

AUSTRIAN EPISTEMOLOGY: A CRITIQUE

Josiah Vehrs

Economics 420: Colloquium

## **I. Introduction**

One of the most unique aspects of Austrian economics has been its focus on the methodology with which the science of economics is pursued. Epistemological concerns have been a significant topic of concern since the beginning of the school. As a whole, it has been dominated by the apriorism of Ludwig von Mises. However, his epistemology has serious problems that undermine it as a successful answer to the philosophical issues facing economists. I argue that Mises' epistemological project has failed, and requires a replacement. I will begin by summarizing Mises' epistemology, then move into a critique of it. The critique will have four parts: internal problems it faces, metaphysical challenges, improper knowledge classifications, and why the project as a whole should be rejected. After the critique several options will be laid out, in order to point the way towards potentially fruitful epistemological discussion. These options are not such as require strict allegiance. I will draw insights from several distinct epistemological approaches that I think will be helpful in future theoretical work. A concluding section will construct a specific example, in order to provide an illustration for potential applicatory syntheses.

## **II. Mises' Apriorism**

Ludwig von Mises was an economist, and only a philosopher by requirement. His priority was constructing a science of human action, i.e. praxeology. His forays into epistemology, and the philosophy of science, were pragmatic around this goal of developing part of the social sciences. The problem this raises is that he never created a

systematic treatment of epistemology as such. He wrote extensively on the epistemology of economics, but never towards a more broadly applicable epistemic system, nor a systematic ontology. He wrote no treatise on metaphysics; no discussion of the philosophy of language. Due to this lack of a comprehensive discourse, interpretations of his epistemology have varied significantly. To correctly evaluate it I will discuss a number of differing assessments, and their relative interpretational adequacy. Then compare with a textual analysis of Mises' writings.

#### A. Disagreeing Interpretations

The disagreement stems over the extent to which Mises adopted Kant's epistemology, and whether his a priori is analytic or synthetic. A brief exposition of Kant will be helpful. According to Kant there are three classifications of knowledge. The first is *a posteriori*: knowledge we gain from experience. The second is the analytic *a priori*: knowledge that is prior to experience, it is tautological in nature and is gained simply through understanding the concepts entailed in itself. As such, analytic propositions give us no knowledge of the way the world is. The last is the synthetic *a priori*: a truth that is prior to experience, but gives us real knowledge about how the world works. It can't simply be reduced to a tautology. These are mental categories through which experience is interpreted. For example, our understanding of causality is an essential pathway of gaining knowledge about the world; however, its truth cannot be tautologically proven

via a definitional analysis of the terms it contains. Kant says causality is still known prior to all experience; therefore, it is a true synthetic *a priori*.<sup>1</sup>

Philosopher Barry Smith argues that Mises adopts the Kantian analytic as his source of economic knowledge, *in toto*. He describes the condition for creating an analytic theory: “[A]n a priori scientific theory can be coherently constructed out of propositions which are uniformly analytic only if the theory is committed to at most *one* core matter.”<sup>2</sup> Which is what Mises does: “[This] underlies also von Mises’ insistence, against the background of his view that all a priori propositions of economics are analytic ‘laws of thought’, that the a priori element in economic theory can be constructed entirely in terms of the single material notion of *action*.”<sup>3</sup> According to Smith, Mises has an analytic proposition of action from which he logically deduces propositions. These are tautological additions to knowledge, and say nothing about how the real world is.

He provides further justification for his interpretation from the state of philosophy at that time. Philosophers were, in general, rejecting much of Kant’s analysis, and moving towards a positivist portraiture of science. The modern scientific orthodoxy was that “Scientific propositions are either contingent or necessary.”<sup>4</sup> The implications of this

---

1. Michael Rohlf, "Immanuel Kant", *The Stanford Encyclopedia of Philosophy* (Spring 2016 Edition).

2. Barry Smith, “Austrian Economics and Austrian Philosophy” *In Austrian Economics: Historical and Philosophical Background*, Edited by Wolfgang Grassl and Barry Smith, New York: New York University Press, 1986, 18.

3. *Ibid.*

4. *Ibid.*, 4.

dilemma are that “If these laws are necessary...then they must be true by definition. But from this it would follow that they could have no substantial contribution to make to our knowledge.... If, on the other hand, we wish to hold onto the idea that economic laws are not mere tautologies...then we must reject the view that they are necessary....”<sup>5</sup> In the face of this dilemma Mises chose to categorize economic knowledge as necessary. “The first of these two alternatives has indeed been adopted by many...under the influence of... Ludwig von Mises. The second alternative...implies the methodology of economic positivism.”<sup>6</sup> An important objective of Mises was to reject the growing influence of historicism and empiricism. He saw these as fundamentally mistaken approaches to economics. The remaining option was to adopt an *a priori*, necessary conception of knowledge.

