



## Bringing Social Structure Back into Economics: On Critical Realism and Hayek's *Scientism* Essay

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**Abstract.** This paper offers a critique of the critical realist (CR) interpretation of Friedrich Hayek's famous essay *Scientism and the Study of Society* presented in Tony Lawson's recent *Economics and Reality*. It is argued, contrary to Lawson's reading, that Hayek's social structures (1) do have an existence over and above the conceptions of the individual actors and (2) serve as a precondition for human action on the lines proposed by CR. Some links are made between Hayek's essay and the theory of social reality recently proposed by John Searle, and some comparisons drawn with CR.

**Key Words:** social structure, realist social theory, critical realism, Hayek

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A defining feature of Critical Realism (CR) as presented in Tony Lawson's (1997) recent *Economics and Reality* is its emphasis on questions of ontology and its subordination of epistemological to ontological considerations in economic analysis. The particular *social* ontology favoured by Lawson is one that places equal weight on individual human agency and social structure, the social rules, relations and positions that seem to permeate our lives. Of course the idea that there exist social structures, institutions and so on, over and above human agency, and that these structures often play an important role in economic affairs, is hardly controversial (even in a discipline in which many believe that explanations of economic phenomena are only properly grounded once couched in terms of the actions and interactions of individual actors). More controversial is the precise nature of the relationship between agency and structure. Lawson's position on this question, as he presents it, is one that steers a middle course between the extremes of *voluntarism* (according to which social structure is reduced to, or is conceptualised as the mere creation of, individual actors) and *determinism* (according to which human agency is reduced to, or is conceived of being totally determined by, external, coercive structure). Instead, Lawson argues that human agency and social structure are recursively organised, that each is both a condition for, and a consequence of, the other. Human actors constantly draw on/are governed by social structure in action, on this view, and it is only through human actions that social structures arise at all, are reproduced and perhaps transformed over time.

It is not my intention here to challenge this image of the social world: at the (high) level of abstraction at which it is presented in Lawson's book, I find it hard to imagine how it could be anything other than right. But I do want to take issue with some of the critical

reflections offered by Lawson during the course of his argument, specifically the chapter devoted to subjectivism as represented by Hayek in his famous essay *Scientism and the Study of Society* (Hayek 1942–44). Lawson’s (1997:135) verdict is that although Hayek was on the right track in attempting to ‘throw off the shackles of positivism’, he ultimately failed to do more than reproduce certain of its errors, ‘albeit in a modified, and specifically a subjectivised, form’. And at the root of this failure, according to Lawson, is Hayek’s failure to develop an ‘intransitive’ and ‘structured’ social ontology on the lines advocated by CR.<sup>1</sup>

In what follows, I shall argue that Hayek’s *Scientism* essay does not suffer from the shortcomings that Lawson attributes to it. This will necessarily involve a certain amount of exegesis, and I apologise in advance if the many quotations and accompanying commentary become tedious. But I do think that there is a worthwhile payoff. For the reading of Hayek prompted by Lawson’s critique suggests an interpretation of (Hayekian) ‘subjectivism’ that is markedly different from the way that many understand it nowadays, particularly the so-called radical subjectivism of some of those who bear Hayek’s influence (Ludwig Lachmann and G.L.S. Shackle, for example). In fact, I hope to convince the reader that Hayek’s *Scientism* essay is not only a remarkably insightful exercise in what would now be called social ontology, but also, as compared with John Searle’s (1995) recent *The Construction of Social Reality* as well as CR, one with a decidedly modern flavour.

## **I. Hayek on the Natural Sciences**

Hayek’s *Scientism* essay is primarily an attack on the use of natural science methods in the social realm and begins with a brief account of what he takes these methods to be. The two defining features of the natural sciences, according to Hayek, are their concern with getting down to ‘objective facts’ (thereby escaping the scholasticism, Platonism and anthropomorphism of earlier periods), and that this involves a process of revision of our everyday conceptions of the world so as to be better able to recognise the particular as an instance of a general rule.

... the persistent effort of modern Science has been to get down to “objective facts”, to cease studying what men thought about nature or to regard the given concepts as true images of the real world, and, above all, to discard theories which pretended to explain phenomena by imputing to them a directing mind like our own. Instead, its main task became to revise and reconstruct the concepts formed from ordinary experience on the basis of a systematic testing of phenomena, so as to be better able to recognise the particular as an instance of a general rule (Hayek 1942:271).

The process of re-classifying “objects” which our senses have already classified in one way, of substituting for the “secondary” qualities in which our senses arrange external stimuli a new classification based on consciously established relations between classes of events is, perhaps, the most characteristic aspect of the procedure of the natural sciences. The whole history of modern Science proves to be a process of progressive emancipation from the innate classification of the external stimuli till in the end they completely disappear and physical science has now reached a stage of development

that renders it impossible to express observable occurrences in language appropriate to what is perceived by our senses... (Hayek 1942:272).

Lawson (1997:136, 137) quotes very much the same passages in support of his conclusion that Hayek cedes the natural sciences to positivism to 'a quite significant extent'. Is this interpretation justified? By positivism Lawson (1997:19) means a philosophy that claims that human knowledge takes the form of sense-experience and that entails an account of reality as that which is given in experience (*empirical realism*). And in restricting all possible objects of knowledge to events given in experience, according to Lawson, the only form of general or scientific knowledge available to positivism are empirical regularities of the form 'whenever event x then event y'.

In one respect Hayek's vision of the natural sciences does conform to positivism in Lawson's sense, namely to the extent that he sees them as being about identifying and establishing event-regularities or 'laws' (Hayek seems to have experimental work in mind in most of his discussion). However, there are two respects in which Hayek's account does not conform to positivism as Lawson defines it. In the first place, Hayek does not regard science as 'founded on the facts of experience' as Lawson (1997:136) claims. Rather, and as will already have become apparent from the passages quoted above, he views science as a constant process of a revision of, and ultimately emancipation from, the facts of experience:

The picture which man has actually formed of the world and which guides him well enough in his daily life, his perception and concepts, are for Science not an object of study but an imperfect instrument to be improved (Hayek 1942:275).

