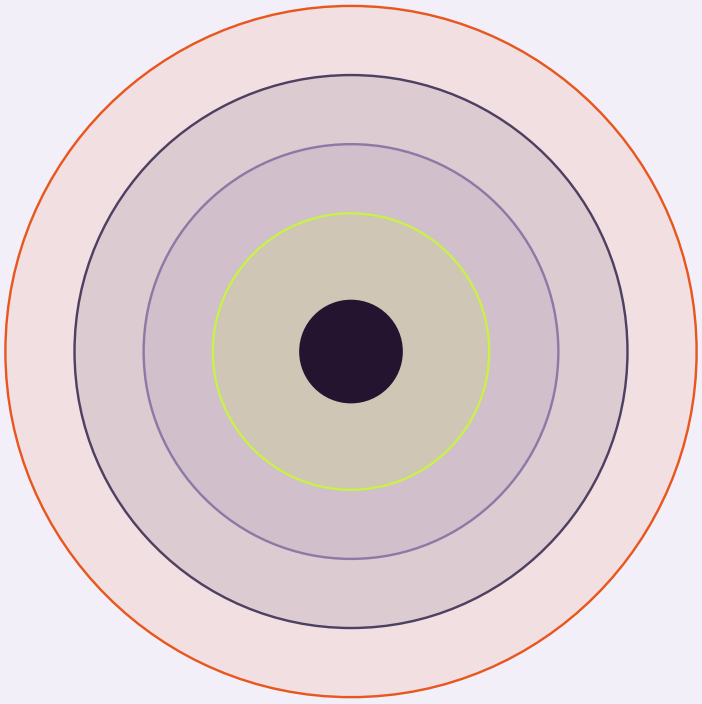


# Individualism and Economic Order

A reading of the book by F. A. Hayek (1948)

1. ACTION BOOK

CONTENTS

# Inside this edition


**The book in a minute** 3

**The takeaways** 4

**Your action book** 6

**Before you go** 7

PART TWO · THE ACTION BOOK

**The setup checklist** 9

**Ask what a price change is telling you** 10

**Talk to the person closest to the problem** 11

**Run small trials, not one big plan** 12


ABOUT THIS EDITION

This is HourLife's reading of Individualism and Economic Order, in our own words. It is not a substitute for the book.

BEFORE YOU START 01

# The book in a minute

Friedrich A. Hayek was a Vienna-born economist who taught at the London School of Economics through the 1930s and 1940s and later shared the 1974 Nobel prize in economics. This 1948 book gathers his essays and lectures from those years. Its central argument is that the knowledge an economy runs on is never held by one mind: it is scattered among millions of people as knowledge of the particular circumstances of time and place. Prices, in his account, work as a signalling system that lets each person act on facts they will never see, and competition is a process of finding things out rather than a finished state. Other essays defend a true individualism grounded in humility about reason, and take part in the debate over whether a socialist planner could calculate prices.

Below are the 9 ideas HourLife readers vote up most, each in our words with a note on what it asks of you, and then the steps that put them to work.

WHAT READERS KEEP

# The takeaways

1

HOURLIFE TAKEAWAY

### The economic problem is not sharing out known resources, but using knowledge that no single mind holds.

In The Use of Knowledge in Society, Hayek argues that the facts an economy needs are never given to one planner or one model. They are scattered in pieces, each person holding a sliver that is local, short-lived and mostly unwritten. Any way of running things has to start from that.

2

HOURLIFE TAKEAWAY

### A price tells you what to do without telling you why.

Hayek's example is tin. If tin becomes scarcer, because a source has closed or a new use has appeared, users do not need to know which. The higher price tells them to use less, and their switch to other materials passes the signal on to people who never heard of the cause.

3

HOURLIFE TAKEAWAY

### Knowing the circumstances of a time and place is real knowledge, not a lesser kind.

Hayek points to the shipper who knows which ships are running half empty, the estate agent who knows about short-lived opportunities, and the trader who profits from small local price gaps. This practical knowledge is easy to look down on, yet no central office could collect it in time.

4

HOURLIFE TAKEAWAY

### True individualism starts from humility about what any one mind can know.

In Individualism: True and False, Hayek separates a tradition he traces through thinkers such as David Hume and Adam Smith, which sees society as the unplanned result of many people's actions, from a rationalist one that wants to design society from above. The first is a theory of how society works, not praise for selfish or isolated people.

