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Enigma konzervativnog liberalizma: Da li smo svi ordoliberali? (The Enigma of Conservative Liberalism: Are We All Ordoliberals?)

by **Alpar Lošonc**

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Ordoliberalism is an interdisciplinary orientation that left significant traces primarily in European theoretical and practical orientations. It is a trajectory that primarily combines economic and legal arguments, that is, it shows deep connections between the economic and legal domains in order to understand the dynamics of capitalism. In terms of methodology, ordoliberalism is consistently anti-positivist.

“Economic constitutionalism” - this is a very important notion in the economic-legal articulation of ordoliberalism. At the same time, it should be emphasized that ordoliberalism goes far beyond theoretical frameworks, it can be shown that it significantly influenced the economic policy of the European Union that was created after World War II. But, ordoliberalism also determined the contours of (successful) German economic policy, including the economic policy of Angela Merkel, who rightly emphasized the special significance of ordoliberalism for Germany.

Today, in the context of the emergence of regressive elements of the German economy, ordoliberalism is also the subject of various critical considerations: whether ordoliberalism, which was named as the engine of unstoppable German economic dynamics, was only a double-edged sword, that is, whether ordoliberalism is one of the essential causes of today's German regressive dynamics? Does this mean that the former hegemony of ordoliberalism is in the process of disappearing with corresponding consequences for Germany as a whole?

Ordoliberalism arose in the thirties of the 20th century: its former, significant representatives such as Walter Eucken or Wilhelm Röpke were at this time relevant economists who had reception in the world. Of course, this is a terrible crisis period (the epoch of “Great Depression”) that will turn Germany into Nazism. After the end of the war, many ordoliberals participate in the reconstruction and especially take part in economic-legal-political work later when the European Union is born. Many commentators

believe that ordoliberal principles significantly determined the orientation of the European Union, let's say in the domain of competition policy.

We said that ordoliberalism still exists today, that's how Ordo journal exists - of course, it is written by today's generations in a completely different historical context, and in a situation in which the economic discourse is formed in a different way than half a century ago. Today's ordoliberals resemble the original thinkers, but their discourse contains much more quantitative data, or models.

In any case, the narrative about the different generations of ordoliberalism illuminates the dynamics of almost 100 years, both economic theory and economic policy. To that extent, dealing with ordoliberalism requires delving into the various stages of the mentioned century, and dealing with the huge dilemmas that surfaced. Ordoliberalism was celebrated by economic theorists, therefore, it belongs to the economic discourse, but if we look at the ramified reflections of their former representatives, then we must say that ordoliberalism is not just an economic theory.

In other words, the thematization of ordoliberal thought requires reflections directed in different directions. Alpar Lošonc's monograph has precisely such an ambition, namely, to thematize ordoliberalism confronted with political-economic issues in the indicated historical sequence. The book realizes certain historical narratives that can belong to economic (or legal) history. Nevertheless, such narratives are reduced to a certain extent, the author's intention is in fact to a much greater extent focused on the analysis of various selected problems. That is, the basic thread of the monograph is extremely problematic-oriented: the author discusses ordoliberalism, which representatively formulates certain problems of "self-regulating capitalism", as well as trying to offer certain answers to the same problems that extend to all historical periods of capitalism. The epoch-making significance of ordoliberalism is also shown in the fact that it enters the rut of discussions about the coordination of capitalism, so extremely confrontational with Keynesianism (the ironic point "we are all ordoliberals" is a variation on Richard Nixon's one-time *bon mot*, namely, "we are all Keynesians").

Ordoliberalism bears a clear German stamp, its proponents came from the German political and economic milieu. At the same time, it would not be correct if we situate ordoliberal economic reflections only in the German context. Namely, ordoliberalism was an organic part of that orientation that sought the possibility of restoring dilapidated liberalism. This happened after World War I and II. Many liberal economists took part in the orientation itself, although not only them - the Mont Pelerin Society, mentioned many times, which still exists today, is an expression of efforts to rehabilitate the weakened liberalism.