It can then hardly be the case that, for Hayek, reality is essentially 'that which is given in experience' (empirical realism). To be fair, Lawson (1997:136) presents Hayek as avoiding a 'complete positivist orientation' insofar as he views science as reclassifying 'external stimuli' in ways that differ from that immediately provided by the senses. But this difference is surely more important than Lawson allows, since a commitment to empirical realism is one of the two main planks of positivism as he describes it.

In the second place, Lawson (1997:136) maintains that '[t]hroughout his discussion of the natural sciences Hayek 'allows for the existence only of "events" or "sense-experience" or "sense-qualities" and the like, referring explicitly to the "sense qualities which most of us are inclined to regard as the ultimate reality" ...'. Now it is certainly true that much of what Hayek has to say about the external world is couched in terms of how we classify external stimuli and his few references to non-empirical entities such as electrons, waves, atomic structures and electromagnetic fields (Hayek 1942:273) are sparse, and usually expressed in the language of 'constructs', 'creations', and so on. Nevertheless, Hayek is clear that the new constructs provided by the advance of science can only be defined in terms of sense perceptions of the 'same' thing in different times and circumstances, 'a procedure which implies the postulate that the thing has in some sense remained the same although all its perceptible attitudes may have changed' (Hayek 1942:273). In short, contrary to what Lawson appears to suggest, Hayek does seem to be committed to a differentiated and largely stable reality that exists independently of how we perceive and think about it.

Do these discrepancies matter in Lawson's overall assessment of Hayek's views on the social sciences? The first point about science being about the revision of the facts of sense experience rather than being founded on it *is* important, in my view, since, if correct, it is then illegitimate to argue as Lawson (1997:138) goes on to do, that Hayek's social ontology is no more than a 'hermeneuticised version' of his allegedly 'empiricist theory of ontology founded in positivism' of the natural sciences. If Hayek did not restrict the world to that given in experience for the natural sciences, then there is clearly a problem in interpreting him as transposing even an amended version of that view to the social sciences. Moreover, and again contrary to what Lawson suggests, we shall see that the idea that science involves a revision of the commonsense facts of experience also carries through to his views on the social sciences.<sup>2</sup> On the second point about the existence of non-empirical entities in the natural sciences, it is true that Hayek's remarks about electrons, waves, atomic structures and so on do not sound like those of a realist about such entities (my own view is that they sound most like those of someone who would prefer to remain agnostic about their existence). But however that may be, I shall argue that whatever his position on the existence of non-empirical entities of this kind in the natural realm, he certainly does have a place for non-empirical social structures that exist and have effects independently of their identification in the social realm.

We are now in a position to move on to Lawson's interpretation of Hayek's position on the social sciences. In order to understand Lawson's critique, however, it is necessary first to provide a brief sketch of the *critical realist* (CR) position he is advocating. This is the purpose of the next section, after which I return to Hayek's essay.

## II. Critical Realism

CR is probably best understood in contrast to empiricist philosophies that regard science as concerned predominantly with identifying and establishing event-regularities. The argument begins with two plausible observations: (1) most of the event-regularities held to be important in science are typically the products of experimental control and (2) the results or insights gained from experimental activity are often fruitfully applied outside the experimental situation. How can we account for these two observations? To do so, according to CR, it is necessary to abandon the view that science is ultimately about the discovery of event-regularities and to adopt an ontology that distinguishes between events and event-regularities on the one hand, and the (causal) structures, powers and mechanisms that lie behind and govern events on the other. These structures, powers and mechanisms are taken to be *intransitive*, existing, enduring and operating independently of their identification, and *structured*, irreducible to events and patterns between events.

We then have the basis to make sense of the two observations noted above. The world consists of structures, powers and mechanisms (I shall henceforth refer to only causal mechanisms, or structures) that give rise to and govern events. Sharp, robust event-regularities are rarely found in nature, since causal mechanisms tend to come and combine, reinforce and retard each other, in ever-changing mixes. Where such regularities are found, and with the exception of such thing as the movements of the planets, they are typically the product of deliberate human activity aimed at physically isolating some causal mechanism from

disturbing factors. Experimental activity is then seen, not as establishing the particular situation in which an empirical law occurs, but as intervening in nature so as to bring about the special circumstances in which the operation of a causal mechanism can be identified empirically. Since the mode of operation of that mechanism will be the same inside and outside of the experimental situation, however, knowledge gleaned inside the experimental situation is useful also in non-experimental situations, that is even where this is not manifest in sharp event-regularities.

CR adopts a similar ‘layered’ ontology with respect to the social realm. Again, the argument turns on two plausible propositions: (1) sharp, robust event-regularities have yet to be uncovered in the social realm and (2) human choice is real in the sense that is that if an actor truly had a choice in any situation then he or she could always have done other than they did. These two propositions reinforce the CR view of an ‘open’ world that unfolds in a non-predetermined and therefore in many respects unpredictable way: social science’s apparent lack of success in finding sharp event-regularities is cited as evidence for this view and our commitment to the idea that choice is real as presupposing it. But this is not to say that CR claims that the social world is entirely devoid of stable and enduring features. The argument runs as follows. If we accept that we have the capacity for choice this presupposes that human action must be intentional under some description. Intentionality presupposes some knowledgeability on the part of human actors, and this in turn presupposes at least some degree of durability in the objects of knowledge of the social world. If such durability does not lie at the level of events, according to CR, the knowledge that conditions human practices must be of things that lie at a deeper level ‘of structures which govern, but are irreducible to events, including human activities’.

CR emphasises two things about such structures. First, they are dependent on human agency and therefore *social*. Second, they exist independently of what any single person thinks about them. Of course social structure is not directly observable. But it is detectable, according to CR, through its effects in conditioning, facilitating and constraining human activities. These effects—‘traces of the real’—are taken to confirm the reality of social structure via the so-called causal criterion for existence. For example, our everyday activities of speaking, cashing cheques and giving lectures, it is argued, would be impossible in the absence of prior underlying structures of rules of grammar, banking systems and teacher-student relationships.

This completes the background necessary to understand Lawson’s critique of Hayek. It turns out that although Lawson makes various points against Hayek, the main thrust of his criticisms is that Hayek does not provide a conception of social structure as intransitive and structured. I shall consider these two aspects in turn.

