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Commitment, Scholarship, and Classical Liberalism



JEREMY SHEARMUR

The relationship between one's work as a scholar and one's personal concern for—indeed, commitment to—a particular political agenda is an issue that might well have worried many classical liberal scholars. In this article, I seek to shed some light on this issue.

The problem may arise in various ways. We may be struck, for example, by the gap between certain scholars' commitment to liberty and the liberty for which they have provided really telling arguments. Alternatively, we ourselves might have received paternalistic advice from a dissertation adviser, a department chairman, or a dean that to get on in the academic world, we should put our personal agenda—the things about which we care deeply—to one side and, to phrase the matter bluntly, should make our mark instead by contributing to the “normal science” of our day (Kuhn 1962). It is no consolation to discover that those who occupy other positions in the political spectrum face the same sort of problem (Jacoby 1987).

I am concerned here with a specific aspect of the issue: What are we to make of a *commitment* to liberty given that our claims to knowledge are fallible and that we are always hostage to empirical argument and philosophical contestation? Must we retreat into what one might call a cautious accountant's view of political philosophy in which a ringing commitment to liberty and an enthusiastic espousal of commercial society and voluntary activity are replaced by a statement that perhaps in *some* circumstances human freedom might be a good idea? Obviously, if writers such as Lud-

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wig von Mises, F. A. Hayek, and Murray N. Rothbard had held such a view, they probably would not have made much impact on the world.

But what of human fallibility and, in light of it, the problems of enthusiasm about values? One response might be to deny that we should be concerned about fallibility. Indeed, one way of reading the work of Mises and Ayn Rand and some of Hayek's methodological writings might support such a response.

This approach, however, is mistaken. In very broad terms, those who take it are beguiled still by what was historically a misunderstanding of the epistemological status of Euclidian geometry. This misunderstanding offered deductive argument to striking conclusions from what seemed self-evident premises. Not only did it lead to the adoption of the axiomatic form of proof in other areas, but it led also to a more general quest for foundations of knowledge to serve as the basis for such an enterprise.

I do not deny that certain things seem undeniable—for example, that I am having certain experiences at the moment. It certainly appears to *me* that I am using a word processor, and so on. Moreover, we cannot imagine anyone's wishing seriously to contest many kinds of claims about the world and about morality. To deny certain assumptions—about logic, about the conditions relating to argument, and so forth—would lead us into self-contradiction. We might wish to explore just what claims of this kind can be made and how well they stand up to skeptical questioning; indeed, those of us with an interest in philosophy have doubtless spent many enjoyable hours in such exploration. Here, however, I shall not engage in such discussion but rather shall comment about what we can expect to get out of it.

In the light of what we know about valid inference, the discovery of seemingly undeniable truths does not do us much good. If a claim is problematic, we do not gain much from the knowledge that it follows validly from something else that seems more obvious. All such a derivation does is to inform us that, in fact, our premises were not as obviously true as they had seemed, for our very derivation has informed us that they turn out to contain some problematic content—indeed, the very thing from which we started! Accordingly, although obvious truths and certain things that we cannot deny without fear of self-contradiction surely exist, they cannot help us much in convincing others of the correctness of other claims they are currently contesting.

In our situation—the human situation—our views about the world and our substantive ideals are always likely to be on the line. Our ideas always stand open to criticism, and we may discover in the light of dialogue with others that whenever we deal with significant issues, ideas that we had assumed to be uncontroversial are in fact problematic. This condition shapes our problem about values and our commitment to them in our position as scholars in the public realm. How can we enter the public realm of scholarship with the kind of commitment that writers such as Mises and Hayek showed to liberty and to free markets, given that such a commitment remains always open to challenge?

I suggest that we treat our values as constituting the core of a research program (Shearmur 1991, 1996, chap. 1). This program typically would consist of matters that

we find morally attractive and rationally compelling. At any time, we face open questions and issues that we cannot immediately resolve, but our research program offers us suggestions and theoretical tools to deal with those questions and issues. In some cases, we will be on a roll: the sort of thing we have to say will be clear, and showing the strength of our approach will be exciting, challenging, and highly satisfying. In other cases, we will be on the defensive: our critics or our own critical scrutiny of our tradition may raise interesting and difficult problems. Our task is to perform well over time, to show that our approach produces valuable results and also that we can do better than those pursuing other research programs. Along the way, we may find that the critical work of historians, economic or social theorists, or philosophers poses challenges to the core of our ideas, and some of us clearly should try to meet such challenges. We can continue to work within our research program even while admitting, at any point, that we have not yet answered every question and not yet resolved every issue.

