



# Lived Theories: Hayek's Neoliberalism and Pragmatism

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One way of characterizing Amy Levine's rich ethnographic inquiry into pragmatism is to posit [South Korean Civil Movement Organisations](#) as a satisfyingly thorough answer to the question: "how might one engage in political action as a pragmatist in South Korea at the turn of the millennium?" To address this, Levine explores how a largely American philosophical tradition is turned into flesh and blood, into strategy and refusal as South Koreans strive to carve out futures they want to inhabit.

*Pragmatism, of course, is not the only theory made flesh and blood in this locale and in this historical moment. In particular, Frederick Hayek's analytical scaffolding, or more broadly, the [Mont Pelerin Society's](#) ideas, are now entrenched in the policies of many governments and international institutions.*

South Koreans regularly participate in regional and global Mont Pelerin Society conferences, for example. In this piece, I want to use Levine's focus on this complicated intersection between theory published and theory practiced as a springboard to ask: What does pragmatism look like against the backdrop of neoliberalism? Pragmatism is a rich philosophical tradition with many tendrils. And in turning to pragmatism, Levine's interlocutors often understand themselves as responding to crisis writ large, and not always crises that they understand to be sparked by neoliberal policies.

*But here I want to explore what becomes important about pragmatism, this American philosophy consciously made into practice by these civil society organizations when so much of what South Koreans face as lived dilemmas are the consequences of policies inspired by Frederick Hayek and his followers.*



*When neoliberalism is the ground for lived experiences, what parts of pragmatism come to the fore?*

In juxtaposing neoliberalism and pragmatism as lived practices, certain aspects of neoliberalism also become sharply delineated as creating dilemmas for practitioners. Planning especially becomes an issue, not all that surprising given the political forms that Hayek and those in the Mont Pelerin society were actively opposing. Hayek was writing against Communism and Fascism, criticizing them precisely because these are political forms that depend on fallible humans to develop and implement collective plans that coordinate vast number of people's lives. For Hayek, there is nothing worse than believing that a handful of people can create a five-year plan for an entire nation, despite the fact that both the forms of Communism and Fascism that this Austrian economist knew well did in fact do much worse things than planning an economy. Yet for Hayek, this collective systemization is an act of hubris that denies the fundamental limitations of human nature. He takes as his starting point the assumption that no one is physically capable of knowing enough to adequately engage with the complexities of contemporary economies. As a consequence, Society (capital-S) needs to find some form of spontaneous order that can effectively coordinate a collection of individuals, and Hayek decided that the market was the best form of creating large-scale spontaneous order that was available.



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Hayek turn to the market as the ideal form of ordering, well, almost everything, because of his theory of human nature and society - that humans are flawed agents whose intellectual capacities ensure that no person or no relatively small group of people should be put in charge of creating a large-scale and long lasting socioeconomic order. This is because social order at its most fundamental is about processing information, an assumption that Hayek makes and, as far as I can tell,



justifies largely by asserting that modern societies compel people to constantly make assumptions about how strangers that they have never met value an activity or an object. For him, these guesses about strangers are inherently problematic. This is the information, information about others one has never met, that comprises social order and that only the market can reveal effectively through competition and price.

*This does mean, as a corollary, that the only communities where the market is not needed are the ones that anthropologists know all too well, those idealized face-to-face communities and the ones sociologists know too well, inside the firm. In these communities, social order emerges not from an inherent logic, but from familiarity in a fashion that Hayek never explains.*

According to Hayek, as society increases in both scale and complexity, the market compensates for what in-person interactions can no longer provide; it functions to aggregate strangers' choices into information that can be visible to everyone through market processes. But this ordering is fundamentally unpredictable and temporary. Hayek is quite clear that this does not produce a meritocracy, or assign value to any individual action, except in the most arbitrary and fleeting fashion. As Hayek explains in his 1968 article, "Competition as a Discovery Procedure": "Rational, successful action by an individual is possible only in a world that is to some extent orderly; and it obviously makes sense to try to create conditions under which any randomly selected individual has prospects of pursuing his goals as effectively as possible, even if we cannot predict which particular individuals will benefit thereby and which will not.

