

## HAYEK AND THE METHODOLOGICAL PECULIARITIES OF SOCIAL SCIENCES

Robert Nadeau  
Université du Québec à Montréal

Throughout his writings, Hayek has emphasized that a "scientific prejudice" is working as a bad steering factor in the research for sound theories in the general field of social sciences, and especially in economics. Notwithstanding Hayek's criticism, most contemporary economists still think that they must imitate methods of physical and biological sciences in order to do good and valid science. While Hayek was first vehemently reproving this methodological choice in his early writings (for example, Hayek 1952), he was afterwards convinced by Popper, as he himself acknowledges (see Hayek 1967) that the scientific method social scientists sought to transpose into their own research field was mere illusion. Consequently, Hayek rejected the confirmationist approach to economic theories and adopted a strict falsificationist one (this is very clear in the Nobel Memorial Lecture: see Hayek 1974).

Although Hayek adopted falsifiability as the only acceptable criterion of scientificity in general, this does not imply that he was thus convinced that there were no true basic methodological differences between physical and social sciences. Hayek today continues to stress that most economists remain fascinated (and deluded) by the logical method they imagine physicists and biologists to be following. This is why criticism of scientism requires, first of all, dismissal of an ill-conceived methodology, one that is only imagined but not really followed by anyone. We have here to assume that Hayek is granting, pace Popper, that if verificationism has to be ruled out in any field of research, it is mainly because it represents a logically impossible method for any kind of theoretical science. Verificationism requires inductive logic, and induction is not so much conceptually and logically unjustified as it is a philosophical chimera. But even that being the case, scientism can also be regarded as the philosophical attitude of those who wish to adhere to methodological monism. As Hayek would argue (against Popper), monists are not prepared to take into consideration fundamental differences in the objects of social sciences as compared to those elsewhere (physical sciences). The central question could be stated the following way: as far as

scientific knowledge is concerned, are those differences in objects to be interpreted as differences in degree or as differences in nature? My interpretation of Hayek's point of view is that social objects are somewhat radically different in nature from physical and biological objects. The consequence is, when considering the applicability of the general falsificationist research strategy, that we have to acknowledge at least differences in degree. As will be shown, this is the main reason why, according to Hayek, we can anticipate that social knowledge will never be completely similar to knowledge in the physical realm. If, as Popper emphasises, the "technological mentality" is basically the same in all theoretical sciences, be they social, biological or physical, it would nevertheless be in order to sustain with Hayek that in the science of nature and in the science of society, we can only reach quite different "degrees of explanation". Accordingly, the limits of possible know-how in social sciences, and in economics in particular, are not to be drawn at the same place, or seen as having similar bearings, as those we advocate in physical or in biological sciences. In fact, the unintended consequences of human actions, as purposive as they may be, are so important that Hayek regards institutions as impossible to plan precisely in accordance with

conscious aims and by reference to deliberate models. Hence, the so-called "social engineering", to use Popper's phrase, can only in a weak sense be called a technology.

Hayek's epistemological analysis of social objects can be viewed as a system of three not only intertwined but strongly interdependent theses. The first one can be labelled "the subjectivism thesis". Hayek asserts that, as far as social scientists are trying to explain the structure and functions of human institutions (as, for ex., systems of laws, languages, systems of kinship, markets), they are dealing with intentional objects. This is to say that in order to be able to explain theoretically any object of this kind or analogous to the ones already mentioned, before making conjectures about them, social scientists must have behaved as human agents. A typical social object can be scientifically understood insofar as social scientists are able to give meaning to it. And this is possible if and only if those social scientists have already made contact in their own existence with the set of phenomena they intend to explain via theoretical models. Physicists and biologists do not have to take into account that they are themselves physical bodies or organisms in order to be able to grasp their own object of study. But social scientists can only conceptualize the

institutions that they intend to explain insofar as they recognize themselves, be that implicitly or explicitly, consciously or unconsciously, as a typical part of a very similar system or process. For example, language can only be understood as a social phenomenon by persons who already have learned to speak a mother tongue. Language is an object for science only insofar as it is a meaningful phenomenon for those who seek to explain exactly what it is to speak a natural language. As it seems, any social reality can be accurately objectified only by those who are capable to grasp it meaningfully for themselves. In order to explain, for example, what is a rational economic behavior, one has first to understand, by way of reflection, what it means to be himself an economic agent. Social objects cannot be given to objective observation if they are not first apprehended by way of an inner detour. Consequently, we have to maintain that, in order to explain social facts, scientists have to be aware that they themselves, as individuals, are part of social processes. Their own pre-theoretical relation to social institutions represents a necessary condition for acquiring scientific knowledge of them. When speaking of the essential "subjectivism" in social sciences, by contrast with pure objectivism, Hayek is not denying that it is possible for

