วารสารสังคมศาสตร์ ปีที่ 8 ฉบับที่ 1 (ม.ค.-มิ.ย. 2555) หน้า 139-171.

German Neoliberalism and the Idea of a Social Market Economy: Free Economy and the Strong State*

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World Stock Markets in Turmoil (Guardian, 5/8/11)
Collapse of Neoliberal Ideology (Harvey and Milburn, in Guardian, 5/8/11)
State of Emergency (Guardian, 5/8/11)

Abstract

The German ordoliberal tradition developed in the Germany of the Weimar Republic amidst a server crisis of an entire political economy. It proposed a neoliberalism in which free economy is the practice of the strong state. It rejected laissez-faire liberalism as a deist idea that is unable to defend free economy at a time of need. For them free economy is only possible by means of strong state authority to contain the proletarianisation of workers, and they developed neoliberal social policy proposals to transform workers into citizens of private property. This transformation is a matter of an ever vigilant security state that may resort of dictatorial means of imposing order in case of a liberal emergency. The article presents the main ideas of ordoliberalism and argues that the present crisis has led to the resurgence of the strong as the concentrated force of economy, as ordoliberalism says it must.

Keywords: Neoliberalism and Crisis, Free Market and Strong State, Class, Private Property and Social Order.

Received 8 February 2012; accepted 12 March 2012

* I researched the Ordoliberal tradition with the support of an ESRC grant entitled 'Ordoliberalism and the Crisis of Neoliberal Political Economy', RES-000-22-4006. The support of the ESRC is gratefully acknowledged.

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Introduction

In the late 1920s, in a context of economic crisis and political turmoil, conflicting ideologies and entrenched class relations, ordo-liberal thought emerged as a particular account on how to make capitalism work as a liberal economy, or as Foucault (2008, p. 106) saw it, on how to define or redefine, or rediscover 'the economic rationality' of capitalist social relations. They did not identify neoliberalism with a weak state that allowed markets to run riot. They identified it with a strong state that acts as the political form of free markets. Capitalist crisis does not resolve itself, just like that. It requires strong state authority and decisive political action as a means of crisis resolution. When the going gets tough, they argued, a state of emergency is required. In the late 1920 / early 1930s they called for strong state action to settle things down, restore order, and create a free economy. This is what they called neo-liberalism, then. Now, the financial turmoil is said to show the collapse of neoliberal ideology, and a state of emergency is detected, which calls for a decisive response to hold economic meltdown. Who declares the emergency, and what needs to be done? Surely the market does not declare – there is nobody to phone. Emergencies are a matter of state. This idea lies at the heart of the ordo-liberal conception of the free economy as a political practice of the strong state. It dates from the late 1920s.

The German ordoliberals tradition is better known in the Anglo-Saxon world as the theory of the German social market economy as it became known after 1945. Its foundation lies in the works of Walter Eucken, Franz Böhm, Alexander Rüstow, Wilhelm Röpke and Alfred Müller-Armack. In the face of Weimar economic crisis and political turmoil, they advanced a programme of liberal-conservative transformation that focused on the strong state as the locus of social and economic order. The dictum that the free economy depends on the strong state defines their approach as a distinctive contribution to neoliberal thought. They reject the idea of the weak state as tantamount to disaster, and argue that the free economy is fundamentally a practice of government.

The ordoliberal idea of a social market economy is often seen as a progressive alternative beyond left and right (see for example, Glasman, 1996; Giddens, 1998). Wagenknecht (2012) sees it in fact as left alternative to neoliberalism, urging the German political party, Die Linke, which is the successor of the former ruling party of the GDR, to adopt its programme of a social market economy. In contrast, in the late 1940, Thomas Balogh (1950) who was a Keynesian economist and advisor to the Labour Party, criticised the social market economy as an attempt at planning by the free price mechanism. For the political right, this was precisely what made it so interesting. Terence Hutchinson (1981) agrees with the ordoliberal critique of laissez faire liberalism, saying that it concedes too much power to economic agents, whose greed, though required to oil the wheels of competition, is all consuming to the extent that it destroys its own foundation, for which the state has assume political responsibility. As Director of the Centre for Policy Studies, Sir Keith Joseph had shown lively interest in German ordo-liberalism. It provided, he said (1975, p. 3) for 'responsible policies, which work with and through the market to achieve [the] wider social aims' of generating enterprise on the basis of social cohesion. In the context of the 1970s crisis of social democracy, Andrew Gamble (1979) focused the then 'revival' of neoliberalism as a political practice of 'free economy and strong state'. With this conception Gamble traced the political stance of the incoming Thatcher government back to this defining ordoliberal idea. At the same time, Foucault's (2008) lectures at the College de France, 1978-1979, discussed the ordoliberal stance as an original contribution to the bio-political practices of liberal governance. In the language of the ordoliberals, bio-politics is called *Vitalpolitik* – a politics of life. In fact, Foucault argued that the neo-liberalism that is usually associated with the free market deregulation of the Chicago school, derives from the German ordoliberal tradition. Whatever its deviation, the German original provides its foundation, especially I argue at a time of a crisis.

Given this historical background, it is surprising that with the exception of Friedrich's (1955) most uncritical endorsement, one is hard pressed to find a critical exposition of ordoliberal thought. The paper gives a systemic introduction into this neglected but fundamental literature of neoliberal reasoning. The next section develops its basic assumptions, followed by two expositions one on the ordoliberal purpose of social policy, creating the social market economy; the other on the ordoliberal demand for a strong state. The conclusion summarises the findings.

Convictions, Assumptions, Positions

The fundamental question at the heart of ordo-liberal thought is how to sustain market liberty, and how to promote enterprise, especially in conditions of economic shock, financial crisis, political conditions of ungovernability. The works of Wilhelm Röpke[1] and Alfred Müller-Armack are of particular importance concerning the sociological and ethical formation of free markets. Both were adamant that the preconditions of economic freedom can neither be found nor generated in the economic sphere. A competitive market society is by definition unsocial, and without strong state authority, will 'degenerate into a vulgar brawl' (Röpke, 1982, p. 188) that threatens to break it up. Müller-Armack focused on myth as the 'metaphysical glue' (Fried, 1950, p. 352) to hold it together. In the 1920s he espoused the myth of the nation as the over-arching framework of social integration, in the 1930s he addressed the national myth as the unity between movement and leader, and advocated 'total mobilisation' (Müller-Armack, 1933, p. 38), in the post-war period he argued initially for the 're-christianization of our culture as the only realistic means to prevent its imminent collapse' (1981c, p. 496). Yet, in the context of the so-called West-German economic miracle, he perceived social cohesion to derive from an economic

