

HAYEK ON ARISTOTLE: THE DEBRIS OF A GENEALOGY OF MODERNITY, VIA POPPER, POLANYI, AND RÖPKE

BY

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*During his life, Friedrich Hayek drastically changed his evaluation of Aristotle's role in the history of political and economic thought. Initially considering Aristotle as one of the forerunners of the liberal tradition, he then came to consider Aristotle's philosophy as the source of collectivist thought. By examining both published and unpublished materials, this article shows that Hayek's attack on Aristotle in *The Fatal Conceit* is authentic and puts Hayek's affirmations on Aristotle in the context of his intellectual development. Hayek's rejection of Aristotle can be related to his increasing emphasis on the abstract nature of the rules governing complex phenomena. However, this does not explain why Hayek felt compelled to take such a stance on an ancient philosopher who was highly esteemed in the school he belonged to. Hayek's abandonment of the established view on the Aristotelian roots of the Austrian school can be better understood by considering the intellectual environment of his time. His eventual adoption of Karl Popper's point of view on Aristotle meant taking a stance against Karl Polanyi's democratic socialism and distancing himself from Wilhelm Röpke's Catholic conservatism.*

I. INTRODUCTION

In his endeavor to face the crisis of the liberal project on the eve of World War II, Friedrich Hayek delved into intellectual history to establish the guidelines for his restoration of the liberal tradition. He therefore proceeded to construct two opposing

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genealogies, one that included the forerunners of his own intellectual project, and another that aimed to reveal the origins of socialist thought. The opposition between these two genealogies would be a constant feature in the evolution of Hayek's thought, although the border between the two is permeable in some cases. Between the 1920s and 1980s, Hayek gradually altered his opinions on Aristotle, and from initially considering Aristotle as a precursor of marginalism and the liberal tradition, he then condemned his philosophy as the intellectual source of every form of collectivism. Besides drastically changing his stance towards Aristotle, Hayek also abandoned the established historiographic view, which emphasized Aristotle's influence on Carl Menger, the founder of the Austrian school, and replaced it with a new interpretation linking Menger with the British Enlightenment. Although it has been questioned recently, the idea of a connection between Aristotle and the Austrian school was substantially unchallenged before and during Hayek's lifetime. His attempt to rebuke the Aristotelian influence on Menger therefore appears daring and provocative. The harshness of Hayek's stance against Aristotle in *The Fatal Conceit*, Hayek's last work ([1988] 1992), leads us to question his motivations for publicly attacking a figure who was generally seen as a forerunner of the Austrian school of economics.

No specific study has examined the question hitherto, and those authors who have connected Hayek's thought with Aristotle's philosophy have mostly adopted a thematic approach (Miller 1983; Boeding 2000; Collins 2021). A thematic comparison, however, runs the risk of overlooking the different stages in a thinker's research, as well as the changing historical context of his work. This is certainly the case for Hayek, whose ideas changed profoundly after the 1940s (see Caldwell, 1988). To address the complexities of ideas that develop over time, the thematic comparisons made by the aforementioned authors can be strengthened by a more philological approach.

However, the transformation of Hayek's standpoint during the course of his career is not the only hindrance to properly evaluating his opinions regarding Aristotle. Alan Ebenstein has suggested that *The Fatal Conceit* was extensively altered by the book's editor, William Warren Bartley (Ebenstein 2005), and that the condemnation that we read in *The Fatal Conceit* therefore might not have been formulated by the author himself. By clearly demonstrating that the section on Aristotle was in fact written by Hayek, the present article will also shed light on the issue of the authenticity of *The Fatal Conceit*.

The question of what may have motivated Hayek's criticism of Aristotle cannot be answered by simply comparing the two thinker's methodologies but requires a deeper understanding of the intellectual environment in which it arose, as well as its relevance within the specific historical context and the targets of his polemic.

In the following pages, after an overview of the literature regarding Aristotle's influence on the Austrian school of economics and Hayek's first encounters with his thought, I review in chronological order the chief references to the Greek philosopher that occur within Hayek's writings. In order to ascertain the authenticity of the section on Aristotle in *The Fatal Conceit*, I examine the preparatory materials preserved in the Hayek archive at the Hoover Institution at Stanford University. By tracing the transformation of Hayek's assessment of Aristotle, I clarify its connection to Hayek's views on the role of abstract rules in the functioning of the market and the need for a cosmological paradigm in studying complex phenomena. On a broader level of analysis, based on textual evidence, Karl Popper and Karl Polanyi appear to be the two main points of

reference for the transformation of Hayek's stance towards Aristotle. While Popper adopted a negative stance towards Aristotle as early as the 1940s, Polanyi repeatedly stressed Aristotle's importance until his posthumous book *The Livelihood of Man*, published in 1977. In the context of this debate, I interpret Hayek's significant shift in attitude towards Aristotle not merely as an erudite afterthought but rather as being related to the intricate dynamics prevalent in the troubled alliance between different political traditions within the Mont Pelerin Society, signaling Hayek's divergence from Wilhelm Röpke's Catholic conservative faction.

II. THE ARISTOTELIANISM OF THE AUSTRIAN SCHOOL OF ECONOMICS

The historiographical trend affirming the idea of an Aristotelian influence on the Austrian school dates to the early twentieth century, with the publication of an article by Oskar Kraus (Kraus 1905), who was a disciple of Franz Brentano, the founder of the so-called Austrian school of philosophy. Brentano developed his philosophical views through a profound rethinking of Aristotle, whom he had studied in his youth with Friedrich Adolf Trendelenburg. Kraus was the first to stress the similarities between Aristotle and Menger, the founder of the Austrian school of economics, by claiming that a value-theory approach based on marginal utility was implicitly present in Aristotle's writings, thereby making him the forerunner of Menger's modern marginal utility theory.

The issue was revived in the 1950s with the publication of two articles by Emil Kauder (Kauder 1953, 1957), in which he underlined Aristotle's influence on Menger, with some references to Kraus's article, while also focusing on the methodological aspects of Menger's writings. The latter's conception of the social essence (*Wesen*)—something that has to be identified behind social phenomena, in order to ensure a scientific description of reality—was seen by Kauder as Aristotelian. Two decades later, Murray Rothbard's account of the historical predecessors of the Austrian school (Rothbard et al. 1976) supported the notion of an Aristotelian influence on Menger and his disciple Eugen von Böhm-Bawerk.

Shortly afterwards, Max Alter underlined Menger's rejection of the distinction between the sciences of nature and of spirit and his preference for Aristotle's classification of sciences on the basis of their object of study (Alter 1982, pp. 154–155).

Some particularly significant later scholarly contributions to this subject are those of Barry Smith (Smith 1986, 1990a, 1990b, 1990c), according to whom Austrian culture was permeated by Aristotelianism. Besides the general Aristotelian proclivity of Austrian culture, Smith claims that Aristotle influenced the Austrian school of economics directly, as well as indirectly, through the works of Brentano and his disciples.