### III. Intransitive Social Structure

Lawson (1997:139) main criticism of Hayek is that the theory of social ontology outlined in the *Scientism* essay does not acknowledge a reality of social structures that ‘exist apart from their being conceptualised in action’. Although Hayek uses the term ‘social structure’, Lawson maintains that this serves as ‘nothing more than a generic term for the concepts and

views that people have formed of each other and things'.<sup>3</sup> Crucially, he argues that Hayek cannot be interpreted as referring to '(individually as well as scientifically) intransitive real existents as elaborated within transcendental realism' (Lawson 1997:140). Towards the end of his discussion, he even seems to go so far as to suggest that Hayek's hermeneuticism cannot 'sustain the existence of beliefs, meanings and attitudes independently of their analysis' (Lawson 1997:150).

I have already given an indication of the notion of social structure advocated by CR. What, then, does Hayek understand by social structure? The passage in which he touches on this issue in the first installment of his essay runs as follows:

Not only man's action towards external objects but also all the relations between men and all the social institutions can be understood only in terms of 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 mind, the common principle on which they classify external events, provide us with 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. 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 the things, which form the true elements of the social structure (Hayek 1942:283, 284).

By the third and final installment of the *Scientism* essay, it becomes clear that Hayek's social structures or 'persistent structure of relationships' are none other than the 'social wholes', spontaneously formed 'formations' or 'institutions' that will perhaps be more familiar to those who know his writings (Hayek 1944:28). For the moment, however, I shall stick to the terminology of social structure.

According to Hayek, then, the true elements of the social structure are the concepts that people have formed of each other and things.<sup>4</sup> What is the nature of such concepts and how do they emerge? There are six crucial elements in Hayek's theory. The first four, all of which Lawson either mentions explicitly or which are at least not inconsistent with his interpretation, are as follows. (1) Peoples' concepts are based on their classifications of 'things', physical entities, actions, other people, and so on.<sup>5</sup> (2) These classifications are made on the (teleological) basis of what use the thing in question can be put to, what it does or what its effects will be (Hayek 1942:277, 278). (3) Peoples' classifications are abstractions in the sense that they abstract from all physical characteristics of the thing classified.<sup>6</sup> (4) Peoples' concepts run entirely in terms of mental attitudes towards the things classified.

It is clear, and there are places in which Lawson (1997:147) accepts this point, that Hayek takes peoples' concepts to be objective features of the world that exist independently of any individual observer.<sup>7</sup> So much for the 'true elements' of social structures. But what about social structures themselves? Does the objective existence of peoples' concepts also lend an objective existence to social structures? Hayek carries on from the passage quoted immediately above:

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 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 object of certain attitudes of his fellow men which are relevant to his function as a policeman. But this is sufficient to preserve a constant structural element which can be separated and studied in isolation (Hayek 1942:284).

This extract seems to leave little doubt that Hayek regards his social structures as enduring, as defining relations between individuals, and as having an existence over and above the subjective beliefs and attitudes of the particular individuals who form the foci in the network of relations defined. On the face of it, then, it looks as if a case could well be made for maintaining that Hayek is proposing a conception of social structure that is intransitive in the sense of CR.

Lawson (1997:139, 140) recognises that the passage quoted above is important and that he needs to rebut it in order for his interpretation of Hayek to go through. The basis of his argument here is that 'for Hayek at this time, *relations* are the same thing as *attitudes*; they are the particular attitudes that people take towards each other and things' (139). Further on he notes that the concepts and attitudes that form the elements of Hayek's social structures are *atomistic*: 'the phenomena which Hayek described as the "data of the social sciences", i.e. the concepts, attitudes and views of individual agents, are as far as social science is concerned anyway, indeed in effect atomistic' (Lawson 1997:147).<sup>8</sup> By 'atomistic' Lawson (1997:166) means that the entity described as such exists and acts in ways that are quite independent of any relationship in which it stands to other entities. According to Lawson, then, the concepts that Hayek describes people as holding are fixed, effectively insulated from and unaffected by the context, social or otherwise, in which they are formed. It is not clear how Lawson arrives at this interpretation, although, and I am speculating here, it is possible that Hayek's various references to attitudes, beliefs, opinions and so on may be to blame for giving the misleading impression that peoples' concepts are no more than their private, subjective attributions. But however that may be, it is on this point that Lawson's interpretation of Hayek goes awry. For the claim that the conceptions Hayek has in mind are atomistic ignores the role of two vital further features of his theory. The first of these is that (5) People learn to classify things in similar ways (even if the physical and temporal characteristics of the thing classified have no objective similarity).

... in his conscious decisions man classifies external stimuli in a way which we know solely from our own subjective experiences of this kind of classification. We take it for granted that other men treat various things as alike or unlike 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—e.g. not if they are colourblind or mad) classify their sense impressions as we do (Hayek 1942:277).

Now it is possible to read this passage as being consistent with Lawson's interpretation: the mere fact that some group of people have learned to classify things in similar ways provides no logical barrier to their having done so independently of each other. This interpretation would be reinforced, moreover, if the similarity of people's classifications were purely a product of their sharing a like structure of the mind. But this line of argument overlooks that for Hayek (6) Peoples' shared concepts are learned and a prerequisite for people to interact successfully, for their behaviour to be intelligible to each other, and for social scientists to be able to understand and explain what people 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 learnt 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 (Hayek 1942:277).

It is hard to imagine how these concepts could be anything other than inter-subjectively agreed. For otherwise it would be a real puzzle how there could be so little disagreement (usually nil, as far as I can tell), that e.g. this lump of wood and metal is a hammer, that this piece of paper counts as money, that Tony Blair is Prime Minister, when the physical objects in question leave so many degrees of freedom with respect to how people as individuals might classify them. Our concepts are things we learn, and this learning takes place in a social context through interaction with other people, our parents, peers and teachers. Lawson might object that Hayek does not place sufficient emphasis on this point, that in harnessing peoples' concepts as the 'base elements on which social wholes are founded' (Lawson 1997:147) he makes the mistake of regarding those 'given' concepts as atomistic and immutable. But taking peoples' concepts for the purpose of recovering or reconstructing social wholes so that they can be understood theoretically certainly does not preclude those concepts from being something that people learn in a social context, that may change and may even be deliberately transformed over time. And it would be hard to argue that Hayek does not recognise this. After all, he constantly refers to concepts being learned, that shared concepts are a precondition for people to understand the activities of other people, and acknowledges that there may be differences in the concepts held by people in different societies, or societies at different stages of development (Hayek 1942:280, 281). Contrary to Lawson's interpretation, then, the concepts that Hayek is referring to are *shared* or intersubjectively agreed, social rather than atomistic, and it is by virtue of their sharing the same concepts that people have the same attitudes towards the objects of those concepts (and which thereby makes their actions intelligible, to each other as well as to social scientists). These shared attitudes, in turn, preserve 'a constant structural element which can be separated and studied in isolation' (Hayek 1942:284) and which forms the subject of the next section.