Although today we almost instinctively think that "neoliberalism" is of Anglo-Saxon origin, this is still a mistake, as is evident in this book, which shows the interweaving of ordoliberalism in the world context in the mentioned era - it is not by chance that Friedrich Hayek appears many times in the book as a significant figure (it is indicative that at the end of his life he was attached to Freiburg and to an institute that was ordoliberal biased). Far from equating their views, we note significant differences between Hayek and ordoliberals, but there was communication between them that was essential for the development of ordoliberal thought. Therefore, the ordoliberals represented actors in the world self-understanding of economic and political liberalism that

felt defeated. In the same period, the ordoliberals were also active in writing important books, but some of them also wrote economic nonfiction. Thus, Röpke was a famous debater, and he used the sharpness of his pen to a great extent against Keynes.

Alpar Lošonac's book can be understood as a contribution to the history/problems of neoliberalism, in terms of its ramifications, but with respect to what has already been said: historical arguments are subordinated to analytical ones, to the "problematization". It is worth additionally noting that neoliberalism is being discussed here from the articulated critical position.

The book consists of 10 parts. The *first* part reveals the aforementioned methodological procedure, which simultaneously moves along historical paths, as well as within the framework of the present, which reworks the original ordoliberal thoughts. Treating the relations of continuity and discontinuity of the ordoliberal political economy, Alpar Lošonac connects different generations of ordoliberals alongside the mentioned "problematizations". The author starts from the American "shock" in 2013 regarding the hard ordoliberal stance on the austerity strategy that will be born a little later and the policy of disciplining the "misguided Greeks". Savings as an economic strategy is not a random outcome of ordoliberalism, on the contrary, basic economic and ethical determinations are expressed in it. In the first part, the author explains why ordoliberalism is not just a branch of neoliberalism, although it is in dialogue with it, that is, why ordoliberalism acquired an autonomous status in the process of liberalism's rehabilitation. In terms of the author's general path, the fact that he explains ordoliberalism as woven into the political-economic contradictions of capitalism is significant. That is, he emphasizes that ordoliberalism embodies contradictory dimensions that tries to self-regulate - ordoliberalism shows that this is impossible, that the market economy must resort to non-economic mechanisms to ensure its coherence. A particularly interesting moment of the text will be recognized in the thematization of the intriguing relationship between capitalism and ordoliberalism - the author takes into account those arguments that identify anti-capitalist orientations in ordoliberalism, although he tries to show the groundlessness of the same arguments.

The *second* part refers to the phenomenon of crisis and shows ordoliberalism as a permanent response to crisis tendencies in capitalism. This allows him to situate ordoliberalism as an orientation that was provoked by various crises (the 1930s and 1960s/1970s, the eruption of the crisis in 2007/2008, even involving the issue of covid-19), and which asserts itself as a crisis-guardian. At the same time, the author presents ordoliberalism not only as an economic and legal doctrine that offers different responses to crisis processes, but also as an orientation that is subordinated to the same complex processes. In other words: crises are situations when ordoliberalism is particularly active, but they also show the immanent deficits of ordoliberalism.

Crisis as a measure of the success of ordoliberalism show the confrontational nature of the reception of ordoliberalism both in Germany and in Europe: while one side claims the ordoliberalism is the culprit, that is, one of the essential ideological causes of the crisis, the other expresses the opinion that there was too little ordoliberal discipline in applied policy.

The *third* part presents the constant interaction between economic and legal moments. It is an analysis of the state of emergency, the more precise chapter is titled

“Emergency situations as crisis management”, which assumes that this part of the book is a continuation of the previous part. Why do crises lead to the “perpetuation” of emergency crises? The author of the book is interested in such moments that make emergency situations permanent, in addition, he devotes a lot of text to the analysis of the “economization” of the state of emergency. In this way, an originally legal system acquires strong economic meaning - this interpretive maneuver serves the author to question the effects of ordoliberalism in different historical periods, including the crisis of 2007/2008. years. The tension between the “ordoliberal tailored order” and the economized state of emergency is part of this analysis.

The *next* block actually connects the fourth and fifth parts of the book. The *fourth* part can be called treating the basic categorical structure of the economy as such. It is no coincidence that this part is entitled “Lack, Scarcity, Abundance - Critique of the Ordoliberal Axiom”. The ordoliberal reflexivity is shown, which in the 30s and 40s of the 20th century independently of the well-known definition of Lionel Robbins came to determine the basic reasons for the emergence of economization at all. The goal of the author is to show that the axiomatic understanding (scarcity) determines both the ordoliberal version of the economic discipline, as well as the economic policy that favors saving due to a dual, namely, ethical and economic reason. The thematization of abundance as a supporting economic category that releases heterodox energy in economic discourse opens the door for the fifth part of the book.

