

Hayek and liberal pedagogy

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Abstract The author employs Hayek’s concepts of knowledge and spontaneous order to outline a learning-centered alternative to teacher- and student-centered pedagogies. In a Hayekian classroom, learning (intellectual order) emerges from a polycentric web of instruction, study, conversation, frustration, and discovery that continually elicits and tests the knowledge claims of students and teachers. Yet, unlike Hayek’s impersonal market process, the process of liberal learning is both personal and impersonal. To capture this hybridity, the author supplements Hayek’s insights with those of Parker Palmer, a liberal educator whose analysis of the classroom as a community of truth is attuned to the interpersonal dimensions of knowing and learning.

Keywords Knowledge · Learning · Teaching · Pedagogy · Liberal education · Spontaneous order

JEL codes A2 · B3 · B5

In the early 1990s, Richard Cornuelle challenged classical liberals to “move out decisively into the unknown and undeveloped” areas beyond commerce and the state, where libertarian thinking had yet to offer compelling insights (1993, 11). In particular, Cornuelle urged scholars to analyze the “human action *inside* organizations” and to develop robust, decentralized alternatives to regimented, top-down structures (*ibid.*, 10; original emphasis).

One organizational nexus ripe for liberal rethinking is the college classroom. Despite a venerable consensus on the importance of education for free societies and escalating concern over the illiberality of college courses and curricula (Horowitz 2002; American

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Council on Education 2005; American Council of Trustees and Alumni 2005; American Association of University Professors 2005; Association of American Colleges and Universities 2006), one finds surprisingly few efforts to theorize postsecondary teaching and learning from a classical liberal point of view. There are shelves of books on education and liberty, but no books on classical liberal pedagogy.

In this paper, I explore the aims and methods of a liberal pedagogy using F. A. Hayek's distinctive concepts of knowledge, learning, and spontaneous order as a point of departure. One might reasonably question the analogy between a Hayekian spontaneous order and a small, face-to-face community like a college classroom. Hayek emphasizes the antagonism between these two types of order, most forcefully in *The Fatal Conceit*, where he claims that "if we were to apply the unmodified, uncurbed rules of the microcosmos (i.e., of the small band or troop, or of, say, our families) to the macro-cosmos (our wider civilization), *we would destroy it*" (Hayek 1988, 18; original emphasis). However, I argue that a college classroom is (and should be) more than a microcosmic *taxis*. When animated by liberal pedagogies, college classrooms become gateways, linking teachers and students to extended orders of human learning (Oakeshott 1959; Palmer 1998). From this perspective, Hayek's ideas are fully pertinent to a discussion of liberal pedagogy due to the unique light they shed on the knowledge problems and learning opportunities inherent in any community of scholars.

Yet, in order to apply Hayek's ideas to education and pedagogy, one must address a well-known lacuna in Hayek's work, namely: his scant attention to the personal and interpersonal elements of social learning. For this purpose, I turn to the writings of educator Parker Palmer (1990, 1998). Palmer's post-objectivist epistemology and his image of education as a learning-centered process (rather than teacher- or student-centered) are both congenial to a Hayekian approach. Yet, Palmer attends more systematically than Hayek does to the sociological dimensions of knowing and learning, e.g., Palmer's view of teaching as "an act of hospitality toward the young" (Palmer 1998, 50) or his image of the teaching/learning space as a "community of truth" (*ibid.*, 102). The complementary perspectives of Hayek and Palmer provide a powerful pair of lenses through which to survey the contours of a classical liberal pedagogy.

1 Hayek's contribution

Hayek's concepts of knowledge and learning, and his alertness to "the epistemic-cognitive properties of alternative institutional arrangements" (Boettke 2002, 265), suggest a provocative reframing of the basic pedagogical problem: How to educate? In "Economics and Knowledge" (1948a [1937]), Hayek poses what he deems "the central problem of economics as a social science":

How can the combination of fragments of knowledge existing in different minds bring about results which, if they were to be brought about deliberately, would require a knowledge on the part of the directing mind which no single person can possess? (1948a [1937], 54)

Hayek employs this "division of knowledge" argument to criticize standard equilibrium models of a market economy. Hayek regards these models as epistemologically statist, despite their pro-market pretenses, because they assume

that all relevant knowledge is “given to a single mind” (a Walrasian auctioneer) and thereby reduce society’s economic problem to the allocation of known resources among known alternative uses.

Hayek amplifies these points in “The Use of Knowledge in Society” (1945) by asking, “What is the problem we wish to solve when we try to construct a rational economic order?”

On certain familiar assumptions the answer is simple enough. *If* we can start out with from a given system of preferences, and *if* we command complete knowledge of the available means, the problem which remains is purely one of logic... This, however, is emphatically *not* the economic problem which society faces (Hayek 1948b [1945], 77).

The actual problem, Hayek argues, is how to utilize “the knowledge of the circumstances of which we must make use,” despite the fact that this knowledge “is not given to anyone in its totality” (Hayek 1948b [1945], 77–78). This redefinition of society’s economic problem leads Hayek to emphasize the value of each individual’s “man-on-the-spot” knowledge:

[T]here is beyond question a body of very important but unorganized knowledge which cannot possibly be called scientific in the sense of knowledge of general rules: the knowledge of the particular circumstances of time and place. It is with respect to this that practically every individual has some advantage over all others because he possesses unique information of which beneficial use might be made, but of which use can be made only if the decisions depending on it are left to him or are made with his active cooperation (1948b [1945], 80).

