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To Know or Not to Know, That Is the Question: Knowledge and politics

Saber ou não saber, eis a questão: Conhecimento e política

Saber o no saber, ésa es la cuestión: Conocimiento y política

Book review. Scheall, Scott. **F. A. Hayek and the Epistemology of Politics: The Curious Task of Economics.** Routledge, 2020.

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In times of heated debate over the limits of authority, especially that granted to (or usurped by) individuals in positions of state power, it is essential to reflect on the arrogance of those who fail to recognize the inherent limits of human knowledge in decision-making that affects the collective. In this regard, we are already familiar with the long-standing battle waged by the Austrian School against centralized mechanisms of power, and, in particular, F.A. Hayek's ever-relevant questioning of the "pretence of knowledge".

This is the task to which Scott Scheall's thought-provoking "F. A. Hayek and the Epistemology of Politics: the curious task of Economics" is dedicated. In the book's preface, the author recounts his disillusionment with the paths of mainstream economics since his undergraduate years, and how this disillusionment led him to the heterodox solutions proposed by the Austrians. Among these solutions, the one that stands out is precisely the recognition of the limits of policymaking based on the idea of absolute and individual control of knowledge.

Scheall's argument is built gradually through six chapters, and he supports it according to two groups of very important concepts, intrinsically connected: the first group contains the concepts of policymaker (anyone involved in creating, implementing, and managing policies), constituent (any individuals whose interests the policymakers are supposed to serve) and policy itself (which includes any set of rules or directives designed by policymakers that constituents are expected to follow). The second group supports the interaction among these "ideal" actors through the main topic along the book – knowledge: there is "propositional knowledge-that" (knowing facts or information) and "non-propositional knowledge-how" (knowing how to do something). He emphasizes that ignorance can include both types of knowledge, meaning policymakers may not know facts or lack the skills to effectively implement policies. This point is capital for our discussion.

The policymaker ignorance is the central issue in politics. While political theorists often focus on the motivations and incentives of policymakers, Scheall argues that the more fundamental problem is their lack of knowledge. Policymakers frequently operate with incomplete or inaccurate knowledge, which limits their ability to make effective decisions, regardless of their incentives or intentions.

This conclusion is drawn from the works of Ludwig von Mises and F.A. Hayek, both whose discussion focuses on how central planning fails not because of bad incentives but because of epistemic limitations. These limitations produce epistemic burdens, which refer to the knowledge gaps that policymakers must overcome to achieve their goals. Policymakers, like all individuals, tend to pursue epistemically easier objectives, often ignoring more complex but constituent-preferred policies due to their knowledge limitations. This ignorance takes precedence over incentives, as even the most well-intentioned policymakers cannot succeed without sufficient knowledge.

Mises, during his debate on "socialist calculation", posed strongly against the rational economic calculation because in the absence of private property and competitive markets, socialist planners would be unable to gather the necessary information to make efficient eco-

conomic decisions. So, there it is the focal point: the information. That is why Friedrich Hayek expanded this argument, asserting that epistemic limitations affect not only socialist systems but all forms of political and economic planning.

Hayek argued that even in more liberal systems, policymakers often lack the knowledge required to manage complex social and economic systems effectively. He introduced one of his core concepts, spontaneous forces, those which can help coordinate knowledge and action in society – despite not reliable to achieve all policy goals. In both socialist and mixed economies, Hayek believed that market mechanisms, such as price signals, play a critical role in coordinating dispersed knowledge and enabling individuals to adjust their actions in response to changes in supply and demand. Central planners, Hayek contended, lack the tacit knowledge possessed by market participants, which emerges from their direct experience with localized economic conditions.

In discussing epistemic burdens, Scheall emphasizes the subjective nature of these knowledge gaps. Each policymaker faces different limitations based on their background, context, and access to information. The burden of central planning is particularly high because it requires the central authority to have comprehensive knowledge of the economy, which is impossible to obtain due to the decentralized nature of knowledge. Even in market economies, where spontaneous forces help coordinate knowledge, policymakers must still grapple with the uncertainty and incomplete information that come with complex systems. That is why Hayek's critics extend from the socialist economies to Keynesian policies, which effective demand management is nothing more than a strong noise into the market signalization. It enables Scheall to distinguish an intriguing "taxonomy of policymaker ignorance": (a) Policymakers who recognize their ignorance and act cautiously; (b) those who mistakenly believe they are ignorant and refrain from pursuing achievable goals; and (c) policymakers who are unaware of their ignorance, posing the greatest risk, as they are likely to pursue unrealistic policies with disastrous consequences.