The idea of an Aristotelian influence on the Austrian school, and Menger in particular, has been questioned more recently, beginning with Alter (1990), who first proposed verifying the extent of Menger's Aristotelianism. Following this suggestion, Ricardo Crespo (2003) noted several contradictions between Menger's adoption of Aristotelian categories and the conclusions he reached. Scott Scheall and Reinhard Schumacher (2018) then pointed out that Menger's son—the mathematician Karl—strongly opposed

the idea of an Aristotelian influence on his father in an unfinished biography he drafted in the last year of his life. In their reply to Crespo's article, Gilles Campagnolo and Aurélien Lordon (2011) reasserted Menger's Aristotelianism, convincing Crespo to partially revise his position (Crespo 2022). Campagnolo (2022) and Crespo (2022) agree that "the 'anti-Aristotelian' stand that Menger's son tries to extend to his father was very misleading" (Campagnolo 2022, p. 89).

III. HAYEK'S EARLY ENCOUNTER WITH ARISTOTLE

We know that Hayek encountered Aristotle early in his education, and that he was familiar with the notion of Aristotelian influence on the Austrian culture of his time. An important indication of this can be found in a long interview that Hayek gave to Earlene Craver and eight other interviewers in 1983, at the University of California in Los Angeles. Answering Craver's question on the origin of his interest in the social sciences, Hayek related a personal anecdote, indicating Aristotle's decisive role during his intellectual development Hayek (1983, p. 21). Hayek's opinion regarding Aristotle's influence on his own specific cultural context is also evident from a comment he made to Arthur Diamond (Janik and Toulmin 1973). Diamond reports that when he asked Hayek about a book on Viennese culture in the early twentieth century, "he mentioned that it did not give enough attention to the importance of Aristotle in the intellectual scene. He noted, for example, that the influence of Aristotle (as opposed to Kant) was greater in the Austrian universities than in the German ones. He did not say however that he was himself an Aristotelian" (Diamond 1988, p. 160). These autobiographical recollections clearly show that Hayek agreed with the historiographical view that underlined the importance of Aristotle in nineteenth-century Austrian culture. Diamond's final remark on what Hayek "did not say" indicates the difficulty of defining Hayek's position regarding Aristotle. The complexity of this issue is also shown by the fact that Hayek preferred to speak of the Aristotelian influence on Austrian culture in general and more specifically of the role of the Church, rather than considering it as a distinctive trait of the economic school that he himself belonged to. In order to shed light on this question, it is necessary to examine the long process that led Hayek to drastically reconsider his stance towards Aristotle.

IV. ARISTOTLE AS A FOUNDING FATHER OF LIBERALISM

Hayek's first mention of Aristotle can be found in his 1927 introduction to the third edition of Hermann Heinrich Gossen's *Entwicklung der Gesetze des menschlichen und der daraus fließenden Regeln für menschliches Handeln* (The laws of human relations and the rules of human action derived therefrom) (Hayek [1927] 1991). Here Aristotle is briefly mentioned in a passage on the development of marginal utility theory: "It was precisely in the recognition of this law, basic to the whole theory of value, that Gossen had numerous predecessors, of whom we shall cite only Aristotle, Bernoulli, and Bentham" (Hayek [1927] 1991, p. 375). Rather than being a personal judgment, this

line seems to reflect the opinion of Kauder, whom Hayek had quoted in a footnote a few pages previously. Moreover, this clearly indicates that Hayek was familiar with the historiographic view emphasizing the Aristotelian influence on the Austrian school.¹

A more distinctive approach to Aristotle appears relatively late, in Hayek's 1955 essay "The Political Ideal of the Rule of Law," which was published a few years later in a revised and expanded form, as chapters 11 and 13–16 of his *The Constitution of Liberty* (Hayek [1960] 1978). In the early 1940s Hayek had begun his gradual shift from pure economics to political philosophy, and this text can be considered the first expression of his mature position. In the second part of the book Hayek attempted to liberate the ideals of classical liberalism from the misunderstandings he thought they had accumulated: "The words 'freedom' and 'liberty' have been the worst sufferers. They have been abused and their meaning distorted.... We shall therefore have to begin by explaining what this liberty is that we are concerned with" (Hayek [1960] 1978, p. 7).

In the context of his reappraisal of the liberal ideal, Hayek reconstructs the historical roots of English liberalism, going back—through the Renaissance and the Middle Ages—to Greek democracy. This historical inquiry aims to uncover the meaning of the word "freedom" in Athens. According to Hayek the concept of liberty in the classical tradition is best encapsulated by the word *isonomia*: "a word which the Elizabethans borrowed from the Greeks but which has since gone out of use. 'Isonomia' was imported into England from Italy at the end of the sixteenth century as a word meaning 'equality of laws to all manner of persons'" (Hayek [1960] 1978, p. 164).

According to Hayek, the Greek ideal of freedom was less connected with democratic government than with the concept of isonomy. Although this concept was often contrasted with that of tyranny, it was not closely associated with the idea of democratic government. On the contrary, the concept of isonomy could also refer to a certain kind of oligarchic rule. Hayek raises the hypothesis that the concept of *isonomia* was more ancient than that of *democratia*, suggesting that isonomy prepared the conceptual terrain upon which the idea of broader participation in government would grow. According to Hayek, this conception was lost after the 5th century BCE, when democratic institutions arose in Athens. Hayek quotes Aristotle several times to justify his explanation of the concept of isonomy, although Aristotle did not use this specific word:

In the *Politics* he [Aristotle] stresses that "it is more proper that the law should govern than any of the citizens", that the persons holding supreme power "should be appointed only guardians and servants of the law", and that "he who would place supreme power in mind, would place it in God and the laws". He condemns the kind of government in which "the people govern and not the law" and in which "everything is determined by majority vote and not by a law". Such a government is to him not that of a free state, "for, when government is not in the laws, then there is no free state, for the law ought to be supreme over all things". A government that "centers all power in the votes of the people

¹ See Hayek ([1927] 1991, p. 367n): "On the history of marginal utility theory see Emil Kauder, *A History of Marginal Utility Theory* (Princeton, N.J.: Princeton University Press, 1965). Kauder traces the origins of marginal utility to Aristotle. Drawing on the investigations of Aristotle's *Topics* by Oskar Kraus, Kauder demonstrates that Aristotle had at least some knowledge of the law of diminishing utility. Kauder provides English translations of passages from Aristotle, Menger, and Böhm-Bawerk to demonstrate the similarity of their respective arguments."

cannot, properly speaking, be a democracy: for their decrees cannot be general in their extent.” (Hayek [1960] 1978, pp. 165–166)

With this selection of Aristotelian quotations, Hayek describes the distinguished lineage of liberal ideals. The passage concludes with a quotation from Aristotle’s *Rhetoric*, on which Hayek comments by affirming Aristotle’s pivotal role in shaping the tradition of the rule of law:

If we add to this the following passage in the *Rhetoric*, we have indeed a fairly complete statement of the ideal of government by law: “It is of great moment that well drawn laws should themselves define all the points they possibly can, and leave as few as possible to the decision of the judges, [for] the decision of the lawgiver is not particular but prospective and general, whereas members of the assembly and the jury find it their duty to decide on definite cases brought before them.” There is clear evidence that the modern use of the phrase “government by laws and not by men” derives directly from this statement of Aristotle. (Hayek [1960] 1978, p. 166)

Two further references to Aristotle can be found in *The Constitution of Liberty* (Hayek [1960] 1978). The first is a brief footnote regarding the more abstract issue of the relationship between freedom and necessity, in which Aristotle is mentioned in order to affirm the impossibility of separating these two concepts.² The second, also in a footnote, makes a connection between the Aristotelian distinction of distributive and commutative justice, and the current distinction between value and merit.³

These minor references do not add much to Hayek’s preceding statement regarding Aristotle’s role in the development of the rule of law. However, they show how he looked to Aristotle as a reference point for controversial issues on which he had not yet fully developed his own views. For instance, his association of the distinction between merit and value with Aristotle’s division of justice could be seen as an attempt to come to terms with the concept of distributive justice.