In later work, Hayek stresses that each individual’s unique knowledge is largely tacit or inarticulate (Lavoie 1995a), and that this latent knowledge becomes active only when a person is “faced with a problem where this will help” (Hayek 1979, 190). The central economic problem, therefore, is not merely how to aggregate the separately held pieces of “unique information” but how to induce “those who know where the relevant information is to be found” to employ their unique abilities to discover and convey previously unknown or inarticulate knowledge (Hayek 1979, 190; Lavoie 1995a).

Transposed into the pedagogical realm, this set of propositions suggests that our central task as teachers—indeed, the defining task of a *liberal* pedagogy—is to increase our students’ connectivity to local and extended orders of learning (e.g., the knowledge and feedback of peers, professors, and wider intellectual communities) in order to discipline and inspire their thinking, cultivate their intellectual autonomy, and enrich their contributions to the learning of others. A Hayekian perspective further implies that educational order is best conceived as grown rather than made, a *cosmos* rather than a *taxis* (Hayek 1973, 35–54; Hayek 1978, 72–76). The *taxis* view of education equates teaching with instruction: a top-down process in which learning is engineered by a teacher/planner who is assumed to possess all relevant knowledge about the ends and means of the educational enterprise.

In contrast, a Socratic minority of educators has long sought to recast the college classroom as a spontaneous order, a series of rule-guided interactions among separate individuals that yields—for each learner and for the class as a whole—not

just an “accumulation of data” but “an enhancement of our interpretive powers and our tacit understanding of an unfolding reality” (Lavoie 1985b, 58), “a kind of ‘intelligence’ that is far greater than the sum of its parts” (Lavoie 1995a, 125).¹ In this *cosmos* model, teaching is not the delivery of information but the institution of decentralized learning processes through which students develop their own connections to a set of ideas, subject to the constraints of formal and informal academic rules and guided by critical feedback from teachers, peers, professional literature, and the subject matter itself.

By utilizing more of the existing knowledge (and ignorance) in our classrooms, an education-as-*cosmos* model has the potential to generate more and better learning for students and teachers alike. The more teachers can persuade students to put their unique insights, questions, and confusions on the table, the more effectively the classroom *cosmos* can transform students’ privately held ideas (“money in their pocket”) into intellectual resources (“money in the bank”) for the learning community as a whole.² *Taxis* pedagogies truncate this web of learning by presuming that all relevant knowledge flows from the top down, from expert teachers and textbooks to untrained, empty-headed students.³

This broadly Hayekian rubric could be used to recast the aims and methods of liberal learning at many levels of academic life, not just in individual courses but across departmental and university curricula and even within the minds of individual students where learning arises from the discovery of connections among previously disparate strands of knowledge (Horwitz 2000, 24). At every level, the presence or absence of order coincides with the achievement or non-achievement of learning.⁴ This paper is concerned with one specific form of emergent learning: that which defines our task as college teachers. The following discussion focuses primarily on the philosophy and theory of the classroom order, but the penultimate section suggests strategies for implementing Hayekian pedagogies in practice.

2 Is the classroom really a spontaneous order?

How precisely can the analogy be drawn between Socratic education and Hayekian markets? Is spontaneous order an apt metaphor for the learning process in a college

¹ Hayek (1960) makes a similar argument about scholarly/scientific communities, suggesting that the growth (evolution) of knowledge within these communities is—and should be—an unplanned order. “It is because every individual knows so little, and in particular because we rarely know which of us knows best, that we trust the independent and competitive efforts of many to induce the emergence of what we shall want when we see it.” “Most scientists realize,” therefore, “that we cannot plan the advance of knowledge” (Hayek 1960, 29 and 33).

² The notion of publicly articulated ideas as “money in the bank” brings to mind Paulo Freire’s famous critique of “banking” pedagogies in which students are viewed as empty accounts to be filled by their teachers (Freire 1993). Freire’s argument parallels my Hayekian objection to transfer-of-knowledge pedagogies. Yet Freire offers no *positive* banking/learning metaphor because he seems not to grasp a key point in the economics of banking, namely: how banks turn individual assets into community resources.

³ Michael Polanyi (1951) emphasizes on the polycentricity of intellectual orders in *The Logic of Liberty*, chapters 8–10. I thank Steve Horwitz for this reference.

⁴ McQuade and Butos (2003) propose a similar Hayekian definition of social orders as “knowledge-generating structures.”

course? If by the former we mean “cooperation in anonymity” (Ebeling 1987), the answer clearly is no. On the other hand, a college classroom is not just a Hayekian organization. It is an epistemic catallaxy in which teachers and students produce, consume, and exchange knowledge claims—an intellectual economy in which all participants “avail [themselves] of the assistance of knowledge which individually [they] do not possess” (Hayek 1948b [1945], 88) while also eliciting previously undiscovered or unarticulated insights from relevant literature or data, from one another, and from themselves. From the standpoint of liberal pedagogy, therefore, I would argue that the college classroom is best understood as a hybrid order: a communal *and* market-like learning process in which learning (intellectual order) arises in many unplanned ways via impersonal, rule-guided interactions among autonomous individuals as well as from planned, conscious, face-to-face interactions. Liberal learning, in short, seems to require “living in two worlds at once” (Horwitz 2007).

