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Planning and Social Engineering at Home and Abroad

by Richard M. Ebeling

How often do we look at those around us and think to ourselves: How absurd, dangerous, misguided, or foolish is so much of their conduct? How often do we then think to ourselves: If only they would listen to what we have to say, do as we suggest, learn from our experiences, and act in ways that we know would be far better for them? And how often are we amazed that the vast majority of people wish to make up their own minds, follow their own best judgment, choose their own ends to pursue, and select the means they consider most appropriate?

One of the reasons we so frequently have these thoughts and are frustrated by the actions of others is that each of us is basically a central planner and a social engineer.

Indeed, we cannot help being so. How else could we live our everyday lives if we did not plan out our activities with the goal of engineering an outcome more to our liking than if we did nothing and let whatever comes determine our fate? Whether it is the profound things or the mundane, we are constantly planning and engineering.

Economists emphasize that choosing and decision-making are inseparable from the human condition. There are things we want, and we have to do things to get them. But the inevitable discovery that many of the means to our desired ends are scarce (i.e., are not available to us in sufficient quantity and quality to supply all the ends to which they might be applied) imposes upon us the necessity of making choices. We have to decide which among those desired ends we consider more important and which less important.

In other words, we have to rank our desired ends in some order of importance to decide for which of the competing and desired purposes the scarce means will be applied, since some of the desired ends will have to go totally or partially unfulfilled.

We also have to decide what are the acceptable tradeoffs in life, in terms of what desired goal or purpose or how much of it we are willing to give up to be able to successfully obtain some amount of another.

In all of this, we are acting as the planner of our own lives. We select the ends worth pursuing, we decide on the use of the means, and we implement our “plan.” We adjust our

actions to fit the blueprints we have constructed in our own minds, because we understand that unless we make most of our actions conform to “the plan” we may fail in attaining those ends we have decided are the relatively most important.

Of course, sometimes we “cheat” on our own plan. We are lazy, thoughtless, undisciplined, and easily distracted by momentary pleasures and temptations that lure us away from all that may be necessary for the plan’s achievement. We sometimes, therefore, act as “traitors” and “saboteurs” of our own plans. We become our own “subversives.”

What we discover in the planning and engineering of our own lives is that there are multitudes of millions of other individual human planners. They are each doing the same things we are: selecting among ends, deciding on the use of means, and setting various plans in motion.

The question then arises: How shall we deal with these others, especially when their respective actions and use of various means under their control can very well influence the degree to which we are able to most fully attain the ends that we have decided to pursue?

There are basically only two alternatives: We can try to impose our plan on them and make all or some of their actions subservient to ours, or we can attempt to reconcile our plans with theirs by reaching some mutually agreeable terms of association. The first involves the use or the threat of some degree of force. The second involves peaceful, voluntary agreement.

The great danger from the use or the threat of coercion is not only that it denies freedom to those against whom we are using force. That is certainly true and in itself should raise moral objections to following this path. It denies to the individual who is coerced the right to make his own plans, design and engineer his own life, and have whatever degree of satisfaction that may come from the fact he has given his own meaning to his life.

Thus, in various things great and small, the individual knows that for good or bad, successful or not, he has had a certain arena of his life in which he has been able to view himself as “the captain of his fate.” To deprive a person of that liberty is to make him less than a full human being. It is to act, in a very fundamental sense, inhumanely.

But there is another great danger from the use of coercion or its threat. And that danger comes from the fact that it can work. Slavery and serfdom were among the most enduring of the social institutions throughout human history. Others can be bent to serve our plans; they can be made into draft animals. And to varying degrees the ideas and beliefs of others can be manipulated, changed, and remade. That is why the totalitarian regimes of the 20th century were so insistent on having monopoly control over education, information, and entertainment. It is possible to influence (and sometimes radically) what people think, value, and want to live for. And since thinking, valuing, and living for oneself are not always easy things to do, people often are receptive and susceptible to such “mind control.”