[1] Alexander Rüstow work also belongs into this category. His work shadows that of Röpke, with one notable exceptions - the enunciation of the strong state in 1932.

development that Erhard (1958) termed 'prosperity through competition'. It offered a new kind of national myth rooted in the idea of an economic miracle as the founding myth of the new Republic.[2]

In contrast, Röpke who had started out as a rationalist thinker of economic value, bemoaned later in his life the disappearance of traditional peasant life, and the relations of nobility and authority, hierarchy, community, and family. He combines conservative ecological ideas of 'human warmth' and organic community with demands for market liberty. In his view, the free economy destroys its own social preconditions in what he called 'human community'. The economic miracle created materialist workers; it did not create vitally satisfied workers with roots in traditional forms of natural community, including rurified forms of self-provisioning to absorb labour market shocks. He perceived the 'menacing dissatisfaction of the workers' (Röpke, 1942, p. 3) as the reason behind economic crisis, and defined the proletariat as a welfare dependent class. A true social policy is one, he argued, that empowers people in the use of economic freedom and thus does 'away with the proletariat itself' (Röpke, 2009, p. 225).

[2] Röpke and Rüstow emigrated to Turkey in 1933. Both worked as Professors at Istanbul University. Röpke later moved on to Switzerland to take a Chair at Geneva University. Unlike Rüstow, he never returned to live in Germany. He did however work as an external advisor to the German economics ministry during the 1950s. His book The Orientation of German Economic Policy (1950) was published with preface by Adenauer, which gave it a quasi-official character. Eucken and Böhm stayed choosing, it is said, 'internal exile'. Röpke is held as the spiritual founder of the social market economy. Böhm was a Professor of law and economics, and a member of parliament for the CDU from 1953 to 1965. On Adenauer's recommendation, he led the German committee that negotiated with the state of Israel over reconciliation. Eucken was the ordoliberal economist. He was a Professor at Freiburg. He died in London in 1950 at the age 59. He was visiting the LSE to lecture on the ordo-liberal critique of this 'unsuccessful age' – the age Keynesian welfare states. Müller-Armack also stayed in Germany. He had argued all along for the strong man, and saw in Italian Fascism a means of overcoming the crisis of Weimar. He joined the NSDP in 1933. He coined the phrase 'social market economy' in 1946. From 1952 he worked in the Economics Ministry under Erhard, and was the main representative of German delegation during the negotiations of the Treaty of Rome. Moss (2000) sees him as the chief architect of 'neo-liberal' Europe. On the connection between the CDU and the founding ordoliberal thinkers in immediate post-war period, see Nicholls (1994).

Eucken argued that economic constitution is a political matter. The free economy does not create order just like that. Its order is a political creation, and the economic is fundamentally a sphere of ordered freedom. Böhm summarises the aims and objectives of ordoliberalism succinctly: Nothing is worse, he writes in 1937 (p. 11), than a condition in which the capacity of the free market to regulate peacefully the coordination of, and adjustment between, millions and millions of individual preferences only for 'the will of the participants to rebel against that movement'. The will needs to be secured and formed by the strong state.

The German ordoliberals assert that 'competition is a necessity' of freedom and an expression of what it means to be human. Without it 'man [is] not a 'human being' (Eucken 1948, p. 34). For them, the free economy is the only basis for a rational economy – yet it is very fragile: not only does competition, as Rüstow (1942, p. 272) put it, '[appeal] solely to selfishness', it also '[continuously increases] the property-less masses' (Röpke, 2002, p. 149) who struggle to make ends meet, and who therefore demand welfare support to meet subsistence needs. They rebuke laissez-faire liberalism for having committed the fatal error of 'assuming that the market mechanism supplies morally and socially justifiable solutions if left to its own devices' (Müller-Armack, 1978, p. 329). It justifies the actions of 'greedy self-seekers' (Rüstow, 1932/1963, p. 255), whose enterprise although it oils the machinery of the market, undermines the whole fabric of society to the detriment of the market, if left unrestrained. Competition does therefore 'neither improve the morals of individuals nor assist social integration' (Rüstow, 1942, p. 272). Competition needs to be confined to the economic sphere. Most significant is the increase in the property-less masses. For the future of capitalism, liberalism had to find an answer to the workers' question. Its resolution, they say, lies in determining the true interest of the worker, and they find the true interest of the worker to lie in what Smith (1976) called the liberal reward for labour. That is, sustained economic growth will bring about the (in)famous trickle down effect of social wealth. The idea of a social market economy is based on this conviction.

They perceived proletarianisation as one of the most severe sociological pathologies of capitalism. Rüstow defined the proletarian condition in classical Marxist terms as 'the transformation of labour power into a commodity, which results from the separation of the worker from the means of production' (Rüstow, 2005, p. 365). Röpke is equally clear about the workers' proletarian condition: It 'means nothing less than that human beings have got into a highly dangerous sociological and anthropological state which is characterised by lack of property, lack of reserves of every kind....by economic servitude, uprooting, massed living quarters, militarization of work, by estrangement from nature and by the mechanisation of productive activity; in short, by a general devitalisation and loss of personality' (Röpke, 2002, p. 140). Ordo social policy aims at overcoming this condition. It is to empower workers 'to live courageously and put up with life's insecurities' (Röpke, 2002, p. 198).

The welfare state is the 'false answer' to the 'the workers' question' (Röpke 2009, p. 224).[3] They argue that capitalist development has left workers without firm social and ethical roots, and reject the welfare state as an expression of this 'uprooted, unethical' proletarian condition. It 'consolidates proletarisanisation'. They thus denounce the welfare state as a product of unfettered 'mass opinion, mass claims, mass emotion and mass passion' (Röpke, 1998, p. 152). It allows '"mass-produced" men to shirk their own responsibility' (Röpke, 1957, p. 24). Naturally, says Röpke, nobody 'ought to be allowed to starve' but 'it does not follow from this, in order that everybody should be satiated, the State must guarantee this' (2002, p. 245). The welfare state reduces the social individual to 'an obedient domesticated animal [that is kept] in the state's giant stables, into which we are being herded and more or less well fed' (Röpke, 1998, p. 155). Röpke thus saw the Beveridge Report that

[3] This section references mainly the work of Röpke for two reasons: first, he expresses the ordoliberal critique of the welfare state with great clarity and precision. Second, according to Peck (2010, p. 16) Röpke is the more moderate member of the ordo-school, and his critique seems therefore measured in comparison.

heralded the British welfare state to lead to a Soviet style command economy, and argued that it is an expression of the 'highly pathological character of the English social structure', which he defined as 'proletarianised' (2002, p. 147).