The big advantage of such an approach is that it offers a way of combining commitment—indeed, passionate commitment—with an acknowledgment of our fallibility. We are putting ourselves on the line and explicitly opening ourselves and our program to the competition that we regard as so necessary elsewhere. That we should take such an approach is one of the key themes of my book *Hayek and After* (Shearmur 1996), in which I also apply it to an evaluation of Hayek's work. Such an approach also offers us an important critical tool. It suggests how we might appraise the extent to which a program or a particular thinker within it is succeeding and then identify what would need to be done in order to make the approach more successful.

Hayekian Liberalism as a Research Program

Hayekian liberalism as a research program has several aspects. Spelling them out may help to clarify the approach and thereby to promote its understanding and its criticism.

First, it involves taking a historical approach to Hayek's own work, examining what Hayek's intellectual problems and concerns were at any particular point, how he brought specific ideas to bear in his attempts to solve those problems, and thus how his views changed over time. This approach contrasts strikingly with much of what has been written about Hayek's work, for many writers implicitly treat all his work, although created over a long lifetime, as if it composed the pieces of one huge jigsaw puzzle. Such writers seem to be striving to show how all the pieces of the puzzle fit together.

Now, a scholar's views might be consistent throughout a lifetime, but such consistency must be shown, not simply presumed. Such consistency, however, would be odd, for it would suggest that the scholar never had learned anything, never had discovered that he was wrong about something. As scholars and as people interested in liberty, we form and develop our views in dialogue with others. We encounter differ-

ent problems as we go through our lives; we must come to terms with different theories and ideas as they are pressed upon us; and from such grappling we acquire useful new lines of thought. Above all, the world with which we are dealing is itself constantly changing and offering us new challenges.

Indeed, the situation of the intellectual interested in liberty is not unlike like that of the entrepreneur. We are concerned with truth, to be sure, but we also have “customers” with problems and concerns of their own, to which we need to respond. Just because one way of solving a set of problems worked in the past does not mean that it necessarily will suffice in solving the new problems that arise. I am not advocating relativism but maintaining that we will be challenged continually to demonstrate that classical liberalism is correct by showing that we can resolve new problems and deal with new issues as they arise.

When reviewing papers for academic journals, I regularly find Hayek’s work being treated in an atemporal manner, as writers try to integrate materials drawn from different periods and contexts. Sometimes the outcome is ingenious. Often, however, the result seems to me a bit beside the point and to resemble the work of old-fashioned biblical scholars who would rather be committed to reconciling materials that do not actually mesh rather than admit that the materials vary in character. A simple way of putting my point would be to say that Hayek changed his mind—that he came up with new ideas not always consistent with the ideas he had embraced previously.

My second concern: What should we make of such changes? This topic is important, for one mark of intellectually shoddy scholars is that they shift the grounds on which they argue as they go along, without acknowledging that they are doing so. If they do so, it is not enough to discover what they are saying now. We also need to find where they started and to track the shifts and developments in their views over time.

Such tracking in itself may be a devastating form of criticism. It may reveal that without acknowledgment a scholar has shifted from his initial views and has ended up conceding the key points that others were pressing against him; he never concedes that he has shifted his position at all but represents his current views as if they were the ones he had always defended. An approach focused on research programs is concerned not only with the historical *context* of a scholar’s work, but also crucially with its *development* over time. Identifying such changes plays a key role in helping us to evaluate critically the views at issue.

It is not enough, however, simply to document that a scholar’s views changed—that, in effect, he did learn something. Without making *any* changes in his thinking, he scarcely would have been able to respond to changing situations.

How, then, do we distinguish between shifts that cause a problem for the research program and those that do not? Two tasks are important in this regard. First, we must identify fairly clearly the *core elements* of our ideas and the *kinds of solutions* to problems that are compatible with them. To depart from either is to make a significant concession, which should not be made covertly. Second, we need to identify the

problems that require our attention and determine whether, when we change our views, we can still resolve the problems we were resolving previously on the basis of our earlier ideas.