#### IV. Structures of Determination

Lawson's second line of attack is that Hayek's conception of social structure is not structured in the sense of CR. He writes, for example, that Hayek is a subjectivist who 'does not recognise structures of determination' so that:

'... conscious action is implicitly, if not explicitly, reduced to the individual's conscious aims or desires. For, just as there can be no unacknowledged (including inadequately understood) social structures or tacit skills conditioning what takes place, so physical conditions, being once more reducible to (*unstructured*) events and states of affairs, can have little bearing upon action except in the manner in which they are conceptualised' (Lawson 1997:141; see also 143).

By structured, as I have already noted, CR means 'irreducible to events and patterns between events'. The best way to see what is at stake in the present context is to focus on social rules for a moment, and to consider the distinction between rule-described and rule-governed behaviour. Those who think in terms of behaviour as rule-described regard particular social rules as no more than the name we give to observed regularities in the behaviour of some social group. According to this view, social rules are no more than the generalised aspect of some regular or routine behaviour and have no existence independently from that behaviour. Those who think of behaviour as rule-governed, in contrast, regard social rules as having an existence over and above that which is manifest in the behaviour concerned. On this view, social rules (and social structure more generally) are something that already exist prior to action, presupposed by, drawn on in (and ultimately reproduced through) action. As will already have become apparent from the brief sketch provided above, CR takes the latter view (see Lawson 1997:160–162). An important consequence of the rule-governed behaviour view is that it makes it possible to accommodate human behaviour that is 'out of phase' with the rules that facilitate and govern it. For example, people may deliberately violate a dress code, exceed a speed restriction and so on, behaviour that seems to presuppose the prior existence of a rule that is independent of the particular instance of behaviour described. Rule-breaking is often cited by proponents of CR in support of their view that social structures are irreducible to events (human actions) or patterns between events.

Lawson's main point against Hayek in the passage quoted above is that Hayek does not recognise 'structures of determination', that he cannot accord a causal role to social structure except in so far as it is conceptualised in action. This criticism is a corollary of Lawson's view that the concepts that form the elements of Hayek's social structure are atomistic. In fact, however, Hayek does accord a causal role to social structure that exists independently of and cannot be reduced to any individual person's conceptions and actions. The first two steps of my argument in support of this contention are already in place: (1) that the concepts that form the elements of Hayek's social structures are not 'atomistic' but shared or intersubjectively agreed; and (2) that Hayek regards such concepts as preserving structures and relations that exist and endure apart from any individual person's conceptions or actions. The final step of the argument is to show that Hayek's social structures are 'structures of

determination' in the sense that they both contribute to the *causation* of social phenomena—in the sense that they make a difference, have effects that are often detectable—and are structured in the sense of CR.

That Hayek believes that peoples' concepts have causal power is evident from his discussion of the distinction between the ideas or concepts that are *constitutive* of the social phenomena we want to explain and ideas which are *theories about* rather than causes of those phenomena:

The real contrast is between ideas which by being held by the people become the causes of a social phenomenon and the ideas which people form about that phenomenon. That these two classes of ideas are distinct ... can easily be shown. The changes in the opinions which people hold about a particular commodity and which we recognise as the cause of a change in the price of that commodity stand clearly in a different class from the ideas which the same people may have formed about the causes of a change in price or about the "nature of value" in general. Similarly, the beliefs and opinions which lead a number of people regularly to repeat certain acts, e.g. to produce, sell, or buy certain quantities of commodities, are entirely different from the ideas they may have formed about the whole of "society", or the "economic system", to which they belong and which the aggregate of all their actions constitutes. The first kind of opinions and beliefs are a condition of the existence of the "wholes" which would not exist without them; they are, as we have said "constitutive", essential for the existence of the phenomenon which the people refer to as "society" or the "economic system", but which will exist irrespectively of the concepts which the people have formed about these wholes (Hayek 1942:285, 286).

So the concepts that people hold, according to Hayek, do have causal efficacy in the sense that they do affect prices, act as a condition for the existence of social wholes, and so on. But are such social wholes, structures and relations, also structures of determination in the sense of CR? While Hayek does of course not talk in these terms, there seems to me strong indications that he takes such a view. We have seen that (1) he regards peoples' concepts as governing their attitudes and behaviour, and (2) that these attitudes and behaviour preserves what he calls a constant structural element, 'persistent structures and relationships' or 'social wholes' (Hayek 1944:28). The third stage of the argument is that (3) these social wholes, in turn, serve as an (often unacknowledged) precondition for action and the further development of society.

In the social sphere these spontaneous movements which preserve a certain structural connection between the parts are ... connected in a special way with our individual purposes: the social wholes which are thus maintained are the condition for the achievement of many of the things we individually aim at, the environment which makes it possible even to conceive of most of our individual desires and which gives us the power to achieve them.

There is nothing more mysterious in the fact that, e.g., money or the price system enable man to achieve things which he desires, although they were not designed for that purpose, and hardly could have been consciously designed before that growth of

civilisation which they made possible, than that, unless man had tumbled upon these devices, he would not have achieved the powers he has gained. The facts to which we refer when we speak of “purposive forces” being here at work are the same as those which create the persistent social structures which we have come to take for granted and which form the condition of our existence. The spontaneously grown institutions are “useful” because they were the conditions on which the further development of man was based—which gave him the powers which he used (Hayek 1944:28).