In the context of the crisis of the Weimar Republic, they called for a commissarial dictatorship to restore liberty. The '"revolt of the masses" must to be countered by..."the revolt of the elite"' (Röpke, 1998, p. 130, Böhm etal., 1936). This elite, they say, comprises the 'aristocrats of public spirit...We need businessmen, farmers, and bankers who view the great questions of economic policy unprejudiced by their own immediate and short-run economic interests' (Röpke, 1998, p. 131). These 'secularised saints... constitute the true "countervailing power"'. They provide 'leadership, responsibility, and offer an 'exemplary defence of the society's guiding norms and values.' He calls these experts of the public spirit 'a true nobilitas naturalis,...whose authority is...readily accepted by all men, an elite deriving its title solely from supreme performance and peerless moral example' (ibid.). This elite is to provide leadership when things are tough, restore the good society, and tie the democratic state to liberal state purpose. They say that a democratic system tends to be unable to limit itself, rendering every decision a political compromise at the expense of rational decision making. The revolt of the masses is aided by such an unfettered democratic system, which increases the 'economic consequences of democracy' to an intolerable level, a phrase that was employed by Sam Brittan (1977) in the 1970s to locate the then crisis in 'democratic overload'. The ordoliberals thus demanded that, if indeed there has to be democracy, it must be 'hedged in by such limitations and safeguards as will prevent liberalisms being devoured by democracy' (Röpke, 1969, p. 97).

The ordoliberals conceive of individual freedom as the freedom of the entrepreneur to engage in competition to seek gratification by means of voluntary exchanges on free markets. They perceive of the benefits of the free markets in conventional

market-liberal terms: Free markets are governed by the principles of scarcity, private property, freedom of contract, exchange between equal legal subjects, each pursuing their own self-interested ends. The free market allows social cooperation between millions of individuals by means of the price mechanism, which works like a 'signalling system' that informs consumers and producers of the degree of scarcity in the whole economy. As such a 'scarcity gauge' Eucken, 1948, p. 29) it sustains 'automatic' forms of market adjustments. Prices, says Röpke (1987, p. 17) 'are orders by the market to producers and consumers to expand or to restrict'. This operation requires the participants to accept the fact that wages can go down as well as up, depending on the demand for labour power. To help workers cope with loss of income, they propose that workers should get a part of their sustenance by working for themselves, including vegetable production in 'allotment gardens' (Röpke, 2009, p. 224). Such a regime of 'self-provisionment...will enable it [the nation] to withstand even the severest shocks without panic or distress' (Röpke, 2002, p. 221). They thus call for a cultural revolution to empower individuals, especially the poor, to take their life into their own hands. Progress, they declare should not be measured by the provision of welfare. Rather, it should be measured by what the masses can do for themselves and others 'out of their own resources and on their own responsibility' (Röpke, 1957, p. 22).

Laissez-faire belongs to the economic sphere. A social market economy as a whole cannot be based on it. In fact, says Hayek, it is 'a highly ambiguous and misleading description of the principles on which a liberal policy is based' (Hayek, 1944, p. 84). Eucken (2004) defines this innate connection between the free economy and the strong state, as an interdependence between different social spheres. That is, the political, the economic, the social, and the ethical spheres are interdependent with each other, so that dysfunction in one disrupts all other spheres - all spheres need to be treated together interdependently to achieve and maintain the cohesion of 'the liberal system'. Economists fail their profession if they concern themselves with only economic matters. To use a phrase of David

Cameron's, there are things more important than GDP. Economic competition and social enterprise depend on issues 'beyond demand and supply' (Röpke, 1998); and the free economy needs to be integrated into a coherent whole to secure its effective and efficient operation. That is, ordo-liberalism does not say that markets self-regulate. It argues instead that liberalism has to 'look outside the market for that integration which is lacking within in' (Rüstow, 1942, p. 272). The state is the organisational centre of this effort of integration. It 'intervenes' into the 'economic sphere' and the 'non-economic spheres' to secure the social and ethical conditions upon which 'efficiency competition' rests (Müller-Armack, 1979, p. 147). The ordo-liberals thus dismiss the association of liberalism with the weak state as a hostage to fortune – social order they say, is the precondition of free markets; and social order derives from political authority. That is, the 'authoritarian direction of the state is the necessary condition of economic freedom' (Böhm, 1937, p. 161, also p. 56) and the strong state is the presupposition and 'guardian of enterprise' (Vanberg, 2001. p. 50).

They reject laissez-faire liberalism for being unable to posit either political aims or definite social values. The strongest critique of laissez-faire liberalism can be found in the works of Wilhelm Röpke and Alexander Rüstow. For Röpke laissez-faire liberalism turns a blind eye to the proletarianising effect of market competition and can therefore not defend what it cherished the most – liberty (Röpke, 2009, pp. 52, 57). Rüstow (1942) argued similarly. In his view 'traditional liberalism' was 'blind to the problems lying in the obscurity of sociology' (p. 270), that is, laissez faire conceptions of the invisible hand amount to 'deist providentialism' (p. 271) that in his view defines the 'theological-metaphysical character of liberal economics' (ibid.). It does not know what it is taking about, and is clueless about the realities of capitalism. It asserted the 'unconditional validity of economic laws' (pp. 272-3) without enquiry into their social, ethical, and political preconditions. He thus dismisses laissez-faire liberalism as a 'superstitious belief' in the capacity of market self-regulation. Competition, he says, 'appeals...solely to

selfishness' and is therefore 'dependent on ethical and social forces of coherence' (Rüstow, 1942, p. 272), a fact he says, that laissez-faire liberalism is unable to recognise, let alone organise. In a word, laissez faire liberalism is totally blind to the problem of social integration. That is, the free economy is entirely dependent upon the market embedding capacity of the state. It is the political form of market freedom. For the ordoliberals, therefore, an economic crisis is the false name for what is in fact a crisis of interventionism. As a practice of government, the market needs to be harnessed, competition restrained, and need to be workers encouraged to make responsible use of economic freedom, enterprise needs to be embedded into society, and if the economy slows down, then this reflect a failure on the part of the state to sustain the perfect liberty of the market.