Why is it a danger? Because no matter how confident and wise we may think we are, the fact remains that none of us knows enough to plan the lives of others. Our respective horizons of knowledge are too limited to even successfully plan our own lives.

The use of knowledge in society

Long ago the Austrian economist and Nobel Laureate Friedrich A. Hayek highlighted that along with the division of labor in society comes a division of knowledge. Each of us knows only a small fraction of all the things we need to know to achieve all the ends and goals we try to attain. We rely on the knowledge and abilities of far more people than we are usually ever aware of in the everyday affairs of life.

From the growing of food, to the manufacture of light bulbs, to the invention and construction of sophisticated tools and instruments in a research laboratory, the vast majority of us know absolutely nothing about how those things are done or how they or their results are made available to us on an everyday basis. Our individual degrees of ignorance are immense.

In addition, Hayek also emphasized that all the knowledge on which we are dependent is not of one kind. He distinguished at least three kinds of knowledge.

First, there is scientific or textbook knowledge. This is the sort of knowledge that, in principle, with sufficient discipline and attention any individual could master. It is often the kind of knowledge we acquire through formal schooling. But because of the time involved in obtaining this sort of learning and the amount of information that is necessary to fully digest it, each of us tends to become a “specialist” in only one or a small handful of such fields of knowledge.

Then there is what Hayek called the particular and localized knowledge of time and place. This is the kind of knowledge we acquire slowly through the experiences of working and living in a specific geographical location. The customs and methods of doing things in a particular business enterprise or social setting can be known and learned only “on the spot.”

Furthermore, it also involves the knowledge of the changing circumstances in that location or place of business. What is relevant or useful today may not be tomorrow, and can be known, appreciated, and effectively used only by those on the spot. Indeed, understanding why or how something at a particular moment or in a particular situation may be relevant and useful may be fully knowable only to those who are on the spot and see its relevance in the context of the pursuit of various purposes and plans.

In addition, there is what Hayek, following the chemist and philosopher of science Michael Polanyi, called tacit or inarticulate knowledge. This is knowledge about how or what to do, or when, but which we find it difficult or sometimes impossible to put down on paper and into words to convey and share with others.

Examples would be the auto mechanic who simply listens to the engine and “just knows” what the problem is, or the master potter who “just knows” the right speed at which to turn the

pottery wheel and just the right amount of water to put on the clay to make it take form rather than go flying off in all directions.

Simple and mundane? No doubt. But much of what makes the world go 'round in everyday life that we take for granted gets done and depends on those multitudes of millions applying this “indescribable” knowledge.

The results of human action

And, finally, following in the footsteps of Adam Smith and Carl Menger, the founder of the Austrian school of economics, Hayek emphasized that many of the institutions of society are “the results of human action, but not of human design.”

Whether it be a language, or the customs, manners, and the unwritten and informal rules of social interaction, or ideas concerning justice, fairness, and right and wrong, they have all emerged as the cumulative result of many generations of multitudes of people interacting.

They have generated the sets of ideas and routinized way of doing things that we call the institutions of a society.

Furthermore, they have evolved and taken the forms that they have with no one in past times knowing or planning how his actions might contribute to the social order of our own time. As Hayek’s mentor and fellow Austrian economist, Ludwig von Mises, once expressed it,

The historical process is not designed by individuals. It is the composite outcome of the intentional actions of all individuals. No one can plan history. All he can plan and try to put into effect is his own actions that, jointly with the actions of other men, constitute the historical process. The Pilgrim Fathers did not plan to found the United States.

The limits and the different kinds of human knowledge and the nature and evolution of human institutions should make all of us think twice before we proceed to impose our individual plans on others by means of coercion or its threat. Each individual person’s knowledge is confined to a small fraction of all the knowledge in the world, which resides as little bits in the separate minds of all the members of humanity.

To plan for others by making them conform to our plan for them is to restrict how they may use their own knowledge for themselves and for those with whom they would freely interact. It hinders what new knowledge and use of it they might uncover in their various everyday activities if they were at liberty to plan their own lives.

