

HERMENEUTIC ECONOMICS: BETWEEN RELATIVISM AND PROGRESSIVE POLYLOGISM

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Confronted with the limitations of formalism, many economists have adopted alternative epistemological approaches which are supposed to favor a better understanding of economic phenomena. Among those, hermeneutics has enjoyed a certain success. Hermeneutics is a general theory of understanding based on the interpretation of an external reality testifying to an internal subjective reality. In economics, the interpretive act (or the process of theorization) consists in the ongoing dialogic confrontation between what contemporary economists know and what the individuals under scrutiny express of their own interpretation of the world.¹ However, as some have shown (Albert 1988; Gordon 1986; Smith 1990), this approach appears to lead to a dead end (for instance, radical epistemological subjectivism).² This paper agrees with the criticism addressed to hermeneutics and develops a new argument built upon the Misesian criticism of polylogism.³

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¹A detailed definition of hermeneutics endorsed by most economists is offered in order to make my demonstration, see especially “From Hermeneutics to Progressive Polylogism” below.

²Epistemological subjectivism is understood here as any theory of knowledge holding that knowledge varies with individuals, groups (intersubjectivism), and their environment. From a strictly logical point of view, it denies any objective value to propositions and concepts. I will employ the more colloquial term *relativism* for *epistemological subjectivism*. Although I regard relativism as absurd, the aim of this paper is not to refute it. Therefore, my personal view on relativism does not question the main argument of the paper.

³The term *polylogism* seems to have been coined by Mises (1998).

Polylogism is an epistemological view based on the proposition that the logical structure of the mind is *substantially* different between human groups. It thus implies that the logical laws of thought (i.e., the law of noncontradiction, *modus ponens*, etc.) are different between groups to which individuals belong.⁴ Few authors have explicitly endorsed this view. Moreover, most of the authors quoted by Mises are minor or forgotten ones (Tirala, Dietzgen). However, although polylogism is no longer defended as such, it is interesting to question whether it can be of logical consequence to some contemporary epistemological schools.

This paper shows the possible existence of what I call progressive polylogism into the epistemological works of Austrian economists influenced by hermeneutics. By denying the charge of *relativism* that logically follows from one of the hermeneutics' fundamental assumptions (the intersubjective and contextual nature of knowledge), these economists endorse a particular variant of polylogism. This crucial argument strengthens the conclusion that the hermeneutic conception of knowledge should not be applied to the field of theoretical economics.

"Two Kinds of Polylogism" presents the different types of polylogism described by Mises and their criticisms.⁵ "Marxist Historicism and Progressive Evolutionary Polylogism" is an extensive study of Marxist polylogism that defines the general meaning of progressive evolutionary polylogism. (Although there are many non-Marxist sources of evolutionary polylogism, the Marxist version provides a very clear illustration.) "From Hermeneutics to Progressive Polylogism" precisely argues that those Austrians influenced by hermeneutic philosophy can unintentionally be led to defend progressive evolutionary polylogism.

TWO KINDS OF POLYLOGISM

Although no one can be *a priori* absolutely convinced that others possess logical categories of the mind identical to oneself, this does not allow one to assert that the categories of the human mind are substantially different from person to person, group to group, society to society, culture to culture.⁶ However, the polylogists have asserted just this (often *a posteriori*, it should be

⁴What is usually meant by *logical* is something epistemological—e.g., the categories of the mind that give form and intelligibility to what the senses present. Sometimes these are called *conceptual schemes*, *paradigms*, or *exemplars*. The literal and technical sense of *logic* and *logical* is used here to avoid ambiguities.

⁵Although Mises proposes many arguments against polylogism, I will mention a few recent criticisms that hermeneutic economists could develop. This allows me to show that the interpretative methodology endorsed by these economists must not be entirely rejected and only needs to be kept within the relevant field of application.

⁶It is shown that the efficiency of the scientific debate involves a necessary presupposition which questions an epistemological foundation of hermeneutic economics.

noted), by bringing forth two radically incompatible conceptions of polylogism. The less restrictive conception is the one called logical *relativism*. The relativist variant involves the impossibility of any universal social science (i.e., explanations of principles independent from particular circumstances of time and place). According to Mises (1998, pp. 84-85), this polylogism has been endorsed by ethnologists. It usually results from their misunderstanding of the behaviors of individuals belonging to specific social groups.

In his study of magic rites within primitive African ethnic groups, Lévy-Bruhl (1922) explains that these rites are not logically and causally understandable to the ethnologist. Therefore, the primitive mentality would be *pre-logical*. Lévy-Bruhl thus assumes a hierarchy between the logical structures of the mind. This refers to a restricted conception of polylogism, also defined by Mises.⁷ In such a view, there is a “scale” of logical structures of the mind. Individuals at the top of the “scale” belong to the group possessing *the* logic. Members of this group are “superior” human beings who make less deductive errors than members of groups in which logic is seen as inferior.