This section has argued that ordo-liberalism sees the free economy as a practice of government. It asserts the authority of the state as the political master of the free economy. Freedom is freedom within the framework of order, and order is a matter of political authority. Only on the basis of order can freedom flourish, and can a free people be trusted to adjust to the price mechanism self-responsibly. They reject laissez faire liberalism as a doctrine of faith that, when the going gets tough, is incapable of defending liberty. The next section introduces ordo social policy, which aims at achieving a society of vitalised and self-responsible individuals who react to the demands of competition with enterprise and courage.

Social Policy: Freedom and Enterprise

Social policy is about the provision of a 'stable framework of political, moral and legal standards' to secure market liberty (Röpke, 1959, p. 255). Social policy is not about the achievement of 'social' justice. A social policy that yields to demands for 'social' justice 'by wage fixing, shortening of the working day, social insurance and protection of labour...offers only palliatives, instead of a solution to the challenging problem of the proletariat' (Röpke, 1942, p. 3). It leads to the 'rotten fruit' of the welfare state, which amount to

a 'revolt against civilisation' and is 'the "woddenleg" of a society crippled by its proletariat' (Röpke, 1969, p. 96; 2009, pp. 14, 36). Instead, ordo social policy aims at transforming the proletarian into a citizen 'in the truest and noblest sense' (Röpke, 2009, p. 95).

Schumpeter's identification of capitalism with entrepreneurial freedom is key to the ordo-liberal conception of the free economy. For Eucken (1932, p. 297) the well-being of capitalism is synonymous with the well-being of the entrepreneurial spirit – innovative, energetic, enterprising, competitive, risk-taking, self-reliant, self-responsible, eternally mobile, always ready to adjust to price signals, etc. Müller-Armack (1932) speaks of the 'doing' of the entrepreneur, whom he likens to civilisation's most advanced form of human existence. Ordo-liberalism identifies capitalism with the figure of the entrepreneur, a figure of enduring vitality, innovative energy, and industrious leadership qualities. This then also means that they conceive of capitalist crisis as a crisis of the entrepreneur. Things are at a standstill because the entrepreneur is denied - not just by 'mass man' who 'shirk their own responsibility' but by a state that yields to 'mass man'.

Institutionally the crisis of the entrepreneur is expressed in the emergence of a weak state – a state that is unable to govern. The weak state fails to resist social pressures and class specific demands for intervention. The weak state is the institutional expression of proletarianised social structures. Finally, it is a state of unlimited democracy, and thus of political comprmise, and government by social-democratic majorities. This is a state, they say, that cannot decide what the rule of law ought to be. The social forces decide that. Instead of governing over society, society governs through the state, suppressing human economy and liberty in the name of social justice. Crisis resolution focuses therefore on two things: on the one hand the state has to be 'rolled back' to re-establish its independence and restore its capacity to govern on behalf of economic freedom, which the topic of the next section; and on the other hand, there is need for a social policy that facilitates free markets and vitalised workers.

The ordoliberal social policy objective is perhaps best summarized by Röpke (1950a, p. 182): 'We need to eliminate the proletariat as a class defined by short-term wage-income. In its stead we have to create a new class of workers who are endowed with property and assets, and who are rooted in nature and community, self-responsible and able to sustain themselves by their own labour, and who thus become mature citizens of a society of free humanity'. The following three subsections examine these points in reversed order. The fourth and final subsection summarises the argument focusing on the state as the political form of a social market economy.

Citizens of Free Humanity

They declare that material security is a most elementary human desire. However, the very attempt at trying to organize it is the 'surest way...of coming to grief' (Röpke, 2002, p. 198). Thus, the social dimension of the social market economy lies precisely in the political decision for the free market. This decision is in itself 'social' – it 'stimulates production and increases output, leading to greater demand for labour', which tilts the labour market in favour of workers, thus triggering the (in)famous trickle-down effect that spreads wealth to workers (Müller-Armack, 1976, pp. 253, 179). In his lectures to the LSE in 1950, Eucken (1951, p. 67) therefore concluded that such a social policy would make a Keynesian 'policy of full-employment' unnecessary. The market would solve the social question: it gives 'workers a far greater choice of jobs and therefore greater freedom' (Nicholls, 1994, p. 324), makes the poor wealthier in the long run, and therefore renders 'other forms of social welfare superfluous' (ibid., p. 325). The most important objective, then, of ordo social policy is to unfetter the 'productive forces of society' (Böhm, 1937, p. 11). Social policies that 'encourage economic growth' (Müller-Armack, 1989, p. 85) are of the essence, and the state therefore needs to support 'the initiatives of employers' to 'increase the productivity of their employees who have to regain interest in their work' (Müller-Armack 1981b, p. 72). How to do this?

Ordo-social policy is conceived as a *Vitalpolitik,* a politics of life, as Rüstow (2005; 2009) called it. It is to empower workers to accept the freedoms of the labour market with enterprising resolve and responsibility. Vitalpolitik is to overcome the devitalized status of workers, which is they see as an effect of 'urbanisation and massification' and of the barrack's discipline of industrial work. The proletarian condition is fundamentally a problem of personality. 'Devitalisation' can not be overcome by 'higher wages nor better cinemas', as Röpke and Rüstow saw it (1942, p. 3; 2009, p. 2009, p. 71). Vitally satisfied workers, they argue, can cope with loss of income and can adjust to market and working conditions in a robust and entirely responsible manner. The decisive social policy issue, then, is not the material welfare of the workers, but their vitality, that is, their capacity to face adverse conditions with courage, determination and self-responsibility (see Rüstow, 2005, p. 365). In this context, Müller-Armack looked at myth as a vitalising means, from the mobilisation of the national myth at the time of Weimar, via the national socialist myth of the unity between movement and leader during Nazism, to the post-war demand of the 're-christianisation' of society, arguing that a 'deeply felt religious believe is the only means of overcoming mass society and proletarianization' (Müller-Armack, 1981a, p. 262). Röpke and Rüstow had little time for religion, and abhorred Müller-Amarck's (1933) elucidation of the leadership principle (Röpke, 1959, p. 41). They favoured the 're-rooting' of the proletariat in de-congested settlements and decentralised workplaces, peasant farming, organic community, family and above all, proposed the spread of capitalised property as means of entrenching the law of private property. Whatever the proposed means, each in their own way sought ways to sustain that moral stamina upon which the free economy depends. *Vitalpolitik* has thus to penetrate the mental make-up of workers (Müller-Armack, 1976, p. 198) to undercut a proletarian consciousness in favour of an entrepreneurial outlook that perceives of economic crisis as an opportunity to buy cheap. He therefore argued for the 'incorporation' of competition and enterprise 'into a total life style' (Müller-Armack, 1978, p. 238). That is, only proletarians have a problem

with unemployment. Vitally satisfied workers see unemployment as an opportunity for employment. For the ordoliberals, unemployed workers are fundamentally workers in transit, from one form of employment to another. *Vitalpolitik* is about the creation of a society that embodies the 'caritas of responsible brotherhood' (Röpke, 1964, p. 87). David Cameron's idea of the Big Society expresses this same idea in gender neutral terms: 'You can call it liberalism. You can call it empowerment, You can call it freedom. You can call it responsibility. I call it The Big Society' (Daily Telegraph, 21st July, 2011).