Hayek’s most explicit acknowledgment of Aristotle’s role in the development of the liberal tradition can be found in a lecture he delivered in 1964 at the Rikkyo University of Tokyo (Hayek 1965), later published in the collection of essays *Studies in Philosophy, Politics and Economics* (Hayek 1967). Reappraising and expanding on some of the ideas expressed in his work *The Counter-Revolution of Science: Studies on the Abuse of Reason* (Hayek 1952), Hayek distinguishes the tradition of constructivist rationalism, originating with René Descartes and continuing through Jean-Jacques Rousseau, Georg W. F. Hegel, and Karl Marx, from an older tradition that is “less given to building magnificent philosophical systems but which has probably done more to create the foundation of modern European civilization and particularly the political order of liberalism (while constructivist rationalism has always and everywhere been profoundly anti-liberal)” (Hayek 1967, p. 94; see also). Whereas constructivist rationalism primarily considers reason as the ability to engage in deductive reasoning from explicit premises, this alternative form of rationalism contends that reason is the capacity to recognize truth when it is encountered.

² See Hayek ([1960] 1978, p. 439n6).

³ See Hayek ([1960] 1978, p. 441n11).

In the field of social sciences, Cartesian rationalism and its successors maintain that human civilization stems from human reason. Instead, the other tradition regards human reason as the product of a civilization that was not intentionally constructed by man but that grew by a process of evolution. Toward the end of the lecture, Hayek sketched a genealogy of this tradition, from which modern liberalism is directly descended:

It is a tradition which also goes back to classical antiquity, to Aristotle and Cicero, which was transmitted to our modern age mainly through the work of St. Thomas Aquinas, and during the last few centuries was developed mainly by political philosophers.... In its purer form we then find the political philosophy of this school once more in Alexis de Tocqueville and Lord Acton; and the foundation of its social theory was clearly restated, for the first time after David Hume, in the work of the founder of the Austrian School of Economics, Carl Menger. (Hayek 1967, p. 94)

In this passage Hayek underscores Aristotle's pivotal role in shaping the liberal tradition: the Greek philosopher is assigned a prominent position as the initiator of a philosophical tradition that, safeguarded by Aquinas in the Middle Ages, continues through the centuries, culminating in Menger, the founding father of the Austrian school of economics.

V. ARISTOTLE AS A CONTROVERSIAL THINKER

Another important reference to Aristotle can be found in "The Confusion of Language in Politics," a lecture originally delivered in 1967 at the Walter Eucken Institute in Freiburg im Breisgau (Hayek [1967] 1978). Here Hayek intervenes in the lexicon of the social sciences, adapting it to accommodate his recently formulated innovative viewpoints and to avoid certain frequent misunderstandings. He proceeds to establish a distinction between the economy as it is widely understood and, more specifically, catallaxy, which describes the essential operation of the market as consisting of coordination. Thus he proposes the idea that the definition of economy on the basis of scarcity should be rejected, as it fails to take into account the question of coordination. In this regard, Aristotle is considered as a precursor, due to the distinction he makes between *oikonomica* and *chrematistics*:

I now find somewhat misleading the definition of the science of economics as the study of the disposal of scarce means towards the realization of given ends, which has been effectively expounded by Lord Robbins and which I should long have defended. It seems to me appropriate only to that preliminary part of catallactics which consists in the study of what has sometimes been called "simple economies" and to which also Aristotle's *Oeconomica* is exclusively devoted: the study of the dispositions of a single household or farm, sometimes described as the economic calculus or the pure logic of choice. (What is now called economics but had better be described as catallactics Aristotle described as *chrematistike* or the science of wealth.) (Hayek [1967] 1978, p. 96)

Here, catallaxy is conceived of as the higher-order structure of the economy: it is only within catallaxy that the intentional actions of agents can coordinate and acquire an

economic significance. On the contrary, in the “Confusion of Language in Politics,” the role of chrematistics (which Hayek equates with catallaxy) is subservient to the principles and prescriptions of *oekonomica*, otherwise the latter simply degenerates into the former. In this context, Hayek’s reference to the distinction between *oekonomica* and chrematistics is bound to appear as a misreading of Aristotle, or even an instrumental appropriation.

In another essay, also published in 1978, “The Result of Human Action, but Not of Human Design” (Hayek 1978a), Hayek explicitly expresses a negative viewpoint towards Aristotle’s thought for the first time. In a sudden shift of perspective, the tradition of constructivist rationalism—previously regarded by Hayek as antithetical to the tradition stemming from Aristotle—is now linked to the distinction between *physis* (nature) and *nomos* (law), a distinction that Aristotle himself played a role in defining within philosophical discourse:

The belief in the superiority of deliberate design and planning over the spontaneous forces of society enters European thought explicitly only through the rationalist constructivism of Descartes. But it has its sources in a much older erroneous dichotomy which derives from the ancient Greeks and still forms the greatest obstacle to a proper understanding of the distinct task of both social theory and social policy. This is the misleading division of all phenomena into those which are “natural” and those which are “artificial”. Already the sophists of the fifth century B.C. had struggled with the problem and stated it as the false alternative that institutions and practices must be either due to nature (*physei*) or due to convention (*thesei* or *nomoi*); and through Aristotle’s adoption of this division it has become an integral part of European thought. (Hayek 1978a, p. 96)

This passage marks the first appearance of a critique of Aristotle’s stance that is not merely relegated to a footnote. It does not just address a peripheral argument but questions Aristotle’s pivotal role within the history of ideas and his position in relation to the constructivist rationalism tradition. From this point on, Hayek’s interpretations of Aristotle start to exhibit a certain degree of ambiguity, as he alternates his acknowledgment of Aristotle’s significance in the development of the Rule of Law doctrine with criticisms of his supposed failure to grasp the proper nature of spontaneous orders.