According to Mises, this position was precisely that of the orthodox Marxist and Nazi ideologists.⁸ They thought that any scientific claim opposite to theirs could only be false theories sealed with the evils and the “under-logic” of the bourgeois or Jewish mind. But, as Mises (1998, p. 75) writes:

Neither the Marxians nor the racists nor the supporters of any other brand of polylogism ever went further than to declare that the logical structure of the mind is different with various classes, races, or nations. They never ventured to demonstrate precisely in what the logic of the proletarians differs from the logic of the bourgeois, or in what the logic of the Aryans differs from the logic of the non-Aryans, or the logic of the Germans from the logic of the French or the British.

Yet, many authors could call for some indirect proofs in favor of polylogism. Indeed, the Marxist polylogists weakly explain that the non-Marxist theoreticians’ psychology or class-interest leads them to construct some theories that a sound proletarian logic should reject. However, as Mises (1998, pp. 75-76) writes,

it is not enough to reject a theory wholesale by unmasking the background of its author. What is wanted is first to expound a system of logic different from that applied by the criticized author. Then it would be necessary to

⁷According to Mises (1998, pp. 36-38), the writings of Lévy-Bruhl argue more against polylogism than in its favor. In my view, even if Lévy-Bruhl rightly acknowledges that the prelogical reasoning—based on the so-called law of participation—is coexistent with the logical, the superior frequency with which the primitive uses the first one rather argues in favor of the polylogist thesis.

⁸Lévy-Bruhl does not profess these ideologies (and does not define himself as a polylogist). Moreover, even if Mises stresses the cases of Marxists and Nazis, he *does not* say that all polylogists are Marxists or Nazis.

examine the contested theory point by point and to show where in its reasoning inferences are made which—although correct from the point of view of its author’s logic—are invalid from the point of view of the proletarian, Aryan, or German logic. And finally, it should be explained what kind of conclusions the replacement of the author’s vicious inferences by the correct inferences of the critic’s own logic must lead to. As everybody knows, this never has been and never can be attempted by anybody.

More seriously, Lévy-Bruhl’s observations can be interpreted as a support of the polylogist thesis. For instance, as Boudon (1986; 1990) argues, they reveal that the primitive rain-makers do not seem to master the laws of statistical inference (as their magic rites attest),⁹ whereas the Western man usually does. Even the Western man in the street possesses a basic statistical knowledge which allows him to limit his mistakes in reasoning. A proof of polylogism would possibly lie in such a difference.

This polylogist interpretation of Lévy-Bruhl’s works is open to criticism. Of course, Boudon (1986; 1990; 1995) acknowledges that the functioning of thought relies on mistaken modes of inferences in many situations. He also admits that many of them occur more frequently within specific social groups. However, basing his argumentation on famous experiments made by Tversky and Kahneman (1972; 1973), Boudon (1986, pp. 100-18; 1990, pp. 80-100) observes that the nonmastering of statistical inference within primitive ethnic groups does not prevent the contemporary Western man from failing to master it in analogous situations.¹⁰ Confronted with a little more complex experiment, *most men are mistaken*.

Stressing this point still suggests that the failures of the human mind do not exactly occur in the same situations according to groups. It would be then theoretically possible to claim that some groups of people either always think “illogically” on some subjects or sometimes think “illogically” on some subjects. However, these endeavors are still not a proof of polylogism. Indeed, in the case of statistical inference, its mastering requires a learning process that any man has to undergo. If this is not the case, the individual shall not adopt the correct way of reasoning that statistical inference presupposes. Two empirical observations can be useful in stressing this argument.

Observation 1: Currently, statistics and probabilities appear in most of the information learned by the Western man. Then, unsurprisingly, he masters

⁹Although these laws are *inductive*, they must be logically consistent with the axioms on which they are based. Therefore, as such, they must be consistent with the logical laws of thought.

¹⁰Boudon explains that these errors do not result from the irrationality of individuals. A mistaken mode of inference comes from the fact that it appears to be satisfying in usual situations. Since the men involved in psychological experiments perceived the situation as sharing several important characteristics with concrete situations in which this mode of inference works, they are lead to be excessively trustful in it. Thus, whatever social groups they belong to, they are used to following it into situations where it is not relevant.

statistical inference a little more correctly than the primitive man.¹¹ This is also why the statistician probably masters the statistical inference better than the nonstatistician, as the logician makes fewer deductive errors than the non-logician, and so on. The fact that the primitives are often mistaken on many subjects, whereas their Western brothers are not, does not prove the existence of differences into the fundamental and logical structures of their minds.

Observation 2: The offspring of the primitives adopts the same modes of reasoning in the same situations when it is brought up within a really Westernized environment, as common-sense experience attests. This observation leads to two conclusions: first, that the above-mentioned learning process is decisive in such a matter and, second, that there is no difference of nature between the logical structures of the mind among individuals.