We can never anticipate or appreciate in what ways that knowledge might have been applied to purposes that would have directly or indirectly benefited ourselves, if only we had not restricted other people’s actions to a plan that we imposed, a plan that was limited to the

knowledge that we possessed or that we might personally acquire in our own narrow corner of the world.

Humility and self-interest, therefore, should make each of us resist the temptation to centrally plan for others in society. We should be respectful of each other as individual planners pursuing our respective ends, with the use of various chosen means. And we should coordinate our separate, individual plans through the interactions of the marketplace, through which we each have incentives and motives to apply our knowledge and abilities for the benefit of others so we may, in turn, obtain from others those things their knowledge can provide for us.

The fatal conceit

Alas, we humans seem to be constantly driven to plan other people's lives. Sometimes this is because people will not do things for us that we want done, or at least not on the terms we would prefer.

So we push for regulations and controls through government that will force others to do the things we want and on terms more to our liking. Or we use such regulations and controls to prevent others from competing against us in our corner of the market.

Others are to be stopped from designing and implementing plans that would prevent our own plans from being carried out the way we want, even though their plans might be more attractive to potential trading partners than our own.

Sometimes we are driven to plan other people's lives because we know how they should live. We are shocked, disturbed, or frightened by the values or beliefs that others have and by the way they live. Confident that we hold the right values and beliefs and know the proper or better way to live, we use the government to reeducate and reform others in society. We know how the institutions of the society should be redesigned or politically managed to herd our fellow men down the corridors of personal and social life that we just know will make them better and happier human beings.

Never is the absence of humility so great and arrogance so inflated as when some are confident that they know how to plan the lives of those in another country and socially engineer its institutions. If it is impossible to possess all the knowledge and know all the institutional circumstances of one's own country and its people, as Hayek's arguments would strongly suggest, how much more impossible is it to know enough to plan and engineer the redesigning and the remaking of another people and society halfway around the world?

How can a handful of people in Washington, D.C., understand the circumstances of tens of millions of people in, say, Iraq? How can they have any understanding of those people's values, beliefs, ideas about life, and social relationships, especially when those in Washington exude a self-righteous arrogance that anything that is not knowable in the political setting in the capital of the United States isn't worth knowing?

How can they presume to have sufficient historical background and understanding of the local and special circumstances of that society to know what political and social institutions need to be reformed and into what shape and structure compatible with the reality of the ideas, traditions, and political divisions in Iraq? To speak of freedom, equality before the law, and representative government is all very well and good, except when we remember that for many in that country those concepts do not mean the same thing to them that they mean to us. Nor is this made any easier when many in Iraq — on the basis of their experiences and history with invading and dominating foreign powers in the past — consider such language to be code words for colonial control.

But, it is said, we will teach them, reeducate them, make them more like us. And they will be grateful for it later when they realize how much they were longing to be like us, but just did not know it until we removed the veil of their own history and belief systems from their eyes and their minds.

And who are these “us” who will plan the teaching and the reeducating, and who will socially engineer others to be more like “us”? It is not you and I. It is the very people who are busy planning and engineering our lives here at home through public schools, government regulations and control, and redistribution of wealth according to various conceptions of deservedness and social justice. It is the same people who violate our property rights, limit our liberty to freely compete and associate with our fellow citizens, and who pry, snoop, and intrude into our privacy and personal affairs under the rationale that we may be doing something they do not like or of which they are afraid.

And yet, these same central planners and social engineers of our lives, of whom we are suspicious and fearful, are to be trusted to plan and engineer the lives and institutions of a faraway country with people having a far different history, culture, and set of beliefs from our own. If we dislike and are resentful of their government planning and engineering our lives in our own country, and if we know how disastrous both the intended and unintended consequences of their planning and social engineering often can be, why do we think it can succeed any better when done in Iraq?

The same logic that we apply in our criticisms and concerns about our government at home, we should apply to our government acting in foreign lands. If we do so, it may very well result in our having far less confidence in the knowledge and ability of the government to undertake crusades for social engineering and nation-building in other parts of the world.

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