



2023 F.A. Hayek Essay Contest

The Economics Department is sponsoring the F.A. Hayek Essay Contest with a first-place award of \$500 and a second-place award of \$250. This contest is open to all undergraduate economics students (major and minor). Prior award winners are ineligible for this contest. To enter this contest, students must write an economics essay discussing the topic:

In *The Fortunes of Liberalism*, which is Vol. 4 in the 'Collected Works of F. A. Hayek', Hayek makes the following statement concerning the debate over economic calculation under socialism:

"Mises's arguments were not easily apprehended. Sometimes personal contact and discussion were required to understand them fully. Though written in a pellucid and deceptively simple prose, they tacitly presuppose an understanding of economic processes -- an understanding not shared by all his readers. We see this most clearly in his crucial argument on the impossibility of an economic calculation under socialism. When one reads Mises's opponents, one gains the impression that they do not really see why such calculation was necessary. They treat the problem of economic calculation as if it were merely a technique to make the managers of socialist plant accountable for the resources entrusted to them and wholly unconnected with the problem of what they should produce and how. Any set of magic figures appeared to them sufficient to control the honesty of those self-indispensable survivors of a capitalist age. They never seemed to comprehend that it was not a question of playing with some set of figures, but one of establishing the only indicators those managers could have for deciding the role of their activities in the whole structure of mutually adjusted activities."

Address your essay to first explain Hayek's reasons for the impression that his professional colleagues do not fully understand the functional significance of economic calculation for the operation of any social system of exchange and production. Second, what is your understanding of the functional significance of economic calculation? Third, given that various forms of socialism are now gaining in popularity in culture and politics, what in your mind is the contemporary relevance of the critique of socialist economic policies provided by Mises and Hayek?

(See next page for submission instructions and deadline details.)

Please include the following in your essay:

- Name, G Number, and email address on the top right of the first page, include your name on each subsequent page.
- Times New Roman 12-point font
- Write an essay of 6 to 8 double-spaced typed pages on what that claim is trying to get across to readers.
- Submit 1 copy of the essay. Essays will be evaluated for cogency, economic reasoning, and persuasiveness.

DUE DATE AND SUBMISSION METHOD:

- **Essay files must be saved in the following format:** First Name_Last Name_Name of Essay_G#
- **Submit essays by email** (attach your essay as a PDF file) to mbernier@gmu.edu no later than **Monday, March 27th, 2023, before 11:59 PM, EST.**

Note: No late submissions will be accepted.

Essay winners will be contacted by the Department of Economics by email.