The language in this passage, of social structure being something we take for granted and that forms a condition for the achievement of the things that we aim at individually, is strongly reminiscent—if not identical to—that of CR. To go back to Hayek’s policeman example, he describes the persistent structural element as consisting of the relations preserved by peoples’ shared concepts of, and attitudes towards, policemen. More fully, these concepts are framed in terms of what policemen do, are good for and so on, which are quite naturally formulated in terms of general duties, rights, obligations, responsibilities and so on. And it is these concepts that define and govern peoples’ attitudes towards policemen and, accordingly, the way that they (would) interact with them. CR would add that these interactions, in turn, whether they are experienced directly or indirectly via the media or the report or teaching of others, then contribute to preserving and reinforcing peoples’ concepts of and attitudes towards policemen (and policemen’s towards civilians in their capacity as policemen). Hayek, it is true, does not emphasise this point to the same degree, but the indications are that he recognises that the relatively enduring nature of his ‘persistent structures and relationships’ requires their constantly being reproduced in this way: ‘... phenomena like language or the market, money are morals, are not real artifacts. Not only have they not been designed by any mind, but they are also preserved by, and depend for their functioning on, the actions of people who are not guided by the desire to keep them in existence’ (Hayek 1944:29).

### *Subsidiary Points*

Lawson makes various further points against Hayek in the passage quoted at the beginning of the present section, all of which are connected with Hayek’s alleged failure to offer an account of social structure as structured in the sense of CR. The first point, that Hayek does not recognise that social structure is often unacknowledged, may come as a surprise even to those who have only a passing acquaintance with his writings. For one of Hayek’s main and most enduring motivations is to dispel ‘... the inability, caused by the lack of a compositive theory of social phenomena, to grasp how the independent action of many men can produce coherent wholes, persistent structures of relationships which serve important human purposes without having been designed for that end’ (Hayek 1944:27). The neglect of the kind of social structures he has in mind runs so deep, in Hayek’s view, that many social scientists have come to regard as impossible any orderly arrangement of social affairs that is not the product of a deliberately designed institution.<sup>9</sup> And what is true of social scientists, of course, is likely to be equally true of ordinary people. Far from failing to recognise that social structure is often unacknowledged, then, it is this very lack of acknowledgement that

Hayek is deliberately and explicitly attempting to redress, both in the *Scientism* essay and his other writings.

Lawson's second criticism is that Hayek does not recognise that the concepts people hold/social structure may be inadequately or poorly understood and that Hayek is thereby precluded from allowing his fallibilism with respect to the natural sciences 'to carry over, without strain, to social science' (Lawson 1997:142).<sup>10</sup> Both of these criticisms are simply mistaken. On the first point, Hayek *does* allow for the possibility that peoples' concepts may be poor or inadequate. In one place, for instance, he distinguishes between 'knowledge which we may happen to possess about the true nature of the material thing [that serves as a medicine or a cosmetic in his example], but which people whose actions we want to explain do not possess' (Hayek 1942:280, 281). Hayek's point here is the fact that the material being used as a medicine in some society exacerbates rather than cures some illness, is of no consequence *where the objective is to understand and explain* why that material is being administered in the situation concerned. For if we imputed the superior knowledge to the parties involved, their actions would have to be understood very differently, perhaps in terms of homicidal or masochistic intent. Lawson's second point about Hayek's fallibilism not carrying over from the natural sciences, moreover, is clearly contradicted in the following passage.

One could, e.g., conceive of a "science of politics" showing what kind of political action follows from the people holding certain views on the nature of society and for which these views would have to be treated as data. But while in man's actions towards social phenomena, i.e. in explaining his political actions, we have to take his views about the constitution of society as given, we can on a different level of analysis investigate their truth or untruth. The fact that a particular society may believe that its institutions have been created by divine intervention we would have to accept as a fact in explaining the politics of that society; but it need not prevent us from showing that this view is probably false (Hayek 1942:285, n. 2)

It is plain that Hayek does not deny that the social scientist may have occasion to criticise the concepts used by the people he or she is studying.

The third criticism raised by Lawson (1997:141) is that according to Hayek, 'neither human conceptions nor actions are matters to be *explained* or further analysed in social science, but merely items to be grasped' (see also p. 142). Now it is true that in so far as the social scientist's intention is to understand and explain peoples' actions, according to Hayek, he or she will take peoples' concepts as given. But there are a number of respects in which his position on this point should be qualified. In the first place, Hayek is not claiming that the contents of our mind may not themselves be worthy of explanation in their own right:

While Science is all the time busy revising the picture of the external world that man possesses, and while to it this picture is always provisional, the fact that man has a definite picture, and that the picture of all beings whom we recognise as thinking men and whom we can understand is to some extent alike, is no less a reality of great consequence and the cause of certain events. Till Science has literally completed its

work and not left the slightest unexplained residue in man's intellectual processes, the facts of our mind remain not only data to be explained but also data on which the explanation of human action guided by those phenomena must be based (Hayek 1942:276).

In fact, he even hints briefly at an (evolutionary) theory of how 'man has come to classify external stimuli in the particular way which we know as sense qualities':

... this classification is probably based on a pre-conscious learning of those relationships in the external world which are of special relevance for the existence of the human organism in the kind of environment in which it developed, and that it is closely connected with the infinite number of "conditioned reflexes" which the human species had to acquire in the course of its evolution. The classification of the stimuli in our central nervous system is probably highly "pragmatic" in the sense that it is not based on all observable relations between the external things but stresses those relations between the external world (in the narrower sense) and our body which in the course of evolution have proved significant for the survival of the species. The human brain will e.g. classify external stimuli by their association with stimuli emanating from the reflex action of parts of the human body caused by the same external stimulus without the intervention of the brain (Hayek 1942:274, n. 2)

In the second place, Lawson's remark that neither conceptions nor actions are matters to be explained (merely grasped) on Hayek's account, overlooks that achieving an understanding of what people are doing in a particular situation already goes a long way to explaining what they are doing. To understand that someone is administering a medicine in some situation at the same time is to have an explanation of why the relevant substance is being administered in the way that it is. Thirdly, Lawson's remark about social science being restricted to grasping peoples' concepts and actions, overlooks that this is only the point of entry for the compositive method, the method by which social wholes are recovered theoretically, 'recovered' or 'rebuilt' (Hayek 1942:56, 57).

