

## THE ROAD TO SERFDOM TODAY

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The purpose of this panel is to revisit a classic work in defense of the liberal tradition, Friedrich Hayek's *The Road to Serfdom* (1944), and to assess its relevance to this moment in our history. Many of you here will have read this book, if not recently, at some time in the past. It has become a classic work in defense of the free market and the rule of law. It is both widely celebrated and has also been subjected to vitriolic criticism. It has been a staple in the reading of many Americans who consider themselves "conservative," but Hayek famously wrote an essay explaining why he was not a conservative, but rather a classical liberal. His critics accused him of being a reactionary but he obviously embraces much of the Enlightenment. *The Road to Serfdom* also belongs to that genre of works of the mid-20<sup>th</sup> century which sought to understand and explain the origins of totalitarianism.

It is one of the many virtues of the Eric Voegelin Society not only to expound and examine critically the work of Voegelin, one of the great political philosophers of our time, but also to take notice of the full range of political philosophy as it has developed over the past half century. There is hardly any modern or current political philosopher of any note who has not been discussed by the Voegelin Society. Thus we here take notice of Friedrich Hayek and this influential book, inviting comparisons of his analyses of modern politics to those of Voegelin.

I propose briefly to remind everyone of the basic arguments of *The Road to Serfdom*, and then to turn the discussion over to my colleagues, Barry Cooper of the University of Calgary, Steve Ealy of Liberty Fund, and Claire Morgan of George Mason University, to offer their assessments.

Let me begin by noting a remark in Hayek's Introduction to the book which sparked controversy from the start. Hayek says: "Few are ready to recognize that the rise of fascism and naziism was not a reaction against the socialist trends of the preceding period but a necessary outcome of those tendencies." (p.59 of the *The Collected Works of F. A. Hayek, Volume II*, Chicago 2007) Hayek thus rejected the typical intellectual's distinction between the "left," which was taken to retain at least the value of "progressivism," and the "right" which was taken to be stupid at best, wicked at worst. Hayek further asserts, most provocatively, that "if we take people whose views influence developments, they are now in the democracies in some measure all socialists." (Ibid.) Hayek goes on to say,

The problem is not why the Germans as such are vicious, which congenitally they are probably no more than other peoples, but to determine the circumstances which during the last

seventy years have made possible the progressive growth and the ultimate victory of a particular set of ideas, and why in the end the victory has brought the most vicious elements among them to the top. (Op.Cit., 61)

Hayek was laying the groundwork for a general critique of developments in the modern West in the nineteenth and twentieth centuries. Moreover, this was an intellectual critique to demonstrate that ideas have consequences. Hayek and Keynes certainly had their disagreements but they could agree on Keynes's remark that the dominant ideas of the day are very likely to be the diluted product of some forgotten economist. Hayek hopes to show that "the conflict in existence between the National socialist "Right" and the "Left" in Germany is the kind of conflict that will always arise between rival socialist factions. If this interpretation is correct, it means, however, that many of those socialist refugees, in clinging to their beliefs, are now, though with the best will in the world, helping to lead their adopted country the way which Germany has gone." (Op.Cit. 62) In other words, Hayek argued that, both in England and in America, the impending victory of the Allies might, ironically, open them to absorbing illiberal ideas from the conquered. He says,

For at least twenty-five years before the specter of totalitarianism became a real threat, we had progressively been moving away from the basic ideas on which Western civilization has been built....We have progressively abandoned that freedom in economic affairs without which personal and political freedom has never existed in the past....one of the salient characteristics of Western civilization....The Nazi leader who described the National Socialist revolution as a counter-Renaissance spoke more truly than he probably knew. It was the decisive step in the destruction of that civilization which modern man had built up from the age of the Renaissance and which was, above all, an individualist civilization....respect for the individual man *qua* man....During the whole of this modern period of European history the general direction of social development was one of freeing the individual from the ties which had bound him to customary or prescribed ways in the pursuit of his ordinary activities....a consistent argument in favor of economic freedom was the outcome of a free growth of economic activity which had been the undesigned and unforeseen by-product of political freedom....The fundamental principle that in the ordering of our affairs we should make as much use as possible of the spontaneous forces of society, and resort as little as possible to coercion, is capable of an infinite variety of applications. (Op.Cit. 67-71)

A major consequence of this "counter-Renaissance" was to introduce ambiguity into the concept of "freedom," proposing a so-called "new freedom" as an advance on the "old freedom."

