

An Analysis of 'Hayek's Road to Serfdom in Contexts'

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As a special guest to the History of Economic Thought Society Australia's annual conference Dr Jeremy Shearmur proved to be a versatile speaker who not only presented his recent work on the Austrian economist Hayek, but also stepped in at short notice as the speaker at the conference dinner. In both presentations he urged his audience to ensure their understanding of Austrian economic thought is contextually grounded as well as encouraging a broader awareness of the political dimensions of their work.

Dr Shearmur was educated at the London School of Economics and his career includes eight years as an assistant to Karl Popper. He is currently a Reader in Philosophy at the Australian National University. His conference paper was titled 'Hayek's Road to Serfdom in Contexts' and is an early piece in a larger work that will examine Hayek's theories of political economy. In his presentation, he focused on explaining the context in which the widely influential Road to Serfdom was created. Shearmur argues Hayek was seeking to reach a broad audience through this book, and he took a large professional risk by writing it in a 'popular' style that departs from his other academic works. The question that Shearmur posed to his audience was, 'what drove Hayek to write this book?'

The answer linked the Road to Serfdom to the increasing planning and government intervention that was taking place in Britain at the time of writing. Shearmur argues that Hayek was worried about the implications of this new direction in economics. Hayek was presented as an anti-utopian voice who sought to use economic theory to emphasize the dangers of a planned society. Shearmur also reminded his audience that while Hayek was writing, the German Historical school was becoming influential in the public debate, and suggested that Hayek was concerned about the implication of their ideas. He cited evidence from an Inaugural address that Hayek gave to the London School of Economics in 1933, as well as Hayek's response to the American lectures of Wesley Clair Mitchell as evidence of this preoccupation with the dangers that this new school presented to the classical traditions. On the whole he demonstrated some interesting links between Hayek's economic ideas, and the political context in which they emerged.

In his after dinner speech, the conversation about context continued. Shearmur advised the next generation of economic historians to remain conscious that the work of the Austrian school of thought are not merely from a different era, but also from a different culture. Shifting gears a little from the earlier presentation and its focus on the political currents of the time, Shearmur emphasized the subtle differences in manner and expression that an English speaker must appreciate in order to appreciate the works of Austrian thinkers. He illustrated his point with some personal anecdotes from his experiences as an assistant to Karl Popper. Through out both presentations Shearmur emphasized that our understanding of the Austrian School of economic thought will be enhanced by appreciating, not merely the economic ideas, but also the time and place from which they emerged. It was an important lesson non-historians to take away from the History of Economic Thought Conference, which drove home the importance of appreciating where our economic ideas come from.