Others have argued that Mises intended to use the synthetic *a priori*. Economist Guido Hülsmann dismisses the Kantian aspect completely: “it seems we cannot avoid the conclusion that the affinities of Mises’s ideas with Kant’s philosophy are mainly rhetorical affinities.”<sup>7</sup> He argues that the method adopted by Mises in actually doing economic theorizing is Aristotelian realism, and that much of what he says regarding the *a priori* is simply rhetoric. He argues that Mises was simply rejecting the radical sensual-empiricism of earlier philosophers. Economic knowledge is known through an “act of

---

5. Ibid., 5.

6. Ibid.

7. Guido Hülsmann, Introduction to *Epistemological Problems of Economics*, liii, Auburn: Ludwig Von Mises Institute, 2013.

self-reflection on the imperceptible *structural features of human action*.<sup>8</sup> He provides several justificatory points. First, the Austrian schools of philosophy were steeped in Aristotelian realism; this was out of a conscious desire to prevent the spread of German historicism.<sup>9</sup> Second, Mises' language of *natures* is consciously Aristotelian.<sup>10</sup> These arguments, however, suffer from a sufficiently detailed understanding of Austrian philosophical history. Barry Smith, in *Austrian Philosophy*, shows how Mises differs substantially from the Aristotelian apriorism of Franz Brentano and Menger.<sup>11</sup> He does not actually lie squarely in that tradition.

Economists Peter Leeson and Peter Boettke advance the argument that Mises' conception is analytical, but differs from Kant in that it applies to the real world: "According to Mises it is true that like the laws of geometry, the pure logic of choice is entirely tautological. Nevertheless these 'mere tautologies' have incredible empirical significance. Who would deny, for instance, that the aprioristic propositions of geometry are applicable to the real world?"<sup>12</sup> However, this explanation is dubious because it misunderstands Kant's epistemology. Philosopher Stephan Körner, who specializes in Kant, explains that he views causality, geometry, and arithmetic as necessary, but not

---

8. Ibid., xliv.

9. Ibid., li.

10. Ibid., lii. The work is *Theory of Money and Credit*.

11. I refer interested readers to the work mentioned, as an in-depth treatment is beyond the scope of this paper.

12. Peter T. Leeson, and Peter J. Boettke, "Was Mises Right?" *Review of Social Economy* 64, no. 2 (2006): 21.

analytic: “Thus, to assert the principle of causality is not to assert an analytic proposition, the negation of which is internally inconsistent, but a synthetic proposition, the negation of which is inconsistent with the possibility of any objective experience...”<sup>13</sup> Leeson and Boettke’s example of geometry fails because geometry isn’t actually an example of an analytic that applies to the real world; it is a synthetic proposition. In Kant’s epistemology there is no such thing as an analytic that gives us more knowledge about the world.

Hans-Hermann Hoppe gives a better explanation of how Mises utilizes Kant. He admits the substantial influence present: “Mises takes from Kant his central conceptual and terminological distinctions as well as some fundamental Kantian insights into the nature of human knowledge.”<sup>14</sup> But he argues that Mises adds to it in a critical way: “With his recognition of action as the bridge between the mind and the outside reality; he has found a solution to the Kantian problem of how true synthetic a priori propositions can be possible.”<sup>15</sup> Our self-reflection on human action gives us true knowledge of the world, yet is still analytic. We can understand action simply from logical deduction, but, because we act in the real world ourselves, any logical deduction speaks about the real world. Our experience of action shapes the direction of analytical analysis, while not corrupting it with empirical knowledge.

---

13. Stephan Körner, "On Brentano's Objections to Kant's Theory of Knowledge," *Topoi* 6, no. 1 (1987): 14.

14. Hans-Hermann Hoppe, *Economic Science and the Austrian Method*, Auburn: Ludwig von Mises Institute, 1995, 17.

15. *Ibid.*, 21.

