

Introductory passage:

"If we are to understand how society works, we must attempt to define the general nature and range of our ignorance concerning it. ... The misleading effect of the usual approach stands out clearly if we examine the significance of the assertion that man has created his civilization and that he therefore can also change its institutions as he pleases. ... In a sense it is true, of course, that man has made his civilization. It is the product of his actions or, rather, of the action of a few hundred generations. This does not mean, however, that civilization is the product of human design, or even that man knows what its functioning or continued existence depends upon. ... If we are to advance, we must leave room for a continuous revision of our present conceptions and ideals which will be necessitated by further experience. We are as little able to conceive what civilizations will be, or can be, five hundred or even fifty years hence as our medieval forefathers or even our grandparents were able to foresee our manner of life today."

¹ (Hayek F. A., 2011). P. 74.

Civilization: the wise result achieved by humble ignorant artisans.

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The previous introductory passage intends to be a seed for the current essay; it highlights the impact the Hayekian school of thought has had on a broad range of topics within social science. It is noteworthy that such lines were written around fifty years prior to this paper.

Besides the density of ideas in such passage, the reader can notice that the problem at hand is the study of emergent and autonomous evolution of social orders. Even though such topic has been studied exhaustively over the years, such examination has left grey areas that need further exploration or clarification; this is spirit of this essay. In order to do so, I propose to develop, in a structured manner, answers to three basic questions. Each answer is a separate section and lastly a closing reflection.

At the end, we hope to provide a fair explanation, based on a wide examination of several Hayekian writings on interaction between ignorance, liberty and civilization renewal.

The litmus test for this paper to accomplish its goal will be if, at the end of it, a reader can grasp the meaning behind the following corollary (based on the presented discussion): *civilization's Promised Land is reserved only for the humble ignorant*.

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Why is recognition of human ignorance an important starting point for Hayek?

Hayek's answer to the school of thought of Continental Rationalism is that the great obstacle to proper comprehension of the nature of human knowledge and its importance to free society was, precisely, *the mirage* of knowledge which is strongly rooted in an apparently rational logic of human intellect. Viewing knowledge in such a way is not only a false base on which to develop a reliable theory of society, but it also supposes men can reach sufficient knowledge on social affairs just by turning their logic powers on.

We can read in *The Fatal Conceit*:

"Learning how to behave is more the *source* than the *result* of insight, reason and understanding. Man is not born wise, rational and good, but has to be taught to become so. It is no our intellect that created our morals; rather, humans interactions governed by our morals make possible the growth of reason and those capabilities associated with it."

² (Hayek F. A., 1989) P. 21.

The nature of knowledge consists in, therefore, in knowing the *how* and not knowing the *what*; this touches the very nature of knowledge in Hayekian theory. Rationalism considers that *knowledge* shows a substantial and declarative aspect only.

If we walk through this *knowing-what style* avenue, we are dealing with society as a substantial concept that can be grasped by our intellectual hands. Hayek exhorts his readers to change their attitude toward knowledge. Just when individuals reject the *knowing-what style* of thinking then they open their intellectual minds to grasping the *knowing-how style*.

It could appear nonsensical that road to useful knowledge is nothing else than acknowledging individuals are structurally ignorant of such knowledge; but it is important to remember Hayek was battling against belief on man's ability to develop holistic theories of society. Consequently, ignorance becomes into a kind of necessary condition so that intellect can take advantage of useful knowledge disseminated across society.

Our author dealt with this important effect of our ignorance on making more effective our use of knowledge in society in *The Counter-Revolution of Science*:

"The individualist approach, in awareness of the constitutional limitations of the individual mind, attempts to show how man in society is able, by the use of the various resultants of the social process, to increase his powers with the help of knowledge implicit in them and of which he is never aware; it makes us understand that the only "reason" which can in any sense be regarded as superior to individual reason does not exist apart from the inter-individual process in which, by means of impersonal media, the knowledge of successive generations and of millions of people living simultaneously is combined and mutually adjusted, and that this process is the only form in which the totality of human knowledge ever exists."

Any individual involved in social life uses more knowledge than what he is consciously aware of. Ignorance teaches us about intrinsic limitations of rationalist intellectual models of social affairs. Besides, it makes us aware of the fact that we know almost nothing about the particular contents of our thought, ignorance serves for another purpose: making evident the *non plus ultra* barrier to behave as if we could be aware of all the specific details of surrounding circumstances affecting our decisions in social life. Because of that, the less we *know* about things we are *aware of* during our social businesses the more *effective* knowledge is available to be used.