In fine, polylogism falls into the trap of inextricable historical paradoxes. For example, is it not true that technology and science developed under the impulse of the Nazi state had to rely on scientific propositions demonstrated by Jewish scientists whose minds were seen as inferior and incapable of real science? Such cases blatantly undermine the epistemological foundations of the polylogists' view.

More generally, the fact that the social scientist does not succeed in interpreting a given behavior does not mean that any reasons cannot explain it.¹² First, the incomprehensibility can result from the fact that specific modes of reasoning have not yet been acquired by the observed. Or, it may also result from the fact that the intersubjective knowledge on which numerous collective behaviors are based is not equally shared in every group. It is then no longer a problem of logic. The problem follows from an unknown cognitive context and a holistic and contextual nature of specific knowledge:¹³ within

¹¹Why do the primitives progress slower than Western men in the mastering of statistical inference? It is not because the primitives are not too smart. Many factual reasons may explain the fact that some groups master specific knowledge or sciences whereas some others do not. For instance, it may result from the pressure of a radical environmental change, or an unintentional institutional framework favorable to abstract research, etc.

¹²Mises (1998, pp. 84-85) does not deny that some differences in behavior and civilization between races exist. "However, Mises explains, these considerations refer only to the motives determining concrete actions, not to the only relevant problem of whether or not there exists between various races a difference in the logical structure of mind" (p. 85).

¹³Indeed, the reality of many different behaviors is an *a posteriori* proof that the nature of many pieces of knowledge is holistic or contextual (a view endorsed by hermeneutic economists). To this regard, it seems to be paradoxical to use an argument—that of the contextual nature of shared social knowledge—to confound polylogism, since as shall be explained, the excessively contextual conception of knowledge is one of the main causes of polylogism to which hermeneutic economics leads. In fact, hermeneutics can be criticized because it gives this assumption (the contextual nature of knowledge) an excessive range, *entirely conditioning* the manner of acquiring knowledge in the social sciences.

the particular circumstances of time and place in which they perceive and act, individuals belonging to specific groups can have some *good reasons*¹⁴ to collectively adopt beliefs and behaviors incomprehensible to the outside observer. Nevertheless, the observer can make them intelligible, as the works of Weber (1995) or Boudon (1986; 1990; 1995) can testify.

It may now be useful to more carefully examine the mechanisms of polylogism, particularly those based on Marxist evolutionary thought. This study leads me to define the concept of progressive evolutionary polylogism and constitutes a necessary stage because the rest of the analysis will show that hermeneutic economists could be charged with progressive polylogism.

MARXIST HISTORICISM AND PROGRESSIVE EVOLUTIONARY POLYLOGISM

Those who call themselves “realists,” only interested in facts, often evoke the refusal of aprioristic and deductive methods. By collecting historical facts, they hope to discover the laws of social and human evolution. Some, like Marx or Comte, claim to discover those laws with which many agree, forgetting that the stroke of inspiration often comes from a naïve selection of more or less salient appearances.¹⁵ But, above all, the fact that the explanation of the evolution of global systems presupposes the change of all the elements that constitute a system (this being justified by a collection of appropriate facts) easily enables the deduction that man himself, as an integrated part of the system, is deeply changing (Hayek 1979, pp. 132-39). Such an approach is adopted by Marxist historicists who implicitly assume that the mind of the bourgeois cannot be the same as that of the rising visionary class, the proletariat avant-garde. However, as Hayek observes (1979, p. 137):

Through the theory of the variability of the human mind, to which the consistent development of historicism leads, it cuts, in effect, the ground under its own feet: it is led to the self-contradictory position of generalizing about facts which, if the theory were true, could not be known. If the human mind were really variable, so that . . . we could not directly understand what people of other ages meant by a particular statement, history would be inaccessible to us.

In order to immunize their theory from logical criticisms, Marxist historicists satisfy themselves with an explanation that only people with “class-consciousness” (i.e., the Marxist social scientist and the proletariat avant-garde)

¹⁴As Boudon (1995) explains, *good reasons* do not mean objectively valid reasons. These terms rather mean that some ideas, values, etc. are able to convince people more easily according to their historical and sociological position, even if these ideas or values are objectively wrong.

¹⁵It should be noted that Marx was not a pure empiricist. His approach seems to be aprioristic. It is grounded on the *a priori* “nature” of the man as a producer (*homo faber*). See Engels and Marx (1976).

can transcend those stages of false-consciousness specific to the capitalist class. Actually, Marx never took the risk of proposing several graded conceptions of rationality and logic although, according to Mises (1998, p. 74), some of his successors did. Moreover, conscience and logic are two different concepts.