Lawson's fourth criticism of Hayek's conception of social structure is that Hayek does not recognise that tacit skills condition what we do. It is true that there is little in the *Scientism* essay about the kind of tacit knowledge that is the product of learning that has been internalised to the extent that the relevant tasks can be performed without thinking about them (such as the jazz musician who has gone through the process of consciously learning the rules of various chord substitutions but who has reached the level of expertise at which he or she can make them without thinking consciously about those rules). However, and although Hayek does not emphasise tacit knowledge in the *Scientism* essay to the extent he does in his later writings (e.g. Hayek 1967, 1973), it is clear that he is aware of the importance of the things we can do without thinking about them and the extent to which we rely on concepts that we do not fully understand. For example, he recognises that our ability to classify things is a skill that is itself 'spontaneous and unconscious' (Hayek 1943:36) and that our concepts may embody all kinds of wisdom of which we are not aware, but which we nevertheless benefit from when we use them.

The best illustration, perhaps, of how we constantly make use of the experience or knowledge acquired by others, is the way in which, by learning how to speak, we learn to classify things in a certain manner without acquiring the actual experiences which have led successive generations to evolve this system of classification. There is a great deal of knowledge which we never consciously know implicit in the knowledge of which we are aware, knowledge which yet constantly serves us in actions, though we can hardly be said to “possess” it (Hayek 1944:29, n. 4).

Finally, Lawson takes Hayek to task for failing to recognise the material embeddedness of economy and society. Again, this criticism seems misplaced (see also Lawson 1997: 149–150). Hayek’s point is not that the material aspects of the things or people we interact with are unimportant or irrelevant to the function assigned to them under some concept, but that the importance of these material aspects in influencing our actions derives, and can only derive, through the way that the things in question are conceptualised. This comes out quite clearly in a reference to economics:

That the objects of economic activity cannot be defined in objective terms but only with reference to human purposes 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 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 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 actions any attempt to explain them, i.e. to subsume them under rules which connect similar situations with similar actions, are bound to fail (Hayek 1942:281, 282).

Note that Hayek is not denying the existence of material things or that the particular constitution of material things might matter here. But he is claiming that, for the purposes of understanding what people are doing in a particular context, it is their concepts of those material things which are relevant. Although Hayek spends a great deal of time emphasising that the concepts that we use often abstract from all physical properties of the entity concerned, he certainly does not deny that ‘there will usually exist some objective justification of why we regard certain things as similar in kind’ (Hayek 1943:37).

## **V. Hayek, CR and the Construction of Social Reality According to John Searle**

Thus far I have concentrated on Hayek’s *Scientism* essay as perceived through the lens of CR. I now want to consider some points of contact between the preceding discussion and the theory of social reality proposed in John Searle’s (1995) recent *The Construction of Social Reality*. One of my aims is to suggest that Hayek and Searle’s theories are of the same

basic mould. If correct, this would provide an independent source of support for the reading of the *Scientism* essay offered above: not only is Searle's book explicitly presented as an ontological investigation, it is also, like CR, directed against constructionists/idealists who would proceed by 'reducing society to conceptions' (Lawson 1997:150, Searle 1997:109). But more importantly, I believe that a brief comparison with Searle may help to throw some light on the differences between the theories of Hayek and CR, and in ways that may even help to reinforce them both.

The aim of Searle's book is to account for how it is that 'there are portions of the real world, objective facts in the world, that are facts only by human agreement.' The kind of facts that he has in mind are similar to those cited by Hayek, for example, that this lump of wood and metal is a screwdriver, that this piece of paper counts as money, that this person is a policeman, and so on. Searle's theory builds on three basic elements: (1) what he calls the assignment of function, (2) collective intentionality and (3) constitutive rules. He begins by noting the capacity of humans and some species of animals to *assign functions* to natural objects, artefacts and utterances. Like Hayek, he emphasises that the functions assigned are never intrinsic to the physics of the thing concerned, but always observer relative. He notes two central conditions of such functions, that (i) 'Whenever the function of X is to Y, X and Y are parts of a system where the system is in part defined by purposes, goals and values generally' and (ii) that the functions assigned to objects entail a normative element: 'Whenever the function of X is to Y, then X is *supposed* to cause or otherwise result in Y' (Searle 1995:19). The functions assigned to things may be either agentive or nonagentive (a distinction not made in Hayek's essay). Agentive functions are all instances of uses to which actors intentionally put objects. Nonagentive functions are instances in which functions are assigned to naturally occurring objects or processes as part of a theoretical account of the phenomena in question (such as 'the function of the heart is to pump blood'). An important class of agentive functions are those that are assigned to objects to stand for or represent something else.

By *collective intentionality* Searle means the capacity of humans and some species of animals to engage in cooperative behaviour and specifically to share intentional states such as beliefs, desires and intentions.<sup>11</sup> An important example of what Searle has in mind here are situations in which what I am doing is a part of what we are doing (such as my playing as a member of a team or an orchestra). A social fact, in Searle's terminology, is any fact involving collective intentionality.

The final building block of Searle's theory is the notion of *constitutive rules*. A key distinction in Searle's book is between brute facts and institutional facts. Brute facts are facts that can exist without people and language, such as the fact that there is snow at the top of Mount Everest. Institutional facts, in contrast, are facts that require human institutions for their existence. Institutions, in turn, are described by Searle in terms of the distinction between regulative and constitutive rules. The difference is that whereas regulative rules regulate antecedently existing activities, constitutive rules create the very possibility of certain kinds of activities. Constitutive rules come in systems where the rules individually, and sometimes the system collectively, have the form: X counts as Y, or X counts as Y in C. These systems are institutional structures in Searle's scheme, and act as a precondition for institutional facts that can exist only within systems of constitutive rules. A good example

of an institutional fact, one that plays a central role in Searle's book, is 'this piece of paper counts as money'.

