



PROSPERITY
and the FUTURE of
FREE ENTERPRISE

$p_{i_1, \dots, i_{n-1}}(f_1, \dots, f_{n-1})$
 $p_{i_1, \dots, i_n}(f_1, \dots, f_n)$
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CHARLES ST.

THE LEGATUM INSTITUTE
Charles Street Symposium

Programme

CHARLES STREET SYMPOSIUM | PROGRAMME | DECEMBER 2013

What Would Hayek Say Today (Really)?

12-13 December, 2013
London

ABOUT THE LEGATUM INSTITUTE

Based in London, the Legatum Institute (LI) is an independent non-partisan public policy organisation whose research, publications, and programmes advance ideas and policies in support of free and prosperous societies around the world.

LI's signature annual publication is the *Legatum Prosperity Index*[™], a unique global assessment of national prosperity based on both wealth and wellbeing. LI is the co-publisher of *Democracy Lab*, a journalistic joint-venture with *Foreign Policy* Magazine dedicated to covering political and economic transitions around the world.

www.li.com

www.prosperity.com

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WELCOME

The ideas of Friedrich August von Hayek have left a significant footprint on economic thought and policy debates of the last century. But do his ideas still matter? In the wake of the 2008 financial crisis there has been a resurgence of interest in Hayek's work on business cycles, but its policy lessons have been largely ignored by policymakers. Much of his other scholarly work remains largely ignored or, worse yet, misunderstood.

In the past his ideas mattered greatly. In the face of stagnating economies of the Soviet bloc and the economic malaise in the West in the 1970s, Hayek's vision represented a stark alternative to the dominant consensus about the role of the government in the economy. The reforms of the Thatcher and Reagan years, as well as the radical reform strategies used in post-communist transitions were influenced by Hayek, and are generally seen as successful in restoring life to previously moribund economies.

But what would he and the wider 'Austrian School' of economics say about the modern challenges facing the globalised world economy? How would he have seen the current financial crisis as it continues to unfold? Did Hayek's support of non-price distorting redistribution and mandate policies mean that he would have endorsed universal healthcare? Would Hayek have seen a need for intellectual property protection in the increasingly interconnected world? What would he have seen as the challenges to nations which are endeavouring to transition towards democracies and market economies?

The 2013 Charles Street Symposium explores such questions to better understand the relevance of Hayekian economic and social thought for the 21st century. This publication presents the written works of twelve exceptional young scholars who endeavour to answer those questions.



THURSDAY 12 DECEMBER, 2013



Legatum
Institute

19.00

RECEPTION

19.30

WELCOME DINNER

With special guest: Esca Hayek

KEYNOTE SPEECH

Introduction: Dalibor Rohac (Cato Institute)

Speaker: Pascal Salin

Questions: Open floor

FRIDAY 13 DECEMBER, 2013



Legatum
Institute

8.30–8.45 ARRIVAL

8.45–9.00 INTRODUCTION

Jeffrey Gedmin

9.00–10.00 HAYEK AS A FOUNDATIONAL THINKER

Speakers: Zach Caceres (Startup Cities)
Eszter Nova (Fin Research Institute,
Hungary)

Chair: Dalibor Rohac (Cato Institute)

Discussant: Dr Pythagoras Petratos
(University of Oxford)

10.00–10.30 TEA/COFFEE

10.30–12.00 FINANCE AND BUSINESS CYCLES

Speakers: Josef Mládek (University of
Economics, Prague)
Wolf von Laer (King's)
Mathieu Bédard (Aix Marseille)

Chair: Professor Philip Booth (IEA)

Discussant: Professor Pascal Salin (Dauphine)

12.15–14.00 LUNCH

Speaker: Dr Eamonn Butler, President
of Adam Smith Institute

Introduction: Edo Omic/Dalibor Rohac

14.00–15.30 'WICKED PROBLEMS'

Speakers: Helen Dale (MBM Commercial)
Nick Cowen (King's College London)
Dr Adam Martin
(King's College London)

Chair: Sam Bowman (Adam Smith Institute)

Discussant: Dr David Skarbek
(King's College London)

15.30–15.45 TEA/COFFEE

15.45–17.15 HEALTH CARE AND EDUCATION

Speakers: Marta Podemska Mikluch (Beloit)
Will Duffield (LSE)
Gabriel Sahlgren (LSE)