However, Marx and Engels explicitly write that man is a product of the evolution of matter and then of the successive modes of production. According to Marx and Engels (1976, p. 71),

[W]hat [individuals] . . . are coincides with their production, both with *what* they produce and *how* they produce. The nature of individuals thus depends on the material conditions determining their productions. (italics added)

Likewise, Engels and Marx (1976, pp. 77-78) write a few pages later:

Conceiving, thinking the mental intercourse of men, appear at this stage as the direct efflux of their material behavior. The same applies to mental production as expressed in the language of politics, laws, morality, religion, metaphysics, etc. of a people. Men are the producers of their conceptions, ideas, etc.—real, active men, as they are conditioned by a definite development of their productive forces and of the intercourse corresponding to these, up to its furthest forms. Consciousness can never be anything else than conscious Being, and the Being of men is their actual life-process.¹⁶

These quotations implicitly display many trends of evolutionary polylogism. From a general point of view, evolutionary polylogism can be described as follows: with the irreversible flow of time, the logical structure of the mind continuously evolves. In other words, it simply assumes a “long run” radical change in the very nature of mankind.¹⁷ *Lato sensu*, this polylogism can be

¹⁶Original capital letters are in the French edition.

¹⁷Paradoxically, although Mises condemns polylogism, he thinks that the laws of thought are the product of biological evolution. Then, it is as if Mises (1998, pp. 33-34) admitted the possibility of different laws of “logic” in the (biological) long run:

There were beings which, although not yet equipped with the human faculty of reason, were endowed with some rudimentary elements of ratiocination. Theirs was not yet a logical mind, but a prelogical (or rather imperfectly logical) mind. Their desultory and defective logical functions evolved step by step from the prelogical state toward the logical state. Reason, intellect, and logic are historical phenomena. There is a history of logic as there is a history of technology. Nothing suggests that logic as we know it is the last and final stage of intellectual evolution. Human logic is a historical phase between prehuman nonlogic on the one hand and superhuman logic on the other hand. Reason and mind, the human beings’ most efficacious equipment in their struggle for survival, are embedded in the continuous flow of zoological events. They are neither eternal nor unchangeable. They are transitory.

interpreted as relativism. Notwithstanding this interpretation, the notion of material progress is evident in the orthodox Marxist theory (see below). On this basis one can define what I call progressive evolutionary polylogism: with the irreversible flow of time, the logical structure of the mind continuously evolves and *improves*.

It is now useful to show to what extent such orthodox Marxism is a progressive polylogism. If reason and will are entirely subject to the laws of evolution of matter, this logically means that everything in Marx's mind can only be the product of the inner contradiction of the production mode of his time period. However this does not allow him to claim that he possesses the truth of the very historical laws. In fact, since orthodox Marxists are never able to *prove* that history wanted them to have information about its plan of evolution, there can be no necessary logical inference between the idea of historical materialism and that of intellectual knowledge of objective stages of history. A possible exit is to postulate a superior logic inaccessible to any critic of orthodox Marxism, which history makes appear in the nineteenth century, and which establishes this logical inference into the Marxist minds! This is the first kind of progressive polylogism. It enables a better understanding of why orthodox Marxists always answer to critics that they were the product of an ideology (i.e., systems of thought polluted by class interests).

But most of all, if thought is a product of the brain and thus of evolving matter, why shouldn't the laws of logic evolve? For Marx, Engels, and his successors, the evolution of matter is endless. The communist mode of production is specifically this world of the pure *praxis*, in which action takes precedence over anything and initiates in everything the contradiction which is the continuous engine of material change (Engels 1979). The belief in some stable and unchanging things which characterizes what Marx and Engels name "idealism" is only a product of the evolution of the matter. As Engels (1979, pp. 7-8) writes,

[for] dialectical philosophy, nothing is final, absolute, sacred. It reveals the transitory character of everything and in everything; nothing can endure before it except the uninterrupted process of becoming and passing away, of endless ascendancy from the lower to the higher.¹⁸

Now, since the brain is matter and is submitted to the dialectic law of evolution, its logical structure should change. Moreover, if the notion of progress is correlated with the unfolding of history, why cannot the evolution of the

¹⁸According to Rothbard (1990), Marx was more an *eschatologist* Gnostic than a materialist. Like most of the historicist Gnostics, he was esoterically and mystically informed of the ineluctable and eschatological laws of history. In such a view, esoteric mysticism seems to be the counterpart of polylogism in the "scientific" domain. I don't agree with the Rothbardian thesis, since Marx clearly explains that "Communism is the necessary shape and the forceful principle of the near future. But communism is not as such the end of human evolution" (quoted in Ousset 1970, p. 109). Therefore, Marxism is not eschatological (although its popular conception is).

laws of logic also be a progress of the same laws? Accordingly, each stage should be superior to the “preceding” stage, so that the present highest stage, currently proletarian logic, could legitimately criticize earlier stages even if it is itself found wanting by subsequent stages.