5

HOURLIFE TAKEAWAY

### Competition is a way of finding things out, not a finished state of affairs.

In The Meaning of Competition, Hayek notes that the textbook model of perfect competition assumes everyone already knows everything, which leaves competition nothing to do. Real competition is the rivalry through which people learn what buyers want and what can be made more cheaply.

6 HOURLIFE TAKEAWAY

## Equilibrium is really a question about how people's plans come to fit together.

Economics and Knowledge, from 1937, argues that equilibrium means people's plans are compatible with each other. The interesting question is how they learn enough for that to happen. Hayek compared this division of knowledge to Adam Smith's division of labour.

7 HOURLIFE TAKEAWAY

## Social facts are made of what people believe about things.

In The Facts of the Social Sciences, Hayek argues that a tool, a medicine or a coin is defined by what people think it can do, not by its physical make-up. So the study of society has to begin with the beliefs and intentions of the people in it.

8 HOURLIFE TAKEAWAY

## The planner's hardest problem is not the maths but getting the facts.

The three essays on socialist calculation reply to economists such as Oskar Lange, who proposed that a central board could set prices by trial and error. Hayek's objection was that the board would need detailed, constantly changing knowledge it had no way to gather, so its prices would always lag behind events.

9 HOURLIFE TAKEAWAY

## A free market still needs carefully designed rules.

In Free Enterprise and Competitive Order, Hayek argues that markets depend on a legal framework, such as property, contract and company law, and that laissez-faire is too crude a slogan. Critics go further: prices miss costs nobody pays for, such as pollution, which is a case for rules of its own.

PUT IT TO WORK

# Your action book

Do the setup steps once, then keep the habits going. The setup changes your week; the habits keep it changed after the first good one.

The download puts this whole reading and a printable action book in one PDF: the setup checklist, then a page of real calendar days for each habit, starting on the day you choose.

SET UP ONCE

- [ ] Map who knows what
- [ ] Hand one decision to the person on the spot
- [ ] Swap one report for one shared number
- [ ] Write rules, not a plan
- [ ] Read the 1945 essay first

KEEP UP DAILY

- [ ] Ask what a price change is telling you
- [ ] Talk to the person closest to the problem
- [ ] Run small trials, not one big plan

30 days · Nov 6 - Dec 5, 2026

Part two, after the reading, prints each of these as a page to fill in by hand.

THE LAST WORD

# Before you go

Pick one step from the action book and do it today. An idea from a book starts to count once it changes what one ordinary day looks like.

PART TWO

# The action book

Change the setup once, then keep it up. 5 setup actions to do once, and 3 habits to mark each day for 30 days.

Nov 6 - Dec 5, 2026

Print it, or write on it in any PDF app.

SET UP ONCE

# The setup checklist

Each of these is done once. Do one a day, and check it off when it is done.

- [ ] SETUP 1

## Map who knows what

Pick one decision you are making at work or at home.

List the people closest to it and one fact each of them knows that you don't. Ask the two most important before you decide.

MY VERSION

DONE ON

- [ ] SETUP 2

## Hand one decision to the person on the spot

Find a choice you sign off that someone nearer the work could make better.

Hand it over this week with a clear limit, such as a budget, and ask them to tell you what they chose.

MY VERSION

DONE ON

- [ ] SETUP 3

## Swap one report for one shared number

Pick a long status update you ask people for.

Agree on a single number everyone can see, such as stock left or days to the deadline, and let each person respond to it in their own way.

MY VERSION

DONE ON

- [ ] SETUP 4

## Write rules, not a plan

For a shared kitchen, a household or a small project, write three general rules everyone follows instead of a plan that says who does what.

Watch what people sort out among themselves.

MY VERSION

DONE ON

- [ ] SETUP 5

## Read the 1945 essay first

Start with The Use of Knowledge in Society.

It is a single essay, short enough for one evening, and the rest of the book makes more sense after it.

MY VERSION

DONE ON

DAILY HABIT 1 OF 3

# Ask what a price change is telling you

When something you buy often gets clearly dearer or cheaper, ask whether you should use more or less of it.