## B. Textual Analysis

Given these disagreements it is important to review Mises himself. Of the a priori he writes that it is the “necessary and ineluctable intellectual conditions of thinking, anterior to any actual instance of conception and experience....”<sup>16</sup> And “it refers to the essential and necessary character of the logical structure of the human mind.”<sup>17</sup> This could be compatible with either the synthetic or analytic understandings, but he goes further: “Aprioristic reasoning is purely conceptual and deductive. It cannot produce anything else but tautologies and analytic judgements. All its implications are logically derived from the premises and were already contained in them.”<sup>18</sup> Here is a clear endorsement of the analytic conception. He admits that his theory is analytical, and thus tautological. He gives an example from his later economic analysis: “In the concept of money all the theorems of monetary theory are already implied.” But, if this is the case, how does this contribute to our knowledge of money in the real world? Mises claims they do: “The theorems attained by correct praxeological reasoning are not only perfectly certain and incontestable.... They refer...to the reality of action as it appears in life and history.”<sup>19</sup> How this was possible was part of the criticism of Kant. Mises says that praxeology has the answer, “As far as praxeology is concerned, the answer is obvious. Both, a priori thinking and reasoning on the one hand and human action on the other, are

---

16. Ludwig von Mises, *Human Action*. Auburn: Ludwig von Mises Institute, 2008, 33.

17. *Ibid.*, 34.

18. *Ibid.*, 38.

19. *Ibid.*, 39.

manifestations of the human mind. The logical structure of the human mind creates the reality of action.”<sup>20</sup> This confirms the interpretation of Hoppe that Mises is merging the synthetic and the analytic, and thus bridging the tautologies of human action to the real world. Our knowledge is linked to the external world through action itself.

### III. A Critique

There are many rejections of Mises’ apriorism, but few systematic explanations of why. Most modern economists dismiss it out of hand; decrying it as simple faith and foolishness. It should, however, be taken seriously. Mises contributed many insights to the discipline of economics, and social sciences in general. Only through a serious critique can we dismiss what is false, while still gleaning what we might. What follows is the initial stage: four specific objections to his epistemology.

#### A. Internal Conflict

The first objection concerns an internal contradiction in Mises’ epistemology; he wants to have his cake and eat it too. He attempts to create a pure analytic, but also to have propositions that say something about the world, which can only be synthetic. This is problematic. Mises says these claims are still apodictically certain if no logical error has been made. This is only correct if deduction alone is being used, but certain experiential assumptions are made which renders the conclusions uncertain. His bridge to reality isn’t just action; he mentions other things that are experience derived, like the

---

20. Ludwig von Mises, *The Ultimate Foundation of Economic Science: An Essay on Method*, Princeton: Van Nostrand, 1962. 42.

unease of labor. He admits exactly what he has done: “In introducing assumptions into its reasoning, it satisfies itself that the treatment of the assumptions concerned can render useful services for the comprehension of reality.”<sup>21</sup>

Mises tries to explain how this works in a way that leaves his project intact. The idea is that we have certain experiences of the world, and we use these experiences as assumptions behind our reasoning to point it in the correct, problem solving direction. But the assumptions are being used in the deductive process itself. They are not simply pointing reason in the right direction; they are premises used in his very arguments. Mises cannot escape the experiential influence in economic thought. Attaching experiential premises does not bridge between the analytic and the real world, but is what makes a proposition synthetic. Mises contradicts his very own analytical project. He cannot claim that his theory is purely conceptual and deductive, and yet admit empirical assumptions.

## B. Metaphysical Breakdown

Mises’ epistemology relies on a Kantian metaphysic, but Mises’ own applied metaphysics is different. This causes his epistemology to breakdown; its foundation is implicitly rejected. First a note on Kant’s epistemology: “the understanding (like sensibility) supplies forms that structure our experience of the sensible world, to which human knowledge is limited, while the intelligible (or noumenal) world is

---

21. Mises, *Human Action*, 66.

strictly unknowable to us.”<sup>22</sup> Even if Mises adopted the synthetic *a priori* to escape the previous objection, his epistemology would still fail to support his project. Kant describes the synthetic as a category of the mind. It interprets our experience of the world, and gives us knowledge of that, but it doesn’t actual tell us about things in themselves. As Hülsmann pointed out, Mises is attempting to find the nature of things: a very Aristotelian like project. But Kant’s metaphysic informs us that we can never actually know the nature of things. The phenomenal world conforms itself to our mental categories, so our knowledge tells us more about our own reason than it does about how the world is. His epistemology is intimately linked to his metaphysics: you cannot have one without the other. Construing the *a priori* as a law of thought, or as analytical, implicitly assumes the strict separation of reason and the nature of things.

