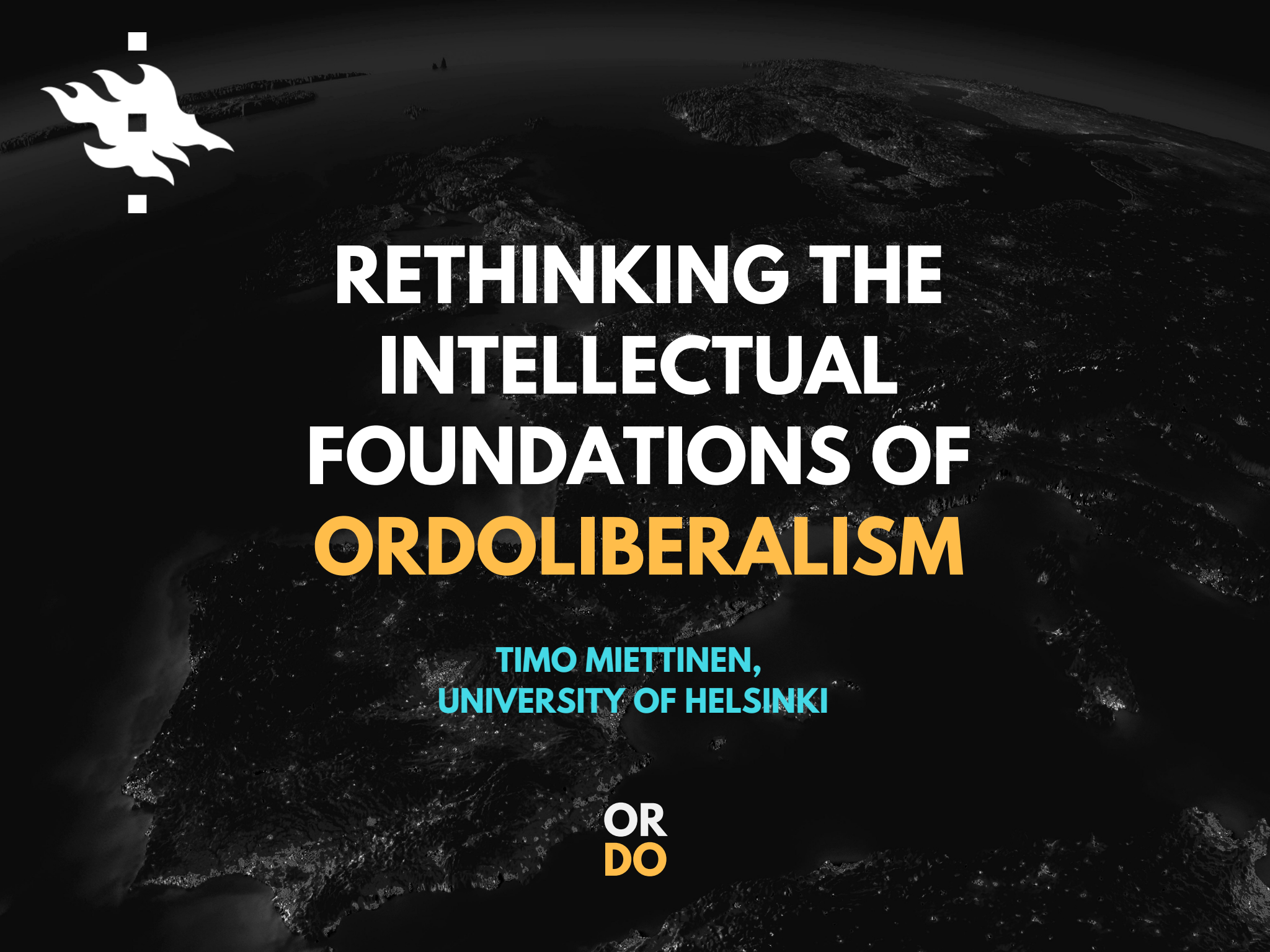

RETHINKING THE INTELLECTUAL FOUNDATIONS OF ORDOLIBERALISM

TIMO MIETTINEN,
UNIVERSITY OF HELSINKI

ORDO

50,000 job
at risk
137,000 jobs vanish
Money wa
I'm not leaving
INTERNATIONAL MONETARY
PEOPLE OF EUROPE
RISE UP
150 EURO