Let me illustrate these abstract ideas in more concrete terms by referring to a specific issue that arises in Hayek's work. It has been argued that in his earlier writings Hayek worked within a broadly general-equilibrium perspective (McCloughry 1984, x). Subsequently, as is well known, he emphasized market processes and the dispersed nature of knowledge. This move is a significant and exciting one, but if we follow him in making it, an important question clearly arises: What can we claim about the *outcome* of such market processes? Insofar as we seek simply to understand the operation of the economy, the answer to this question can be that the attributes of that outcome must be discovered. If we are concerned with classical liberalism as a research program, however, then it is not acceptable just to leave this matter open because classical liberalism clearly takes the view that we can rely on markets to produce certain kinds of desirable orderings in our social affairs—that under conditions classical liberals favor for other reasons, markets can produce coordination rather than chaos, well-being rather than misery.

Of course, some classical liberals try to avoid recourse to such arguments, insisting that we should concern ourselves with rights rather than consequentialism, but in taking such a position, we encounter two problems. First, it amounts to a retreat from the ideas with which classical liberalism historically has been associated. Indeed, if in such classical liberals' view, classical liberalism has nothing substantive to say about people's well-being but can assure us only that, whatever the outcome, people's rights would not have been violated if they had complied with classical liberal recommendations, then the first move that individuals with rights might make, if they care about social coordination and material well-being, is to establish an interventionist government to secure their well-being! Second, even those of us who favor a rights-based approach should not overrate what it can achieve. A number of powerful arguments can be offered for recognizing rights as classical liberals have understood them, but it is not clear how determinate such rights can be if we justify them by moral argument alone. Just what, for example, do we acquire by mixing our labor with hitherto unowned land, and exactly what constitutes such mixing? What constitutes the imposition of an illegitimate externality on others? Philosophy can contribute much to the resolution of such questions, but the fine structure of such matters must arise from conventional agreement, the choice of one convention rather than another being made on the basis of what we expect to be the *consequences* of one convention rather than another. Thus, not by accident did John Locke in his *Second Treatise* mix moral and consequentialist arguments in his discussion of rights. Classical liberalism historically flew with two wings, the moral and the consequentialist, and we court disaster if we try to make do with only one. Accordingly, an approach to Hayek's work that focuses on his work in relation to classical liberalism as a research program will note with interest any new developments, but it also will ask: Is anything lost as these developments are being made, and, if so, what is the significance of that loss?

Returning to Hayek, I suggest that we need to evaluate changes in his views, such as his explicit shift to a market-process approach, in two dimensions. In the first, we ask: Is the new move compatible with the broad program within which he is working? Here Hayek's ideas about market processes are clearly a valuable development of traditional classical liberal ideas. In the second, we ask: If we follow him in this move, to what extent can we still solve the problems that we must solve? Here, the issues are more difficult and more interesting. They challenge the classical liberals who follow Hayek to spell out just how the consequentialist aspect of classical liberalism will look in the new perspective.

On this score, those who have been influenced by Hayek's ideas have done them less than justice. What have they said about the conditions under which we can expect coordination to result from the activities of individuals acting on the basis of price signals in the various institutions and situations in which they find themselves? Hayek's ideas seem to offer opportunities for all kinds of fruitful work, but that work must meet the challenge of identifying the *specific* circumstances and institutional arrangements that facilitate the successful operation of a free society.

Must we, however, continue to solve every problem that we started with? Can't we drop problems as we go along without creating difficulties for ourselves? Yes, but in doing so we must be careful. Clearly, we can drop problems generated internally by theories that we have discarded for other reasons. Thus, in terms of our current theories, we may be unable to answer questions that concern our colleagues or our earlier selves just because we now take the view that these questions arise from assumptions that should be discarded. Similarly, problems may become irrelevant because the social conditions that gave rise to them change. We should not drop problems, however, simply because we no longer can suggest how to solve them.

Consider, for example, why Hayek initially became concerned with economics: it was, he tells us, because of the suffering that he encountered in Vienna at the time. We ought not to allow such problems simply to drop out of sight. We *may* wish to say that *some* such concerns are mistaken—for example, a concern for “social justice” in the sense that Hayek has criticized. We may urge such disregard because the moral theories on which such ideas rest should themselves be discarded. Or we may urge that such concerns be rejected because the achievement of such states of affairs is incompatible with other things of greater moral importance. But if we do so, we need to be frank about what we are doing and why.

Simply to let a problem drop seems to me ill-advised, for two reasons. First, it causes us to lose sight of something important in evaluating how well we are doing. Confronting our initial aspirations and our own subsequent history shows us where we currently stand. Second, retaining our interest in the classic problems enhances our ability to deal with others' concerns.