Thus, the *fifth* part refers to Keynes, more precisely to the conflictual relationship between the English economist and the ordoliberals. Their confrontational relationship was conditioned by the fact that they had opposite views regarding basic economic issues. From the beginning, the ordoliberals attacked Keynes, his understanding of consumption, or insufficient demand - while making serious accusations regarding his effects on economic theory as well as economic policy. Alpar Lošonc shows that this one-sided conflict (Keynes either did not want to, or was already unable to fight back, as after 1946) was caused by the very fact that they were moving on the same ground, by analogy they understood the economy in a very broad framework, so to speak were inclined to develop a certain economic philosophy that affirms a wide conceptual network. Both Keynes and the ordoliberal intended not to stay in the cabinets, and to be only covert advisers to the ruler. Finally, both the Englishman and the ordoliberals wrote significant economic articles outside the scientific journals that represented a subtle application of their economic thought. In the end, however, different analogies are shown: almost hidden traces of conservatism in Keynes, moments of his anti-democratic attitudes, and attitude towards ideas.

In reality, the attitude towards ideas is the central part of the next chapter. To what extent are ideas authoritative in terms of shaping economic policies? The title of the chapter is otherwise a paraphrase of a sentence of Keynes regarding “lunatics” and the influence of economic ideas in general. Probably, no one will completely deny the relevance of ideas for economic relations, but the degree of their relationship is questionable, because it is thought that an economy determined by quantities simply does not need sophisticated ideas. Alpar Lošonc acts in such a way as to test both possibilities: (a) ideas are approximately only victims of configuration and power; (b) ideas have an end in themselves, and regardless of their negation, their normativity acts in different

ways in economic relations. Finally, the chapter introduces the concept of ideology, which does not appear at all on the horizon of ordoliberalism. In the context of this, it is discussed how the well-designed ideology works in political-economic relations, that is, how ordoliberalism is affirmed as a “spontaneous ideology”.

The next chapter is partly separated from the well-known economic discourse, and is entitled “Ordoliberalism from a neoliberal perspective”. Here, Alpar Lošonc joins those economic interpretations that take into account the far-reaching effects of the otherwise non-economist Michel Foucault and his highly sophisticated conception of power. The French thinker is indispensable in the interpretation of ordoliberalism, because he was one of the first to open perspectives towards it. In addition, his findings regarding the interference of law and economics in ordoliberalism are very important. The author acts in such a way that respects the numerous results of Foucault regarding ordoliberalism, at the same time he exposes his interpretation to various criticisms, such as regarding the (missing) phenomenon of money, and his ramified conceptions of power concerning oligopolies. In summary, the main thread of criticism can be recognized in the fact that Foucault, who favors ordoliberalism as the most meaningful direction of neoliberalism, subordinates ordoliberalism to the rubric of neoliberalism, which according to the author represents a wrong path - he actually takes this position from the beginning of the book.

The synthesis of law and economics is the subject of the next, seventh chapter, Ordoliberalism carried out a persistent attack on “economic power” - this is a term with which ordoliberals operated in different historical periods, of course, in different ways. Ordoliberalism is characterized by a strong critical thematization of the indicated term - it should be remembered that many interpreters think that the indicated term is entirely inadequate, that the category of power has no place in the economic discourse at all. Of course, the ordoliberal analysis of economic power frequently refers to the problem of oligopoly and monopoly. Alpar Lošonc thematizes the reasons why this problem is of exceptional importance for the economic and legal theories of ordoliberalism - at the same time he shows the key differences between neoliberalism and ordoliberalism regarding the phenomenon of economic power. Ordoliberalism develops an appropriate orientation in both pre-war and post-war (Western) Germany, and presents how the legalities of capitalism (in West Germany at the mentioned time, the same legalities were mediated by the occupiers, that is, the Americans) prevented the realization of ordoliberal ideas. The author of the book follows the ordoliberal efforts to affirm the critical relationship to economic power at the European level as well. The chapter, after various analyzes regarding the problem of oligopoly, dominance and monopoly in capitalism, concludes that the dynamics of capitalism always indicated the original ordoliberal orientations. This is shown in a threefold argumentation: (1) holders of economic power successfully oppose the imposition of regulation; (2) the “economization” of rights creates such conditions that suit the holders of the modality of economic power; (3) the intriguing relationship between the “unconditionality of human rights” and the dynamics of economic power.