Community and Nature

Vitalpolitik, this politics not for life but of life, is based on the recognition that the 'misery of "capitalism" is not that some have capital but that others have not, and for that reason are proletarianised' (Röpke, 1942, p. 263). Ordo social policy aims thus at overcoming the dependency of workers on solely wage income. They talk about restoring small property ownership to the worker, who 'must in all circumstances be divested of his chief material characteristic, viz., his unpropertied state' (Röpke, 2009, p. 221). Workers they say, need to develop a 'closer relation to the soil' and 'rent garden plots', or better still, own 'a house and arable ground'. Workers are to work for an employer during the waged part of the working day, and for themselves during the remainder of the day, once they are back home. Vitally satisfied workers are those who obtain a part of their sustenance from their own non-commodified labour. This is to make at least a part of their subsistence needs independent from the vagaries of the labour market. They thus propose the 'resurrection of 18C values, which combine with the virtues of individualism with those norms which are essential for an harmonious social order – reactionary views of peasant community' (Barry, 1989, pp. 119-120). This 'combination' is to instil and harness those ethical values upon with the sociability of competitive social relations and enterprise rests: That is to say, 'self-discipline, a sense of justice, honesty, fairness, chivalry, moderation, public spirit, respect for human dignity, firm ethical norms – all of these

are things which people must possess before they go to market and compete with each other' (Röpke, 1998, p. 125). Rüstow's notion of vitality and Röpke's idea of true community do not hook up with the Catholic doctrine of the Principle of Subsidiarity. Whatever its perversions and inversions, this principle contains notions of human solidarity and purpose, which are absent from the ordo liberal idea of the good society. For the ordo-liberals, empowering the vitality of the worker is a means towards the end of a human economy, that is, the transformation and multification of the social fabric into competitive enterprises (see Müller-Armack, 1976, p. 235).

Private Property and the New Worker

Let us, says Röpke (1950b, p. 153), 'put economic freedom on the firm foundation of mass property ownership, of one's house, and one's workshop and garden'. Rooting workers in rurified subsistence work is a protective measure against labour market shocks. It does not enable the worker as a full stakeholder of the free economy. For this to happen, the worker must 'be able to acquire freely disposable funds and become a "small capitalist", possibly by being given the opportunity of acquiring stocks' or have a 'share in the profits' (ibid.) Sam Brittan (1984) argued similarly in praise of the Thatcher governments' privatisation programme of the early 1980s, which he saw as a means of creating a popular capitalism. Giddens (1998) political philosophy of the Third Way recast these ideas for New Labour. In either case, the stakeholder society was to be based on flexible and deregulated labour markets, abandoning the link between wage increases and rising productivity. The idea of the worker as a small capitalist, or the stakeholder society, was not to enrich the worker. In fact, it was to allow 'wage elasticity' (Röpke, 2009, p. 33), encourage greater enterprising effort, bestow upon workers the values of 'self-reliance, independence, and responsibility' (Müller-Armack, 1976, p. 279). With the ownership of private property comes responsibility, and with responsibility comes freedom. Money, says Röpke (1950b, p. 252), 'is coined freedom'. Indeed, trade union demands for linking rising wages to rising productivity and full employment policies are 'repugnant

to the workers' own sense of freedom' (Müller-Armack, 1976, p. 182). They say, let them invest in the stock market, let them be responsible for their investments, and let them become employers of their own labour power.

However, the enterprise society of vitally satisfied workers is confronted by the paradox that the law of coined freedom depends on competitive income generation. The spread of wealth presupposes the production of wealth. The bottom line of the ordo liberal social policy is price competitiveness based on increased labour productivity. Foucault's comment on ordo social policy is succinct: there 'can only be only one true and fundamental social policy: economic growth' (2008, p. 144). Indeed, it is its 'social content' (Müller-Armack, 1976, p. 253). Only the 'total mobilisation of the economic forces allows us to hope for social improvements, which achieves real social contents by means of increased productivity' (Müller-Armack, 1981b, p. 79). That is, if things are at a stand then enterprise is lacking and greater productive effort is required to redeem the promissory note of an affluent future. Ordo-liberalism is about this future for which it strives in the present. This is what Müller-Armack (1946, in Müller-Armack, 1976) called a 'social market economy', an enterprise economy that is willed by the participants (Müller-Armack, 1976, p. 132). For what, as Foucault (2008, p. 148) put it succinctly, is 'private property if not an enterprise'. What, he asks, is home ownership 'if not an enterprise', an investment, a commodity, something for exchange, or profit? Enterprise is the formative idea of *Vitalpolitik*, of a politics of life.

The attribute 'social' was not met with unanimous approval. Hayek was the most vocal. His critique of the word 'social' in the 'social market economy' warned about the kind of misperception that sees ordoliberalism to advocate a political alternative to market neo-liberalism. It is, he says, a 'weasel word' (Hayek, 1979, p. 16) that allows the idea of 'social justice' to take hold, as indeed it did. The demand for 'social justice' is, he says, a 'dishonest insinuation' (Hayek, 1960, p. 97). It contradicts the very essence of a 'market'

economy. Social justice declares for a 'freedom' that Röpke and his colleagues despised. Not only is 'government-organized mass relief [...] the crutch of a society crippled by proletarianism and enmassment' (1998, p. 155). It also declares for the most 'dangerous and seductive' idea of a 'freedom from want' (ibid., p. 172). As he puts it, this expression amounts to a 'demagogic misuse of the word "freedom". Freedom from want means no more than absence of something disagreeable, rather like freedom from pain...How can this be put on par with genuine "freedom" as one of the supreme moral concepts, the opposite of compulsion by others, as it is meant in the phrases freedom of person, freedom of opinion, and other rights of liberty without which we cannot conceive of truly ethical behaviour. A prisoner enjoys complete 'freedom from want' but he would rightly feel taunted if we were to hold this up to him as rue and enviable freedom' (ibid.). That is to say, '"freedom from want"' entails a 'state which robs us of true freedom' (ibid., p. 173). There can be no liberty without freely cooperating and vitally satisfied individuals, who have the will of enterprise. Ordo-social policy is about the formation of this enterprise. The idea that 'poverty is not unfreedom' (Joseph and Sumption, 1979) does not mean that anybody should be allowed to starve. It means that everybody should be readied and ready for enterprise.