FROM HERMENEUTICS TO PROGRESSIVE POLYLOGISM

Although at the present time, no one seems to support polylogism as described above, it is nevertheless possible to explain how hermeneutic economics leads to progressive polylogism. In this section, I will first present the foundations of hermeneutics followed by an explanation of how the hermeneuticists’ rejection of relativism may involve this polylogism.

Hermeneutics is originally the science of interpretation of ancient biblical texts. Its scope has progressively widened under the influences of some philosophers such as Gadamer, Ricoeur, and Heidegger. Their intent is to turn hermeneutics into a *general* discipline with the main purpose of revealing a correct understanding of texts and works about art and religion on the basis of the interpretation of ancient writings. More precisely, according to Gadamer (1996), the study of past documents will lead us to the discovery of the great questions concerning the people from that particular time period through examination of the answers in these very documents (see also Warnke 1993). In economics, hermeneutics has recently been endorsed by some Austrian economists. For instance, Lachmann (1991), as a radical subjectivist, offers to extend the application of subjectivism to the very constitution of economic theory. Hence, he places economics in the field of *interpretative* study of the past and turns it into a specific historical discipline. From his personal view results his support of hermeneutic philosophy, some constitutive characteristics of which turn this interpretive discipline into the only source of knowledge.

Hermeneutics and Relativism

For Gadamerian hermeneutics, which inspired Lachmann and his disciples, theoretical knowledge of the past expressed in writings does not provide any knowledge about the real world. It only provides information about what the knowing subject expressed about the world. Thus, the observed object and the theoretician-subject are not dissociable. The fundamental idea stressed by hermeneutics is the *intersubjective* nature of any past knowledge, which means that the knowing subject’s beliefs about the world depend crucially on the historical and cultural context in which the subject evolves. Consequently, the economist’s task becomes that of interpreting the past in the most appropriate way by taking into account the fact that this intersubjective context historically influenced the knowing subject’s theory (Madison 1991).¹⁹ In order

¹⁹*Understanding* (*verstehen*) and interpretation are the key concepts in the hermeneutic approach (see Dilthey 1992). Introspective and empathic understanding is

to remain consistent, attention must be paid to the fact that the economist himself evolves in a cultural and historical context that greatly shapes his efforts of understanding and interpretation of the past.

In economics, the strongest defense of hermeneutics can be found in Rector (1991), which is based on Gadamer's works.²⁰ Rector argues that beliefs cannot have any intrinsic correspondence into the real world. Following Gadamer, Rector (1991, p. 214) even rejects the very idea of Aristotelian correspondence-truth as fundamentally unsatisfying:

For Gadamer, it would be impossible to apply such criteria [a premise based on Aristotelian correspondence-truth] because there is no vantage point from which the totality of a cognitive structure can be evaluated. The reason why this internal position cannot be overcome is that cognitive systems are not restricted to the beliefs of autonomous individuals. Rather, cognitive systems are part of the culture that individuals participate in.

According to Gadamer, the beliefs constituting the basis of *cognitive* and *theoretical* systems are initially transmitted through the use of language, which characterizes the cultural and historical period in which the theoretician lives. As Gadamer explains, it is only through language that the world appears to us. Then, "with respect to the illusions of self-consciousness, just as with respect to the naïveté of a positivist concept of 'fact,' the inter-world of language proves to be the genuine dimension of the given" (Gadamer 1991, p. 205). The so-called epistemic beliefs embedded in language make a certain understanding possible and serve as a basis for the formation of plausible beliefs. Language, consequently, enables an original experience of the world. On the other hand, it also shapes a given theory as its peculiar product,

also fundamental within the Austrian traditional approach, but it is first based on the construction and definition of concepts (*begreifen*). In hermeneutics, understanding is not grounded on reliable true concepts but only amounts to the search for meanings on the basis of many subjective apprehensions of reality. In opposition to the Austrian approach, hermeneutics denies the criteria of *objective explanation*. For an interesting and detailed discussion about *verstehen*, see Bacharach (1989). On the conception of "*verstehen*," see Weber (1995, pp. 27-52), Lachmann (1971) and Mises (1998, chap. 2, esp. pp. 51-58; 1985, pp. 183-323). If the temptation is great to oppose Weber's and Mises's works, Alfred Schutz's writings are an interesting tentative gathering into a similar epistemological unity. See especially Schutz (1967) and Kurrild-Klitgaard (2001). It should also be noted that the Hayekian conception of knowledge acquisition and *verstehen* (see Hayek 1952; 1979, esp. chaps. 3 and 4) can take his works toward the type of hermeneutics described above (see Miller 1979).

²⁰To be sure, there are other writings in defense of hermeneutics. However, Rector's contribution seems to be the most powerful. The purpose here is not to study hermeneutic philosophy in general, nor to criticize Heidegger, Ricoeur, and Gadamer's works. Gadamer's writings are used to make the point more convincing. The criticism here points only to the interpretation and epistemological position of economists calling for the application of hermeneutic epistemology into theoretical economics.

changing with the evolution of linguistic structures.²¹ According to Rector, this is the reason why Gadamer deduces the interdependency of the subject and the object.