It is important for classical liberals to be able to speak to others about their concerns, not least because the world is not a safe place for liberty if we are a small minority whom others judge to have nothing interesting to say about the things that matter to them. Responding to the concerns of others does not mean that we must accept

those concerns unquestioningly. Indeed, in dialogue with them, we may choose to take issue with the moral theories that inform their work or with the empirical and theoretical claims they make or to argue that resolution of the problems they emphasize is incompatible with the attainment of other outcomes they should value more highly. We need to be aware, however, of what others' problems and concerns are and to consider them if we are not to condemn ourselves to irrelevance.

Here, again, Hayek is interesting because he was not initially a classical liberal. Well might we consider the concerns that he had prior to becoming a classical liberal and deal with those concerns in order to have something to say to people who are not classical liberals because they find appealing the same kind of concerns that the young Hayek found appealing.

Consider, for example, Hayek's concerns about poverty and suffering in Vienna when he was a young man. Such matters pose a significant issue (what is more, an issue that goes beyond the concerns of subjectivism) because even in the wealthy Western world many people worry about poverty and suffering, not because of their personal exposure to such misfortunes but because they shape their political voting and their support for certain government policies with an eye to such matters. Although classical liberals ought to criticize the failings of governmental programs, they also ought to show—and I here echo a concern that Karl Popper expressed to Hayek when he read *The Road to Serfdom* (Shearmur 1996, 64)—how their ideas respond to concerns such as those of the early Hayek; otherwise, the argument is lost. I do not mean to suggest that the classical liberal must embrace various governmental welfare schemes, although it is worth noting that Hayek himself consistently did so. Rather, on the one hand, we need to explicate clearly what people can and cannot expect from a free, market-based society in terms of well-being, and, on the other hand (here following the path of scholars such as David Green [1986, 1993] and David Beito [2000]), we need to consider how nongovernmental means can remedy problems such as poverty and insecurity. Green and Beito have examined these topics historically and have suggested that we take inspiration from the way in which problems were solved privately in the past. Alternatively, we may approach such issues *de novo*. The vital matter is that we *do* tackle them. Indeed, in my judgment, showing how we can deal with issues of public concern by nongovernmental means constitutes one of the most important subprograms for research in contemporary classical liberalism.

More generally, we need to keep open dialogue with others in our society. In part, this communication will take the form of criticism, whether of their specific views or of their overall research programs. In part, it will consist of learning from them about genuine problems.

The Future of Hayekian Liberalism

I start here with three difficulties, then turn, in conclusion, to two more-positive themes.

First, with respect to the consequentialist side of a Hayekian approach, we need to clarify our claims about the broad welfare consequences that will flow from the operations of market-based societies in various settings. In what circumstances will people guided by prices and economic self-interest succeed in coordinating their activities? In this regard, what difference do different, specific institutions make?

The terms in which all this work must be done, moreover, must go beyond the purely subjective and deal with such matters as Hayek's concern about misery in the streets of Vienna. We will not be able to pursue such subjects in the technical style of modern welfare economics—no real shortcoming. Indeed, we will do ourselves and others a favor if we write in a style as accessible as that of Smith's *Wealth of Nations* or Mill's *Principles of Political Economy*, speaking to the concerns of our contemporaries as they did to theirs.

Second, we need to clarify the issue of human freedom and why it matters—in particular, why the freedom of each person should matter to everyone else in just the way that classical liberals say that it does. The classical liberal tradition historically was rooted in a religious agenda. If one asked Locke why individual freedom matters and why we should respect the rights of others, his answer went back to his religious concerns. Further, this background shaped the details of his argument. Broadly, the same account he gave of why we should respect individual rights and people's property rights in the land on which they have worked also supported what he said about an indigent's right to welfare (in the *First Treatise of Government*, section 42). For those of us who do not share Locke's religious beliefs or do not wish to base our political arguments on religious values, it becomes urgent to offer an alternative, secular account of the basis of rights as they are understood in the classical liberal tradition.

Classical liberals need not only to find ways to make our ideas compelling to our contemporaries, but also to make sure that those ideas are coherent. If we simply talk about preferences, we must explain why a third party should care whether or not we enjoy the freedom to get what we want, especially if that party regards our wants as base. In this context, it is better that we not talk about life plans and high-flown goals if in fact all that our own argument entitles us to invoke is bare—and perhaps to the observer, ignoble—preferences. If we wax eloquent about the importance of each individual as an end in himself and about this self's having life plans and goals, we need to explain why (and how) we resist the idea that such individuals should be accorded positive rights, at least in terms of assistance in gaining the capacities that would allow them to choose and to meet some minimal goals. I am not arguing here that people should be accorded positive rights, only that classical liberals need to make a coherent case for resisting this idea—a case better than the one Hayek made, a case that will be persuasive in a world in which the currency of public argument is secular.