Michael Oakeshott (1959 and 2001 [1989]) offers an inspiring description of liberal learning along these very lines, as an intellectually diverse and open-ended (“ends-independent”) conversation among moral equals. In Oakeshott’s words, “The pursuit of learning ... is a conversation” (2001 [1989], 109), “an unrehearsed intellectual adventure” in which “[t]here is no symposiarch or arbiter; not even a doorkeeper to examine credentials” (1959, 10).

Every entrant is taken at its face-value and everything is permitted which can get itself accepted into the flow of speculation. And voices which speak in conversation do not compose a hierarchy ... Properly speaking, [this conversation] is impossible in the absence of a diversity of voices: in it different universes of discourse meet, acknowledge each other and enjoy an oblique relationship which neither requires nor forecasts their being assimilated to one another (Oakeshott 1959, 10–11).

Oakeshott defines liberal education as “an initiation into the skill and partnership of this conversation” (1959, 11). Our job as teachers, he suggests, is to cultivate the liberal ethos of humankind’s macro-conversation within the micro-conversations of our classrooms.

In his writings on micro- and macro-cosmic orders, Hayek suggests but does not explore the possibility of a mixed order in which micro- and macro-dimensions are mutually constitutive. He acknowledges that “the two kinds of order will regularly coexist in every society” (1973, 46) but emphasizes their antagonism—cautioning, for example, that it is “not possible to mix these two principles of order in any manner we like” (*ibid.*, 48). So, while Hayek clearly recognizes the importance of face-to-face communities within the extended order(s) of his Great Society, the synergies between micro and macro remain undertheorized in Hayek’s work and in the wider Austrian literature. It is necessary, therefore, to extend Hayek’s analysis in order to capture the important senses in which liberal pedagogies are (and ought to be) both personal and impersonal.⁵

⁵ This “hybrid” (micro/macro) approach to emergent order is partially inspired by the recent work of Horwitz (2005) who suggests a rethinking of the family as a bridge between the Hayekian micro sphere and the anonymous, macro-cosmic orders of the Great Society, and Storr (2007, unpublished manuscript) who argues for an expanded conception of markets as social spaces constituted by processes other than competition and exchange.

3 Supplementing Hayek with Palmer

Much like Hayek's theory of the market, Parker Palmer's pedagogical theory is based on a post-objectivist theory of knowledge. Palmer traces many of the dysfunctional consequences of received teaching and learning models to a set of epistemological assumptions he calls "the objectivist myth of knowing" (Fig. 1). Prevailing notions of teaching as instruction rest on the assumption that knowledge "flows from the top down, from experts who are qualified to know truth ... to amateurs who are only qualified to receive truth" Palmer 1998, 101). Knowledge is understood as "a set of propositions about objects" and education as "a system for delivering these propositions to students" (ibid.). "Teachers and students gather in the same room at the same time not to experience community but simply to keep the teacher from having to say things more than once" (Palmer 1998, 116).

In Palmer's own vision of the educational process, knowledge emerges from a learning-centered "community of truth" (Fig. 2).⁶ "To teach," says Palmer, "is to create a space where the community of truth is practiced" (1998, 90), "to draw students into the process, the community, of knowing" (1990, 12). Strictly speaking, this web of learning comprises not a single community (like a classroom) but something more like an academic discipline or scientific community, i.e., "many communities, far-flung across space and ever-changing through time ... made one by the fact that they gather around a common subject and are guided by shared rules of observation and interpretation that require them to approach the subject in the same way" (Palmer 1998, 101–102).⁷

Like Hayek, Palmer stresses the impersonality of the learning process.⁸ In Hayek's familiar theory of the market, the market gains a life and voice of its own through the process of competition. Price fluctuations express not the personal dictates of sellers or buyers but the voice of the market as a whole (Lavoie 1995b, 392).⁹ Palmer argues, similarly, that in a learning-centered (or, as he prefers, subject-centered) community of truth, "it is not only we who correct each other's attempts at knowing, rejecting blurry observations and false interpretations. The subject itself corrects us, resisting our false framings with the strength of its own

⁶ Palmer's community of truth bears many resemblances to Polanyi's "society of explorers" (Polanyi 1966, 82–84). Like Polanyi, Palmer does not assume that students and teachers possess equal knowledge or authority; yet he sees them as occupying parallel positions as "knowers" vis-à-vis the subject matter.

⁷ Palmer refers to the classroom as a community of truth, with the proviso that each classroom is but a microcosm of a larger scientific/disciplinary conversation.

⁸ On this point, Palmer echoes Polanyi's emphasis on the impersonal constraints imposed by the subject itself, whereby, in the pursuit of knowledge and learning, "the knower is controlled by impersonal requirements" (Polanyi 1966, 77).

⁹ Lavoie describes the market process as a "dialogical interplay among consumers and producers, in which no one is really dictating the outcome," a creative conversation in which "the focus... is not on the psychology of what is in the consumer's head, but on *die Sache*, the subject matter. What is sought is the kind of satisfaction that entrepreneurial judgment concludes would both work for the consumer, and be workable and consistent with quality standards, for the producer" (Lavoie 1995b, 392 and 396).