At this stage, this amounts to assuming that any knowledge and theory are implicitly trapped in particular circumstances of time and place.²² It is very easy to deduce relativism from those assertions. If the analysis itself depends on the intersubjective cultural context, how can the scholar make a correct interpretation of the past? The constraint of historically situated language leaves the “knowledge” of another time incomprehensible. In other words, if the enlightenment of the past enables one to reconsider present theories laden with epistemic beliefs of the historical period during which the research was done, it actually enlightens nothing since its interpretation is itself assumed to depend on the scientist’s underlying cultural beliefs. At best, interpretation is a rereading specific to the period during which the research was done. Therefore, it allows neither to question the past and present beliefs nor to take them into account in order to achieve a better understanding. Hence, there would be as many “truths” in relation with a given phenomenon as there were interpretive enlightenments.

*The Failure of the Hermeneutic Counterattack:
From Relativism to Polylogism?*

Gadamer describes the historical process of interpretation and understanding of the past, which, for Rector (1991, pp. 219-22), makes it possible to counter the charge of relativism. For Gadamer, the *efficaciousness of history* has to be taken into account. This term means that works from the past influence present times. Through this influence, something of the past is accessible to the scientists in the present. The understanding of the past through the present occurs when historians derive their understanding of texts from a tradition to which they belong. If historians are aware of this efficaciousness of history, they also become aware of the constraints of their own hermeneutical situation.²³ Then, the improvement of the understanding of the past occurs through the universal mediation of language: “we discover how a thing is when we talk about it” (Gadamer 1991, p. 55). The use of language

²¹Assuming that the structure of language has an influence on the theorizing process—which is likely to be—it would be interesting to investigate the possible existence of universal structures in human language. From this point of view, the linguistic foundation of Gadamerian hermeneutics would deserve a careful scrutinizing. See also Smith (1990, pp. 223-27).

²²For a criticism, see Rasmussen (1984). Rasmussen denies that a claim made at some time and some place necessarily implies that one is cut off from reality. Indeed, the fact that the mode of existence of our knowledge is not the same as the mode of existence of reality does not prevent our knowledge from corresponding to reality (i.e., *Veritas est adequatio rei et intellectus*).

²³The hermeneutical situation entails the fact that understanding of the past changes with the historical period in which the historian lives.

allows a *continuous improvement of understanding and knowledge* by undertaking an *unfinished* and *dialectical* dialog between the texts of the past and the interpretation by the scientists of the present. This dialectical process questions past writings and the answers they brought, that is, it looks at the questions that were meaningful to the authors from the past. (In this way, this dialectic principle of hermeneutics seems to be close to those of the Popperian critical epistemology—i.e., *infinite* process of conjectures and refutations. Every theory—including the metaphysical ones and the prejudices—contributes to problem-solving, as a basic material for criticism or as enabling critical competition with other theories).^{24,25} While questioning the past, we collect interpretations that differ from the present day which unveil some of our tacit beliefs that we have to assess with the consistency of our own systems of thought.²⁶ In particular, answers to questions that we seek in the documents of the past can give some answers but raise new questions, many of which will vary from some of our prejudices and epistemic beliefs. When these differences are revealed, we thus unveil certain truths about ourselves and the way we look at the world. For Gadamer (1991, p. 55), through this slow dialectical process,

²⁴In the same vein, Lachmann (1994, p. 138) thinks that “[h]ermeneutics is in conformity with the maxims of critical rationalism.”

²⁵For a presentation of the Popperian thesis, see Popper (1989). There is a problem with Popperian critical rationalism. Contrary to what critical rationalism suggests, an evolutionary epistemology often defended by hermeneutic economists, Boudon (1990, chap. 4) demonstrates that the scientific process of conjectures and refutations will *never* enable the questioning of certain principles regarded as objectively true. As explained by Boudon, Popper’s epistemology can only be applied to *open* sets of questions. Yet, there are issues that constitute *closed* sets of questions. For instance, either q is real or q' is real (exclusive or), without taking into account q'' , q''' , etc. The praxeologist is faced with this type of issue: either man is an acting being or he is not? This question evokes one answer and only one that is necessarily true. In such a case, the *historical* process of conjectures and refutations also implemented in hermeneutics is irrelevant since it assumes more than two possible exclusive answers to the question. For a clear synthesis on the limits of Popperian epistemology, see Bramoullé (1995). About some difficulties with the falsificationist principle, see Boudon (1990, chap. 4).