In sum, a proper 'social policy' does not redistribute wealth to aid the poor, it aims instead at establishing a connection between the 'human beings and private property', and in order to make 'competitive socially effective' (Müller-Armack, 1976, pp. 133, 239). For the ordo-liberals, a social market economy ceases 'to flourish if the spiritual attitude on which it is based – that is the readiness to assume the responsibility for one's fate and to participate in honest and free competition - is undermined by seemingly social measures in neighbouring fields', that is, those employment and welfare policies that constitute the welfare state (Erhard 1958, p. 184). The social element of the market economy has therefore a distinct meaning: it connects market freedom with individual responsibility, seeks to reconcile workers with the law of private property, promote

enterprise, and deliver society from proletarianised social structures. Social policy is meant to 'enable' individuals as self-responsible entrepreneurs. In sum, the 'players in the game' need to accept it, especially those who 'might systematically do poorly' (Vanberg, 1988, p. 26), and who, one might add, therefore demand welfare support to make ends meet.

Vitality and Authority

The free market presupposes vitally satisfied individuals, who perceive poverty as an incentive to do better, see unemployment as an opportunity for employment, price themselves into jobs willingly and on their own initiative, meet a part of their subsistence needs by working for themselves, and who save and speculate in stock markets to secure independent means of income. Its social policy is to 'enable individuals to achieve a level of income that will allow them the individual insurance, access to private property, and individual or familial capitalisation with which to absorb risks' of labour market adjustments (Foucault, 2008, p. 144). Vitally satisfied workers are those who take their life into their own hands, who get on with things, live courageously and put up with life's insecurities and risks, and fit in extra hours of independent work to meet subsistence needs and help others.

The purpose of ordo social policy, says Müller-Armack (1981b, p. 92), is to relief individuals from the fear of freedom. For the ordoliberals there is as much economic freedom as there are individuals willing to be free. The formation of society as an enterprise that combines freedom with individual responsibility is fundamentally a political task. Economic freedom is not an economic product. They understand that the natural tendency of the economy is destructive. It uses its human participants up as an economic resource, leading to proletarianisation. Freedom is thus a constantly empowered freedom. It is a political practice of a *Vitalpolitik* - a politics of life that empowers society in the responsible use of freedom, and ingrains enterprise as a life-style. Social policy is thus a policy towards society. It aims at making society to

'approximate as closely as possible to the ideal of perfect competition' (Rath, 1998, p. 68). This task is never completed. The free economy 'must be conquered anew each day' (Röpke, 1998, p. 27) to counteract its 'natural tendency towards proletarianization' (Röpke, 2009, p. 218). Laissez faire does therefore not extend to social policy. Instead, it is a practice of government, which provides for the requisite 'psycho-moral forces' (Röpke, 1942, p. 68) at the disposal of a competitive society.

Given that the free economy has a natural tendency towards proletarianization, the neoliberal 'trust in economic freedom', is essentially based on distrust. There is no freedom without surveillance to make sure that freedom is properly used – for freedom. There can thus be no economic freedom without strong state authority to enforce the laws of private property, as prices can be fixed, markets carved up, and competitive adjustment avoided by means of protectionism and manipulation of monetary policy; and workers can strike, the masses can revolt, forcing a weak state to concede welfare and employment guarantees. Just as the Hobbsian man requires the Leviathan to sustain her fundamental sociability, the free economy requires strong state authority to assure the orderly conduct of self-interested entrepreneurs (Röpke, 1998, p. 225). The free economy, 'must be supported, managed, and "ordered" by a vigilant internal policy of social interventionism' (Foucault 1997, p. 97) to sustain and facilitate that freedom of spontaneous action without which, they say, Man is not a human being. Social policy is thus an effort in embedding the rationality of enterprise by means of a perpetually vigilant security state (see Röpke, 1963; Eucken, 2004). This pursuit of economic freedom requires 'active leadership' (Müller-Armack, 1976, p. 239) and 'authoritarian steering' (Böhm, 1937, p. 161) by an 'enlightened state' (Nicolls, 1984, p. 169) that acts as 'market police' (Rüstow, 1942, p. 289). That is, the 'economic system requires a market police with strong state authority for its protection and maintenance' (ibid.). Social Market economy presupposes the 'strong state' (Rüstow, 1932/1963, p. 258) to secure the vitality of its participants as willing, responsible, and entirely reli-

able and dependable individuals of enterprise. Fundamentally, then, the free economy is a sphere that is defined both by the absence of the state, as a state-less sphere of individual freedom, and by state control, as a practice of liberal government.

Freedom and Authority: On the Strong State

Anthony Nicolls (1994, p. 48) and Sibylle Toennis (2001, p. 169) see Rüstow's (1932/1963, pp. 255-58) declaration for the strong state as a landmark in the theory of the social market economy. He defines this state as one that resists the pull of the powerful special social interests, which see the state as a means of advancing their own private interests as a matter of public policy. The weak state caves in to a plurality of social interests, and is caught by them. Rüstow calls this 'pluralism of the worst kind'. In his view, the weak state is founded on politicised social interests that assert themselves in the form of either pluralist interest groups or unfettered mass democratic 'emotions'. In either case the state looses its capacity to govern. Instead, the unrestrained social-democratic forces pull the state apart. It is devoured by 'greedy self-seekers' – self-seeking pluralist interest groups or self-seeking class interests, be it in the form of the denounced trade union movement or by means of party competition for the popular vote in an open and unfettered democratic system that has no defence against proletarian demands for welfare support. He argues that each of these forces 'takes out a piece of the state's power' and exploits for their own specific interests; and the state thus becomes a 'prey' of the mob and greedy-self-seekers. Instead of government, there is a profound crisis of ungovernability. In the 1970s, this same argument was made with respect to the crisis of the Keynesian welfare state, which was to be resolved by 'rolling back' the state. This roll-back was seen to transform the state into a neoliberal state, and this neo-liberal state was perceived in the popular academic literature as a state in retreat, that is, as a weak state.[4] However, the neo-liberals conceived