Inasmuch as intellect relies less on rationalist methods to make us aware of ultimate determinants of particular contents of social facts affecting us as individuals, we need to trust and follow abstract and impersonal rules which we are aware of

³ (Hayek F., 1952) P. 161

(although we do not comprehend entirely). This is the only road towards an effective cooperation in society. Hence, we are not children of a rationalist and particular knowledge anymore; we are instead adult individuals loyal to habits of abstract thought.

Hayek invites his readers to give a second look to their paradigms about what reason is and which powers can be exerted by it. He developed the notion of an *essential human ignorance* on multiple and particular contents of the knowledge we use in society not only to prevent abuse of reason itself, but also to stir us to think more accurately in regard to man's life in society. Hayekian thought would remain obscure and ambiguous, if we had not understood yet the full consequences of this concept.

Ignorance is a prime category. Furthermore, this primacy has logical and causal superiority in regard to rest of knowledge. Because of this prime abstract knowledge (of which, as we have explained already, we are fully ignorant), we can experience the *colorful, warm, immediate* and *real* taste of the surrounding world. The importance of abstract knowledge was explained by him, in *New Studies*, as follows:

"What I contend, in short, is that the mind must be capable of performing abstract operations in order to be able to perceive particulars, and that this capacity appears long before we can speak of a conscious awareness of particulars."

Hayek demonstrated that although we barely understand the ultimate nature of knowledge we use in society, it is precisely due to that kind of knowledge that we can know everything needed to succeed in our different endeavors.

Even more important, our fundamental ignorance about the ultimate constitution of social order has invaluable consequences for our understanding of liberty, because ignorance implies lack of individual dominion over the way this abstract system operates. Accordingly, such abstract system must be understood as one of spontaneous nature *since no conscious design could be applied to a process which individuals do not comprehend entirely*.

To conclude with this segment, ignorance is the starting point in Hayekian theory for introducing the next and necessary concept of liberty. We will never control social life, because we cannot even hope to fully comprehend what its abstract rules are.

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Ignorance is kind of a pre-requisite to experience liberty and complex social order. Effective knowledge is added to us as we ignore more (in the sense that *we are not aware of*) how the fabric of social interactions operate. Therefore, understanding Hayek's concept of ignorance leads to a better appreciation of the indispensable support

⁴ (Hayek F. A., 1978) P. 37

free society offers to spontaneous social order. In the second segment of the essay, the issue at hand is:

To what degree is human liberty important for the progress of civilization?

This question is trying to shed light on the link between freedom and the process of discovery, appropriation and habituation of complex rules because, at the end of the day, civilization is just a different way of referring to a social order based on abstract, general and universal principles of behavior.

The historical perspective that Hayek gave to his theoretical framework that links liberty and the expansion of civilization is astounding, as we can read in *The Fatal Conceit*:

"Similarly, of the revival of European civilisation during the latter Middle Ages it could be said the expansion of capitalism –and European civilisation- owes its origins and raison d'être to political anarchy (Baechler, 1975:77). It was not under the more powerful governments, but in the towns of the Italian Renaissance, of South Germany and of the Low Countries, and finally in lightly governed England, i.e., under the rule of the bourgeoisie rather than the warriors, that modern industrialism grew. Protection of several properties, not the direction of its use by government, laid the foundations for the growth of the dense network of exchange of services that shape the extended order."

In brief, the first section of this essay discusses how Hayek finds himself battling against the erroneous conception of the rationalist nature of intellect. Now he turns to another dangerous misconception about the origin and expansion of complex social systems which are governed by abstract rules: the totalitarian perspective of social evolution. He is proposing that the true force behind the process of institutional development of civilization is the force of private decisions and endeavors carried on by a large and diverse group of individuals.

Hayek is arguing against the totalitarian view of social evolution in favor of a libertarian theory of such evolution (which could be seen as a form of anarchy because of the absence of a central authority). In order to support that libertarian framework, he examines not only the spontaneous origin of social patterns, but the political nature of individual choices that are imputed as the source of those social patterns of civilized life.

In Hayekian terms, liberty is important for the creation and expansion of civilization because it is only by allowing individuals to make their own choices that an unintended order of social interactions emerges. Complexity of such extensive social patterns could not be possible if a totalitarian regime of individuals was the source of

⁵ (Hayek F. A., 1989) P. 33.

such order. Because, knowledge implicit in such totalitarian view is reduced drastically due to the minuscule scope of the intellect of a totalitarian planner with central authority. And with no dispersed knowledge there is no social complexity. Liberty changes nature of individual choice by making them private and, consequently, additional resources of knowledge begin to nurture a more sophisticated, complicated and *effective* web of social patterns.