The next, penultimate chapter is entitled “The search for the bearer of the aristocracy of responsibility”. It is a variation of an usual phrase that connects aristocracy and responsibility, indicating that aristocracy is not manifested in the presentation of

luxury, but in the practice of specialized responsibility. This chapter takes us into the financial-monetary sphere, more precisely, it analyzes the state of the central bank. The argumentation is formed starting from the exceptional role that the central bank acquires - its position has especially strengthened in the time context after the crisis of 2007/2008, including the pandemic. In addition to the historical section regarding the transformation of the mentioned position of the central bank, the mode of presence of the central bank in the ordoliberal discourse is treated. It is shown that the ordoliberal attitude towards the central bank is ambivalent: namely, the ordoliberals emphasized arguments against the strengthened position of the central bank, because it seemed to them that this bank could acquire such power that could not be controlled. In addition, it is a significant moment that the ordoliberals protested against the exceptional position of the Bundesbank, but the American administration cared about affirming such institutions that are autonomous even in relation to the apparatus of the state - this promoted the Bundesbank, which today is glorified as one of the most powerful banks in the world. On the occasion of the central bank, a classic issue that was of great importance for the ordoliberals is treated at length: stability of rules *versus* flexibility of discretionary decision making. Namely, this issue has been followed by the ordoliberals since the beginning, and it is no coincidence that the problem itself can be paradigmatically analyzed in relation to the central bank. The author of the book, after considering the confrontation of rules and discretionary decision-making, analyzes two possibilities in relation to the practice of responsibility; neutrality and independence, and shows that none of these principles can “flawlessly” guarantee the affirmation of responsibility. In other words; its goal is to present the situation, as well as the contradictions of the maneuvering space of the central bank in capitalism.

The starting point of the last chapter is Julian Germann’s book, which projects ordoliberalism purified of ideological resources. More precisely, ordoliberalism is shown in circuits in the context of political-economic dynamics: instead of an ideological framework, ordoliberalism is presented in sequences of various monetary and economic-political decisions. In addition, state managers and their management practices that face the crisis potential of capitalism stand out. Alpar Lošonc, although he acknowledges certain merits of the mentioned argumentation, develops different arguments that emphasize the importance of ideology, modes of application of ideological processes for the understanding of political-economic processes. In other words, the author of the book claims that the “deconstruction of ordoliberalism” is necessary, but he does not accept that ordoliberalism is reduced to the level of a political-economic “patchwork” behind which there are no ideas-based resources that can be converted into ideology. In this chapter, the thematizes the historical dynamics of the German political economy with a special focus on the present. Thus, the author returns to certain moments highlighted in the first chapter, so that there are established connections between the first and last chapters.

Accordingly, the last chapter presents a critical recapitulation and application of the claims made so far. Accordingly, the previously applied structuralist position of the author reappears, to which an analysis of the relationship between structure and conjuncture is added. The author of the book specifically thematizes, following certain reflections of Michal Kalecky, and the set of agents (classes) that configure the political-

economic space, emphasizing the relevance of the relationship between structure and agencies. In addition, this chapter treats the concept of hegemony in a political-economic context (with special reference to Charles Kindleberger), analyzes the meaning of “civilian power”, more precisely, the relationship between military Keynesianism and the mentioned form of power in the case of Germany. Here, Alpar Lošonc looks back at the frequent lamentation about German politics, which claims that it follows “mercantilist politics”, and looks at the connection between mercantilism and ordoliberalism.

Characteristically, the last chapter ends with a summary regarding the “relevance of ordoliberalism”, that is, this “anti-positivist liberalism” with constitutional ambitions. Instead of “ideal compass”, he is closest to the phrase “ideological compass”, referring to his earlier analyzes regarding ideology in economic relations.

Alpar Lošonc’s book is complex, multidimensional. His synthesis of historical narratives and conceptual analyzes succeeds in bringing us closer to the complex problem of ordoliberalism, which in different ways determines economic and legal self-understanding, especially in Europe. To that extent, *The Enigma of Conservative Ordoliberalism ...* is a book that makes us think about the most significant economic and legal aspects of today.

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