
Review

Conservative liberalism, ordoliberalism and the state

Kenneth Dyson

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Emerging in the turbulent interwar period, what came to be called ordoliberalism was born out of an international coalition of liberals that positioned themselves against both ‘laissez-faire’ capitalism and central planning, while promoting a strong state that regulates—but does not intervene in—the market. In the aftermath of World War II, a group of German economists and lawyers who were central to that coalition played a pivotal role in West Germany’s ‘social market economy’, thereafter crowned as responsible for the country’s *Wirtschaftswunder* (‘economic miracle’). In the late 1960s, ordoliberalism largely faded from view—subsumed by the rise of monetarism and public choice theory. Yet, and even though this historical trajectory remains relevant, the primary reason behind a recent acceleration of interest in ordoliberalism lies primarily in its use as an explanatory framework behind *both* the design and architecture of the European Monetary Union (EMU) under German hegemony *and* its rigid and austere policies during the Eurozone crisis. From ‘child of crisis’ to a ‘catalyst of crisis’, research on ordoliberalism continues to invite conflicting interpretations.

Kenneth Dyson’s new book *Conservative Liberalism, Ordo-Liberalism and the State* appears at an opportune time. Given that the inflated interest in ordoliberalism has at times led to greater confusion about its actual positions and influence, Dyson offers a comprehensive overview of a tradition whose sizeable and multi-lingual intellectual production remains largely untranslated into English. Making good use of a wide arsenal of sources and key texts, Dyson provides extensive bibliographic notes for each key member of the ordoliberal epistemic community. At the same time, his ample use of private letters and archival material adds nuance to topics and debates within (and outside) ordoliberal circles. Lastly, interviews with key figures of the contemporary ordoliberal universe complete his thoughtful theoretical engagement, producing a truly remarkable study.

Locating its prehistory in conservative and aristocratic liberalism, Dyson’s exposition of ordoliberalism’s intellectual ‘patron saints’ flows smoothly into his analysis of its contemporary relevance, representing a formidable effort to frame

the tradition's historical continuity, as well as its distinctiveness. From this perspective, key features of the ordoliberal framework that differentiate it from other versions of *neoliberalism* (such as the Austrian School, the US libertarian tradition or the post-war Chicago School) are well illustrated and argued. Similarly, the persistent hostility to socialist or 'collectivist' thought is clarified, embedding the underlying ordoliberal certitude regarding the superior efficiency of the price mechanism in structuring the world of private property. Central categories of the ordoliberal framework (such as the 'economic constitution' or the 'interdependence of orders') are meticulously addressed, while its early aversion to 'laissez-faire' capitalism and the rejection of a night-watchman state are placed in a proper theoretical and historical context.

What is perhaps one of the most important contributions of the book, however, is the methodical deconstruction of the persistent myth of ordoliberalism as a specifically *German* tradition. Correctly insisting that ordoliberalism has always had a 'wider European and international resonance' (p. 30), *Conservative Liberalism* sets the stage for ordoliberalism's cross-national essence, present in both its vision (the preservation and expansion of the global capitalist market) and its composition. For this reason, a large part of the book (Part III) is devoted to exploring the international character of ordoliberalism. The list that comprises these 'family resemblances' is extensive: from Bresciani-Turroni and Luigi Einaudi (Italy) to Jacques Rueff and Louis Rougier (France); and from Reinhardt Kamitz (Austria) and Paul van Zeeland (Belgium), reaching all the way to Frank Knight, Henry Simmons (USA), R.G. Hawtrey and Lionel Robbins (UK).

While other research on ordoliberalism has drawn attention to specific cross-national connections, it is safe to say that Dyson's represents the most overarching and in-depth study of the international ordoliberal network. An occasional drift into exaggeration is, however, noticeable at times, creating the impression that these 'family resemblances' might be stretched a bit too thin. The inclusion, for example, of Louis Brandeis in this group could raise some eyebrows: his opposition to monopoly power was framed around a call for a democratic distribution of power, a perspective visibly incompatible with the ordoliberal critique of cartels as market-distorting structures.