He describes the logical necessity of liberty for development of complex patterns of social life in a more amicable style in *The Counter-Revolution of Science*:

"It is only in the very simplest instances that it can be shown briefly and without any technical apparatus how the independent actions of individuals will produce an order which is no part of their intentions; and in those instances the explanation is usually so obvious that we never stop to examine the type of argument which lead us to it. The way in which footpaths are formed in a wild broken country is such an instance. At first everyone will seek for himself what seems to him the best path. But the fact that such path has been used once is likely to make it easier to traverse and therefore more likely to be used again; and those gradually more and more clearly defined tracks arise and come to be used to the exclusion of other possible ways. Human movements through the region come to conform to a definite pattern which, although the result of deliberate decisions of many people has yet not been consciously designed by anyone."

A dense network of social interactions patterns can be understood only by people endorsed with individual property. And here we can assess political quality of human action required for developing extended and open societies. Thinking in political terms, actions need to be classified as an individual dominion or ownership.

It is important to note this accent on the concept of individual property as a fundamental aspect of liberty and the consequential conformation of complex orders. Individual property refers not merely material ownership of goods and services since it expands its scope to use and disposal upon any good, material or not, that has been classified as private.

Liberty cannot be fully understood if we do not comprehend its relationship to individual property. Such liaison between them makes evident why liberty is the only and legitimate source of complex patterns and, also, why totalitarianism is synonym to a complete regression to the simplest, sub-human and illegitimate primitive order of central planning.

This is emphatic in *The Fatal Conceit:*

⁶ (Hayek F., 1952) P. 70-71.

"The prerequisite for the existence of such property, freedom and order, from the time of the Greeks to the present, is the same: law in the sense of abstract rules enabling any individual to ascertain at any time who is entitled to dispose over any particular thing".

Once, the individual knows how to react to the abstract institutions of liberty and individual property, the synergy of free society and its frameworks dawn on him and finally, we can *see* the product of such institutions: *social order of civilization*.

Now that liberty and individual property has been thoroughly discussed, another central idea for explaining the fundamental role of liberty in developing modern civilization can be presented: *liberty promotes experimentation of new and alternative ways of behaving*. Almost as a perfect causal argument, liberty encourages human creativity and transforms our society into a special kind of *invention* factory.

It is because of the existence of liberal institutions that the discovering insight of entrepreneurial minds is awaken and turned into action. Once individuals know they can pursue their own best interest, their faculties for searching unexploited opportunities are augmented because they begin to value⁸ profit coming from their entrepreneurial effort. Thus, the right to pursue private ends is a core foundation from which creativity and interest for new experiences and practices depart.

There is another element that nurtures a primary drive to be creative and achieve individual ends: the process of competition. Why does an individual, as entrepreneur, never get comfortably enough and, consequently, never cease his business ventures? The answer to that is, precisely, the never-ending process of potential competition across the market. Entrepreneurs cannot indulge themselves because the market promotes institutional routine of *free-entrance* of potential competitors.

Havek related those two aspects of discovery and competition as follows:

"Against this, it is salutary to remember that, wherever the use of competition can be rationally justified, it is on the ground that we do not know in advance the facts that determine the actions of competitors. In sports or in examinations, no less than in the award of government contracts or of prizes for poetry, it would clearly be pointless to arrange for competition, if we were certain beforehand who would do best. (...) I propose to consider competition as a procedure for the discovery of such facts as, without resort of it, would not be known to anyone, or at least would not be utilized."

In closing this segment on the importance of role of liberty in formation of civilization, it is important to remark that liberty is an indispensable institution without which the extended and dense network of social order could never exist. Liberty,

⁹ (Hayek F. A., 1978) P. 179.

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⁷ (Hayek F. A., 1989) P. 30.

⁸ For a more detailed reference: (Kirzner, 1973).

presupposes total exclusion of totalitarian regimes and, also, it exerts domesticating effects upon predatory political powers through progressive promotion and practice of several property across the centuries.

Finally, the following conclusion regarding the creative powers of liberty is proposed: the byproducts of liberty in civilized societies, such as competition and entrepreneurial discovery has a sine qua non role that transforms such societies into the ultimate device for creativity and experimentation; this leads to applications of knowledge (not merely created goods) that constantly raise the level of the state of the art.