Hoppe’s tries to explain how Mises bridges this gap between the phenomenal and noumenal. His explanation, however, ultimately fails. It does so because he fails to actually understand Kant’s metaphysic. Hoppe writes that “the gulf between the mental and the real, outside, physical world is bridged” by action in Mises’ praxeology.<sup>23</sup> This distinction is not the one Kant is making, however. It isn’t simply a divide between material and mental, but between real and sensed. We can still sense the external world, and the synthetic gives us real knowledge about that experience. But the experienced world is still distinct from the true nature of the world. We have no

---

22. Rohlf, "Immanuel Kant".

23. Hoppe, *Economic Science and the Austrian Method*, 20.

way to verify whether our beliefs match the reality of the universe. Kant does not think this to be important: he still denies skepticism. But it still renders the link that Mises needs non-existent.

### C. Introspection as Experience

Mises uses introspection as the source of his a priori knowledge; Leeson and Boettke write: “According to Mises our nature as actors—beings who purposefully act—is known through introspection.”<sup>24</sup> And Mises says “Because we are human beings, we are in a position to grasp the meaning of human action, that is, the meaning that the actor has attached to his action.”<sup>25</sup> We, as humans, have special epistemic status relative to other humans. We can interpret their actions, motives, etc. in light of how our own minds work. We gain this knowledge by examining the inner workings of our minds: studying and reflecting on ourselves as acting humans.

But it is doubtful that one should consider this kind of knowledge as *a priori*. Epistemologist Laurence Bonjour, while he is defending the existence of the *a priori*, says that introspection does not qualify: “I would argue that *introspective* awareness of one’s thoughts, sensations, and other mental states should also count as a variety of experience, and the reasons for belief that such experience provides as empirical rather than *a priori*. Introspective experience may not depend on clearly identifiable sense

---

24. Leeson and Boettke, “Was Mises Right?”, 13.

25. Ludwig von Mises, *Epistemological Problems of Economics*, Auburn: Ludwig Von Mises Institute, 2013, 137-38.

organs, but it is still pretty clearly an awareness of temporally located contingent facts that depends on causal relations between those specific facts and the correlative state of awareness; it is thus far more analogous to sense experience than it is to the sort of experiential process...that is involved in the most paradigmatic cases of allegedly *a priori* reasons.”<sup>26</sup> Each reason can be unpacked further. Temporal location: the facts of introspective experience are temporal: exist in a particular time. The *a priori*, on the other hand, is not so located: knowledge like causality, or geometry, is knowledge with no temporal reference. Contingent: introspection supplies contingent facts, i.e. facts that could have been other than the way they are. The *a priori* is typically understood to be necessarily true, so introspection is dissimilar. Depends on causal relations: our knowledge depends on the particulars of our consciousness causing certain states of knowledge in us. Similar to the external sensory data causing certain beliefs about the external world, the internal data causes certain beliefs about our mental world.

There is additional evidence of the experiential nature of introspection from the epistemically problematic nature of it. In 1977 Psychologists Nisbett and Wilson conducted a study in which they experimentally manipulated a subject’s actions, but, when asked, the subject did not include this manipulation in their explanation for why they acted. They made up an explanation that fit with their conception of their past selves, rather than being accurate to their mental states. In a later, confirming study Wilson and Dunn concluded: “A more common source of self-knowledge failure, we

---

26. Laurence Bonjour, “Is There A Priori Knowledge?” In *Contemporary Debates in Epistemology*, edited by Matthias Steup and Ernest Sosa, Oxford: Blackwell Publishing, 2005, 99.

suggest, is the fact that the pervasive adaptive unconscious is inaccessible to consciousness. Introspection is thus of limited use to gain self-knowledge, at least directly.”<sup>27</sup> Our knowledge of ourselves is imperfect, and sometimes inaccessible, so attempting to glean necessary truths from it is ill-advised.

Much study has recently been done on biases in human thought processes. Cognitive psychologist Amos Tversky conducted a study on one of the heuristics, i.e. mental processing shortcuts, that leads to flawed thinking. He says, “The availability heuristic exploits the inverse form of this law, that is, it uses strength of association as a basis for the judgement of frequency.”<sup>28</sup> Human memory is much stronger for things that have been repeated frequently. The bias is inversely assuming that things someone remembers more strongly must have been more frequent. For example, if someone has read some sensational stories about mass shootings in the papers then, if it impressed them strongly, they might conclude that they are a frequent occurrence. Whereas, in reality, mass shootings are much rarer than individual homicides. There are many heuristics like this that can go awry. We shouldn’t be skeptics about the level of knowledge we can obtain, but we should have a healthy degree verification of the truths we think we know.