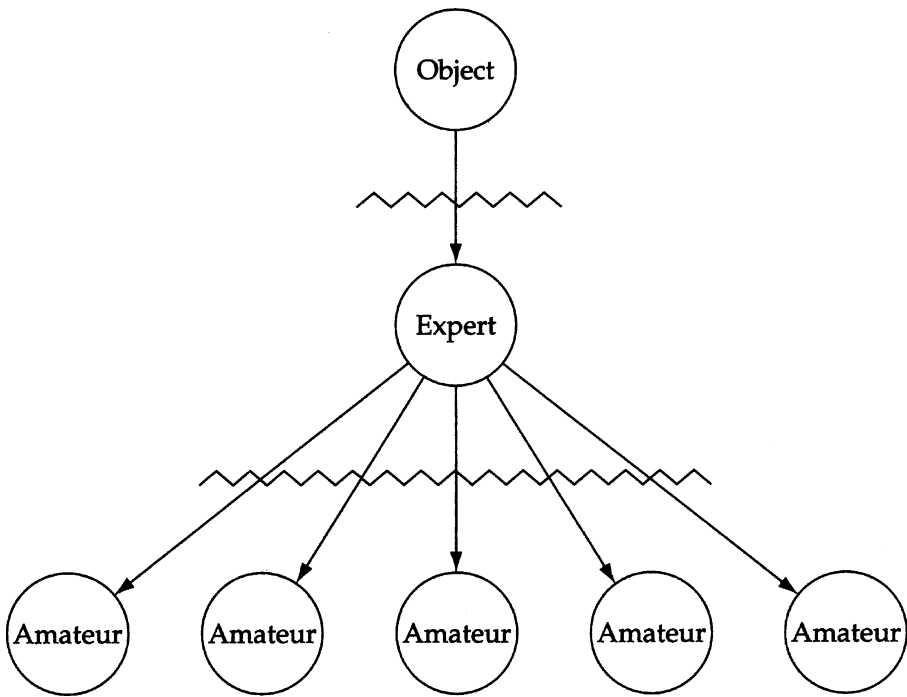


Fig. 1 The Objectivist Myth of Knowing. This Figure is Reproduced from Palmer (1998, 100).

identity, refusing to be reduced to our self-certain ways of naming its otherness” (Palmer 1998, 106).¹⁰

When students and teacher are the only active agents, community easily slips into narcissism, where either the teacher reigns supreme or students can do no wrong.... The subject-centered classroom is characterized by the fact that the subject has a presence so real, so vivid, so vocal, that it can hold teacher and students accountable for what they say and do.... [T]he teacher’s central task is to give the subject an independent voice—a capacity to speak its truth quite apart from the teacher’s voice in terms that students can hear and understand.... Such a classroom honors one of the most vital needs our students have: to be introduced to a world larger than their own experiences and egos, a world that expands their personal boundaries and enlarges their sense of community (Palmer 1998, 116–120).¹¹

¹⁰ Palmer is attentive to the generative (freedom-enhancing) role of abstract rules. “This communal dynamic is governed by rules of observation and interpretation that help define us as a community by bringing focus and discipline to our discourse. To be in the community of truth, we must abide by its norms and procedures, which differ from one field to another... These standards are strong but not chiseled in stone... We can challenge and change the norms, but we must be able to justify any deviation from them in a public and compelling way” (1998, 103–104).

¹¹ Palmer uses the terms subject and “great thing” to describe the archetypal or enduring questions, discoveries, concepts, or phenomena that animate every field of human inquiry.