²⁶According to Lavoie, tacit knowledge is particularly important, since it can make an economist reject a theory. However, to justify this rejection, the economist must afterward develop his arguments explicitly. Lavoie answers that if the entrepreneur finds the “truth” thanks to his tacit knowledge, the economist can proceed in the same way. But the economist is not the entrepreneur, and Lavoie is confused between the object under study and the studying subject (Gordon 1986, pp. 9-13). In fact, Lavoie rejects what the contemporary epistemologists call the KK thesis (the idea that you don’t know something unless you also know that you know). As such, this rejection is acceptable. However, the problem is precisely that within the scientific debate, each one must do his best to make his argument explicit. Therefore, a scientist who calls on the KK thesis to assess that he has not clearly justified his positions, would prevent himself from accepting the criteria necessary in a productive and real scientific debate. One cannot use the denial of the KK thesis to avoid why one accepts one account of reality over another.

language continually accomplishes the synthesis of the horizon of the past and the present. We understand each other to the extent we talk to each other, we don't use the same language and, however in the end, we bring forward to each other the things by the use of words, the things "said" by the words.²⁷

Eventually, if cultural content-related epistemic beliefs do exist, the ongoing hermeneutic study of past texts permits us to find out many epistemic beliefs of the present and the past. It also provides a new and better understanding of phenomena. Then, Rector concludes that there are interpretations that are "more correct" than others. Consequently, the charge of relativism is excessive.

However, we argue that this counterattack is far from convincing. Indeed, how is it possible to deal with different historical and linguistic traditions? Are they commensurable? Even if we assume so, any act of understanding involves a dimension of sameness and a dimension of difference (Schutz 1967). As Bacharach explains (1989, pp. 129-30), the success of understanding depends on this sameness. It is because I am to a certain extent like you, that the effect of your situation on me, by itself, gives me information about the effect your situation has on you. But, if the situational, cultural, linguistic, and historical distance is too great, the efficiency of understanding can be questioned. Even if we are reasoning with reference to a single cultural, historical, and linguistic tradition, we have to assume that it was not interrupted by any radical revolution or breaking-off in order for the hermeneutical work to remain acceptable. If this condition is not met, the process-like conception of truth endorsed by hermeneutics cannot counter the charge of relativism.

Now, given the assumption of considerable cultural and linguistic distance between the interpreted documents of the past and their current interpreters, hermeneuticists can actually be charged with progressive evolutionary polylogism. First, let us recall hermeneutics' fundamental propositions:

1. Words and concepts are not controlled by the scholar since their meanings are inseparable from tacit beliefs contained in his language and culture. It means that language-mediated knowledge is essentially historical and contextual (i.e., the specific meaning of words and concepts depends on many pieces of knowledge, the meaning of which remains essentially tacit and time-dependent).

2. Thanks to the ongoing dialectical dialog between past and present, *scholars can always progress toward further truth*. This is why hermeneuticists refuse the charge of relativism. My demonstration of how hermeneutics leads to progressive polylogism can usefully rely on the following syllogism: (1) *All men are utility-maximizing*. (2) *Socrates is a man*. (3) *Thus, Socrates is utility-maximizing*. The concepts contained in the subject "man" and the

²⁷Indeed, Gadamer (1996) forges the concept of horizon. The proper hermeneutical situation of a scientist leads him to have a specific horizon, that is, to have concerns and questions that are obvious, whereas others will be unattainable for him.

predicate “utility-maximizing” cannot be completely defined. In hermeneutics, as just suggested above, their definitions are incomplete because they cannot express all the underlying tacit and cultural beliefs. Moreover, given the considerable cultural and historical distance between the interpreted documents and the interpreters, the dialectical dialog between past and present no longer works. Let’s assume that the syllogism is formulated at P_1 .²⁸ At a future time P_n (much later than P_1) scientists begin to interpret this syllogism. Since a considerable historical and cultural distance exists between P_1 and P_n , “man” and “utility-maximizing” can only be given implicit definitions prisoner of their historical period. Therefore, in order to say something on this syllogism, the scientists at P_n can refer to the only explicit definitions of “man” and “utility-maximizing.”²⁹ In any case, as Gadamer is forced to acknowledge, in order for language to establish a common horizon through an intertemporal dialogue, an agreement is required “not only on the meaning of words” but also “with regard to ‘things.’” Now, if we refuse the charge of historical relativism *and*, as Rector assumes, that an unfinished improvement of knowledge toward further truth can occur, this improvement can only operate through the syllogism’s logical consistency. Yet, everyone reading the syllogism formulated at P_1 should agree with it, at least from the point of view of its formal validity. However, in hermeneutics, if only the explicit definition of the concepts can be taken into account and if knowledge improves from one period to another, it means that one interpretation in P_n will be “more logical” than that in P_1 . The only way to legitimize this conclusion is to assume that the *logical structure of scientist’s mind in period P_n is always more powerful than that in P_1* . It would enable some corrections of formal logic, thus representing a progress toward more logical truth.

In this syllogism, the logical structure of the scientists’ mind at P_1 can make them believe that the syllogism is valid. However, this is impossible to assert if we admit the main assumptions that nothing (thus including a syllogism) is

²⁸The cutting out of time in periods is used because it is methodologically useful in understanding the demonstration.