---

27. Timothy D. Wilson, and Elizabeth W. Dunn, "Self-Knowledge: Its Limits, Value, and Potential for Improvement," *Annual Review of Psychology* 55, no. 1 (2004): 513.

28. Amos Tversky, and Daniel Kahneman, "Availability: A Heuristic for Judging Frequency and Probability," *Cognitive Psychology* 5, no. 2 (1973): 226.

The preceding evidence and arguments, both *prima facie* and empirical, should cast sufficient doubt on the idea that introspection is *a priori*. Rejecting it as such casts the source of self-knowledge that Mises uses into doubt. It removes the foundation of *a priori* necessity and certainty from his epistemological project.

#### D. Rejection of the Project

The final objection is to cast doubt on the validity of Mises' whole project. He attempts to have apodictic certainty: necessary knowledge of the nature of human action. We have seen, first of all, that this is unobtainable because the propositions are not *a priori*; they are experiential introspection. Second, even if they were synthetically *a priori* they would still be only hypotheticals. Third, the entire pursuit of certainty is misguided and unattainable.

On the second assertion: In a comparative analysis of the *a priori* for scientific knowledge Paul Burger writes, "So far, we get the following results regarding our defence of an account of synthetics a priori: (i) There is no direct acquaintance with extralinguistic entities in question guaranteeing that we grasp true propositions. (ii) Nondeniability or certainty are not necessary conditions of the apriori. (iii) Hypotheses may very well be the general form of aprioris. (iv) For all synthetics a priori, if a synthetic a priori will be given up it will be replaced by another synthetic a priori."<sup>29</sup> A brief exposition on each will be helpful. 1. Extralinguistic entities are reference points

---

29. Paul Burger, "Rethinking the Synthetic *a priori de re*," Presentation at the Twentieth World Congress of Philosophy, Boston, MA, August 10-15, 1998.

external to words. Lacking this, there is no way to know the truth vis-à-vis the external world. 2. The *a priori* does not mean necessity, it can be a truth that could be proven false. 3. *A priori* propositions may be phrased as if-thens. 4. If one is proven false then the replacement proposition is also synthetic *a priori*. Each of these builds a very different picture of what an *a priori* would look like from Mises.

Burger also shows the hypothetical nature of synthetic *a priori* propositions. He gives an example of the form, for all x, if x is y then x is z. This can be the form of a synthetic *a priori*. However, the if statement is contingent: it's truth is questionable. But if it is true then the *a priori* is necessarily true. If it is false then the *a priori* is false, and a different synthetic proposition is true.

The third assertion is part of the epistemology offered by Esther Meek. I will be addressing that in more detail later, but for now her comments on the unattainability of certainty are relevant. She writes, "We have tended since the time of Plato to think that truth to be truth had to be unchanging,"<sup>30</sup> but that "The ideal of certainty is illusory... for every truth claim to which we are giving our attention at a certain time, there are several truth claims which we cannot even specify and yet must rely on in trust."<sup>31</sup> The modern obsession with certainty can be traced, in large part, to Descartes, who said we "must seek that which we can see clearly and with evidence or deduce with certainty."<sup>32</sup> The

---

30. Esther Meek, *Loving to Know*, Eugene: Cascade Books, 2011, 21.

31. *Ibid.*

32. Körner, "On Brentano's Objections to Kant's Theory of Knowledge," 11.

modern inability to allow knowledge as anything but the indubitable has assuredly been the root of many of the skeptical challenges, despite its motivation being escape the very same. Other motivations are less virtuous: “A possible motivation for this commitment to the certainty of propositions can be the less laudable one of avoiding personal responsibility, avoiding risk of failure, in knowing.”<sup>33</sup> Refusing to believe any uncertain proposition allows one to never be in the wrong. Such invulnerability “might be seen as our longing for personal conquest or control.”<sup>34</sup> A problematic consequence of certainty, the remedy to which we will explore later, is this: “The false ideal of certainty leads us...to see reality as impersonal objects or disembodied rationality, and to see knowing as a passive, dispassionate, registering of data.”<sup>35</sup> All of these aspects are reason to reject the entire modern project of pursuing certainty, and allowing that perhaps we have to have a certain amount of trust in our knowing. But won’t this lead us straight to skepticism? Not in the least. Meek explains that “The impossibility of certainty does not, as our common presumption leads us to think, entail that knowledge is not to be had.”<sup>36</sup>

---

33. Meek, *Loving to Know*, 20.

34. *Ibid.*, 21.

35. *Ibid.*, 22.