In any case, Dyson's exposition allows him to tackle the question of why ordoliberalism remains identified as a German tradition. Here, besides linguistic explanations ('The very word is German in origin', p. 9), Dyson locates its inability to flourish in other countries in 'ill-fitting cultural values ... weak state structures, predatory elites, [and] mistrustful, non-acquiescent publics' (p. 241). Admitting that 'democratization and the popularization of politics' (p. 249) forced a decline of the social structures that had supported aristocratic liberalism, thereby undermining ordoliberalism's appeal, adds a necessary component. But Dyson's argument grows even stronger when, in assessing specific problems of adaptation in each country, he is confronted with the tainted relationship of ordoliberal figures with fascist and far-right regimes or organizations—as in the cases of Rougier (p. 41) or Kamitz (p.



40). Conversely, one could add that, in prioritizing a market-friendly economic reconstruction, the willingness of the American occupation authorities to ignore elements of Nazi collaboration (as in the cases of Erhard or Müller-Armack) allowed ordoliberalism to exert significant influence in (West) Germany.

Eventually, Dyson's refusal to reduce ordoliberalism to its German proponents can be conceptually linked to contemporary questions, such as its role in the design of the EMU or during the Eurozone crisis. While recognizing the visible traces of the ordoliberal framework in the architecture of the EMU (pp. 68–70; 333–335), Dyson insists that during the crisis, 'German negotiating positions had more to do with the protection of a German coordinated-market economy model of export-led growth than with the defense of Ordo-liberalism' (p. 13).

For such an interesting and extensive engagement with ordoliberalism, it would be amiss not to add that the structure and editing choices of the book leave a lot to be desired. Assembled together in what are mostly short passages, with topics thematically and chronologically dispersed under headlines that seem generated by the same randomness, *Conservative Liberalism's* layout is quite taxing. Content-wise, however, what is perhaps the most challenging aspect of the book lies in the discernible affinity of the author with his subject matter. Though such a rapport is not, in itself, reprehensible, Dyson's positioning generates a number of blind spots which a more detached approach would have avoided.

Most striking is the apparent embrace of the idea that there exists a pure, liberal core floating in a pantheon of neutral objectivity, caught in a relentless struggle against illiberalism, violence, and other 'forces of evil'. Given that such 'evil' includes financial crises, authoritarianism, tyranny and war, liberalism's own responsibility and complicity in generating them magically disappears from view. Rather, one gets the impression that such tribulations are nothing but exogenous events that *happened upon* a 'liberal intelligentsia' that was either 'too naïve' or simply 'powerless' to stop them.

It is perhaps an unintended quality of the book that Dyson's own account contradicts this narrative. For the reader learns too that a great a number of ordoliberals were lured by the authoritarian anti-socialist and anti-pluralist tendencies of the interwar period, which then led some of them to join the NSDAP (Müller-Armack, Miksch), others to become anti-Semitic *Wehrmacht* officers active in the brutal Eastern European campaign (Großmann-Doerth) or members of the SS (von Stackelberg). But even if these personal trajectories could arguably be disassociated with the ordoliberal project *per se*, Dyson's dismissal of the explicit preference for a strong state *in opposition* to Weimar democracy as 'naïve and counter-productive' (p. 40) is inexcusably lenient. Comparing them to 'well intentioned Christians' who 'failed to comprehend and anticipate the evil that lay before them' (p. 41), Dyson reduces a well-established tradition of authoritarian liberalism into a momentary lapse of moral compass. Is it purely coincidental, a



student of ordoliberalism is forced to ask, that whenever ordoliberal ‘naivete’ is at play the result is always a flirtation with authoritarianism or the far right?

Contemporary research has tried to manoeuvre around such authoritarian aspects of ordoliberalism by insisting on their postwar abandonment, while acknowledging their predominance in the interwar period (Young & Berghahn, 2012). But while Dyson would appear to subscribe to such an approach, his repeated assertion that a central aim of the ordoliberal project is to ‘discipline democracy’ undermines the argument. Inherited from aristocratic liberalism, the elitist suspicion against mass democratic procedures remains firm within the ordoliberal framework. Röpke’s genuine anti-Nazi sentiments did not, after all, stop him from lending his full support to the South African racist system of apartheid which suppressed the political rights of the non-white majority. And if Eucken’s desire to see the state ‘free itself from the influence of the masses’ (Eucken, 1932, p. 318) underpinned the interwar call for a strong state, its legacy remains alive in the discursively benign but conceptually adjacent post-war concept of ‘depoliticization’.

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