²⁹Hermeneutic economists will probably acknowledge that explicit definitions of concepts are possible and do not deserve incessant discussions from one period to another when they are based on simple representations of the reality and a concrete world that anyone can understand. (If they do, they contradict the *relativist* position of many hermeneuticists according to which there seems no way for a meaning to have any foundation in the realities being studied).

To be sure, for the realist epistemology endorsed here, the issue of truth of the concept is raised only when the intellect bears a judgment upon the conceptualized thing (this is the case when we explicitly define a concept). Of course, this judgment can be erroneous even if it is not likely for certain objects. However, the notion of truth is not involved as long as the concept remains an intellectual similitude with the object that the intellect generates under the action of the object’s sensible species. Therefore, the intellect faced with “Socrates” will forge the concept of man *de jure* and usually *de facto*. For a clear and realist explanation of what a concept is, see Gilson (1997, p. 172 and pp. 288–91).

absolutely true and all imperfect truth necessarily emerges through an unfinished dialectical quest. Therefore, under the above-mentioned conditions, when the hermeneuticist denies the charge of relativism, he is led to defend an absurd progressive evolutionary polylogism.

CONCLUDING REMARKS

As Mises (1998, p. 24) writes,

It may be admitted that it is impossible to provide conclusive evidence for the propositions that my logic is the logic of all other people and by all means absolutely the only human logic and that the categories of my action are the categories of all other people's action and by all means absolutely the categories of all human action.

Yet, Mises immediately denies the relevance of this argument by reasonably explaining that

the pragmatist must remember that these propositions work both in practice and in science, and the positivist must not overlook the fact that in addressing his fellow men he presupposes—tacitly and implicitly—the intersubjective validity of logic and thereby the reality of the realm of the alter Ego's thought and action, of his eminent human character.

Hermeneutic economists have also adopted a similar argument in order to legitimize its positioning. As Lavoie (1986, p. 204) explains, in order to communicate with the others, whomever and wherever they are, we must presuppose an intersubjective world:

The level of practical, common-sensical reasoning in the day-to-day affairs of men, the level of already existing meaning which some writers in the hermeneutics tradition call “the intersubjective life world,” is taken for granted by all active scientists when they try to persuade one another. In the sense it is a priori but it is not immune to criticism.

This type of *a priori* is also acknowledged by the philosopher Donald Davidson whose work is sometimes considered as belonging to the hermeneutic tradition. According to Davidson (1985, see esp. pp. 141-54 and 183-98), everyone must obey a *principle of charity* in the act of communication. This principle means that every man has, as much as possible, to match up the sentences he considers true in his own language with those uttered by his interlocutor. But each one has also to do his best to attach meaning to the most absurd elocutions of the other. Therefore, one has to suppose the sentences that the interpreted considers as true are indeed true (i.e., corresponding to an existing reality), in addition to the fact that we, the interpreter, take them as true. If Davidson is right, it means that the interpretation necessitates an external world, *a part of which can be objectively acknowledged*. The consequence is the impossibility of a form of relativism according to which the world is

only relative to personal or shared conceptual schemes. An objective shared world is presupposed by any interpretation and a part of it could become *definitely* immune to criticism.³⁰

Of course, contextual knowledge exists. This is why any interpreter should *methodologically* do his best to understand the behaviors of others. But, if context-free knowledge exists, it questions the hermeneutic fundamental assumption of the essentially contextual and historical nature of any pieces of knowledge, and the legitimacy of an epistemology relying on an unfinished process of conjectures and refutations (as the texts by Lavoie and Lachmann testify). It should be noted that renouncing these fundamental assumptions prevents from one being charged with progressive polylogism.

The root of the problem about theoretical economics does not lie in the existence of a tradition or a sufficient cultural proximity. In other words, theoretical economics does not have to deal with problems of an historical and a contextual nature. If a bond exists between the historical and cultural contexts, Barry Smith (1996, p. 184) states that many propositions can be true and account for something about the world without depending on any cultural context. To this regard, as Gordon notes (1986, p. 11), “[i]f truth depends on a hidden context from which it cannot be detached, on what context does this very statement depend? Or, if its truth can be grasped regardless of its context, why cannot other propositions be likewise detached from their context?” Finally, hermeneutics only recalls something trivial, yet important, namely that any theorization is subject to cultural influence. Objective and context-free knowledge exists. Of course, this does not mean that we have to dispose of the issue of whether *applied* economics should rely on empirical and historical elements that go beyond the application of mere praxeological principles.

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³⁰Lavoie (1986, p. 204) does not understand this necessary consequence, since he immediately writes at the end of the above-mentioned quotation: “In the sense it is a *priori* but it is not immune to criticism.” Lavoie does not see that many *a priori* are not open to criticism, not because they are intersubjectively shared, but because they are objective.

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