To the great apostles of political freedom the word had meant freedom from coercion, freedom from the arbitrary power of other men, release from the ties which left the individual no choice but obedience to the orders of a superior to whom he was attached. The new freedom promised, however, was to be freedom from necessity, release from the compulsion of the circumstances which inevitably limit the range of choice of all of us, although for some very much more than for others. Before man could be truly free, the 'despotism of physical want' had to be broken, the 'restraints of the economic system' relaxed. (Op.cit. 77)

One can see parallels with Isaiah Berlin's "two concepts of liberty" and with Michael Oakeshott's distinction between the "politics of faith" and the "politics of skepticism." The implication of the so-called new freedom is that freedom is not inherent to the individual but is a social condition to be brought into being by the general reconstruction of the social order according to an independently envisioned plan. Hayek argued, provocatively and with foresight, that the failure of communism's ideals would ultimately produce fascism, that the idea of a self-liquidating dictatorship of the proletariat is false and that the insistence on coercion now in order to eliminate coercion forever would be a self-perpetuating myth employed by a new ruling class. The abandonment of individualism in favor of collectivism will be rationalized in the claim that individuality will be not destroyed but fulfilled by these means.

The appeal of "planning" lies in the appearance of a rational ordering which will eliminate the contingencies of human existence through "conscious direction" towards a predetermined end state in which all will participate and to which all must contribute. Hayek did not, of course, mean to suggest that individuals should not make plans of any kind. He distinguished between two concepts of planning:

The question is whether for this purpose it is better that the holder of coercive power should confine himself in general to creating conditions under which the knowledge and initiative of individuals are given the best scope so that *they* can plan most successfully; or whether a rational utilization of our resources requires *central* direction and organization of all our activities according to some consciously constructed 'blueprint.' (Op.Cit., 85, italics in original)

With regard to the uses of governmental power, such restrictions as may be thought necessary should be of the kind that "affect all potential producers equally and are not used as an indirect way of controlling prices and quantities." For example,

To prohibit the use of certain poisonous substances or to require special precautions in their use, to limit working hours or to require certain sanitary arrangements, is fully compatible with the preservation of competition. The only question here is whether in the particular instance the advantages gained are greater than the social costs which they impose. Nor is the preservation of competition incompatible with an extensive system of social services – so long as the organization of these services is not designed in such a way as to make competition ineffective over wide fields. (Op.Cit., 86-7)

Hayek recognized that a modern society of relative affluence could pursue a degree of welfare for all provided it remained compatible with a sense of restraint, with equality before the law, and with a disposition to expand the scope of government only when clearly necessary. What he rejected was the ideology of social perfection through the open-ended expansion of the scope of governmental power in the mistaken belief that administrative experts could dictate what is good for the individuals who would be subject to their control. Hayek thus also rejected claims that history inevitably dictated the rise of socialism as the necessary successor to a free market, rule of law system of constitutional

restraint on the growth of governmental power. The true revolution of modern times was the growth of individual freedom against which collectivism is a reactionary counter-revolution:

Far from being appropriate only to comparatively simple conditions, it is the very complexity of the division of labor under modern conditions which makes competition the only method by which such coordination can be adequately brought about....It is only as the factors which have to be taken into account become so numerous that it is impossible to gain a synoptic view of them that decentralization becomes imperative. (Op.Cit., 95)

Hayek identified the paradox that the supposed desirability of central planning is contradicted by the fact that the larger the range of goals of planning, the larger the range of issues on which there will be disagreement and conflict among individuals and groups. Legislative bodies will not be asked to "act where they can agree, but to produce agreement on everything." (Op.Cit., 105) Such agreement being less and less likely to be possible as the range of goals expands, the temptation to resort to coercion will get harder and harder to resist on the part of those who believe that they enjoy superior knowledge of what the social whole requires. The result in the long run will be that democracy will increasingly succumb to a non-democratic administrative state in which the rule of law is subordinated to bureaucratic regulation. Bureaucratic regulation depends on the discretionary judgment of the administrators whose duty is to realize the projected goals or end state of affairs, and who are equipped with various coercive penalties to impose as remedies for non-compliance.

On these grounds, Hayek reached the conclusion that totalitarian regimes are only the most virulent exemplifications of an intellectual misunderstanding of the true meaning and value of individual freedom, a misunderstanding threatening to all modern regimes, even those which retain a strong heritage of constitutionalism, of the rule of law, and of skepticism about expanding the scope of governmental power. The road to serfdom, one might say, is paved with good intentions and high-mindedness of a sort which shows an inverse relation between declining faith in the capacity of ordinary human beings for self-regulation and growing faith in collective perfection through the bureaucratic rule of experts.