social scientists to be, in their own field of research, as objective as Popper would have them to be. He is not saying that scientific knowledge of social facts can only be relative to one's context or culture, or that economic theories, for example, cannot be refuted with reference to observable facts. He is saying, rather, that, as long as there is a somewhat radical difference between, for example, a planetary system and a linguistic one, it may very well be the case that types of explanation applying to the first system will not exactly fit the second one. It may very well be the case that our theoretical explanations of the planets' orbital moves give us means to predict precisely, *ceteris paribus*, the path of any planet of our solar system. But our best theories of syntactical or semantical structures will never permit us to predict accurately and with high precision any particular speech event in a speaking community. The same argument holds for economic theories.

The second thesis can be called "the anti-physicalist thesis". It could be stated the following way: if we can look at physical objects that we try to describe and explain as, in a way, already given to knowledge, we have, by contrast, to look at social objects as if they were causally constructed out of beliefs. Institutions are in no way natural kinds: they exist

insofar and as long as a group of individuals interact together, that is, insofar and as long as they partake of a given community of representations, which are most of the time unconsciously acquired and developed by them. For example, a specific kinship system is a real social entity if and only if there is a set of individual agents who believe that certain behaviors are allowed, certain others prescribed (avunculat, for ex.) and still others prohibited (incest, for ex.), and because most of them act accordingly. If people living under a particular political or economical regime were to cease believing that they must follow certain rules, rules that are constitutive of the institutions they live with, and if they were to behave in completely different ways, this concrete social system could no longer be said to exist. The same would happen if all speakers of a given language were to change the most important syntactical rules they were applying until then: this particular language, amounting to a precise set of rules followed by a particular set of individual linguistic agents, would no longer be said to exist. Evidently, the same does not apply to something like a gravitational field or a genetic drift process, or to any other non-intentional object. Because institutions are historically constructed systems of interrelated individual beliefs and representations, they can

only be grasped and theoretically explained in a "compositive" rather than in a "resolutive" way: social scientists do not analyse social objects in order to see their elementary components; they have, on the contrary, to synthetise and modelize inobservable macro-objects, such as institutions, by looking at observable micro-objects, such as individual agents acting rationally. Social sciences build "complex phenomena" models and theories out of simpler elements.

As one can see, the elementary social data alluded to are always individualistic. This is why the third fundamental statement in Hayek's epistemological analysis of social sciences is "the methodological individualism thesis". Three different arguments can be given in support of this statement. The first one is that, as we have seen, social scientists must have a pre-theoretical understanding of institutions in terms of their own personal actions as individual and rational beings. Social phenomena can only be explained by way of interpreting other agents' behaviors and beliefs in terms of one's own. The second argument takes into account that social phenomena are nothing but results of human interaction, with most outcomes being unsought for themselves. The third argument asserts that the most important social institutions, and in particular the economic

ones, are processes of exchange of information between basic individual units, and that an individual agent, be he a layman, a civil servant or a social scientist, can never totalize this information. In fact, there is no way to locate total information in a particular place of the social structure because it is, by definition, always distributed among individual agents. This is obviously the case in a free market economy, but it is also the case in a planned economy. Social institutions are then to be seen as spatio-temporal zones of spontaneous order emerging out of innumerable individual actions.

Consequently, social scientists cannot escape severe limitations in modeling and theorizing. They do not deal with plainly observable phenomena other than individual action and behavior, but they seek to explain the structure and functions of supra-individual entities. Models of institutions are not factual statements about the nature and behavior of mere physical bodies: they are simulations about real systems of individual beliefs in norms and rules. Social theories do not explain institutional systems and processes in terms of causal relations between physical entities but in terms of representational relations between rational components. As falsifiable as they may be, they should nevertheless be thought of as conceptual devices

unlike those which we find in physical and biological sciences. This is why the social theories, and in particular economic ones, should not be stated in order to constrain people to behave in accordance with models. They should rather serve to forestall undesirable unsought outcomes of possible and actual individual actions. But because social scientists deal with complex phenomena, the validity of their models and theories will always be very difficult to test with accuracy and mathematical precision. Consequently, as a general proposal, Hayek would want the social sciences, and economics more than any other, to be seen as potentially preventive and prophylactic rather than straightforwardly operational and curative.

## R e f e r e n c e s

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