation of a particular price phenomenon can therefore also never be affected by any additional knowledge which we (the observers) acquire about the good concerned, but only by additional knowledge about what the people dealing with it think about it.

We cannot here enter into a similar discussion of the more complex phenomena with which economic theory is concerned and where in recent years progress has been particularly closely connected with the advance of subjectivism. We can only point to the new problems which these developments make appear more and more central, such as the problem of the compatibility of intentions and expectations of different people, of the division of knowledge between them, and the process by which the relevant knowledge is acquired

and expectations formed.¹¹ We are not here concerned, however, with the specific problems of economics, but with the common character of all disciplines which deal with the results of conscious human action. The points which we want to stress are that in all such attempts we must start from what men think and mean to do: from the fact that the individuals which compose society are guided in their actions by a classification of things or events according to a system of sense qualities and of concepts which has a common structure and which we know because we, too, are men; and that the concrete knowledge which different individuals possess will differ in important respects. Not only man's action towards external objects but also all the relations between men and all the social institutions can be understood only by what men think about them. Society as we know it is, as it were, built up from the concepts and ideas held by the people; and social phenomena can be recognised by us and have meaning to us only as they are reflected in the minds of men.

The structure of men's minds, the common principle on which they classify external events, provides us with the knowledge of the recurrent elements of which different social structures are built up and in terms of which we can alone describe and explain them.¹² While concepts or ideas can, of course, exist only in individual minds, and while, in particular, it is only in individual minds that different ideas can act upon another, it is not the whole of the individual minds in all their complexity, but the individual concepts, the views people have formed of each other and of the things, which form the true elements of the social structure. If the social structure can remain the same although different individuals succeed each other at particular points, this is not because the individuals which succeed each other are completely identical, but because they succeed each other in particular relations, in particular attitudes they take towards other people and as the objects of particular views held by other people about them. The individuals are merely the *foci* in the network of relationships and it is the various attitudes of the individuals towards each other (or their similar or different attitudes towards physical objects) which form the recurrent, recognisable and familiar elements of the

¹¹ For some further discussion of these problems, see the author's article "Economics and Knowledge", *Economica*, n.s., vol. 4, February 1937, reprinted in *Individualism and Economic Order*.

¹² See Charles V. Langlois and Charles Seignobos, *Introduction to the Study of History*, translated by George Godfrey Berry (London: Duckworth, 1898), p. 218: "Actions and words all have this characteristic, that each was the action or word of an individual; the imagination can only represent to itself *individual* acts, copied from those which are brought before us by direct physical observation. As these are the actions of men living in a society, most of them are performed simultaneously by several individuals, or are directed to some common end. These are collective acts; but in the imagination as in direct observation, they always reduce to a sum of individual actions. The 'social fact', as recognised by certain sociologists, is a philosophical construction, not an historical fact".

structure. If one policeman succeeds another at a particular post, this does not mean that the new man will in all respects be identical with his predecessor, but merely that he succeeds him in certain attitudes towards his fellow man and as the object of certain attitudes of his fellow men which are relevant to his function as policeman. But this is sufficient to preserve a constant structural element which can be separated and studied in isolation.

While we can recognise these elements of human relationships only because they are known to us from the working of our own minds, this does not mean that the significance of their combination in a particular pattern relating different individuals must be immediately obvious to us. It is only by the systematic and patient following up of the implications of many people holding certain views that we can understand, and often even only learn to see, the unintended and often uncomprehended results of the separate and yet interrelated actions of men in society. That in this effort to reconstruct these different patterns of social relations we must relate the individual's action not the objective qualities of the persons and things towards which he acts, but that our data must be man and the physical world as they appear to the men whose actions we try to explain, follows from the fact that only what people know or believe can enter as a motive into their conscious action.

THE INDIVIDUALIST AND 'COMPOSITIVE' METHOD OF THE SOCIAL SCIENCES

At this point it becomes necessary briefly to interrupt the main argument in order to safeguard ourselves against a misconception which might arise from what has just been said. The stress which we have laid on the fact that in the social sciences our data or 'facts' are themselves ideas or concepts must, of course, not be understood to mean that *all* the concepts with which we have to deal in the social sciences are of this character. There would be no room for any scientific work if this were so; and the social sciences no less than the natural sciences aim at revising the popular concepts which men have formed about the objects of their study, and at replacing them by more appropriate ones. The special difficulties of the social sciences, and much confusion about their character, derive precisely from the fact that in them ideas appear in two capacities, as it were, as part of their object and as ideas about that object. While in the natural sciences the contrast between the object of our study and our explanation of it coincides with the distinction between ideas and objective facts, in the social sciences it is necessary to draw a distinction between those ideas which are *constitutive* of the phenomena we want to explain and the ideas which either we ourselves or the very people whose actions we have to explain may have formed *about* these phenomena and which are not the cause of, but theories about, the social structures.

This special difficulty of the social sciences is a result, not merely of the fact that we have to distinguish between the views held by the people which are the object of our study and our views about them, but also of the fact that the people who are our object themselves not only are motivated by ideas but also form ideas about the undesigned results of their actions—popular theories about the various social structures or formations which we share with them and which our study has to revise and improve. The danger of substituting 'concepts' (or 'theories') for the 'facts' is by no means absent in the social sciences and failure to avoid it has exercised as detrimental an effect here as in the natural sciences;¹ but it appears on a different plane and is very inad-

¹ See the excellent discussions of the effects of conceptual realism (*Begriffsrealismus*) on economics in Walter Eucken, *The Foundations of Economics: History and Theory in the Analysis of Economic Reality*, translated by T. W. Hutchison (London: W. Hodge, 1950), pp. 51 et seq.