RETHINKING THE INTELLECTUAL FOUNDATIONS OF ORDOLIBERALISM

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TWO NARRATIVES

FRENCH TRADITION OF ECONOMIC GOVERNANCE

FOCUS: POLITICAL INSTITUTIONS

ANALYSIS: SYSTEMIC FAILURE AND INCOMPLETE INSTITUTIONS

SOLUTION: MORE DISCRETION AND DEMOCRATIC CONTROL

GERMAN TRADITION OF ORDOLIBERALISM

FOCUS: COMMON RULES

ANALYSIS: MORAL HAZARD AND BAD DECISIONS BY INDIVIDUAL COUNTRIES

SOLUTION: BETTER ENFORCEMENT OF RULES
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FROM...
FROM...

...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 ORDO-/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)
NEW PARADIGM

1. HYPOTHESIS: EMPHASIS ON LAW AND EXECUTIVE INSTITUTIONS BASED ON ORDOLIBERALISTS’ THEORETICAL PREMISES

2. REDEFINING THE STATE OF THE ART: ORDOLIBERALISM AS AN INTELLECTUAL TRADITION THAT GOES BEYOND POLITICAL OR NATIONAL INTERESTS

3. SHIFT OF FOCUS: FROM POST-WWII POLITICS TO THE INTERWAR CRISIS OF SCIENCE
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
- **NORMATIVITY**: Rearticulation of economics as a rule-oriented, normative science
  - **REVERSAL** of economics and moral philosophy
  - **SPLIT** of politics from the economy
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 CONCEPST?

2) PRACTICAL AND NORMATIVE 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 ORDO LIBERALS FROM A PHILOSOPHICAL STANDPOINT: FOCUS ON FOUNDATIONAL IDEAS AND CONCEPTS

• UNDERSTANDING HOW IDEAS ARE PUT INTO PRACTICE: FOCUS ON THE POLITICAL IMPLICATIONS OF IDEAS
NOVELTY AND RELEVANCE

A NEW UNDERSTANDING OF THE HISTORICAL FOUNDATIONS OF ORDOLIBERALISM

WHY AND HOW LIBERALISM ENGAGED ITSELF WITH LAW AND STRONG STATE

CRITICAL APPROACH TO HOW EUROPEAN INSTITUTIONS ARE FOUNDED ON THESE THEORETICAL CHOICES
FOR GERMANS, ECONOMICS IS STILL PART OF MORAL PHILOSOPHY

MARIO MONTI TO PRES. OBAMA IN 2015
CRISIS OF SCIENCE

- Weber's Theory of Ideal Forms
- Phenomenology
- Neokantianism

IDEALITY NORMATIVITY

- Strong State
- Rules

ORDOLIBERALISM

CRISIS OF LIBERALISM

FASCISM SOCIALISM

MARGINALISM

HISTORICISM
RISK ASSESSMENT

THEORETICAL

EVIDENCE FOR HYPOTHESES
IMPACT STRATEGY
PARADIGM CHANGE

PRACTICAL

IMPACT STRATEGY
PUBLICATION STRATEGY
LONG-TERM CONTINUITY

RECRUITMENT
MATERIAL ACCESS
DEPARTMENTAL COOPERATION

LOW RISK
HIGH RISK
THE ORDO PROJECT

- **ORDOLIBERALISM AS A PHILOSOPHICALLY MOTIVATED THEORY**
- **EXPLAINING FOCUS ON RULES AND STRONG STATE**
- **KEY IDEAS: IDEALITY, NORMATIVITY, LAW**

**PROJECT STRUCTURE:**
- PRINCIPAL INVESTIGATOR: 5 YEARS
- PART-TIME ADMIN: 5 YEARS
- POST-DOC 4 YEARS
- DOCTORAL STUDENT 4 YEARS
- BLP PROJECT RESOURCES (2 POSTDOCS FOR 1 YEAR EACH)

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