36. *Ibid.*

#### IV. Building an Alternative

##### A. Aristotelian Apriorism

Barry Smith likewise rejects Mises' project, and proposes an alternative conception of an *a priori*: "Consider, however, the concepts *causation, relative satisfactoriness, reason, uneasiness, valuation, anticipation, means, ends, utilization, time, scarcity, opportunity, choice, uncertainty, and expectation*. The idea that one could simultaneously and without circularity reduce every one of these concepts to the single concept of action...is clearly to be rejected. Indeed, Austrian economics seems to be like other *a priori* disciplines in that it involves a multiplicity of concepts connected together not hierarchically but rather in a dense holistic network of mutual connections whose order is not capable of being antecedently established."<sup>37</sup> He doesn't want to start with a single analytic, but rather with many synthetic propositions. Together these synthetics create the foundation for economics.

The Aristotelian nature is evident in his description of how Menger approached this: "Menger's view implies precisely that economic reality is such as to manifest certain simple intelligible structures in and of itself, structures which the economic theorist is able to grasp in virtue of the fact that he is in a position to put himself into the shoes of the individual subjects in whose processes of thought and action they are exemplified."

<sup>38</sup>The ability of the economist to know in his own mind the experience of being human

---

37. Barry Smith, *Austrian Philosophy: The Legacy of Franz Brentano*, Chicago: Open Court, 1994, 316.

38. *Ibid.*, 314.

gives him the ability to grasp the nature of it, and to understand economic behavior. It is essentially “a synthetic *a priori* theory of the whole family of kinds and connections manifested in the phenomena of economic life.”<sup>39</sup>

This conception of the *a priori* draws heavily on the Austrian philosophers Husserl and Brentano. Their conception, however, is incomplete. Stephan Körner explains that it is insufficient because “We must...acknowledge not only descriptive, but also interpretive concepts; and we must...acknowledge the possibility of mutually incompatible interpretive concepts.”<sup>40</sup> Brentano denies that the *a priori* contains mental categories, i.e. interpretive concept, while Kant denies that these could ever be incompatible. Smith does address this in part; he describes a way that the *a priori* could be reformable by empirical discoveries, although not in a verificationist manner.

I think this conception has many positives. In a way it is compatible with the analysis of the synthetic *a priori* as a hypothetical, and so does away with certainty. It also resurrects the Aristotelian realism, which grounds our knowledge. But it fails in that the source of knowledge is still introspection. So while this theory may give us a very good way of understanding *a priori* knowledge, it should not be how we approach economics.

## B. Meekian Epistemology

---

39. Smith, “Austrian Economics and Austrian Philosophy,” 18.

40. Körner, “On Brentano's Objections to Kant's Theory of Knowledge,” 16.

There are several key ideas in Meek that might prove helpful in developing an epistemology of economics. The first is her grounded realism; she gives us the tools we need to connect our knowing to reality as it is, and to know that we have done so. She says this about knowing: “All knowing is the profoundly human struggle to rely on clues to focus on pattern that we then submit to as a token of reality.”<sup>41</sup> The pattern forming is done through subsidiary-focal integration. Essentially one already knows many things, has assumptions and beliefs, etc. These things are the subsidiary: what we act *from*, but are never fully specifiable. The focal is what we are looking *at*: the things that we do not yet fully comprehend. The integration is a struggle to form a coherent pattern out of what we are focusing on, shaped by our subsidiary. Once we have successfully organized seemingly random things into a pattern, it becomes integrated into our subsidiary. It becomes what we act from. She gives an illustration of learning to read. When first beginning the small black marks meant nothing, but after struggling to piece together meaning they form an understandable pattern. And then they become so natural that one hardly even thinks about it while reading, the words are what we know *from* now.

Meek describes two functions that confirm that we have made contact with the real. We retrospectively understand that we have after the integrative patterning of knowing. She says: “Whatever the collection of questions and clues we had hitherto amassed are radically shown to be superseded in depth and profundity by the pattern now attained.”<sup>42</sup> We recognize the real by the unexpected transformational power it exerts

---

41. Meek, *Loving to Know*, 67.

42. *Ibid.*, 422

over our knowing. We could not anticipate it and so its profundity binds us to its reality. We also recognize the real by what she calls Indeterminate Future Manifestations, or IFMs. These IFMs intimate an unspecifiable and vast potential from the focal patterns we have already achieved. She says this: “it is not so much what we can articulate as what we can’t articulate, don’t even know yet how to name, that confirms the reality of our discovery.”<sup>43</sup>

Meek’s epistemology focuses on the real, the personalism of knowing, and the epistemic process. Each of these ground knowledge, and are helpful to knowing well. Epistemology isn’t about explanation; about creating deductive arguments to prove what we already know. It is about discovery, about having a process that allows us to make sense of the world we live in.

