The road to serfdom

Friedrich Hayek

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Friedrich Hayek was a British-Austrian economist and well known for one of his best works named” The road to serfdom” written in 1994. For better understanding of his words in this book it’s better to have a background of that time when it was written. The book has been written during the second world war, the war still not finished while the American and British people marked by their sympathy for soviet and Stalin and the communist solution seems to be better answer than liberal one. So, Hayek arguing the merits of classical liberal ideas and the quality it might bring. He also argued that when a political system puts any center states such as communist, Nazism etc. it can become against individuals. “scarcely anybody doubts that we must continue to move toward socialism, and most people are merely trying to deflect this movement in the interest of particular class or group.” (Hayek 1944, p5)

In the first chapter Hayek argues planning and democracy. He believes if people want to do the economic planning they have to gain power over other men because as long as government don’t give this legal power to people, planning will be ineffective. He talks about centralize and decentralized power. With government centralize they have more power over individual’s liberty and they can do the planning. However, Hayek believes that decentralize is the answer for protection against abuse. When there is a centralized power in government it means they have power over economic and in this way government will control people, this is what Hayek mentions as a road to serfdom.

Central planning got peoples freedom while having bad influence on economy. Employers have so much power over workers and don’t allow individual improvements in skills, jobs etc. specially in countries like Russia comparing to free lands like Britain and America. “whether it was Hegel or Marx, or List Schmoller, Sombart or Mannheim, a radical socialist or simple “organization” or “planning” les radical, everywhere we eagerly imported German ideas.” (Hayek 1944. P21)

Individualism means that every individual is free to develop their skills, talents and jobs and use it everywhere they want. It also has roots in Christianity and connected to enlightenment. Over last 1000 year, people were fighting to come over serfdoms, kingdoms and dictators to gain the power as an individual. In the book “the road to serfdom”, Hayek is against central planning for two important reasons. The first one, central planning was less efficient than free capitalism when it comes to developments and resource allocation. The second one, the method of controlling as executed by force and giving away people’s freedom.

However, it is important to clarify the meaning by the terms of planning. The central planning is compulsory planning and when there is a compulsory planning there is no room for individual planning. Hayek argues, for maximizing the amount of freedom for individual planning, government should provide conditions to facilitate individual planning. Also, Hayek was against government intervention in the economy for the reason of power. By economy you can control lives and people such as happened in countries like Germany and Russia. Putting government as a center of planning is like putting all knowledge everyone can get in one brain and no brain can function well only by itself, but, by decentralize planning there is many individuals who can act freely in society and improve themselves and community they live in.

To conclude, I have born and raised in a country that has a central planning instead of individual planning. Growth in job and skills is hard as long as the employer and government have so much control on everything and it’s hard to oppose while they are controlling economy which means they controlling everything including people’s lives. Decentralize planning and liberty as an individual will improve all aspects of society.

Bibliography

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