These types are not hard to find in nowadays politics. That is the reason why, let us agree with Scheall, we need to recognize the limits of knowledge as the central piece to any political theory. Policymakers cannot be expected to achieve goals that require more knowledge than they possess, and political systems should be designed with these limitations in mind. Spontaneous order provides a more reliable means of coordinating economic and social activity not because it is more powerful, but because it allows for decentralized decision-making. That is the only feasible compass to policymakers navigate the epistemic burdens of their role.

We need to reassert that: the problem is not restrict to socialist systems. The policymaker ignorance is a (big) problem within liberal political systems. While liberalism theoretically assigns fewer and simpler tasks to policymakers, liberal policymakers are not immune to the knowledge constraints that hinder decision-making in more centralized systems, and the process of establishing and maintaining a liberal order is even more complex than often acknowledged. This involves two major epistemic burdens: (a) realizing a liberal order, which requires overcoming knowledge gaps to transition from authoritarian regimes; and

(b) sustaining liberal institutions, where policymakers must preserve key frameworks like the rule of law.

Scheall critiques the absence of a coherent theory for liberal transitions, emphasizing that cultural and institutional (beyond merely economic) factors play a crucial role in the success of liberalization efforts. It includes a constant vigilance to prevent powerful actors from undermining institutions for personal gain, leading to political instability. He claims for Hayek's epistemology, one which is empirical and rooted in the idea that knowledge is dispersed and evolves through experience – identified here as actionable knowledge.

This concept is interesting for our discussion, because its meaning is composed and conflicted. The only acceptable and effectively liberal "solution" to this policymaking uproar resides in the extensive use of tacit knowledge - that individuals possess but cannot fully articulate – to restrain the misuses of policymakers limited explicit knowledge. That is, actionable knowledge needs a forceful deliberative political arena, which must limit deliberate political action, or actions motivated by those epistemically easier objectives. John Stuart Mill warnings never get rusted: deliberation is the core of any legitimate liberalism - a political view concerned with hard, but necessary, deliberate decisions.

Deliberation is what Scott Scheall explores when he postulates that political order (or disorder) can be understood as epistemic phenomena. After all, the ordinating clause is a matter of how well knowledge is coordinated between policymakers and constituents. Drawing on Hayek's insights, Scheall argues that the success of political systems depends on effective knowledge coordination, like how the price system in markets coordinates dispersed economic knowledge. Political disorder arises when knowledge mechanisms fail. This is how political pretence happens: where policymakers feign action or knowledge to appease constituents without addressing complex problems. This results in disillusionment when policies fail to meet public expectations.

To prevent disillusion, it is required a constitutional approach. To mitigate policy-maker ignorance, political constitutions should limit the range of policy goals to those that are feasible given policymakers' epistemic capacities. Policymakers often appear venal or self-interested because they are so cloistered in authority that they lack the knowledge to pursue more ambitious, constituent-minded policies. Even well-meaning policymakers are constrained by their epistemic limitations. As a result, policies that demand more complex knowledge are often ignored or poorly implemented, unless spontaneous forces intervene to support their realization.

Again, through spontaneity we cannot understand erratic behaviour or even blaming indistinctively on policymakers. The word "constitutional" in constitutional approach is not fortuitous: it means constituents are also responsible for political pretence. By constraining government to achievable objectives, political systems can reduce disorder and constituent disappointment. It highlights the trade-off between having an effective government, which focuses on simple, achievable policies, and having an ambitious government, which pursues more complex, epistemically burdensome objectives. As constituents, it is our mandatory

task to engage in public debate and demand feasible solutions for real problems. We cannot misunderstand a complex objective as a hard objective. The easy solution, as discussed above, is more a question of information (artificial) leverage – the pretence of knowledge is the illusion that a privileged information is always more important than any information.

Scheall concludes by emphasizing the need for realistic political ambitions, suggesting that governments should focus on what can be done, rather than overreaching into areas where policymakers lack sufficient knowledge. By recognizing the limits of deliberate action, Hayekian political epistemology provides a framework for minimizing policy failures and fostering a more stable political system. This is, after all, that “curious task of Economics” - we learn through market procedures how to manage the opportunities costs and trade-offs.

This is the foundation of any kind of agreement, the same precondition for any effective deliberative politics. It may start with a trade-off question, between effective government and ambitious government. A government that pursues simpler, more achievable policies is likely to be more effective, while a government that attempts to address complex, epistemically demanding goals is prone to failure. In other words, what we need, right now, is a mature and honest political approach. And it starts with our expectations calibrated by what is possible to achieve, and not empty pretences. Everybody together can know all, but anybody cannot know everything.

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