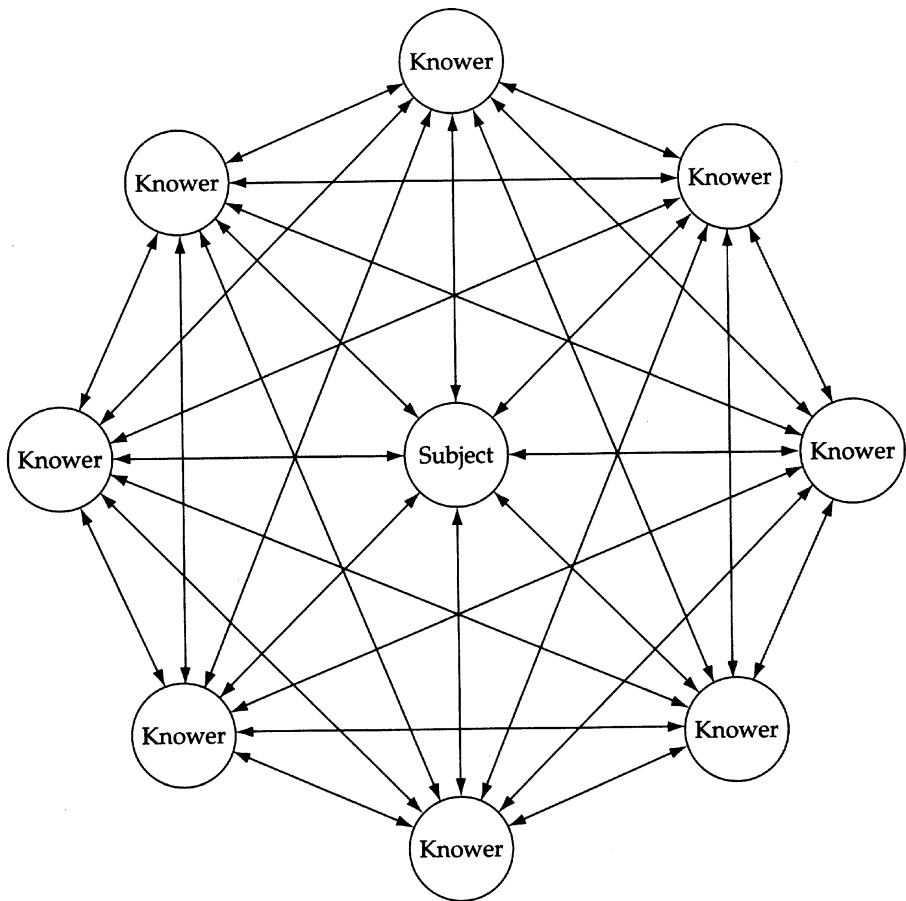


Fig. 2 Palmer's Community of Truth. This Figure is Reproduced from Palmer (1998, 102).

For Palmer, as for Hayek, the engine of learning is the spontaneously self-ordering process itself: “the dynamic conversation of a community that keeps testing old conclusions and coming into new ones” (Palmer 1998, 104), the “interpersonal process in which anyone’s contribution is tested and corrected by others” (Hayek 1948c [1945], 15). “The community can never offer us ultimate certainty.... Yet [it] can do much to rescue us from ignorance, bias, and self-deception if we are willing to submit our assumptions, our observations, our theories—indeed, ourselves—to its scrutiny” (Palmer 1998, 104).

While emphasizing the market-like impersonality of the social learning process, Palmer and Hayek also appreciate its subjective dimensions. They each conceive the space of knowing and learning to be populated not by the generic subjects, objects, and methods of modernist epistemologies but by diverse and concrete subjects, each bearing a unique set of knowledges and identities. This subjectivist approach is a hallmark of Hayek’s economics, where he famously assumes that each person’s knowledge is not only limited (non-objective) but unique. It is equally evident in Palmer’s insistence upon the autobiographical uniqueness of each learner’s

relationship to an academic subject. “Many of us were called to teach,” Palmer writes, “by encountering not only a mentor but a particular field of study. We were drawn to a body of knowledge because it shed light on our identity as well as on the world. We did not merely find a subject to teach—the subject also found us” (Palmer 1998, 25). Learning processes and outcomes thus depend upon the identities of the individual participants.

Another sign of this Hayek/Palmer individualism is their mutual contempt for the notion of an ideal learning system (i.e., teaching technique or market structure). Palmer claims repeatedly that “Good teaching cannot be reduced to technique” (Palmer 1990, 11; 1998, 10). When explaining his community of truth concept, Palmer is quick to stipulate that, “Engaging students in the community of truth does not require that we put the chairs in a circle and have a conversation.... Different teachers with different gifts create community in surprisingly diverse ways ... in classes large and small ... through lectures, ... and many other pedagogies, traditional and experimental” (1998, 115). The incessant lecturer, for example, may elicit more intellectual engagement and critical thinking from students by force of his or her intellectual style or persona than would be achieved in more “participatory” classrooms (Palmer 1998, 136–37). This line of argument parallels Hayek’s critique of “perfect competition” as a normative benchmark for evaluating real-world markets, and his suggestion that “we should worry much less about whether competition in a given case is perfect and worry much more whether there is competition at all” (Hayek 1948d [1946], 105).¹²

4 Hayek, Palmer, and liberal education

How, then, do these two thinkers complement one another? What does each add to our thinking about liberal pedagogy that is not amply provided by the other?

Before answering this question, we should acknowledge one obvious divergence between Hayek and Palmer: their differing notions of competition and community. Hayek preaches the virtues of competition and the dangers of community, whereas Palmer extols community and speaks warily of competition. Palmer advocates the cultivation of a “consensual classroom” (1990, 15), for example, in which creative conflict—“the dynamic by which we test ideas in the open” (1998, 103)—is transmuted into mutually beneficial learning. He contrasts the consensual classroom to a competitive classroom in which conflict easily devolves into counterproductive struggles to “win” at all costs.

In other contexts, such a difference might render Hayek and Palmer ideological enemies. But in the context of liberal education, and in light of the aforementioned congruence between their respective theories of knowledge and learning, these differences appear to be far more complementary than agonistic. Though Palmer eschews the term competition, his vision of a “consensual classroom” closely parallels a Hayekian theory of markets in which rivalry is a key catalyst for learning

¹² From a Hayekian perspective, education is never merely the delivery of pre-determined content or a tool for achieving a pre-determined end state. Borrowing Buchanan’s felicitous phrase, it is an order defined in the process of its emergence (Buchanan et al. 1982).