This ambiguity is particularly evident in Hayek’s late definitive text, *Law, Legislation and Liberty* (Hayek [1973] 1998), the three volumes of which were published during the 1970s. In this work Hayek’s recognition of Aristotle’s importance in shaping the concept of the rule of law can be found on the page preceding a discussion of the philosopher’s role in the development of the constructivist approach. In the first book of this work, for instance, Hayek outlines the development of constructivist rationalism, associating it with the tendency to consider law as a product of legislation. Here, Aristotle is mentioned as an advocate for the opposing viewpoint, which asserts that legislation must never exceed the limits established by the law itself:

we find in the Athenian democracy already the first clashes between the unfettered will of the “sovereign” people and the tradition of the rule of law; and it was chiefly because the assembly often refused to be bound by the law that Aristotle turned against this form of democracy, to which he even denied the right to be called a constitution. It is in the discussions of this period that we find the first persistent efforts to draw a clear

distinction between the law and the particular will of the ruler. (Hayek [1973] 1998, p. 82)

This passage, which reaffirms the importance of Aristotle in the tradition of the rule of law, is followed by a paragraph suggesting that the rediscovery of Aristotle's *Politics* in the thirteenth century played a pivotal role in fostering the emergence of juridical constructivism in the later Middle Ages:

Until the rediscovery of Aristotle's *Politics* in the thirteenth century and the reception of Justinian's code in the fifteenth, however, Western Europe passed through another epoch of nearly a thousand years when law was again regarded as something given independently of human will, something to be discovered, not made, and when the conception that law could be deliberately made or altered seemed almost sacrilegious. (Hayek [1973] 1998, p. 83)

This passage remains somewhat obscure, since it fails to elucidate how the rediscovery of Aristotle's *Politics* may have led to the rejection of the notion of law as existing apart from the human will. In another passage of the book, however, Hayek clearly points out that the flaw he identifies in Aristotle's *Politics*—and its connection to the constructivist rationalism tradition—consists in considering the order of a political community as the product of human design:

For Aristotle, who connects *nomos* with *taxis* rather than *kosmos* (see *Politics*, 1287a, 18, and especially 1326a, 30: *ho te gar nomos taxis tis esti*), it is characteristically inconceivable that the order resulting from the *nomos* should exceed what the orderer can survey, 'for who will command its over-swollen multitude in war? or who will serve as its herald, unless he had the lungs of Stentor?' The creation of order in such a multitude is for him a task only the gods can achieve. Elsewhere (*Ethics*, IX, x, §3) he even argues that a state, i.e. an ordered society, of a hundred thousand people is impossible. (Hayek [1973] 1998, p. 37)

Thus, in *Law, Legislation and Liberty* Hayek portrays Aristotle as a contributor to the tradition of the rule of law but also as a forerunner of constructivist rationalism. On the one hand, this ambiguity can be seen as an attempt to distinguish between some different aspects of Aristotle's thought, without accepting or rejecting it as a whole. On the other hand, it means that, for the time being, Hayek preferred to avoid grappling with the fundamental principles underlying Aristotle's philosophy.

VI. ARISTOTLE AS A SOURCE FOR SOCIALIST THOUGHT

In 1988 Hayek published his last work, *The Fatal Conceit*, which can be seen as a sort of manifesto in which the author summarizes his primary arguments advocating for the free market, in order to popularize the findings of his lifelong research. Despite the book's non-specialized nature, it contains far more references to Aristotle than can be found in Hayek's previous works. In fact, he is mentioned from the outset in chapter one, where he is pointed to as illustrative of the challenges that early thinkers encountered in conceptualizing an order that was independent from an ordering mind:

To early thinkers the existence of an order of human activities transcending the vision of an ordering mind seemed impossible. Even Aristotle, who comes fairly late, still believed that order among men could extend only so far as the voice of a herald could reach (*Ethics*, IX, 10), and that a state numbering a hundred thousand people was thus impossible. Yet what Aristotle thought impossible had already happened by the time he wrote these words. Despite his achievements as a scientist, Aristotle spoke from his instincts, and not from observation or reflection, when he confined human order to the reach of the herald's cry. Such beliefs are understandable, for man's instincts, which were fully developed long before Aristotle's time, were not made for the kinds of surroundings, and for the numbers, in which he now lives. (Hayek [1988] 1992, p. 11)

Notwithstanding the generic acknowledgment of Aristotle's "achievements as a scientist," this passage seems to entail a fairly severe criticism of the Greek thinker, who is accused of allowing his instincts to prevail over a rational observation of the facts. Leaving aside some other minor references (see Hayek [1988] 1992, pp. 11, 32), the main argument regarding Aristotle in this book can be found in the last section of the third chapter, tellingly entitled "The Philosopher's Blindness." In this section, which merits being extensively quoted, Hayek's judgment on Aristotle arrives at its final stage. It begins with the observation that Aristotle's political theories misinterpreted the society in which the philosopher lived:

How little the wealth of the leading Greek trading centers, especially at Athens and later at Corinth, was the result of deliberate governmental policy, and how little the true source of this prosperity was understood, is perhaps best illustrated by Aristotle's utter incomprehension of the advanced market order in which he lived. Although he is sometimes cited as the first economist, what he discussed as *oikonomia* was exclusively the running of a household or at most of an individual enterprise such as a farm. For the acquisitive efforts of the market, the study of which he called *chrematistika*, he had only scorn. Although the lives of the Athenians of his day depended on grain trade with distant countries, his ideal order remained one that was *autarkos*, self-sufficient. (Hayek [1988] 1992, p. 45)

As we have seen, Hayek had mentioned Aristotle's distinction between *oikonomia* and *chrematistika* in his 1967 lecture "The Confusion of Language in Politics" (Hayek [1967] 1978, p. 96), but now he no longer conceals the fact that, for Aristotle, this distinction implies the submission of the market to ethics. Aristotle's assertion of the superiority of ethics over the market is now seen as indicative of his inability to grasp the social reality of his time, when the ideal of the self-sufficient city had been already superseded by the emergence of regional and international trade. Following this observation, Hayek introduces the central argument of his criticism of Aristotle:

Although also acclaimed as a biologist, Aristotle lacked any perception of two crucial aspects of the formation of any complex structure, namely, evolution and the self-formation of order. As Ernst Mayr (1982:306) puts it: "The idea that the universe could have developed from an original chaos, or that higher organisms could have evolved from lower ones, was totally alien to Aristotle's thought. To repeat, Aristotle was opposed to evolution of any kind." He seems not to have noticed the sense of "nature" (or *physis*) as describing the process of growth (see Appendix A), and also seems to have

been unfamiliar with several distinctions among self-forming orders that had been known to the pre-Socratic philosophers, such as that between a spontaneously grown *kosmos* and a deliberately arranged order as that of an army, which earlier thinkers had called a *taxis*. (Hayek [1988] 1992, p. 45)

Hayek's interpretation of Aristotle appears distinctively ungenerous. The assertion that he "seems not to have noticed the sense of 'nature' (or *physis*) as describing the process of growth" comes across as disconcertingly harsh, especially considering Aristotle's explanation of becoming in *Physics* II and its historical relevance for the connection between science and philosophy in the western world. The same applies to his supposed ignorance of the concept of spontaneity, which the philosopher addressed in *On the Generation of Animals* (III.11, 762a), and that should be understood in conjunction with his distinction between nature, luck and chance in *Physics* (II. 4–6).