Chair: Edo Omic (Legatum Institute)

Discussant: Dr Emily Skarbek
(King's College London)

17.15–18.30 CLOSING RECEPTION AND PRIZE GIVING

MODERATORS (CHAIRS)

PHILIP BOOTH

Professor Philip Booth is Editorial and Programme Director at the Institute of Economic Affairs and Professor of Insurance and Risk Management at Cass Business School. Previously, Booth worked for the Bank of England as an advisor on financial stability issues. He has written widely, including a number of books, on investment, finance, social insurance and pensions as well as on the relationship between Catholic social teaching and economics. He is editor of *Economic Affairs* and Associate Editor of the *Annals of Actuarial Science* and the *British Actuarial Journal*.

SAM BOWMAN

Sam Bowman is Research Director of the Adam Smith Institute, Britain's leading libertarian think tank. He is responsible for managing and editing the Institute's publications and research. His current interests are in the political economy of "Bleeding Heart Libertarianism", a school of thought that tries to blend 'social justice' with free markets. He is also interested in the economics of migration and the epistemic limitations of social democracy. He likes food, beer and computer games.

EDO OMIC

Edo Omic is a Research Analyst in the Prosperity Studies Team. He contributes to the production of the *Legatum Prosperity Index*™. Edo conducts research and analysis on the various economic, political, and societal determinants of a country's prosperity. His research and academic interests are in international political economy, global economics, and development studies. Before joining the Legatum Institute, Omic worked as an economic consultant for BP, helping to determine the economic impact of the 2010 Deepwater Horizon oil spill. He has also worked as an intern for the Community Agroecology Network, where he aided in the effort to promote international sustainability and conservation farming practices. Omic holds a Master's degree in Economics from the University of Bristol and a Bachelor's degree in Global Economics from the University of California at Santa Cruz.

DALIBOR ROHAC

Dalibor Rohac is a policy analyst with the Cato Institute's Center for Global Liberty and Prosperity. His work focuses on international political economy and development. Before joining Cato, he was an economist at the London-based Legatum Institute, where he worked on topics ranging from the Eurozone crisis to economic transitions in the Arab world. Rohac has worked at the Office of the President of the Czech Republic, has been a research associate at the Centre for the New Europe in Brussels and was a Weidenfeld Scholar at Oxford University. He is a Junior Visiting Fellow at the Max Beloff Centre for the Study of Liberty, University of Buckingham, and an Economics Fellow at the Institute of Economic Affairs in London. Rohac's articles have been published in the *Financial Times*, *International Herald Tribune*, *Wall Street Journal Europe*, *Los Angeles Times*, *American Interest*, *Policy Review*, *Weekly Standard*, *National Review Online*, and other outlets. He has also authored a number of scholarly articles published in professional journals, including *Kyklos*, *Constitutional Political Economy*, *Economic Affairs*, and *European Journal for the History of Economic Thought*. Rohac holds an M.Phil. from Oxford University, an M.A. from George Mason University and an undergraduate degree from Charles University in Prague. He is currently a PhD candidate in the Department of Political Economy at King's College London.

SPEAKERS

EAMONN BUTLER

Dr Eamonn Butler is Director and co-founder of Britain's leading free-market policy think tank, the Adam Smith Institute, and a leading author and broadcaster on economics and social issues. He is the author of books on the pioneering economists Milton Friedman, F.A. Hayek, Ludwig von Mises and Adam Smith, and co-author of *Forty Centuries of Wage and Price Controls* and books on intelligence testing. Butler is the winner, with his colleague Dr Madsen Pirie, of the 2010 National Free Enterprise Award, for the greatest contribution to furthering the market economy. In 2012 he was awarded an honorary DLitt from Heriot-Watt University in Edinburgh in recognition of his outstanding contribution over several decades to the advancement of public policy and economics. Butler is Vice-President of the Mont Pelerin Society, an international association of distinguished economists and entrepreneurs, founded in 1947 by the Nobel Prize winner F A Hayek. He has degrees in economics, philosophy and psychology, gaining a PhD from the University of St Andrews in 1978.