(Lavoie 1985a; Lavoie 1995a, 132; Hayek 1978). “If we allow for creative conflict,” Palmer argues, then “all of us together can be smarter than any one of us alone” (Palmer 1990, 16). Palmer’s enthusiasm for the notion of good teaching as “an act of hospitality toward the young” (1998, 50) is similarly geared to a Hayekian vision of learning as a spontaneous order. A classroom favorable to free exchange and critical give-and-take will be sustainable only if the transaction costs of engaging in these risky behaviors can be held to a reasonable minimum. Hence Palmer’s argument: “The most important thing a teacher can do to encourage classroom conflict is to make the classroom a hospitable place. Only under these conditions are students likely to do the hard things ... exposing one’s ignorance, challenging another’s facts or interpretations, claiming one’s truth publicly and making it vulnerable to the scrutiny of others” (Palmer 1990, 15).

To Hayek’s rich account of knowledge and emergent order, therefore, Palmer adds an acute sensitivity to the phenomenological and sociological aspects of pedagogy. Moreover, he carefully interweaves the face-to-face and *impersonal* elements of academic learning. The teacher–student and student–student relationships that comprise his community of truth are neither anonymous nor intimate (1998, 90–91); and the learning communities that arise from these interactions are animated by micro- and macro-cosmic forces, e.g., inviting students to discover and express their individual voices while allowing the emergent voice of the group to deliver profit-and-loss feedback to each individual; honoring the “little stories” of the students as well as the “big stories” of the discipline and its intellectual traditions (Palmer 1998, 74–83).

Hayek, in turn, gives Palmer’s educational philosophy a rigorous grounding in classical liberalism. For instance, Palmer’s emphasis on putting students “behind the wheel” to give them a greater sense of intellectual ownership can be linked to the long-standing liberal notion of knowing as appropriation (becoming the “discoverer” and, hence, “first owner” of an idea; making an idea one’s own) and to the venerable Socratic and Aristotelian traditions in which intellectual autonomy is hailed as the *sine qua non* of liberal education (Ellerman 2005, 68–99; Rasmussen and den Uyl 1991, 70–75 and 93–96; Nussbaum 1997, 293). Of more immediate relevance to Austrian economists, a Hayekian perspective amplifies the significance of Palmer’s distinction between knowledge and information. As Lavoie (1995b), Boettke (2002), and other Austrian economists emphasize, all learning—in markets, classrooms, and elsewhere—involves a personal appropriation of information via “learned and skillful judgment” (Boettke 2002, 269). This is precisely Oakeshott’s view of knowledge as well:

[I]nformation ... never constitutes the whole of what we know. Before any concrete skill or ability can appear, information must be partnered by ‘judgment’ ... By ‘judgment’ I mean the tacit or implicit component of knowledge, the ingredient which is not merely unspecified in propositions but unspecifiable in propositions... the component of knowledge which does not appear in the form of rules and which, therefore, cannot be resolved into information or itemized in the manner characteristic of information ... ‘Judgment,’ then, is that which, when united with information, generates knowledge or ‘ability’ to do, to make, or to understand and explain. It is being able to think (2001 [1989], 49 and 57).

In addition, a Hayekian perspective gives a market-minded tilt to Palmer's community of truth, linking it to the Millian notion of a marketplace of ideas which protects, cultivates, and harnesses intellectual freedom to serve ends beyond those intended by individual participants. In Hayek's words:

The central belief from which all liberal postulates may be said to spring is that more successful solutions of the problems of society are to be expected if we do not rely on the application of anyone's given knowledge, but encourage the interpersonal process of the exchange of opinion from which better knowledge can be expected to emerge. It is the discussion and mutual criticism of men's different opinions derived from different experiences which was assumed to facilitate the discovery of truth, or at least the best approximation to truth which could be achieved. Freedom for individual opinion was demanded precisely because every individual was regarded as fallible, and the discovery of the best knowledge was expected only from the continuous testing of all beliefs which free discussion secured (Hayek 1978, 148).¹³

Together, therefore, these two thinkers' ideas provide a rich and promising starting point for understanding the limits of central planning pedagogies and transforming college classrooms into spaces of liberal learning.

5 Strategies for enacting a Hayekian pedagogy

This section offers a few general guidelines and strategies for implementing Hayekian pedagogies. In the spirit of Hayek and Palmer, I offer them merely as suggestions, not fail-safe recipes. My organizing premise, based on Hayek's concept of spontaneous order, is that college teaching should aim to cultivate two things simultaneously: (1) the intellectual freedom of the learner (i.e., formal and substantive autonomy of thought; the space and capacity to think for oneself), and (2) coordination-enhancing interactions among learners so that the educational result for each individual and for the class as a whole is greater than the sum of its parts. However, I believe that there are as many effective ways to enact these ideas as there are intellectually fit and committed teachers.

5.1 Foster intellectual autonomy

5.1.1 Facilitate individual learning

When students are able to appropriate ideas for themselves, they obtain a kind of property right—a personal stake, a place to stand—in the classroom marketplace of ideas. To this end, Hayekian teachers should create incentives and opportunities for students to develop their own connections to the subject matter through standard reading and writing assignments, and other forms of reflection and discovery. One way to encourage this type of ownership is to assign writing that is for the student's

¹³ Hayek's liberal defense of a "marketplace of ideas" is very close to Mill's argument for intellectual pluralism in *On Liberty* (1956 [1859]).

eyes only (e.g., journal entries), or to be shared only with classmates, or to be seen but not graded by the teacher. For instance, students can be given brief “free writing” assignments in class, possibly followed by 5–10 min of small-group discussion with their seatmates (Bishop and Fulwiler 1997, 46–47; see also Langer 1997).