Although we cannot be sure of the extent of Hayek's knowledge of the Aristotelian *corpus*, it seems significant that he deemed it necessary to cite Ernst Mayr (a prominent historian of biology) to bolster his critique of Aristotle. In section VIII, I will show that this decision may be related to Popper's influence on Hayek's interpretation of the history of philosophy. However, Mayr's analysis of the influence of Aristotelianism on the development of biology remains contentious, as his assumption that Aristotle considered forms and species as synonymous does not seem applicable to the entirety of the Aristotelian *corpus*, especially as regards his later writings on biology (cf. Balme 2011). What is crucial here is that Hayek's decision to align himself with Mayr's interpretation of Aristotle is not strictly necessary. Instead, it reveals the deliberate adoption of a specific historiographical perspective.

"The Philosopher's Blindness" chapter continues with Hayek's assertion that Aristotle's lack of awareness of biological evolution conditioned his conception of society as a consciously organized entity:

For Aristotle, all order of human activities was *taxis*, the result of deliberate organization of individual action by an ordering mind. As we saw earlier (chapter one), he expressly stated that order could be achieved only in a place small enough for everyone to hear the herald's cry, a place which could be easily surveyed (*eusynoptos*, *Politeia*: 1326b and 1327a). 'An excessively large number', he declared (1326a), 'cannot participate in order.' (Hayek [1988] 1992, p. 45)

Hayek views Aristotle's imposition of quantitative limits to the development of an ordered society as indicative of his ignorance about the evolutionary process by which societies develop. According to Hayek, this is why Aristotle considers the needs of a society to be constant and unvarying, reflecting those of a micro-order, such as the family:

To Aristotle, only the known needs of an existing population provided a natural or legitimate justification for economic effort. Mankind, and even nature, he treated as if they had always existed in their present form. This static view left no room for a conception of evolution, and prevented him from even asking how existing institutions had arisen. That most existing communities, and certainly the greater number of his fellow Athenians, could not have come into existence had their forefathers remained content to satisfy their known present needs, appears never to have occurred to him. The experimental process of adaptation to unforeseen change by the observation of abstract rules which, when successful, could lead to an increase of numbers and the formation of

regular patterns, was alien to him. Thus, Aristotle also set the pattern for a common approach to ethical theory, one under which clues to the usefulness of rules that are offered by history go unrecognized, one under which no thought of analyzing usefulness from an economic standpoint ever occurs—since the theorist is oblivious to the problems whose solutions might be embodied in such rules. (Hayek [1988] 1992, p. 46)

Here Hayek counters Aristotle's ethical conception, which posits happiness as the ultimate goal, with his own perspective, according to which ethical rules arise from cultural selection. According to Hayek, Aristotle's *Nicomachean Ethics* overlooks the true source of the rules that govern society: i.e., adaptation to the environment. Hayek contends that Aristotle's disdain for profit-driven production or chrematistics stems logically from his notion of ethics: "Since only actions aiming at perceived benefit to others were, to Aristotle's mind, morally approved, actions solely for personal gain must be bad" (Hayek [1988] 1992, p. 46). Hayek sees Aristotle's systematization of ethics as the root of the Church's attitude regarding trade, which had the greatest influence on European history:

The repercussions of Aristotle's systematization of the morals of the micro-order were amplified with the adoption of Aristotelian teaching in the thirteenth century by Thomas Aquinas, which later led to the proclamation of Aristotelian ethics as virtually the official teaching of the Roman Catholic Church. The anti-commercial attitude of the mediaeval and early modern Church, condemnation of interest as usury, its teaching of the just price, and its contemptuous treatment of gain is Aristotelian through and through. (Hayek [1988] 1992, p. 47)

This passage is noteworthy not only because it contradicts Hayek's previous positive evaluation of Aquinas for propagating the liberal ideal but also because Hayek typically refers to religion without specifying any particular traditions or denominations. I will subsequently show that this can be accounted for by referring to the intellectual milieu surrounding Hayek.

According to Hayek, the influence of Aristotle's interpretation of ethical rules eventually waned in the wake of the British Enlightenment, particularly the philosophy of David Hume, which paved the way for a scientific understanding of self-organizing structures:

By the eighteenth century, of course, Aristotle's influence in such matters (as in others) was weakening. David Hume saw that the market made it possible 'to do a service to another without bearing him a real kindness' (1739/1886:11, 289) or even knowing him; or to act to the 'advantage of the public, though it be not intended for that purpose by another' (1739/1886:11, 296), by an order in which it was in the 'interest, even of bad men to act for the public good'. With such insights, the conception of a self-organizing structure began to dawn upon mankind, and has since become the basis of our understanding of all those complex orders which had, until then, appeared as miracles that could be brought about only by some super-human version of what man knew as his own mind. Now it gradually became understood how the market enabled each, within set limits, to use his own individual knowledge for his own individual purposes while being ignorant of most of the order into which he had to fit his actions. (Hayek [1988] 1992, p. 47)

According to Hayek's analysis, Hume's insights into the functioning of the market have an importance that extends beyond economics, encompassing the broader domain of the theory of complex orders. Advances in understanding of the market facilitated the explanation of the teleological characteristics inherent in complex orders, without resorting to the ordering function of a transcendent mind. Nevertheless, Hayek maintained that the legacy of Aristotelian thought continued to exert an influence: "Notwithstanding, and indeed wholly neglecting, the existence of this great advance, a view that is still permeated by Aristotelian thought, a naive and childlike animistic view of the world (Piaget, 1929:359), has come to dominate social theory and is the foundation of socialist thought" (Hayek [1988] 1992, p. 47).

With these few lines, written almost sixty years after his first reference to Aristotle in his introduction to the third edition of Hermann Heinrich Gossen's *Gesetze des menschlichen und der daraus fließenden Regeln für menschliches Handeln* (see above), Hayek radically overturns his initial evaluation of Aristotle. The Greek philosopher is now regarded as playing a prominent role in the development of constructivist rationalism, which, according to Hayek, is opposed to the liberal tradition and is the very ground upon which socialist thought developed.

VII. THE ORIGINAL DRAFT OF "THE PHILOSOPHER'S BLINDNESS"

The drastic shift in Hayek's assessment of Aristotle that we have traced seems to have been a linear process and a coherent trajectory, which suggests that Hayek's evaluation of Aristotle in *The Fatal Conceit* can be considered as his definitive and conclusive opinion on the matter. However, the circumstances surrounding the publication of *The Fatal Conceit* in 1988 raise a critical question. As Ebenstein puts it, "*The Fatal Conceit* was published in late October 1988, more than three years after Hayek last worked on it. During this period, it was substantially remolded by editor Bartley. Though Hayek reviewed some of Bartley's work, he did not participate in any substantial way in the changes—he was too ill to do so. His mental capacities had diminished precipitously with his 1985 illness" (Ebenstein 2005, p. 30; see also Friedman 1997; Boetkke 1999; Caldwell 2000). These circumstances take on an added significance if we compare the severity of Hayek's evaluation of Aristotle in *The Fatal Conceit* with the attentiveness and circumspection he had previously displayed concerning this question. The chapter on Aristotle in *Fatal Conceit* is crucial for a comprehensive evaluation of the topic. Consequently, we cannot ignore the question of whether the published version of this book can be considered reliable.