[4] The 1970s debate on ungovernability and/or democratic overload, see Brittan (1976), King (1976) and the contributions to Crozier (1975). The idea that the neo-liberal state lacks the power to govern, see in particular the work of David Held.

of this 'roll back' as the condition for establishing the strong state. It was to transform 'ungovernability' into 'governability'. The state has to govern, they say. It governs when it is no longer the 'prey' of the social-democratic forces, and has thus re-established itself as the political form of market liberty. As such it decides on the rules of the economic game, and governs accordingly. That is, the neo-liberal state is a state that governs over society. Only the strong can govern; and the strong state is one that does not allow itself to become the prey of the social forces. A strong state, says Rüstow (1932/1963, p. 255-58) is independent from the social forces. Rolling back the state is thus a means of putting it back 'where it belonged, above the economy and above the interest groups'. It depoliticises the social relations as apolitical exchange relations, as relations of enterprise and competition; and it guarantees this depoliticised status society by politicising the state as the enforcer of the rules of market freedom. The economy and state are thus interdependent forms of social organisation: the state is the political guarantee of an apolitical exchange society, of enterprise and competition (Eucken, 2004).

Röpke had already demanded the strong state in 1923, long before the onset of economic crisis. Liberalism, he argued, has to put itself at the 'forefront of the fight for the state' so that it may succeed in determining the liberal purpose of the state (1923/1959, p. 44). Only the state, he says, can guarantee the 'common wealth', and liberalism should not involve itself with defending particular class interests. It should 'always focus on the 'whole', and this 'whole' is the state (ibid., p. 45). Eucken, too, demanded the strong state over and above the social interests. In his view, the economic state of total weakness was a concession to vested interests. 'If the state... recognises what great dangers have arisen for it as the result of its involvement in the economy and if it can find the strength to free itself from the influence of the masses and once again to distance itself in one way or another from the economic process....then the way will have been cleared...for a further powerful development of capitalism in a new form' (1932, p. 318). That is, the economic

sphere and the political sphere are not really interdependent. Economic freedom exists through and on the basis of order – it is an 'ordered freedom', and thus takes place within the framework of state authority. The state-less sphere of economic conduct rests on the 'complete eradication of all orderlinessess from markets and the elimination of private power from the economy' (Böhm, 1937, p. 150). Martin Wolf's point that the liberalising success of globalisation can not be built on 'pious aspirations but [on] honest and organized coercive force' (Wolf, 2001) expresses this same idea with great clarity. He does not call for 'more government and less liberty'. He calls for more liberty by means of strong government. Thus, liberalism does not demand 'weakness from the state, but only freedom for economic development under state protection' (Hayek, 1972, p. 66). It is its independence from society that allows that state to govern, asserting 'its authority vis-à-vis the interest groups that press upon the government and clamor for recognition of their particular needs and wants' (Friedrich, 1955, p. 512). The free market is thus a state-less sphere under state protection, that is, the 'freedom...of economic life from political infection' presupposes the strong state as the means of that freedom (Röpke, 2009, p. 108). Its task is to depoliticise socio-economic relations, prevent the political assertion of private power, and to maintain regulation of social enterprise and market competition by means of the free price mechanism.[5]

[5] In distinction to the above conception of the strong state, Müller-Armack argued for a different form of restraining society in the early 1930s. He argued for the total politicisation of economic relations as a means of crisis-resolution. In his view (1932, p. 110), the 'statification of economic processes' was 'irreversible', and the demand for overcoming the economic state was therefore not realistic. Instead, he demanded the 'complete sovereignty of the state vis-à-vis the individual interests' by means of a 'complete integration of society into the state in order to change the development of the interventionist state' (p. 126). He demanded the total state as the basis for the 'national formation' of all economic and political interests. Its purpose was the freedom of the 'entrepreneur', that is, 'by means of the complete integration of the economic into the state, the state attains room for manoeuvre for the sphere of private initiative which, no longer limiting the political sphere, coincides with the political' (p. 127). He thus defined the Nazi regime as a 'accentuated democracy (1933, p. 34), declared 'Mein Kampf' to be 'fine book' (p. 37), and argued that socio-economic difficulties can only be 'resolved by a strong state' that 'suppresses the class struggle' and that thereby renders effective the free initiative of individuals within the framework of 'decisive rules' (p. 41). Still, the purpose that Müller-Armack ascribes to the total state – the political formation of economic freedom and suppression of class struggle - does not differ in substance from the purpose of strong state ascribed to it by Eucken, Rüstow, and Röpke. The distinction is one of the techniques of power – the one demands the total politicisation of an economic order to provide for individual initiative on the basis of suppressed class struggle, the others declare for the forceful depoliticisation of society as means of suppressing the class struggle in favour of enterprise and individual initiative.

What sort of 'coup de force' (Toennis, 2001, p. 194) is however needed if the going gets tough? According to Toennis, Rüstow's declaration for the strong state took its vocabulary from the legal philosopher of German Nazism, Carl Schmitt, but nothing more. Rüstow, she says, did not support Schmitt's politics of dictatorship. In her view, Ordoliberalism is a doctrine of freedom and thus also a doctrine against the abuse of freedom by what she calls the social forces. Thus, for Schmitt, she says, dictatorship was a means of preserving the state, which had become the prey of the private interests. For Rüstow, she says, the purpose of the strong state is to maintain market liberty. The one sought to preserve the state, and the other the free economy (p. 167). In her view, 'Ordoliberalism in the spirit of Rüstow is about "free economy and the strong state"' (p. 168), which is in fact similar in tone and conception to Carl Schmitt's similarly named lecture 'sound economy and strong state' (Schmitt, 1998), which he gave at meeting of German businessmen in 1932.[6] Nicholls (1994), too, praises Rüstow's declaration for strong state in 1932 as heralding 'the concept of the "Third Way"' (p. 48). He recognises, however, that 'Rüstow's call for a strong state ...could have been seen as an appeal for authoritarian rule' (p. 68). Indeed, Rüstow had already done so in 1929, when he called for a dictatorship 'within the bounds of democracy'. This state was to be 'forceful' and 'independent' governing not only be means of 'violence' but also by means of 'authority and leadership' (1929/1959, p. 100ff). Röpke (1942, pp. 246, 247) defines this 'dictatorship within the bounds of democracy' correctly as a commissarial dictatorship, which he says temporarily suspends the rule of law to restore legitimate authority in the face of an 'extreme emergency', for which he holds responsible the mass of society that lacks the 'moral stamina' (Röpke, 2009, p 52) to absorb economic

[6] On the connection between Hayek and Schmitt see Cristi (1998), on the connection between ordoliberalism and Schmitt, see Bonefeld (2006) and Haselbach (1991). Peck (2010, p. 59) says that Rüstow's 'authoritarian strand of liberalism would later find a place within the National Socialist project'. In his defence, Rüstow left Germany for Turkey upon Hitler's ascendancy to power. In 1932 he favoured a coup d'etat and commissarial dictatorship under, the conservative politician van Papen (Haselbach, 1991).

shocks with dignity, and that instead demands short terms policy responses to sustain employment and social welfare.