5.1.2 Model and reward intellectual entrepreneurship

To disrupt the expectations and habits of the instructional classroom, the Hayekian teacher must persuade students that open-ended inquiry is a valued and productive activity. In other words, they must shift the perceived roles of student and teacher from consumer and producer/planner, respectively, to junior and senior entrepreneurs who are always on the lookout for intellectual profit opportunities, i.e., opportunities to advance their own thinking and perhaps the thinking of their classmates or teacher by bringing forward new data, new hypotheses, new questions or criticisms, reformulations of ideas discussed previously, and so on. Student and teacher roles are deeply ingrained at the college level, so teachers must be prepared to model intellectual entrepreneurship for their students and to concretely value students’ efforts to follow suit. It is helpful for teachers to practice active *pedagogical* entrepreneurship as well: paying attention to the personal threads through which students are able (or unable) to forge meaningful connections to the subject matter, and maintaining a flexible course plan to allow learning materials and activities to be modified, added, or removed as a course unfolds. A classroom culture in which learning, discovery, and respectful criticism are consistently valued helps to increase the rewards and reduce the costs of bilateral or multilateral conversations—a key precondition for an effective marketplace of ideas (see below).

5.1.3 Create multiple sources of profit-and-loss feedback

Trustworthy feedback is crucial to any learning process. Lavoie (1995a), in his fascinating discussion of the economics of science, argues that a key driver of learning in markets and scientific communities is profit-and-loss feedback generated by rivalry:

The role controversy plays in ferreting out less defensible belief in science has its counterpart in the role rivalrous competition and the calculation of profit and loss play in eliminating less economically viable methods of production. It is the challenge of fellow scientists or of competing producers that applies the ‘pressure’ that keeps each of these social processes going.... In both cases, the focus of the [entrepreneurial] activity is on disagreeing with certain market prices or scientific theories. Entrepreneurs (or scientists) actively disagree with existing prices (or ideas) by bidding prices up or down (or by criticizing existing theories). It is only through the intricate pressures being exerted by this rivalrous struggle of competition (or criticism) that new workable productive (or acceptable scientific) discoveries are made and that unworkable (or unacceptable) ones are discarded (Lavoie 1995a, 132).

One effective way to generate intellectual “pressure” and feedback in a college classroom is to expand the network of exchange beyond the bilateral teacher/student

relationship. For instance, teachers can make active efforts to bring more student voices into classroom conversations. These special efforts are likely to be more effective after students have had an opportunity to write on a subject, whether in a formal paper or an in-class writing assignment. Teachers can also look for ways to bring students into learning-centered conversations outside the classroom. They can guide or encourage the formation of pre-exam study groups, writing groups, or student-only discussion boards to encourage formal and informal conversations outside of class. Or they can facilitate impersonal exchanges by sharing all students' written responses to a particular assignment, or by sharing final or penultimate drafts of all students' papers. The key is to enlarge and strengthen the web of peer-to-peer interaction and feedback, guided by the Hayekian premise that formal grades, like market prices, are but one form of profit-and-loss feedback from which learners assess and revise their ideas (Lavoie 1995a, 131; see also Horwitz 2000, 31).

Closely related, Hayekian teachers should look for ways to enact a classroom marketplace of ideas within selected parts of their courses. One of the many creative and effective ways this might be done is Don Lavoie's strategy of using hypertextual reading/writing as a tool for decentralized learning. Storr (2006) describes Lavoie's introduction of this technique into a graduate Comparative Economic Systems course at George Mason University (Storr 2006). Each student was asked to read and comment extensively on one or more books per week, using hypertext software, then to pass their marked-up electronic text to the professor and to another student. As the annotations on each text accumulate throughout the semester, all students are able to benefit from the comments of their classmates and professor. According to Storr, Lavoie's pedagogy elicited closer readings of texts and deeper, more nuanced dialogues than would have been achieved through conventional teaching methods. It therefore served "to increase [students'] understanding of each other [and] most importantly of the text and, so, its subject matter" (Storr 2006, 132).

A second effective strategy is Don Finkel's open-ended seminar (Finkel 2000, 33–44). Finkel advocates seminars that are truly open-ended, rather than faux-Socratic seminars in which "a teacher leads her students to a preordained conclusion through carefully formulated questions and the deft art of conversation management." "The teacher will have hopes about what will be learned, but she must arrange things so that genuine inquiry can take place. She must expect the students to make discoveries surprising to her as well as to them." In order to make this work, Finkel argues, the teacher must be prepared to join the conversation on more or less equal terms with her students. "A variety of roles are open to the teacher, but she must eschew any role that turns her primary work into Telling; the students must be convinced that *they* will have to do the hard work of inquiry" (Finkel 2000, 33).