Drastically simplified, Searle's theory may then be summarised as follows.<sup>12</sup> His 'basic ontology' consists of a world made up entirely of physical particles that exist in fields of force. Some of these particles are organised into systems, the boundaries of which are causal relations, and some of which are living systems that have evolved through natural selection. Some of these living systems, in turn, have developed nervous systems capable of causing and sustaining consciousness. With consciousness comes intentionality, the capacity of an organism to represent objects and states of affairs other than itself. The question raised by Searle, then, is how social facts can be incorporated within this world-picture. His answer runs as follows. Humans and some species of animals that have evolved consciousness have the capacity for collective intentionality and the capacity to assign agentive functions to objects (and utterances) on a collective basis. A subset of agentive functions are those where the ability of the relevant object to serve the function assigned to it cannot be solely in virtue of its intrinsic physical characteristics. And in these cases the function is maintained by virtue of collective agreement, the imposition of a collectively agreed status. This collectively agreed status is also represented by the formula *X counts as Y in C*. Social facts of this kind, in Searle's terminology, are 'institutional facts'.

Searle's theory of social reality is considerably more extensive and rigorously set out than Hayek's. This is only to be expected, of course, since Hayek's theory forms only one part of a wider argument about the methodology of the social sciences. The parallels between the two theories are nevertheless remarkable, with Hayek deploying the equivalent of Searle's three fundamental 'building blocks' in much the same way that Searle does himself. Like Searle, Hayek emphasises our tendency to classify things on the basis of their functions (where the function is often not intrinsic to the physics of the thing concerned),<sup>13</sup> and, where functions are assigned in the same way by members of a community, that the relevant formula acquires a normative status and becomes a constitutive rule<sup>14</sup> (the first and third building blocks of Searle's theory). Some might argue that the crucial difference between the two theories is that Hayek's is missing the second building block, the notion of collectively shared intentional states or 'we' intentionality. Lawson might take this view, for example, in line with his interpretation of Hayek as maintaining that people's concepts as 'atomistic'. For the reasons I have already given, however, this criticism of Hayek cannot be sustained.<sup>15</sup> To repeat, it is only by virtue of the apparent fact that people share intentional states or, as Hayek puts it, that their knowledge and beliefs share a common structure, that communication is at all possible (see, for example, Hayek 1942:280).

What, then, is the relationship between the Hayek/Searle account of the nature of social reality on the one hand and that of CR on the other? To answer this question it is useful to consider what the two approaches are attempting to achieve. Searle's explicit intention is to provide an answer to the question: how is social reality possible? Hayek's is a related one: to show that (and how) the reality that the social scientist is concerned with differs from the reality that the physical scientist is concerned with. In an insightful review, Hacking (1997:89) notes that Searle's enterprise has Kantian overtones to the extent that it proceeds by asking what are the preconditions for social reality. But as Hacking goes on to point out, Searle is not concerned with psychological, cognitive or sociological preconditions.



What he is concerned to do, rather, is to provide a set of necessary and sufficient conditions for social reality that are describable in terms of his ‘basic ontology’ summarised above. Hayek’s starting point is different from Searle’s, of course, since he begins his account with a discussion of the natural sciences from an epistemological point of view. But once he moves on to the social sciences and the nature of social reality, he too has little to say about psychological, cognitive or sociological considerations. Like Searle, he requires no more than the assumptions that people share intentional states and classify objects of human action in terms of what they are useful for, to be able to show how ‘... by his actions, determined by the views and concepts he possesses, man builds up another world of which the individual becomes a part’ (Hayek 1942:276).

The transcendental method of enquiry favoured by CR is of course also Kantian in the sense described above. But CR differs from the Hayek/Searle approach in two important respects. First, CR *is* concerned with the psychological, epistemological and sociological preconditions of social reality. Second, CR tends to take the existence of social reality for granted and, rather than attempting to account for it *per se*, focuses on how society is reproduced and perhaps transformed over time. For the most part this account assumes the prior existence of both social structure and human agency, and focuses on the interrelation between the two. The closest that Lawson gets to accounting for the possibility of social reality in its own right—as opposed to its reproduction and (emergent) transformation—is in his explanation of why people tend to conform to social rules at all. Here Lawson emphasises the highly routinised nature of much of social activity, which, following Giddens (1984), he attributes to the human need for security. As this need is initially satisfied through the infant’s interaction with parents prior to the acquisition of language, according to Lawson, the mechanisms developed to counteract insecurity are often unconscious ones. In adult life the need for security and anxiety control is met through the following of routines. These routines, in turn, are regarded as the key ingredient in the reproduction of social structure, as well as to the production and reproduction of each individual personality (Lawson 1997:181).

As far as their respective views of what the social world consists in is concerned, however, there is no necessary incompatibility between the two approaches. Both maintain that ‘society is constituted by rules and practices, if amongst other things’ (Lawson, 1997:180) and both regard social rules as the fundamental element of social structure. The main difference between the two approaches is that Hayek/Searle do, and CR as presented by Lawson does not, provide an analysis of the formation of constitutive rules and their role in the build-up of a meaningful social world. To this extent, the Hayek/Searle account of social reality seems to me more satisfying than that of Lawson. By the same token, however, the emphasis placed by Lawson on routines, position-practices and so on, drives home the highly stable, patterned nature of so much of social life in a way that is absent from Hayek’s essay and, to some extent, from Searle’s. The two broad approaches examine different aspects of social reality, therefore, but in complementary rather than competing ways. And even then, all three of the contributions considered here contain passages that indicate an awareness of the points emphasised by the approach against which they have been counterposed.<sup>16</sup>

That said, there is one marked and interesting difference, not between Hayek/Searle and CR, but between Searle on the one hand and Hayek and CR on the other. Although the

details will have to be left to another occasion, I think that it is worth at least signalling this difference because it provides an alternative, and in many respects attractive, way of thinking about an issue that is central to the projects of both Hayek and CR: how social rules might function causally. I have already mentioned that CR thinks of human behaviour as rule-governed rather than rule-described, a position that I have argued Hayek adopts in the *Scientism* essay (and even more so in his later writings). These rules, according to CR and Hayek, are for the most part followed in a tacit way, that is, at a subconscious level or level of practical consciousness. Searle, in contrast, is critical both of rule-described and the rule-governed interpretation of human behaviour and suggests instead that actors often act in accordance with rule structures *without* following the relevant rules consciously *or* unconsciously. Instead of interpreting people as behaving the way that they do because they are following the rules of the institution, Searle suggests that we might interpret them as behaving the way they do because (1) they have a structure that disposes them to behave in that way, and (2) they have become disposed to behave in that way because that is the way that conforms to the rules of the institution (see Searle 1995:137–147). I leave the final word to Searle:

So there are in fact constitutive rules functioning causally, and we do in fact discover those rules in the course of our analysis. But it does not follow that a person is able to function in a society only if he has actually learned and memorized the rules and is following them consciously or unconsciously. Nor does it follow that a person is able to function in society only if he has “internalized” the rules *as rules*. The point is that we should not say that the man who is at home in his society, the man who is *chez lui* in the social institutions of the society, is at home because he has mastered the rules of society, but rather that the man has developed a set of capabilities and abilities that render him at home in the society; and he has developed those abilities because those are the rules of his society. The man at home in his society is as comfortable as the fish in the sea or the eyeball in its socket, and we do not have to account for the behaviour entirely in terms of rules in any of these three cases (Searle 1995:147).