### C. Intellectual Virtue

Virtue ethics has had a growing presence in philosophy, and has challenged the modern ethical project. Likewise, some have suggested that the solution to many epistemic troubles lies in embracing intellectual virtue as providing a better explanation of knowledge. And even to reject the whole idea that epistemology is nothing more than determining criteria of knowledge, e.g. justified true belief.

The focus of several virtue epistemologists has been on finding out what makes for good inquiry. Christopher Hookway elaborated a number of conditions that allow us to have epistemic confidence: “(a) Identifying good strategies for carrying out inquiries.

---

43. Ibid

(b) Recognizing when we possess an answer to our question or a solution to our problem. (c) Assessing how good our evidence for some proposition is. (d) Judging when we have taken account of all, or most relevant lines of investigation, and so on.”<sup>44</sup> Each of these is essential to truth-finding, and is promoted by intellectual virtue. He writes, “In making judgements, we rely on traits of character, habits and dispositions. If we are genuinely virtuous, we will ask the right questions, and this explains our success in inquiry. Confidence in our possession of virtuous capacities is required for us to possess confidence in the intuitive judgements that we rely upon in directing our inquiries.”<sup>45</sup> Possessing intellectual virtues allows us to be confident in our process of inquiring, and therefore in what we believe, without needing to have certainty.

Epistemologist Wayne Riggs gave some further analysis of how intellectual virtues promote our discovery of knowledge. He says, “So, the intellectual virtues are good because they contribute to a life of wisdom.”<sup>46</sup> Virtues such as open-mindedness, honesty, humility, fairness, etc. all contribute to obtaining wisdom. They gain their value because of how they produce epistemic good. What is this wisdom? He defines it for us: “S has wisdom only if S has *understanding* of the subjects that are most important.”<sup>47</sup>

---

44. Christopher Hookway, “How to be a Virtue Epistemologist,” in *Intellectual Virtue: Perspectives from Ethics and Epistemology*, edited by Michael DePaul and Linda Zagzebski, Oxford: Clarendon Press, 2003, 199.

45. *Ibid.*, 200.

46. Wayne D. Riggs, “Understanding ‘Virtue’,” In *Intellectual Virtue: Perspectives from Ethics and Epistemology*, edited by Michael DePaul and Linda Zagzebski, Oxford: Clarendon Press, 2003, 215.

47. *Ibid.*, 219.

And this understanding is a “explanatory coherence.”<sup>48</sup> Here we see a connection between virtue epistemology and Esther Meek. Intellectual virtues are just those sorts of things that allow us to practice subsidiary-focal integration with success. We know we can form true, profound patterns because our practices of inquiry are such as promote that kind of understanding. A pattern gives explanatory coherence, i.e. understanding.

#### D. Hayekian Epistemology

Much less attention is paid to Hayek’s epistemology than to many other subjects of his writing; his political economy for instance. Unfairly so, in my opinion. He has a number of insights that shed light on any epistemic project in the social sciences.

Hayek argues that empirical observation doesn’t directly falsify arguments, but that it can help us to know if they actually contribute explanatory knowledge. He writes, “Neither the assumptions that factors of the kind assumed are present, nor of course the validity of the deductive reasoning, need, therefore, be regarded as disproved if the conclusions at which we arrived are not born out by observation. But though observation of such complex situations cannot decide whether our conditional argument is true, it will help us to decide whether to accept it as an explanation of the facts which we observe.”<sup>49</sup> This is very similar to the position advanced by Meek; the different parts come together, and if they form a coherent pattern then we have touched reality. The patterns and

---

48. *Ibid.*, 218.