Third, there is the problem of the state and of the limits of its activities. In this respect, Hayek got into a mess. In his arguments about socialist calculation, he made some devastating points against central economic planning. He failed to clarify, however, what argument he had against the pursuit of egalitarian values by means of state

action that respected the incentives of the marketplace and the rule of law. Indeed, he himself favored a nonmarket welfare safety net, although he never explained how generous its benefits should be. As a result, he left himself vulnerable to an argument that his underlying views are compatible with a generous form of welfare provision, such as that favored by Raymond Plant, a British academic and current Labour member of the British House of Lords (Plant 1984; Hoover and Plant 1989; compare Miller 1989).

One line of argument that Hayek might have used is that welfare of the sort Plant favored would be too costly in terms of the other things that it rules out. In making such an argument, however, Hayek would face difficulty because he is averse to arguing in quantitative terms. If we accept his methodological argument that economics is limited to pattern prediction, as opposed to the production of quantitative conclusions, then we cannot enter the argument about what the level of welfare provision should be.

To be sure, in some of his later work Hayek does offer pertinent public-choice arguments about the problems of governmental provision. Although I am broadly sympathetic to these arguments, they seem to suggest that we should take a more minimalist view of the state than Hayek himself would have accepted. Indeed, Hayek's own public-choice arguments pose a challenge because in so much of the rest of his writing he offers a positive agenda for governmental action. (On Hayek's view of the role of the state and on some of his attempts to deal with its relation to his ideas about liberty, see Shearmur 1997.) Here, classical liberals have a choice. We may say "away with government." Then, however, we have to show in detail how we would tackle the problems that classical liberals typically have granted that government should solve (and that critics such as Stephen Holmes [1997] have pressed against us). Alternatively, we might offer an account of just what the government should—and can—do, explaining how it can accomplish those tasks but not the other tasks that welfare liberals would have the government undertake. It is not acceptable, however, for us to have a positive agenda for government action and at the same time to deploy *general* arguments against the effectiveness of government in order to dismiss our critics' proposals for more-expansive government action.

To Conclude

Hayek placed great emphasis on the significance of the social division of knowledge. He offered important insights into how markets enable us to make use of socially dis-aggregated and even tacit knowledge. His article "The Use of Knowledge in Society" (1948, chap. 4) and other related writings are classics in this sphere. However, he limited the scope of these arguments to activities in the marketplace. He did not deal with the social division of knowledge within the firm or within other organizations. Some interesting recent work extends Hayekian approaches into the firm itself (Cowen and Parker 1997).

In another perspective, we may view knowledge as fallible theory rather than as socially dispersed information. Some recent research in management theory has proceeded along these lines. I myself recently have been working on an extension of broadly “Austrian” concepts into this field. Such efforts may create something of value to complement Hayek’s work, not only in terms of our understanding of human organizations but also in its relation to human freedom (Shearmur 2000). At the same time, these efforts may suggest that some things can be done that Hayek suggested could not be done, and thus they might be viewed as undermining some of his arguments.

In one respect, Hayek’s work on economic coordination oversimplifies and is in an important way misleading. I have in mind the picture he offers of individuals coordinating their activities solely by the use of the price mechanism. Clearly, this sort of coordination has fundamental importance, but market participants also coordinate their actions in other ways. Companies increasingly cooperate with one another, even with other companies that are in other respects their competitors. In important ways, this cooperation involves the sharing of information, not least of information about problems. Rather than waiting to see if a particular desired product will be offered in the marketplace, a business purchaser may go to its existing suppliers with specific information about what the purchaser wants. Further, the potential purchaser may work with those suppliers to help them improve the quality of their output so that it meets the purchaser’s desired standards.

Important issues for classical liberals arise in such settings, including issues of trust and reputation, some of which have been treated in Daniel Klein’s valuable collection *Reputation* (1997). We need to study the interplay of the Hayek-style commodity markets, in which buyer-seller coordination takes place purely in terms of price, and the various arrangements for commercial cooperation in which buyers and sellers mingle more intimately and communicate extensively in detail. By failing to deal with such issues, we may be working with models that in significant respects do not fit reality, and therefore we may lay ourselves open to charges of irrelevance. If we do take note of these issues, however, and integrate our treatment of them with established Hayekian themes, we will be in a strong position to continue the Hayekian research program—and this particular strand of argument for classical liberalism—with greater confidence into the twenty-first century.

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