## Conclusion

It is true that Hayek regards the theory of social reality proposed in his *Scientism* essay as a form of subjectivism. But the subjectivism he has in mind is in fact closer to the modern brand of realism proposed by Searle (and indeed CR) than it is to the more voluntaristic version favoured by some of the authors whom Hayek has influenced (particularly Lachmann (1976), Shackle (1972) and some of their followers). What Hayek is concerned to show, as Searle would put it, is how there can be an epistemically objective social reality that is partly constituted by an ontologically subjective set of attitudes. The second kind of subjectivism, in contrast, and the view of the protean, creative mind that it encourages, would perhaps have made a more appropriate target for the kind of attack that Lawson mounts on Hayek. But however that may be, the social ontology outlined in Hayek’s *Scientism* essay is far from the ‘hermeneuticised’ version of positivism portrayed by Lawson and does indeed offer a theory of social structure as both intransitive and structured in the sense of CR. The social

formations in Hayek's essay, from language to the market, money to morals, at once exist and endure independently of the beliefs of any individual actor, and form the preconditions for successful human action. Hayek's theory of the nature of social reality is robust to the two main charges raised by his CR critics.

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### Notes

1. Another important critique of Hayek's *Scientism* essay from the perspective of CR, and which comes to broadly similar conclusions, appears in Fleetwood (1995). I shall concentrate on Lawson's book, however, since Fleetwood's argument draws on an earlier paper by Lawson that forms the basis of the chapter under consideration (Lawson 1994).
2. '... 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' (Hayek 1942:285).
3. Although Lawson tends to use the terms 'concepts' and 'social structure' interchangeably when reporting Hayek's position, Hayek himself is careful to maintain the distinction (see below).
4. Hayek uses the terms 'attitudes', 'opinions' and 'beliefs' (and even 'sensation' and 'perception') interchangeably with 'concepts'. He justifies this apparently rather loose categorisation on the grounds that 'all these different types of mental entities have in common that they are classifications of possible external stimuli (or complexes of such stimuli)' (Hayek 1943:37, n. 1). Some examples of the kind of concepts that Hayek (1942:278–281) has in mind include the concept of a 'tool' or an 'instrument' or any particular tool such as a hammer or a barometer, a 'word' or a 'sentence' a 'crime', 'punishment', 'cosmetic', 'medicine', 'parent-child relationship', 'commodity', 'economic good', 'food', and 'money'.
5. Hayek also talks of our classification of external stimuli as well as our classification of things. There is clearly evidence of tension here. In reading Hayek as a proponent of empirical realism, Lawson emphasises the former. However, as Hayek moves through the essay he tends to place more emphasis on the classification of things or 'stable collections of sense attributes' (Hayek 1943:43).
6. Hayek (1942:278) writes: 'an ordinary hammer and a steam-hammer, or an aneroid barometer and a mercury barometer, have nothing in common except the purpose for which men think they can be used.'
7. '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, 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 his object. 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 equally given to the observation by different people' (Hayek 1942:279).
8. Elsewhere Lawson (1997:149) speaks of 'brute opinions, beliefs and attitudes of hermeneutical foundationalism' and the 'self-characterisation of the social world in hermeneutecism'.
9. 'Though our civilisation is the result of a cumulation of individual knowledge, it is not by the explicit or conscious combination of all this knowledge in any individual brain, but by its embodiment in symbols which we use without understanding them, in habits and institutions, tools and concepts, that man in society is constantly able to profit from a body of knowledge neither he nor any other man completely possesses' (Hayek 1943:29).
10. Again, Lawson tends to treat concepts and social structure as the same thing here.
11. Searle uses the word 'intentionality' as a technical term for the feature of the mind by virtue of which mental states are about, refer to, or are directed at, something or other.

12. In a more recent book, Searle (1999:111–134) provides a more extensive summary of his own.
13. ‘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”, i.e. to 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 other 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 terms such as “suitable for” or “intended for” or some other expression referring to the use for which it is designed by somebody’ (Hayek 1942:278).
14. Hayek does not talk of constitutive rules in the *Scientism* essay, but of beliefs and opinions that are ‘constitutive’, ‘essential for the existence of the phenomenon which the people refer to as “society” or the “economic system” (such as ‘the beliefs and opinions which lead a number of people regularly to repeat certain acts, e.g. to produce, sell, or buy certain quantities of commodities’. He urges that the social scientist ‘systematically starts from the concepts which guide individuals in their actions’ (Hayek 1942:286). These concepts nevertheless serve as rules, in Hayek’s account, in the sense that they are abstract formulations with normative import, *leading* people to do things, *guiding* them in their actions, and so on.
15. Indeed, in a lecture delivered only one year after the final instalment of the *Scientism* essay was published, he warns against ‘the silliest of common misunderstandings: the belief that individualism postulates (or bases its arguments on the assumption of) the existence of isolated or self-contained individuals, instead of starting from men whose whole nature and character is determined by their existence in society’ (Hayek 1949:6).
16. Thus Hacking’s (1997:85) remark that ‘there is very little doing in Searle’s book’ may underestimate Searle’s emphasises on the priority of action over institutional objects: ‘What we think of as social *objects*, such as governments, money, and universities, are in fact just placeholders for patterns of *activities*. I hope it is clear that the whole operation of agentive functions and collective intentionality is a matter of ongoing activities and the creation of possibilities of more ongoing activities’ (Searle 1995:57).

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