An answer to this question can be found in the preparatory materials for *The Fatal Conceit*, preserved in the Hayek Archives at the Hoover Institution at Stanford University, which we can examine as they were initially submitted to Bartley. Upon examining these materials, we find that the section entitled "The Philosopher's Blindness" is already listed in several tables of contents that were drafted during the preparation of the book for publication.

An insight into the intended content of this section is provided by two documents preserved in the archive. The first is a fragment of a speech that Hayek delivered at the thirty-third Lindau Nobel Laureate meeting, entitled "Evolution and Spontaneous

Orders” (Hayek Archives at Hoover Institution, Stanford, California, Box 110, Folder 26). Dated 28 June 1983, it is preserved as both the handwritten original in Hayek’s own handwriting and as a typed copy. In this fragment Aristotle is the target of Hayek’s historical reconstruction of the origins of the concept of evolution. This argument is further developed in two subsequent typed drafts of “The Philosopher’s Blindness.” The first (Hayek Archives at Hoover Institution, Stanford, Box 133, Folder 14) contains a note in Hayek’s handwriting, which allows us to determine which of the two was written earlier, because it refers to a handwritten page containing a passage that was inserted in the successive draft (Hayek Archives at the Hoover Institution, Box 133, Folder 16).

If we compare the first draft with this later draft and the published text, we can find two main differences. The first is that the opening section of the first draft contains an acknowledgment of Aristotle’s importance in the history of thought: “He was one of the greatest philosophers whose views have had a profound influence for over two thousand years and still guides much philosophical speculation in the present day” (Hayek Archives at Hoover Institution, Stanford, Box 133, Folder 14). These few lines, which are absent from the successive draft and the published version, provide evidence of how difficult it was for Hayek to change his opinion regarding a figure held in such high esteem by the tradition in which he was so deeply rooted.

The second difference is that there is a passage on Eubulos, a “writer of Comedies,” which does not appear in the first draft, although the latter contains a handwritten note stating “insert addition!” in the corresponding place. Similar ideas are expressed in slightly different ways in the two drafts. The main difference between the three versions consists in the lack of the passage on Eubulos in the first draft, which was inserted in the second in order to rebuke Karl Polanyi’s more sympathetic reading of Aristotle’s *Economics*. We will see how this passage provides us with useful indications for contextualizing Hayek’s critique of Aristotle (see [section X](#) below).⁴

Apart from these marginal discrepancies, the overall structure of “The Philosopher’s Blindness” is basically the same. We can therefore assume that the content of the published version of this section of the *The Fatal Conceit* is faithful to the author’s intentions, whether or not the editor had a hand in shaping its final literary form.

VIII. ABSTRACT RULES AND THE COSMOLOGICAL PARADIGM

Our investigation into Hayek’s references to Aristotle provides us with a detailed picture of Hayek’s changing attitudes regarding the philosopher. On one level they can be put into relation with two overarching features of his mature thought: his re-examination of the ideal of the rule of law, and his search for a scientific paradigm for the study of complex phenomena.

Hayek’s reappraisal of the liberal tradition led him to consider the rule of law as the social and economic equivalent of “the abstract,” i.e., a faculty of abstraction that fosters the growth of knowledge for individuals. He divides rules of conduct into “commands”

⁴ The reference to Polanyi in this passage reads as follows: “A modern writer, Karl Polanyi, excused these views of Aristotle by asserting that at Aristotle’s time Athens had not yet developed a regular market. How false this allegation is appears from a fragment of writer of Comedies, Eubulos, who was a contemporary of Aristotle” (Hayek Archives at Hoover Institution, Stanford, Box 133, Folder 14).

and “laws,” according to their degree of generalization. Commands are orders directed toward concrete benefits and they have to be pursued in specific ways; they are suitable for artificial orders, the components of which can be rationally controlled. In contrast, only general rules, i.e., laws, are able to govern the evolution of complex orders involving numerous variables that are beyond human comprehension. At the societal level, the abstract nature of the law enables individuals to optimize the use of their knowledge (cf. Hayek 1948).

This explains how it is possible for Hayek to acknowledge Aristotle’s role in the development of the rule of law, while at the same time criticizing the fact that, for him, “it is characteristically inconceivable that the order resulting from the *nomos* should exceed what the orderer can survey” (Hayek 1948, p. 84). In Hayek’s view, Aristotle’s defense of the rule of law relies on incorrect arguments and therefore fails to recognize the abstract nature that rules must have in order to facilitate the growth of knowledge in society. However, this observation alone does not explain why Hayek ultimately chose to attack Aristotle’s interpretation of the *physis*, shifting the discourse from the field of politics to that of the fundamental principles of reality.

This decision of Hayek’s can be better comprehended if we relate it to the emergence of a particular methodological paradigm in his late writings, one that stood in sharp contrast with Mayr’s account of Aristotle’s methodology. Based on his understanding of the market and the mind, Hayek developed the idea that complex phenomena can be understood only within the methodological frame of cosmology, that is to say from the point of view of a science that considers its laws as the product—rather than the cause—of the configurations of matter. As Hayek puts it: “the existence of the structures with which the theory of complex phenomena is concerned can be made intelligible only by what the physicists would call a cosmology, that is, a theory of their evolution” (Hayek [1964] 1967, p. 76).⁵

However, this level of explanation, based on the evolution of Hayek’s thought, does not fully explain what prompted his attack on Aristotle. Hayek could have continued to agree with many features of Aristotle’s thought, as he had always done. For instance, Fred Miller has stressed how “for both Aristotle and Hayek, the locus of rationality in planning is the experienced individual agent exercising perceptiveness and insight in the immediate context of action” (Miller 1983, p. 36). The fact that Hayek could have avoided breaking away from the Aristotelian heritage leads us to ask why he ultimately chose to emphasize those aspects of Aristotle’s thought that were most at odds with his own theories. This leads us to a deeper level of analysis, focusing on the implicit interlocutors involved in Hayek’s later critique of Aristotle.