TWO NARRATIVES

FRENCH TRADITION OF **ECONOMIC GOVERNANCE**

FOCUS: ON POLITICAL INSTITUTIONS

ANALYSIS: SYSTEMIC FAILURE AND INCOMPLETE INSTITUTIONS

SOLUTION: MORE DISCRETION AND DEMOCRATIC CONTROL

GERMAN TRADITION OF **ORDOLIBERALISM**

FOCUS: ON COMMON RULES AND LEGAL INSTRUMENTS

ANALYSIS: MORAL HAZARD AND BAD DECISIONS BY INDIVIDUAL COUNTRIES

SOLUTION: BETTER ENFORCEMENT OF RULES

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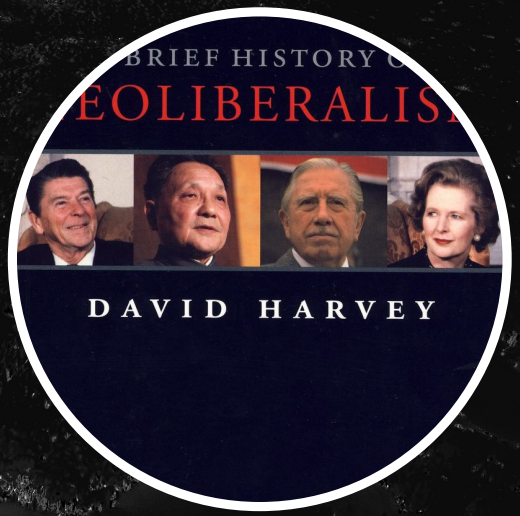

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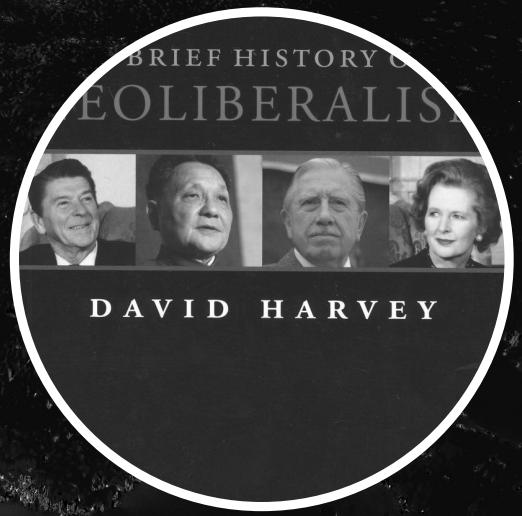

...TO A NEW, CRITICAL UNDERSTANDING OF ORDOLIBERALISM

THE ORDO PROJECT

- WHY IS THE GERMAN TRADITION OF ORDOLIBERALISM **RULE-ORIENTED**?
- WHY DOES IT EMPHASIZE **IDEAS OF LAW AND STRONG STATE**?
- WHAT IS THE ROLE OF **PHILOSOPHICAL AND SCIENTIFIC IDEAS** IN THE DEVELOPMENT OF ORDOLIBERALISM?

