

Hayek's *Serfdom* Revisited: Government

Failure in the Argument Against Socialism

by

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F.A. Hayek's *The Road to Serfdom* is generally recognized as a classic in modern economic/political philosophy. First published in 1944, the book became a "best seller" and transformed Hayek from a technical economic theorist into a broad social philosopher in the eyes of many readers. *The Road to Serfdom*, however, is often misunderstood by friends and foes alike as mainly a critique of the theory of socialist economic planning. This paper argues that Hayek's argument in the book is not predominately about establishing the theoretical weaknesses of the socialist model -- to Hayek that was established elsewhere in the theoretical debate over socialist economic calculation and in the historical experience of the Bolsheviks. *The Road to Serfdom* sought to explore the negative consequences of pursuing socialist planning even when sanctioned by democratic voting. In this sense, Hayek's work was as much a demonstration of the limits of democracy as it was an examination of the foibles of socialism. Yet, this aspect of Hayek's work is often ignored within the contemporary public choice literature. The paper makes the case that Hayek, along with the scholars more frequently recognized in the literature such as Knight, Schumpeter, Downs and Black, should be considered a founder of the economic analysis of politics.