*As we have seen, the results of a discovery procedure are necessarily unpredictable, and all we can expect by employing an appropriate discovery procedure is that it will increase the prospects of unspecified persons, but not the prospects of any particular outcome for any particular persons.*

The only common objective we can pursue in choosing this technique for the



ordering of social reality is the abstract structure or order that will be created as a consequence.” (Hayek 2002: 14). When Hayek is asked point blank in a televised interview with John O’Sullivan how this particular logic applies to someone who has just lost their job, he explains that no one should expect that the market will assess their worth consistently over time. Wage stability is a sign of a planned market, not a spontaneous market. In a spontaneous market, at any given moment your salary may rise or fall arbitrarily when you switch jobs, and that this is simply the sacrifice everyone must accept in order to live in a truly free market – stable wages in any form cannot be reasonably expected in the form of social order that the market provides.

When John O’Sullivan, the interviewer, points out that this might make socialism attractive to the average working person, Hayek’s response is that the average working person should realize the epistemological hazard he or she faces when choosing an economy run by limited human beings, and prefer one that is more epistemologically sound.

In short, neoliberalism from its original premises is anti-design. Hayek may believe that it is reasonable to ask a worker to live in a state of wage uncertainty for the sake of an epistemologically sounder world, but how many of us as workers would acquiesce? Keeping neoliberalism’s anti-design in mind, readers of Levine’s ethnography will not be surprised to discover that South Korean civil society activists turn to pragmatism precisely because it promises a liveable relationship to the future. Pragmatism insists on the “faith in human agency” (Levine 2016: 138) that neoliberalism disavows. It is no accident that for one of the book’s central figures, Lawyer Park, “everyone is a potential ‘social designer’ and the role of civil movement organisations is to ‘set the agenda’ for government and business organisations.” (Levine 2016: 28) But what does it mean to be a social designer when one is surrounded by infrastructures and government policies derived from a philosophy that opposes any form of centralized planning?

*For Levine’s interlocutors, it involves two types of action – both imagining what*



*could be changed, and coordinating all the actors and practices that in a piecemeal and temporary fashion can be gathered together to instigate social Change.*



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These are temporary plans – tactics come and go, targets shift, as working together with others transforms plans. Change, for these South Korean activists is such a given that it is built into how they anticipate the future. Thus pragmatism is in no sense advocating for the kind of planning that Hayek fundamentally rejects – the overarching plans for all of a society. The planning Hayek critiqued addressed only one level of scale. The critical pragmatist response—what neoliberal policies and practices inspire—uses movement across scale to create different possibilities for transformative collectivities.

Intriguingly, the fact that social design interweaves two different types of action creates its own lived dilemma. This is vividly delineated in the classificatory struggle that workers for these civil society organisations had over job titles – should people in these organizations be named activists or coordinators? “Activists, not unlike *undongwon* in the 1980s, were concerned with the big picture – the ideological system of how state, society, and market interact and how to go about coming up with alternatives to the status quo. Coordinators, on the other hand, were concerned with getting things done – fostering good relationships, planning, and carrying out the daily tasks necessary for any organisation.” (Levine 2016: 94) The very fact that this was a choice offers insight into South Korean civil society organizations’ form of pragmatism. Choosing between the two allowed these actors to introduce a fractally recursive binarism into their notion of pragmatic action, complete with a widely used set of social critique for those in the organization who erred too much on the side of one form



of action and overlooked the other.

*South Korean pragmatists' faith in people's ability to build better futures for themselves and others lies in sharp contradistinction to the reasons neoliberals view the market as ideal source of social order.*

At the same time, acting politically as a pragmatist enables people to focus on processes and assemblages instead of orienting themselves to the future through overarching and coherent plans. Levine's imaginative ethnography of lived theory sheds light not only on how pragmatism travels, but also on how theory in practice is also always shaped by how it is an alternative to other theories that have left the page and entered daily life.

## References Cited

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