PASCAL SALIN

Professor Pascal Salin is a professor emeritus at the University of Paris-Dauphine. He is the former president of the Mont Pelerin Society, from 1994 to 1996. He has been a consultant to the International Monetary Fund, government of Niger, United Nations Food and Agriculture Organization, and Harvard Institute for International Development. His books include *L'ordre monétaire mondial*, *La vérité sur la monnaie*, *Macroéconomie*, *Libre-échange et protectionnisme*, *La concurrence*, *L'arbitraire fiscal ou comment sortir de la crise*, and *Liberalism*. He received his PhD in economics from the Université Paris-Dauphine and is a Knight of the Légion d'Honneur, and an Officer of the Ordre national du Mérite.

DISCUSSANTS

PYTHAGORAS PETRATOS

Dr Pythagoras Petratos is a Departmental Lecturer at Saïd Business School, University of Oxford. His studies include postgraduate degrees from Cass Business School, City University, University of London and the University of Oxford in Finance, Economics (Health), European Politics and Computer Science (Engineering) respectively. He was awarded his PhD from the University of London. His thesis was on the Valuation of New Technologies with particular reference to Private Equity and Venture Capital, examining also regulation and business cycles.

Pythagoras is listed in the Marquis *Who is Who in the World* and was recognised as a Distinguished Scientist by the Greek State.

He has taught undergraduate and postgraduate courses at the University of London, ESCP Europe, University of Buckingham, and numerous Greek Universities and faculties (Economic Departments, Medical Schools, Social Science) as a Visiting Professor. He was also Visiting Fellow at Cambridge University from 2006–2008.

DAVID SKARBEEK

Dr David Skarbek is Lecturer in Political Economy in the Department of Political Economy. His research interest is to understand how people define and enforce property rights in the absence of strong, effective governments. His work has examined incarceration, gangs, and crime in the United States.

David received a BS in Economics from San Jose State University and a MA and PhD in Economics from George Mason University. He previously taught in the political science department at Duke University.

PARTICIPANTS

MATHIEU BÉDARD

Mathieu Bédard is a PhD candidate at Aix-Marseille Université, a Teaching & Research Fellow at the Toulouse School of Economics, and holds a Research-MA in Economic Analysis of Law & Institutions from Université Paul Cézanne. He is a Marcia Whitney Fellow at the Institute for Humane Studies, and an Institute for Economic Studies–Europe Fellow. Originally from Montréal, Canada, he lives in Marseille with his wife and two sons. His main areas of research are systemic risk, financial stability, depositor protection and free banking.

ZACHARY CACERES

Zachary Caceres is the Executive Director of Startup Cities Institute at Universidad Francisco Marroquín. He sits on the Board of Directors for the Radical Social Entrepreneurs Foundation, co-founded with John Mackey (of CEO Whole Foods) and education entrepreneur Michael Strong. Caceres won the Carl Menger Essay Contest in Austrian Economics in 2011. He is Editor of *Radical Social Entrepreneurs* magazine and has been published or featured by *DigitalCulture.LA*, *The Boston Phoenix*, *Peer-to-Peer Foundation*, *Huffington Post Live*, and *Barron's*. He has written chapters for *Hayek and Behavioral Economics*, and *Basic Income Guarantees and the Free Market*, both published by Palgrave. He is co-author, with municipal reformer Oliver Porter, of the e-book *The Contract City* (2014). He graduated in Politics Philosophy and Economics (2011) from New York University.

NICK COWEN

Nick Cowen is a political theorist and public policy researcher with interests in political economy, education, civil liberty and criminal justice. Cowen graduated in philosophy from University College London in 2006. From 2006 to 2008 he was a research assistant at the social policy think tank Civitas, where he wrote two books: *Swedish Lessons*, on school choice, and *Total Recall*, on direct democracy. From 2010 to 2012, he was Civitas's Communications Manager. Cowen also has an MPhil in Political Theory from the University of Oxford.

HELEN DALE

Helen Dale is a commercial lawyer in private practice in Edinburgh, Scotland. A graduate of the Universities of Oxford (where she was at Brasenose) and Edinburgh, she won the Law Society of Scotland's annual essay award in 2012 for her paper 'A Plea in Law for Equal Marriage', and writes a regular legal column for *The Skeptic*, the leading publication for the UK's freethinking community. She has a particular interest in start-up finance, angel investing, and entrepreneurship.