TOPIC: KEY IDEAS, CONCEPTS AND THEORIES OF FIRST-WAVE ORDOLIBERALS SUCH AS EUCKEN, LUTZ AND BÖHM

METHODS: PHILOSOPHICAL AND GENEALOGICAL ANALYSIS OF KEY IDEAS AND THEIR POLITICAL IMPLICATIONS

RESULT: NEW UNDERSTANDING OF THE INTELLECTUAL FOUNDATIONS OF NEOLIBERALISM AND THE EUROPEAN ECONOMIC CONSTITUTION

STATE OF THE ART

- ORDOLIBERALISM OFTEN FRAMED AS A RESPONSE TO HISTORICAL AND POLITICAL EVENTS: THE GERMAN HYPERINFLATION OF THE 1920'S OR THE ABUSE OF STATE POWER BY THE NATIONAL SOCIALISTS
- MAIN FOCUS IN INSTITUTIONAL DEVELOPMENTS AND THE SECOND WAVE OF ORDOLIBERALS (ERHARD, RÖPKE)

OBJECTIVE AND HYPOTHESIS

HYPOTHESIS: THE ORDOLIBERAL EMPHASIS ON LAW AND EXECUTIVE INSTITUTIONS BASED ON **FOUNDERS' THEORETICAL STANDPOINT**

REDEFINING THE STATE OF THE ART: ORDOLIBERALISM AS A UNIQUE **INTELLECTUAL TRADITION** THAT GOES BEYOND POLITICAL OR NATIONAL INTERESTS

SHIFT OF FOCUS: FROM POST-WWII POLITICS TO THE **INTERWAR CRISIS OF SCIENCE** (HUSSERL, RICKERT, WEBER)

KEY IDEAS FOR THE ORDO PROJECT

- **INTERDISCIPLINARITY**: ECONOMICS IN RELATION TO LEGAL THEORY, POLITICAL SCIENCE AND SOCIOLOGY
- **IDEALITY**: ECONOMICS AS A THEORETICAL SCIENCE DEALING WITH IDEAL FORMS OF PRODUCTION
- **NORMATIVITY**: REARTICULATION OF ECONOMICS AS A RULE-ORIENTED, NORMATIVE SCIENCE
  - **REVERSAL OF ECONOMICS/POLITICAL ECONOMY AND MORAL PHILOSOPHY**
  - **DE-POLITICIZATION OF ECONOMICS**

RESEARCH QUESTIONS

1) CONCEPTUAL AND METHODOLOGICAL GROUNDS

1A) CRISIS

CRISIS OF LIBERALISM VS. CRISIS OF SCIENCE?

1B) IDEALITY

WHY "IDEAL FORMS"?

1C) COMPETITIVE ORDER AND RULES

REARTICULATION OF CENTRAL CONCEPTS?

2) PRACTICAL IMPLICATIONS

2A) NORMATIVITY

ECONOMICS AS A NORMATIVE SCIENCE?

2B) LEGAL ORDER AND INSTITUTIONS

RULE OF LAW AND CONSTITUTIONAL CHOICE?

2C) HUMAN PERSON

WHAT ARE THE NORMATIVE IMPLICATIONS FOR THE HUMAN PERSON?

METHODOLOGY

- **MULTIDISCIPLINARY PROFILE** (PHILOSOPHY, INTELLECTUAL AND ECONOMIC HISTORY, POLITICAL AND LEGAL THEORY)
- READING ORDOLIBERALS **FROM A PHILOSOPHICAL STANDPOINT**: FOCUS ON FOUNDATIONAL IDEAS AND CONCEPTS (TEXTUAL CRITIQUE, CONCEPTUAL CLARIFICATION)
- UNDERSTANDING **HOW IDEAS ARE PUT INTO PRACTICE**: FOCUS ON THE POLITICAL IMPLICATIONS OF IDEAS (DISCURSIVE INSTITUTIONALISM AND HEGEMONY)

NOVELTY AND RELEVANCE

WE PROVIDE A NEW UNDERSTANDING OF THE HISTORICAL FOUNDATIONS OF ORDOLIBERALISM

WE SHOW WHY AND HOW LIBERALISM ENGAGED ITSELF WITH ISSUES OF LAW AND STRONG STATE

WE CLARIFY HOW OUR CURRENT INSTITUTIONS ARE FOUNDED ON THESE THEORETICAL CHOICES

THANK YOU!