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According to theories of spontaneous social orders (which are based on dispersed individual knowledge), the progressive and continuous development of dense and overlapping layers of rules conforms a different social fabric within which each person decides his best way to behave. The next and last pivotal question that will be addressed is:

Can the pretense of knowledge, independent of experience, mislead decision-making?

Let's remember first, that in the first segment of this essay an epistemological weakness of rationalist point of view on overdeveloped ability of human intellect to grasp and even model social order was addressed. But now a different aspect of that thesis needs more attention. It is of the outmost importance to study the practical implications of such doctrine for explaining how individual choices are affected by social regimes where knowledge is divorced from experience. That is, the *problem of central planning*.

Hayek conceived a clear idea on this problem in *Collectivist Economic Planning:*

"Now whatever the substance of these principles of distribution, these ideas about the just or otherwise desirable division of income, they must be similar in one purely formal but highly important respect: they must be stated in the form of a scale of importance of a number of competing individual ends. Is this formal aspect, this fact that one central authority has to solve the economic problem of distributing a limiting amount of resources between practically infinite number of competing purposes, that constitutes the problem of socialism as a method." ¹⁰

Decision making, once it is independent from experience, implies that decisions are not based on implicit and dispersed knowledge of extended society anymore. It

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¹⁰ (Hayek F. A., 1935) P. 16-17.

becomes into a kind of process through which individual choices must to be decided by one central authority.

Now, it can be understood why Hayek reserved such lapidary term to the socialist endeavors of social planning: the fatal conceit¹¹. It is completely erroneous that we base our complex decisions in an open society on a second-class knowledge, gathered by a central planner, on which place our different and multiple individual choices should be located in. This point gives additional support to our starting argument on the impossibility of a single mind to compute all relevant data that is processed through different mechanisms of complex social orders, because there is no central planner wise enough to trust him the delicate and dynamic process of guiding individual choices in the market or any other system of extended society. By logical necessity, any central planner is limited by his constitutional ignorance about the ultimate knowledge of the social order and this implies a practical conclusion: any endeavor to rule social affairs through central planning is condemned, fatally condemned, to fail.

Decision making in society must be separated from central and rationalist planners and let it be executed through spontaneous social institutions in order that every decision becomes not perfect, but *effective* to fulfill human ends. Thus, decisions must to be closer to experience. However, the term *experience* has specific meaning in Hayekian wisdom: *order of our intellect*, order that is *dynamically connected to spontaneous social institutions that are immediate to the individual*.

The question of whether knowledge, separate from experience, can mislead the decision making process becomes then, the following corollary: *decision making is not only mislead, but above all it is transformed into an action of pure coercion upon others.* This is true because the knowledge upon which the decision was made did not come from an immediate social experience of the individual, consequently, any individual choice is turned into a mandate because individuals are forced to select among alternatives that are second-class knowledge coming from a central planner who believes itself to have a more accurate perspective about individual needs and interests.

By logical necessity, in terms of Hayekian theory, *knowledge independent from experience is knowledge of a central planner*. There is no decision making any more, just acts of submission.

About relationship between individual experience and choice, Hayek commented in *Freedom and the Economic System*:

"We can 'plan' a system of general rules, equally applicable to all people and intended to be permanent (even if subject to revision with the growth of knowledge), which provides an institutional framework within which the decisions as to what to do and how to earn a living are

^{11 (}Hayek F. A., The Fatal Conceit: the errors of Socialism, 1989)

left to the individuals. In other words, we can plan a system in which individual initiative is given the widest possible scope and the best opportunity to bring about effective coordination of individual effort."¹²

Another idea, that is as important as the social aspect of this knowledge that is independent from experience, could be referred as *intra-individual* aspect of such kind of knowledge.