IX. POPPER, MAYR, “ESSENTIALISM”

With its denial of pre-existing laws and models of reality, Hayek’s cosmological paradigm aligned with the critique of “essentialism” that Karl Popper had elaborated since he published “The Poverty of Historicism” (Popper 1944a, 1944b). “Essentialism” played a key role in Popper’s analytical rebuttal of historicism, which he identified as a

⁵ Hayek is here referring to modern physical cosmology, cf. W. H. McCrea (1953, p. 323).

pervasive trait in the social sciences of his time. “The Poverty of Historicism” originally appeared in 1944 as a serialized three-part article published in the journal *Economica*, of which Hayek was at that time the editor. The analytical argument that Popper presented in “The Poverty of Historicism” was then complemented by his historical overview in *The Open Society and Its Enemies* (Popper 1945a). Here, Popper regarded Aristotle’s notion of essence as the basis for Hegel’s conception of historical destiny, and consequently for the collectivist tendencies that he saw as being linked to the historicist trend in the social sciences. By including Aristotle among the precursors of modern collectivism, Popper anticipated, by approximately forty years, the historiographical perspective that Hayek would not embrace until *The Fatal Conceit* (Hayek [1988] 1992). Popper’s use of the term “essentialism” to refer to Aristotle’s thought was later adopted by Mayr in his account of the development of biological thought, and so the hypothesis that Popper influenced Hayek’s change of attitude regarding Aristotle—at least indirectly through Mayr—seems to have a solid basis.⁶

As regards Popper’s more direct influence, already in the 1940s, an intense intellectual exchange had been established between Popper and Hayek, which would continue throughout their lifetimes. Besides publishing “The Poverty of Historicism” in the journal *Economica* (Popper 1944a, 1944b), Hayek also had a hand in the publication of *The Open Society and Its Enemies* (Popper 1945a). Popper explicitly thanked Hayek in the preface, stating that “without his interest and support the book would not have been published” (Popper 1945a, p. vi). It therefore seems likely that Hayek was aware of Popper’s negative evaluation of Aristotle’s impact on the history of political thought, and the question naturally arises of why it took him so long to embrace Popper’s views on the matter. It is also worth asking why he eventually adopted such a markedly anti-Aristotelian position at the very end of his career.

Regarding the first question, Hayek’s reluctance to express a critical stance against Aristotle appears understandable in the light of the historiographic trend that viewed Aristotelianism as an important component in the development of the Austrian school of economics. As we have seen, Hayek had supported this perspective since the 1920s. Four decades later, in the early 1960s, he was still interested in asserting Aristotelianism as a distinctive aspect of the intellectual tradition that he identified with. Embracing Popper’s negative evaluation of Aristotle would have been problematic, as it would have positioned him outside the intellectual lineage he had embraced for so long.

But why did Hayek make a similar move in his very last publishing project? It should not surprise us that during his long intellectual trajectory, he would change his views on many questions. The question is rather why, at such a late stage, he felt compelled to take such a stance on a philosopher who had lived more than 2,000 years before, who had a symbolic significance for the school Hayek belonged to, and of whom he presumably did not have an extensive knowledge, as he acritically accepted Mayr’s interpretation. Even assuming that Hayek’s views were completely and fundamentally at odds with Aristotle’s philosophy (although it would be surprising if Hayek had objections against Aristotle’s thesis on contradiction), it remains unclear why he thought it was necessary to make this explicit. The severity of Hayek’s attack against Aristotle in *The Fatal Conceit* reinforces the importance of asking this question.

⁶ See Mary P. Windsor (2006).

X. POLANYI, ARISTOTLE, AND MENGER

The aforementioned draft for the speech at the Lindau Nobel Laureate meeting in 1983 contains materials that Hayek would later use in “The Philosopher’s Blindness,” and offers some clues as to what may have moved him to publicly attack Aristotle in his last book. He explains that he has gone out of his way to discuss Aristotle because his interpretation “has been questioned.” This crucial passage leads us to consider Hayek’s late stance on Aristotle in the context of a polemic. In the aforementioned draft of “The Philosopher’s Blindness” (Hayek Archives at Hoover Institution, Stanford, California, Box 110, Folder 26), after dealing with Aristotle’s negative evaluation of chrematistics, Hayek explicitly identifies his target: “A modern writer, Karl Polanyi, excused these views of Aristotle by asserting that at Aristotle’s time Athens had not yet developed a regular market.” This reference to Polanyi survives in the final published version, albeit reduced to a dry bibliographical indication.

In the collective volume *Trade and Market in the Early Empires*, Polanyi had devoted an entire chapter, entitled “Aristotle Discovers the Economy,” to the vindication of Aristotle’s economic thought (Polanyi 1957). There he argued that modern historians of economic thought like Joseph Schumpeter were unable to grasp the importance of Aristotle’s ideas because their understanding of the economic phenomenon was limited to the form it takes in market societies. Polanyi maintains that Aristotle’s ideas can be understood only by considering that he was writing at the very time when the market sphere was emerging as separate and distinct from the predominantly centralized structure of the ancient world’s economy. This argument stems from Polanyi’s poly-centric conception of society, which, while sharing the typically Austrian emphasis on spontaneous orders, did not assign the market sphere a trans-historical function in the development of human civilization. However, this latter conception was exactly what Hayek espoused in the later phase of his thought, culminating with *The Fatal Conceit*. In this work, the market is not only the epistemic bedrock for comprehending spontaneous orders but also the historical catalyst of human civilization as a whole.

Nevertheless, Hayek’s attack on Aristotle in “The Philosopher’s Blindness” appears to be an extremely belated reaction to Polanyi’s “Aristotle Discovers the Economy.” Polanyi’s chapter was published in 1957, twenty years before Hayek started working on *The Fatal Conceit*, around 1978. However, at this time Polanyi’s book *The Livelihood of Man* (Polanyi 1977), which appears in the bibliography of *The Fatal Conceit*, had just been published. Here, besides summarizing his views on Aristotle, Polanyi devoted an entire section to Carl Menger, wherein he contended that, unlike his later followers, the founder of the Austrian school of economics recognized the impossibility of reducing the economic phenomenon solely to the forms and structures it takes on in a market society. In this context, Polanyi explicitly challenged Hayek’s decision to republish the original edition of Menger’s *Principles*. According to Polanyi, Hayek had thereby disregarded Menger’s revised version, in which the role of the market sphere in the development of civilization appeared considerably more relative.

The rejection of any form of subordination of the market order that Hayek radicalized in his later work encountered an adversary in Polanyi’s views on the functioning of society.⁷

⁷ On Hayek and Polanyi’s parallel paths in the context of interwar years in Vienna politics, see Olaf Innes (2017).

Not only was Polanyi able to marshal a broad historical perspective in support of his economic and political agenda, but he also contested the intellectual lineage Hayek had established for himself through his studies of intellectual history. It is intriguing to observe that, by entering the field of intellectual history, Polanyi expanded his critique of Hayek beyond the realm of economic history and challenged him on a terrain where Hayek was already well entrenched. Symmetrically, immediately after the publication of *The Livelihood of Man*, Hayek embarked on *The Fatal Conceit*, in which he would shift the polemic onto Polanyi's favored ground of economic history.

Reading Hayek's attack on Aristotle in the light of Polanyi's *The Livelihood of Man* helps us to understand the function of the alternative genealogy that Hayek traces for the Austrian school in *The Fatal Conceit*. In Appendix A of the book, "Natural versus Artificial," after brief references to David Hume and Bernard de Mandeville, Hayek emphasizes Adam Smith's role in ushering in a new scientific paradigm, which stood in contrast to Aristotle's alleged "essentialism," and to which Charles Darwin's theory of evolution would owe a great debt. Hayek asserts that Menger continued Smith's and Darwin's intellectual legacy by elaborating the necessary means for the understanding of complex phenomena (Hayek [1988] 1992, p. 146). In connection with his attack on Aristotle, Hayek abandoned the historiographic view that emphasized Menger's Aristotelianism, which he had previously endorsed. In doing so, he implicitly excluded Polanyi from the orthodox Austrian school of economics, claiming that he himself was the more faithful and authentic exponent of this tradition.