A third method, also suggested by Finkel, is a writing assignment combined with a "market test" of the students' papers (Finkel 2000, 79–81). This strategy embodies Finkel's premise that "one of the best ways to make an inquiry-centered course into a genuine community of inquiry is to turn it into a 'writing community'" (ibid., 78–79). In order to make students writing a vehicle for collaborative inquiry, the teacher must design assignments in which students are required to pose and pursue real questions. Students must also be persuaded to write for each other, or for other "real audiences," not just for the teacher. In Finkel's own version of this assignment, students write essays every other week and turn them in to a Class Notebook, which

can be kept on reserve in the college library or posted on-line. A copy of the essay is also given to the teacher to read and evaluate. During the alternate weeks when no essays are due, each student is required to read through the Class Notebook, select two “interesting” essays, and write a letter to each author responding critically to their essay. These letters are produced in triplicate: one for the essay’s author, one for the Class Notebook, and one for the instructor (who reads the letters to verify that the assignment has been completed, but does not grade or return them). Students are free to choose whichever essays they wish to engage. This means that some students receive many more (or many fewer) letters than others.

The students thus [face] an ongoing reality test with regard to their writing; each essay [receives] a tangible measure of how interesting it was: the number of letters received in response. On the other hand, students [base] their selection on grounds other than pure ‘interest.’ In general, they spread their responses around, not so much to be fair, but because they [are] genuinely interested in what certain classmates thought about the material. (This structure [is] particularly effective in giving students access to the thinking of the ‘quieter students,’ peers whose views they would otherwise have no clue about) (Finkel 2000, 80–81).

6 Conclusion

Liberal educators have always opposed the notion of teaching as instruction, both because they abhor its authoritarian pretense and because they embrace the perennial wisdom of the Socratic impossibility theorem:

No thought, no idea, can possibly be conveyed as an idea from one person to another. When it is told, it is, to the one to whom it was told, another given fact, not an idea. The communication may stimulate the other person to realize the question for himself and to think out a like idea, or it may smother his intellectual interest and suppress his dawning effort at thought. But what he directly gets cannot be an idea. Only by wrestling with the conditions of the problem at first hand, seeking and finding his own way out, does he think (Dewey 1916, 159).

Teachers can provide the conditions for learning; but only learners can provide the effort and subjective wherewithal to make ideas their own—to think and know for themselves (Ellerman 2005; Bystrom 1997; Smith and Waller 1997; Finkel 2000; Tagg 2003).

Taxis pedagogies persist nonetheless, buoyed by the common presumption that *how* we teach is less important than the volume and content of information we convey. Liberal pedagogies may soon become more valuable, however, as colleges and universities are increasingly pressed to defend the pedagogical advantages of classroom courses over the dramatically cheaper alternatives that have begun to emerge such as prerecorded lectures by renowned scholars or superstar instructors.¹⁴

¹⁴ As Lavoie (1995b, 397) observes, if teaching were merely transmission, then “there [would] surely [be] cheaper ways to transmit bits of already-known knowledge, for example, making a few trips to a good library, or navigating the internet.”

If so, then classical liberal scholars may have an important role to play, parallel to Hayek's reconceptualization and defense of markets in the 1940s, in making the case that interactive, classroom-based learning is much more valuable than we tend to think, precisely because the pedagogical problem teachers face is *not* simply how to deliver known information to passive consumers.

This paper outlines a novel reframing and defense of liberal education based on the tacit notions of teaching and learning embedded in Hayek's economic, social, and psychological theories. Pedagogically speaking, this is well-traveled ground. Yet a fresh translation of these classical themes into the language of Austrian economics strikes me as valuable in several ways.

First, by suggesting a new economic way of thinking about pedagogy, this Hayekian idiom (e.g., the idea that good teaching is more like fostering a market process than engineering a production function) may help to persuade more academic economists to think self-critically and creatively about their courses. Indeed, if a Hayekian pedagogical rubric can help academic economists to build stronger intellectual bridges between their teaching selves and their scholarly/philosophical selves, it might inspire a renewed sense of purpose among economists *as* educators. As Palmer would be quick to remind us, "Good teaching comes from the identity and integrity of the teacher" (Palmer 1998, 10). Our ability to connect with our students, and to connect our students to our subjects, generally depends less on our teaching techniques than on the degree to which we know and trust our selfhood. Better alignment between the "who" of economics education and the "how, what, and why" could only make things better in our classrooms.

Second, this Hayekian approach advances the liberal goal of educating students to value intellectual freedom and to exercise it responsibly, rather than training "organization men" (and women) who learn to think only as instructed by their superiors. In a Hayekian model of education, learners are encouraged to practice ethical, disciplined, autonomous thinking rather than intellectual obedience. In this way, they mirror real-world producers, from whom consumers do not want obedience (since customers generally lack the knowledge to issue meaningful instructions anyway), but responsible creativity and relative autonomy (Lavoie 1995b, 392–397).

Third, a Hayekian model of teaching and learning allows economic thinking (and Austrian thinking, in particular) to make a valuable contribution to the larger community of educators by highlighting the crucial role of liberal education itself. In the standard academic hierarchy, teaching is regarded as secondary to scholarly research on the assumption that scholarship also produces new knowledge whereas teaching only redistributes old knowledge. In a Hayekian model of the college classroom, however, learning *is* production: the production of new knowledge by students and teachers they build new connections and appropriate new ideas. Like a Hayekian market, a Hayekian classroom is not merely a site for the retail distribution of existing knowledge; it is a locus of individual and collaborative discovery.

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