

Hayek for the 21st Century Review Notes

Mises Institute giving out free copies of a new collection of Hayek essays

Hayek is tough to read (complexity of Mises without lyricism), but was extremely influential and the Austrian economist who got closest to the mainstream, including Nobel prize

Hayek's conclusions were generally fairly squishy, but it's hard to tell whether or not this was a ploy to get his works further spread, and hopefully get more people to read the conclusions of harder Austrians

Despite Hayek's squishiness, if you look carefully, there are points that, taken to their logical conclusions, lead to rather hard anarchism

That's one reason why I think Hayek is important: he plants the seeds of a stateless society in familiar soil

Introduction by Tom DiLorenzo

The twentieth century was said to be "Hayek's century" but Hayek's contributions still haven't been exhausted and he had cogent answers to many of the problems we face today

Overview of contents, knowledge problem, Hayek's work against various socialist garbage, etc.

First essay: The Intellectuals and Socialism

Hayek's definition of "Intellectual" is a bit different from what you might expect.

Includes "radio commentators, writers of fiction, cartoonists, and artists"

Today it would include "influencers"

"Second-hand dealers in ideas"

Shows us the importance of clearly and positively packaging ideas for general consumption

Need to push along all of these fronts, neglect none of them

Division of labor should give us a slight advantage in planning

Michael Malice as a paragon of what we need, as opposed to nitty-gritty theorists

A thousand Michael Malices still not enough

Keep trying, keep writing, thinking, presenting

Second essay: Why the worst get on top

My favorite and most-cited Hayek essay

Chapter 10 of Road to Serfdom

In a book that was willing to tolerate taxation, regulation, welfare state, etc.

This essay/chapter is one of the most powerful seeds for anarchism ever written

If the conclusions of this essay are correct, then we must always look with suspicion on long-lived States

If co-opted by "the worst," no legitimacy

Must regularly show proof it is not co-opted by the worst, for instance by demonstrating that there is no parasitized minority

No modern State does this, all rely on "taxing the rich" etc.

Third essay: The Use of Knowledge in Society

My second-most-cited Hayek essay

Expansion of Mises conclusion from 1920 "Calculation in the Socialist Commonwealth"

Mises conclusion was about actual State ownership

Mises's conclusion somewhat hard to pin down on when actual damage is done

Realistically, a single socialistic country can still somewhat function by plagiarizing world markets

But Hayek's expansion shows that every layer of central planning hurts, every regulation that doesn't address a real tort makes the economy bleed

Total answer to schemes that want to move resources from "private" sphere to "public" sphere: Galbraith, MMT

Fourth essay: The Meaning of Competition

Another fantastic essay about the importance of not falling for technical names and confusing those technical names' words with their usual definitions

"Perfect" competition: "perfect" means "it fits the model perfectly" not "it is best for everyone"

Otherwise, it does not allow any of the mechanisms of competition which would enable people to move toward more efficient use of resources: branding, undercutting, improving, etc.

To achieve its requirements would require a totalitarian State to do certain things that a totalitarian State would never do, as well as some things that can never be accomplished, like "knowing" everything

Ignores entrepreneurship, a common economic failing

Fifth essay: The Non-Sequitur of the Dependence Effect

Takes apart Galbraith's "Dependence Effect" idea

In short, Galbraith: "The only real wants are those experienced spontaneously by the individual left to himself," other wants are unimportant

Hayek: "This is a non-sequitur. Practically all wants are related to outside information"

Art, music, literature, most of civilization, anything for convenience, etc.

Most of what builds us up into comfortable lives

Sixth essay: The Pretense of Knowledge

Based on Hayek's Nobel Laureate speech

Desperate plea to know-it-alls to recognize their limits

Discusses inherent limits of economic data, and need for actual thought, not just chasing noise spikes

"unorganized complexity" versus "organized complexity"

Adoption of mathematical methods proposed by Pareto, etc. without paying attention to the limits of such methods, as recognized by Pareto, etc.

Seventh essay: Choice in Currency: A Way to Stop Inflation

Short and persuasive examination of the problems of monopoly and fiat moneys

Like Rothbard's "What Has the Government Done to Our Money?" but calmer

The consequences of State monopoly on money create many problems

Voluntary choices would solve most of these issues if allowed to work

Examination of a mis-application of Gresham's Law

Annotated bibliography: List of Hayek's books with notes by DAVID FREAKIN' GORDON, grandmaster encyclopedic genius

Points you towards other works by Hayek and helps you figure out where your interests lie

Finally, index by Roger E. Bissell, indexes are frequently underappreciated, so credit to him for this hard and thankless work.