XII. UNEXPECTED CONVERGENCES

A close reading of the chapter on Aristotle in *The Fatal Conceit* also reveals another polemical target besides Polanyi. As we have seen, Hayek's unusual reference to the Catholic Church's role in the transmission of the Aristotelian principles overtly extends his attack to the influence of the Church's social doctrine on the history of political thought. This fact may appear surprising, considering the alliance between traditionalism and the neoliberal project that had arisen in connection with the Mont Pelerin Society, founded by Hayek in 1947, an alliance that was embodied in the figure of Wilhelm Röpke.

Röpke, a prominent figure in the ordoliberal movement, despite being Protestant, greatly admired the teachings of the Catholic social doctrine, which were heavily influenced by Aristotelian principles.⁸ Having introduced Hayek to Walter Eucken in the late 1930s, Röpke established the initial connections between Hayek and several ordoliberal thinkers who would later join the Mont Pelerin Society (see Kolev, Goldschmidt, and Hesse, 2020). At the time of the founding of the Mont Pelerin Society (1947), Aristotelianism therefore served as a common ground between the ordoliberal movement and the Austrian school of economics. However, due to several disagreements with Hayek, Röpke left the society in 1961. Intriguingly, the onset of Hayek's gradual change of perspective on Aristotle can be traced to the late 1960s. While remaining loyal to Eucken's legacy, Hayek eventually reassessed his opinion of the ordoliberal movement, as evidenced by a recollection dating to the early 1980s: "Conceivably an indigenous liberal

⁸ See Andrew W. Foshee and William F. Campbell (1997, pp. 117–144).

development might have emerged in Germany. It did manifest itself on a small scale in the guise of the *Ordo* yearbook and the *Ordo* circle, though this was, shall we say, a restrained liberalism” (Hayek [1983] 1992, pp. 189–190).

Manuel Wörsdörfer has pointed to Hayek’s different outlook regarding distributive justice as one of the reasons underlying his reservations about the ordoliberal movement (Wörsdörfer, 2013). Guided by his conception of justice as the absence of injustices, in his later writings Hayek refuted the notion of distributive justice, advocating instead for justice in an exclusively commutative sense. In contrast, the ordoliberals continued to uphold a dual concept of justice, consisting of a combination of distributive and commutative justice. Given the Aristotelian origin of the distinction between commutative and distributive justice, this divergence is significant for our discussion. The fact that Hayek found it necessary to openly criticize Aristotle in his last book indicates how much the situation had changed in the forty years since the establishment of the Mont Pelerin Society. Hayek felt that, rather than being a point of convergence, Aristotelianism had now become not only a distinguishing feature of all political currents opposed to the liberal project but a “restraining” element also within the liberal camp.

While there are sufficient grounds for affirming that, apart from Polanyi, political thought inspired by a Catholic social doctrine is an implicit target of Hayek’s attack on Aristotle, it is still unclear what was at stake for him in this polemic. In the absence of explicit textual evidence, one could suppose that Hayek saw Polanyi’s vindication of Aristotle and his interpretation of Menger’s legacy as a threat for the alliance between traditionalism and neoliberalism. Some scholars have recently stressed the similarities between the critique of Polanyi and the ordoliberals regarding the shortcomings of nineteenth-century liberalism (Woodruff 2017; Dekker 2023). In the context of the assumed obligatory choice between the neoliberal agenda and socialism that the ordoliberals and other conservative fringes were faced with, Polanyi’s sophisticated appropriation of Menger’s *Principles*—implicitly valorizing their Aristotelian undertones—was able to delineate a viable alternative.⁹

XII. CONCLUSIONS

Hayek’s attack against Aristotle in *The Fatal Conceit*—which, as we have seen, can be deemed authentic—marks the culmination of a long journey that led Hayek to reconsider his previous standpoint on the matter. This change in his attitude can be put into relation with the evolution of Hayek’s thought, particularly his increasing emphasis on the importance of abstract rules for the growth of knowledge in society and the cosmological paradigm for comprehending complex phenomena. These factors, however, do not fully explain the severity of Hayek’s attack on Aristotle in *The Fatal Conceit*. Hayek’s protracted reluctance to embrace the position Popper had held since the 1940s appears comprehensible, considering the historiographic trend that emphasizes Aristotle’s influence on the Austrian school of economics. The fact that Hayek finally abandoned this historiographic view can be interpreted as a response to Polanyi’s attempt to valorize and

⁹ On the similarities between ordoliberalism and Polanyi’s understanding of the interwar crisis, see Erwin Dekker (2023).

appropriate certain aspects of the Austrian tradition. By breaking his ties with Aristotle, Hayek's response marked a definitive departure from the concept of community in the name of tradition. While it is true that in his later years Hayek increasingly stressed the importance of tradition in his writings,¹⁰ his vindication of tradition was primarily due to its function of ensuring the survival of the greatest number of individuals, rather than its qualitative role in fostering the cohesion of the community.¹¹ In this regard, Hayek's late stance towards Aristotle can be linked with his refusal to label himself as a conservative. Hayek explicitly expanded on this theme in his appendix to *The Constitution of Liberty*, entitled "Why I Am Not a Conservative."¹² By adopting this position, he implicitly opened up the scope of his economic and political agenda to alliances with political traditions that did not necessarily align with conservative ideals.

The fluctuating nature of Hayek's assessment of Aristotle cannot be attributed solely to the evolution of his views. Aristotle also serves as a marker or a signpost within Hayek's writings, shedding light on Hayek's position in the intricate network of intellectual alliances and hostilities that shaped the struggle for cultural dominance in the latter half of the nineteenth century. The genealogies that Hayek traced in his explorations of intellectual history were intended to obtain an understanding of the landscape of ideas confronting him, and to furnish his readers with a historical backdrop. This sort of condensed philosophy of history made it possible to delineate the boundaries between allies and adversaries in the intellectual milieu of his time. For this very reason, Hayek's vacillation in his appraisal of Aristotle also reflects a sense of uneasiness and a wavering in his understanding of modernity. Under the pressure of the intellectual conflict, Hayek finally allowed the notion of an Aristotelian genealogy of the Austrian school—which he had once championed—to collapse, leaving scattered and contradictory debris in his writings.

COMPETING INTERESTS

The author declares no competing interests exist.

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¹⁰ See, for instance, the final chapter of *The Fatal Conceit*, entitled "Religion and the Guardians of Tradition."

¹¹ On this aspect, see Jack Birner (2014, pp. 263–281).

¹² Hayek's relationship with conservatism has been tackled by several authors: see Cliteur (1990), Scruton (2006), and Brennan (2014). Apart from the question of which political label is more fitting to Hayek's thought, a more serious point is raised by one of the two reviewers of the present article: he stresses the tension between Hayek's ultimately conservative view that most of the positive features of modern civilization have developed without deliberate planning, and his more liberal view that most past thinkers have misunderstood the nature of this process.

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