However, the defence of liberal principles in the hour of need is not enough. The defence of liberal principles has to be pre-emptive – the strong state is an ever-vigilant security state to ensure that freedom is used for appropriate ends, and that keeps the social interests at bay to maintain the state strong as an effective institution of market police. The strong state is a means of hemming in political democracy, tying it to liberal state purpose, that is, embedding enterprise and competition into the social body. 'If we free [democracy] from all the verbiage entangling it and from all historical weeds, there remains as the core the autonomy of the nation' (Röpke, 2009, p. 101). Then there is 'competition, and only competition, which furnishes the totality of the consumers' and in which 'every monetary unit spent by the consumer represents a ballot, and where the producers are endeavoring by their advertising to give 'election publicity' to an infinite number of parties (i.e. goods). This democracy of consumers...has the great advantage of a perfect proportional system' (ibid. p. 103). The free economy is thus a system of perfect democratic liberty, if government has what it takes to steer it that way.

In sum, for the ordo-liberals the strong state is the condition of the free economy. A state that does not defend its independence from society will lose its authority to govern and instead, will have become the prey of the social-democratic forces. They thus argue that the weak state succumbs to social pressures for, say, welfare support. It is weak because it has lost the capacity to contain these pressures on the basis of market liberty. For the ordoliberals, the tendency of what they call proletarianization is inherent in capitalist social relations, and if unchecked, is the cause of social crisis, turmoil, and disorder. Its containment belongs to the state; it is a political responsibility, and the proposed means of containment include the internalisation of competitiveness as a personality trait (Müller-Amarck, 1978), creation of a stake-holder society (Röpke, 2002), transformation of mass society into a property owning democracy (Röpke, 2009, Brittan, 1984), and if needed, political action against

collective organisation: 'if liberty is to have a chance of survival and if rules are to be maintained which secure free individual decisions' the state has to act (Willgerodt and Peacock, 1989, p. 6), and when it has to act 'the most fundamental principles of a free society...may have to be temporarily sacrificed...[to preserve] liberty in the long run' (Hayek 1960, p. 217). The prize 'is freedom' (Friedrich, 1968, p. 581).

Conclusion

Ordo-liberalism conceives of the state as the political master of the free market: the free economy is a public duty (Müller-Armack, 1976). The very existence of a state as an institution distinct from the economic entails state intervention. At issue is not whether the state should or should not intervene. Rather, at issue is the purpose and method, the objective and aim of state intervention. Liberal interventionism plans for competition, and at the most elementary, it is about the spiritual formation of the 'will of the participants' (Böhm, 1937, p. 52) to follow the movement of the price mechanism – better: to live, as Röpke (2002, p. 198) it, 'courageously and put up with life's insecurities'. Government is not to yield to demands that seek 'freedom from want'. It is meant to facilitate the sort of enterprise that Lord Tebbit had in mind when he advised the unemployed to get on their bike, to help themselves and others. Freedom comes with responsibility: both, as individual responsibility, and as the political responsibility of the state to provide for the requisite 'psycho-moral forces' upon which the social market economy feeds. Freedom and responsibility are thus a matter of *Vitalpolitik* - a politics of life that is about empowering the social individuals in the responsible use of freedom. They therefore argue that the free economy cannot be left to its own devises but that it requires political organisation and strong state authority for its protection. There can be no freedom without social order and social order is a matter of ordering. Böhm sums this point up neatly: for the sake of market liberty we reject the socialisation of the state (that is, the Keynesian welfare state that yields to social demands), and demand the 'etatisation of society' (Böhm, 1969, p.

171) to make sure that individuals react to economic shocks in a spirited manner.

They conceive of the strong state as the precondition of the free economy. In this sense, the market can do no wrong. After all, market liberty is a form of political governance, and economic downturns are therefore an expression not of economic failure, but rather of political failings. The ordoliberals expand on Smith's notion that, when 'things are at a stand' (Smith, 1976, p. 91) state action is required to facilitate 'the cheapness of goods of all sorts' (ibid., p. 333). For the ordoliberals, things are at a standstill because the state did not discharge its responsibility for maintaining the free economy with requisite authority. When things are at a stand, this manifests a failure on the part of the state to act as an effective 'market police'. 'We should', says Röpke (1936, p. 160) 'not speak of a "crisis of capitalism" but of a "crisis of interventionism"'. They criticised laissez faire liberalism because of its perceived inability to facilitate and sustain a free market economy in the face of 'greedy self-seekers', class conflict, and demands for employment and welfare provision.

Paraphrasing Simon Clarke (2005, p. 52), the point for ordo-liberalism is not to develop an analytical model for the analyses of developments in the real world. The point of ordo-liberalism is rather to make the real world more adequate to its model. It does not provide a social theory of capitalism. It asks what needs to done to secure economic liberty in the face of economic shocks, political strife, and entrenched systems of social security, and it develops the technique of liberal governance (Foucault, 2008) as a means of 'market police'. It thus manifests the 'theology' of capitalism (Clarke, 2005, p. 58). In this context, it does not matter whether it really succeed in making its model of a social market economy a reality. What matters is the practical intend and the chosen methods of formatting society as an embodiment of enterprise.

The crisis of neoliberal political economy does therefore not entail the death of neoliberal governance. Rather, it entails its reassertion by means of the state as the political form of market liberty, of competition, of entrepreneurialism, and of individual self-responsibility. Ordoliberalism, says Peck, 'became part of neoliberalism's lost history' and I already quoted him to say that it might now be 'back in favour' (2010, pp. 19, 275). I doubt though that this will only entail what he sees as 'a more orderly, restrained form of market rule'. For ordoliberalism freedom and order are connected. Freedom is ordered freedom. It forces a people to be free. The popular notion that neoliberal ideology has now collapsed makes sense only if it is seen as a doctrine of the weak state and the strong economy. This really is a gross misconception. The neoliberals never argued that the economy is strong if left to roam. They do however say that the neoliberal state is a state of emergency.

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