Nov 6 - Dec 5, 2026 · 30 days · circle each day you do it

SMALLEST VERSION

CUE

WHERE

## November 2026

| MON | TUE | WED | THU | FRI | SAT | SUN |
|---|---|---|---|---|---|---|
| | | | | | | 1 |
| 2 | 3 | 4 | 5 | 6 ○ | 7 ○ | 8 ○ |
| 9 ○ | 10 ○ | 11 ○ | 12 ○ | 13 ○ | 14 ○ | 15 ○ |
| 16 ○ | 17 ○ | 18 ○ | 19 ○ | 20 ○ | 21 ○ | 22 ○ |
| 23 ○ | 24 ○ | 25 ○ | 26 ○ | 27 ○ | 28 ○ | 29 ○ |
| 30 ○ | | | | | | |

## December 2026

| MON | TUE | WED | THU | FRI | SAT | SUN |
|---|---|---|---|---|---|---|
| | 1 ○ | 2 ○ | 3 ○ | 4 ○ | 5 ○ | 6 |
| 7 | 8 | 9 | 10 | 11 | 12 | 13 |
| 14 | 15 | 16 | 17 | 18 | 19 | 20 |
| 21 | 22 | 23 | 24 | 25 | 26 | 27 |
| 28 | 29 | 30 | 31 | | | |

EACH FRIDAY

WHAT HELPED

WHAT GOT IN THE WAY

ONE CHANGE TO THE SETUP

DAILY HABIT 2 OF 3

# Talk to the person closest to the problem

Before you form a view on a problem, talk to whoever handles it every day.

Nov 6 - Dec 5, 2026 · 30 days · circle each day you do it

SMALLEST VERSION

CUE

WHERE

## November 2026

| MON | TUE | WED | THU | FRI | SAT | SUN |
|---|---|---|---|---|---|---|
| | | | | | | 1 |
| 2 | 3 | 4 | 5 | 6 ○ | 7 ○ | 8 ○ |
| 9 ○ | 10 ○ | 11 ○ | 12 ○ | 13 ○ | 14 ○ | 15 ○ |
| 16 ○ | 17 ○ | 18 ○ | 19 ○ | 20 ○ | 21 ○ | 22 ○ |
| 23 ○ | 24 ○ | 25 ○ | 26 ○ | 27 ○ | 28 ○ | 29 ○ |
| 30 ○ | | | | | | |

## December 2026

| MON | TUE | WED | THU | FRI | SAT | SUN |
|---|---|---|---|---|---|---|
| | 1 ○ | 2 ○ | 3 ○ | 4 ○ | 5 ○ | 6 |
| 7 | 8 | 9 | 10 | 11 | 12 | 13 |
| 14 | 15 | 16 | 17 | 18 | 19 | 20 |
| 21 | 22 | 23 | 24 | 25 | 26 | 27 |
| 28 | 29 | 30 | 31 | | | |

EACH FRIDAY

WHAT HELPED

WHAT GOT IN THE WAY

ONE CHANGE TO THE SETUP

DAILY HABIT 3 OF 3

# Run small trials, not one big plan

When you are unsure what works, try two or three small versions side by side and keep the one that does best.

Nov 6 - Dec 5, 2026 · 30 days · circle each day you do it

SMALLEST VERSION

CUE

WHERE

## November 2026

| MON | TUE | WED | THU | FRI | SAT | SUN |
|---|---|---|---|---|---|---|
| | | | | | | 1 |
| 2 | 3 | 4 | 5 | 6 ○ | 7 ○ | 8 ○ |
| 9 ○ | 10 ○ | 11 ○ | 12 ○ | 13 ○ | 14 ○ | 15 ○ |
| 16 ○ | 17 ○ | 18 ○ | 19 ○ | 20 ○ | 21 ○ | 22 ○ |
| 23 ○ | 24 ○ | 25 ○ | 26 ○ | 27 ○ | 28 ○ | 29 ○ |
| 30 ○ | | | | | | |

## December 2026

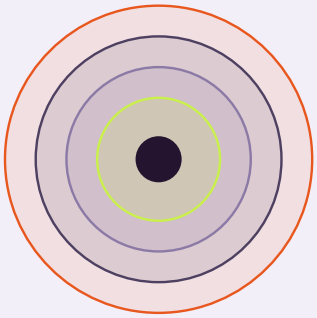
| MON | TUE | WED | THU | FRI | SAT | SUN |
|---|---|---|---|---|---|---|
| | 1 ○ | 2 ○ | 3 ○ | 4 ○ | 5 ○ | 6 |
| 7 | 8 | 9 | 10 | 11 | 12 | 13 |
| 14 | 15 | 16 | 17 | 18 | 19 | 20 |
| 21 | 22 | 23 | 24 | 25 | 26 | 27 |
| 28 | 29 | 30 | 31 | | | |

EACH FRIDAY

WHAT HELPED

WHAT GOT IN THE WAY

ONE CHANGE TO THE SETUP



**No one needs to know the whole story. Each of us needs a clear signal, and room to act on what only we can see.**

HOURLIFE NOTE AFTER F. A. HAYEK