49. F.A. Hayek, “Degrees of Explanation,” *The British Journal for the Philosophy of Science* 6, no. 23 (1955): 216-17.

subsidiaries become even more clear later, “By providing a schema or framework for the possible results it not only helps us to order the observational knowledge which we already possess, but will also provide niches for new observations likely to occur, and indicate the directions in which we must expect the phenomena to vary.”<sup>50</sup>

Hayek uses the theory of evolution as an illustration for how this works in the sciences. It is, according to him, “a theory which neither aims at specific predictions of particular events, nor is based on hypotheses in the sense that the several statements from which it starts are expected to be confirmed or refuted by observation. Although...it does delimit a range of facts which are permitted by it against others which it ‘forbids’.”<sup>51</sup> The key here is that it is not attempting predictions in the vein of physics, but predictions in the shape of forming an explanatory, and coherent pattern. This coherence is also adequacy, “The problem is rather whether they are adequate and sufficient to account for the phenomena which we do observe and for the absence of others which do not occur.”<sup>52</sup> These negative predictions aren’t that specific either, “They will be mostly negative predictions that such and such things will not occur, and more especially predictions that such and such phenomena will not occur together.”<sup>53</sup>

---

50. Ibid., 217.

51. Ibid., 218.

52. Ibid.

53. Ibid.

Hayek has a more detailed, specific sketch of the general ideas Meek proposes. His background in the physical sciences is obvious. But the application is helpful for getting an idea of how exactly this pattern formation works with scientific theories.

## **V. Conclusion**

Mises' project of an apodictic, a priori economic science clearly has major flaws. I haven't attempted to give a complete replacement, that would be the work of years of research. But I have at least, hopefully, given a taste of what kind of project it would be. And perhaps helped to demonstrate how it would work. It must recognize the lack of certainty in our world. The important of inquiring virtuously. And still give us confidence in our knowledge. An epistemology that will soundly undergird our scientific pursuits.

## Bibliography

BonJour, Laurence. "Is There A Priori Knowledge?" In *Contemporary Debates in*

- Epistemology*, edited by Matthias Steup and Ernest Sosa, 98-122. Oxford: Blackwell Publishing, 2005.
- Burger, Paul. "Rethinking the Synthetic *a priori de re*." Presentation at the Twentieth World Congress of Philosophy, Boston, MA, August 10-15, 1998.
- Hayek, F.A. "Degrees of Explanation." *The British Journal for the Philosophy of Science* 6, no. 23 (1955): 209-225.
- . "The Facts of the Social Sciences." *Ethics* 54, no. 1 (1943): 1-13.\
- Hookway, Christopher. "How to be a Virtue Epistemologist." In *Intellectual Virtue: Perspectives from Ethics and Epistemology*, edited by Michael DePaul and Linda Zagzebski, 183-202. Oxford: Clarendon Press, 2003.
- Hoppe, Hans-Hermann. *Economic Science and the Austrian Method*. Auburn: Ludwig von Mises Institute, 1995.
- Hülsmann, Guido. Introduction to *Epistemological Problems of Economics*. ix-iv. Auburn: Ludwig Von Mises Institute, 2013.
- Körner, Stephan. "On Brentano's Objections to Kant's Theory of Knowledge." *Topoi* 6, no. 1 (1987): 11-17.
- Leeson, Peter T., and Peter J. Boettke. "Was Mises Right?" *Review of Social Economy* 64, no. 2 (2006): 247-65.
- Meek, Esther. *Loving to Know*. Eugene: Cascade Books, 2011.
- Mises, Ludwig von. *Epistemological Problems of Economics*. Auburn: Ludwig Von Mises Institute, 2013.
- . *Human Action*. Auburn: Ludwig von Mises Institute, 2008.

- . *The Ultimate Foundation of Economic Science: An Essay on Method*. Princeton: Van Nostrand, 1962.
- Riggs, Wayne D. "Understanding 'Virtue'." In *Intellectual Virtue: Perspectives from Ethics and Epistemology*, edited by Michael DePaul and Linda Zagzebski, 203-26. Oxford: Clarendon Press, 2003.
- Rohlf, Michael, "Immanuel Kant", *The Stanford Encyclopedia of Philosophy* (Spring 2016 Edition).
- Rothbard, Murray N. "In Defense of "Extreme Apriorism" *Southern Economic Journal* 23, no. 3 (1957): 314-20.
- Smith, Barry. *Austrian Philosophy: The Legacy of Franz Brentano*. Chicago: Open Court, 1994.
- . "Austrian Economics and Austrian Philosophy" In *Austrian Economics: Historical and Philosophical Background*, Edited by Wolfgang Grassl and Barry Smith, 1-36. New York: New York University Press, 1986.
- Tversky, Amos, and Daniel Kahneman. "Availability: A Heuristic for Judging Frequency and Probability." *Cognitive Psychology* 5, no. 2 (1973): 207-32.
- Wilson, Timothy D., and Elizabeth W. Dunn. "Self-Knowledge: Its Limits, Value, and Potential for Improvement." *Annual Review of Psychology* 55, no. 1 (2004): 493-518.