Hayek wrote about this intra-individual aspect of human knowledge since the very beginning in his academic career when he was interested more in psychological ideas¹³. By following his arguments of his reticular¹⁴ conception of psychological process it can be appreciated that the primary role of experience goes above conscious processes of mind. For instance, we learn what to expect from any particular stimuli thanks to a primary classificatory pre-process which takes place in our brains. Hayek mentioned in his *Sensory Order*:

"The relations or conexions between different sensory (and affective) qualities find expression in the expectations which their occurrence arouses. A red colour does not merely evoke the image of warmth but we shall be rather surprised if a red objects turns out to be very cold; (...). In this way certain groups of qualities tend to 'belong' together, and particular qualities come to 'mean' to us certain other qualities." ¹⁵

But this basic relationship between primary sensory qualities is just the beginning of a provocative argument displayed in the Hayekian theory of mind. It can be deduced from this passage that some processes at the bottom of the mind's structure give support to a more delicate, although narrower, processes in our consciousness. Hayek continues:

"We cannot attempt here further to distinguish the different levels on which this kind of process of constantly repeated classification proceeds, and we must be content with the suggestion that all the 'higher' mental processes may be interpreted as being determined by the operation of the same general principle which we have employed to explain the formation of the system of basic sensory qualities." ¹⁶

Our mind operates following a fundamental classificatory process thanks to which different events are endowed with equivalent or non-equivalent sensory meaning and, furthermore, this process is repetitive, dynamic and produces overlapped sensory qualities. At the more sophisticated, complicated and exquisite stages of this process,

^{12 (}Hayek F. A., 2009) P. 194.

Note of the author: it is important to remember that Hayek explored the possibility about becoming a professional psychologist, and a careful review of his intellectual biography (Hayek F. A., 1994) offers a broad explanation on the key relationship between his psychological inquiries and the rest of his epistemological ideas.
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Note of the author: some neuroscientists would prefer the term *network paradigm* instead of the relative less known adjective of reticular. In any case, the meaning behind of such terms is the notion of a complex structure of relations as the most accurate conception of what we call *the mind*.

^{15 (}Hayek F. A., 1952). P. 22.

¹⁶ (Hayek F. A., 1952). P. 146.

the conscious aspect of such qualities emerges and the decision making process itself begins. However, any conscious decision implies a pre-existent classificatory apparatus to which such decision belongs as a kind of *proto-decision subsystem*, because consciousness itself is a subsystem of the entire classificatory apparatus of the mind. Individual choice presupposes a subjacent sensory experience. For an additional discussion on Hayek's theory of mind and its relationship to decision making process, the leading voice is Professor Joaquín Fuster's¹⁷.

And this is, indeed, a definitive argument in favor of a decision making that should always be based on a kind of knowledge that is connected to experience. There is no decision in the middle of nothing; a previous experience should start the functioning of the mental classificatory process in which individuals can reach the exquisite fruit of a conscious individual choice. Knowledge without experience is not only dangerous in terms of social planning; it is, also, a true decadence of human nature.

To conclude this section, any decision based on knowledge independent from experience is not only totalitarian (its social aspect), but overall is empty of any important meaning or goal (its intra-individual aspect).

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In conclusion, the three segments elaborated above were intended to answer three pivotal questions presented at the beginning of this paper. Besides technical conclusive ideas at the end of each segment, three practical lessons can be summarized as a final reflection.

People need **to** *trust* their common sense so that every individual can take advantage of the implicit knowledge embedded in a normative framework of spontaneous social orders that are the essence of civilized society. Trust in abstract rules is contrary to rationalist error that induces dangerous belief about supposed human ability to *see* ultimate content of civilization.

Free play of individual ventures constitutes true engine of civilization growth¹⁸. Free (play) society is a salutary and positive defense against desperate dreams of potential dictators. Every adult who grew up in fully civilized society needs to remember that, although he is an old serious individual, dynamic nature of free society relies on his childlike drive to play and create.

And, last but not least message of this essay is that **experience based knowledge** is the best strategy against fatal conceit of artificial knowledge. Experience makes better not only our decision making but, above all, maintains any civilization fresh. That freshness depends on a flexible classificatory process of the human mind that allows every individual to understand the new, to learn from the past and, if

¹⁷ As an introductory text, his *Cortex and Mind* will work well: (Fuster, 2003). For an advanced analysis, his most recent book, *The Neuroscience of Freedom and Creativity*, is a must-read: (Fuster, 2013).

¹⁸It is of particular pedagogical importance the anecdote about how a footpath is formed through different individual efforts, because its powerful narrative against mythical collectivist economic planning which usually ends in totalitarian orders. (Hayek F., 1952) P. 70-71.

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unforeseen providence is on his side, to display a drop of wisdom in the way he expands civilization that has been created by everybody, although nobody knows exactly what has been done for savoring such a daily delicate fruit.

Do you think, then, that the humble ignorant artisan could have a chance to enter to the Promised Land of civilization?

CIVILIZATION: THE WISE RESULT ACHIEVED BY HUMBLE IGNORANT ARTISANS.

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