WILL DUFFIELD

Will Duffield is an undergraduate at Sarah Lawrence College pursuing a BA in Political Science. He is spending his third year abroad, at the London School of Economics as a General Course student in the Department of Government. Will has been interviewed by National Public Radio and Russia Today America. Last spring Will interned with the Drug Policy Alliance, and he currently serves as Vice President of the LSE Hayek Society.

GABRIEL HELLER SAHLGREN

Gabriel Heller Sahlgren is Director of Research at the Centre for Market Reform of Education, Research Fellow at the Institute of Economic Affairs, and Affiliated Researcher at the Research Institute of Industrial Economics in Stockholm, Sweden. He recently published the book *Incentivising Excellence: School Choice and Education Quality*, which discusses the conditions that need to prevail for choice to produce higher achievement and analyses a vast amount of research on this topic. Heller Sahlgren appears frequently in the UK and international media on issues related to applied microeconomics.

ADAM MARTIN

Adam Martin is a Lecturer in Political Economy at King's College London, where he is the leader of the Rationality, Choice, and Uncertainty research group. His research interests include Austrian economics, economic methodology, economic development, and public choice. After receiving his PhD in Economics from George Mason University in 2009, he was a post-doctoral fellow at the Development Research Institute at New York University. He has also been a visitor at the Center for the History of Political Economy at Duke and the Social Ontology Group at Cambridge. Martin is a co-founder of the Carl Menger undergraduate essay contest for the Society for the Development of Austrian Economics and a member of the Board of Scholars of the Foundation for Economic Education.

JOSEF MLÁDEK

Josef Mládek is a PhD candidate at the University of Economics in Prague. He works at the Czech Ministry of Finance and deals with issues of financial markets development and regulation. Before joining the Ministry of Finance, Mládek did research at the Liberalni institut, a major Czech think tank, and also took an internship at the Cato Institute. His research interests include financial markets, prudential regulation and financial stability. He is also interested in how financial markets develop and change and the interaction between the economy and society. Mládek has written numerous articles on macrofinancial cycles in emerging economies. For example, he has been pointing-out the specific risks of Chinese economic imbalances.

ESZTER NOVA

Eszter Nova was a geopolitical analyst at Stratfor and a commodity market consultant in London before joining the Financial Research Institute in Budapest as a political economy fellow in 2009. Nova has edited and contributed to two volumes on the management of the financial and economic crises and the consolidation of third wave democracies. She is a member of three expert panels on foreign and economic policy, and the rule of law in Hungary. She obtained her PhD in 2012 from ELTE, Budapest where she taught postgraduate courses on the future of the welfare state, objectivism, the economic crisis and foreign policy analysis.

MARTA PODEMSKA-MIKLUCH

Marta Podemska-Mikluch is a Visiting Assistant Professor at Beloit College, Wisconsin, United States. Born in Poland, after her second year of college she moved to the United States where she completed her undergraduate degree in Political Science, followed by a masters and a doctorate in Economics.

She received her PhD from George Mason University in 2012 for the work on the institutional evolution and collapse of the Polish-Lithuanian Commonwealth. Podemska-Mikluch's research follows the tradition of Public Choice and Constitutional Political Economy as it concerns institutional patterns generated by the interactions between public and private enterprises in various institutional settings, most recently healthcare.

WOLF VON LAER

Wolf von Laer is a PhD student in political economy at King's College London, where he is writing a thesis analysing public choice processes during crises. Wolf is the author of the German book *Problems of the Established Central-Banking System—Free Banking as an Alternative?* and winner of the 2011 Vernon Smith Essay Contest with his article "The Decline of the Rule of Law & the Emergence of Regime Uncertainty." Additionally, Wolf holds a graduate student scholarship from the Friedrich Naumann Foundation and is a Thomas W. Smith and Adam Smith Fellow. Wolf earned a master's degree in economics of the Austrian school from Universidad Rey Juan Carlos and a double BA in economics and social sciences from the University of Erfurt.



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LEGATUM INSTITUTE

11 Charles Street
Mayfair

London W1J 5DW
United Kingdom

t: +44 (0) 20 7148 5400

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