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**European Economic Constitution and the Transformation of
Democracy: On Class and the State of Law**

Journal:	<i>European Journal of International Relations</i>
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Manuscript Type:	Original Article
Keywords:	Neo-liberalism, European Union, Member State, democracy, Capitalism, governance
Abstract:	In the context of contemporary analyses of Europe Union as a post-democratic form of economic governance, the paper explores the (ordo)liberal character of monetary union as a regime of imposed liberty. The argument holds that rather than forcing the member states into retreat, the economic constitution of Europe strengthens their liberal foundation, securing their utility as the organized force of a mode of social reproduction founded on free labour. It develops the character of the liberal state as the political form of a free market economy with reference to Adam Smith's classical political economy and the German ordoliberal tradition, which calls for a rule-based system of federated forms economic governance to secure a free labour economy in conditions mass democratic aspirations for a freedom from want. It explores the rationale of the ordoliberal distinction between the liberal character and the democratic character of the state and in this context, assesses the meaning of liberal democracy in a post-democratic Eurozone.

European Economic Constitution and the Transformation of Democracy: On Class and the State of Law¹

AUTHOR

‘The class character of the state is not “defined in national terms”. Rather it derives from the world market, ‘the capitalist law of property and contract transcending national legal systems, and world money transcending national currencies’ (Clarke, 1992, p. 136).

‘A free market economy is a basic principle of the Treaty of Rome. Such a liberal economic system ... does not exclude state intervention. On the contrary, it presupposes that the state provides a framework for the operation of such a system; for only an appropriate framework allows each section of the economy to exercise its freedom of action, in fact compels it to exercise that freedom’ (Hallstein, 1972, p. 110).

‘To diminish national sovereignty is most emphatically one of the urgent needs of our time. But the excess of sovereignty should be abolished instead of being transferred to a higher political and geographical unit’ (Röpke, 1955, p. 250).

‘A market economy is not a vaccination against [the democratic] disease...Even if the [member] States have not succeeded in setting up a proper economic constitution internally, one is imposed on them from the outside. The Member States come under a regime of imposed liberty’ (Engel, 2003, p. 431).

‘This kind of executive federalism of a self-authorizing European Council [is a] template for a post-democratic exercise of political authority’ (Habermas, 2012, p. vii).

Introduction

The paper explores the argument that the Europe that has come to pass over the last few years is an exception to the democratic idea of the rule of law. In this argument, the Eurozone is governed by an unbound executive, that is, the European Council comprising the Euro-club countries (on this, see Habermas, 2012, Jörgens, 2015; Wilkinson, 2014). Within this identity, broad-based social movements, comprising elements of the political left and an invigorated extreme right, have come to the fore as contestants to the ‘faceless exercise of rule behind closed doors by the European Council’ (Habermas, 2012, p. 102). In distinction to what Habermas identifies as the transformation of Europe into a post-democratic regime of economic crisis-mangement, I hold with Müller (2014, p. 251) that the process of European integration

¹ Acknowledgments:

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3 has been characterised from its inception by the 'inbuilt distrust of both popular and
4 parliamentary sovereignty' and by the eagerness of cross-border elites to constrain mass
5 democracy to the liberal rule of law. The paper puts Habermas' diagnoses of a post-democratic
6 Union into theoretical and historical perspective to give context to, and explore the veracity of,
7 his claim.
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10 I argue that European economic governance embeds national systems of mass democracy into a
11 supranational structure of economic freedom, tying the democracies of member states to a
12 market liberal foundation. Furthermore, I argue that this containment of national sovereignty
13 does not in any way curtail the state as 'society's [independent] power' (Marx, 1987, p. 438). On
14 the contrary, it emphasises its character as the concentrated power of a free labour economy².
15 In Europe, fundamental policy-decisions are made by a council of national executives and the
16 member states have the sovereignty of politics, implementing EU policy. In the words of Vivien
17 Schmidt (2006, p. 33), 'while the EU has policy without politics, the member state end up with
18 politics without policy'. Schmidt's notion, however insightful, is potentially misleading. Her
19 account implies that member state 'end up with' a politics that they would not have chosen had
20 they been able to determine policy by themselves. The member states appear thus to lose out
21 from the arrangements that they themselves entered into. Schmidt seems thus to suggest that
22 the Union forces the member states into 'retreat'. In distinction, I hold that the EU provides a
23 supranational anchor for the domestic pursuit of market freedom. In a free labour economy, the
24 attempt to remove impediments from commodity markets, including especially so-called
25 restrictive labour practices, is not at all alien to its concept. In fact, it belongs to it and is innate
26 to its existent reality, that is, a free labour economy entails the freedom of labour within its
27 conceptuality. In the market liberal account, mass democratic systems of parliamentary law
28 making prevent the achievement of efficiency competition on labour markets.
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31 The often-lamented democratic deficit of European governance is, I argue, not a design fault.
32 Rather, the market liberal constitution of Europe identifies democracy as an impediment to a
33 free labour economy. In distinction to majoritarian democratic theory, according to which
34 voting 'is a method for citizens to participate directly in making law, which is then the will of the
35 people', the liberal-rights view of democracy holds that it a method of circulating governing
36 elites (Riker, 1982, p. xi; Schumpeter, 1950). In the liberal economic argument, democratic
37 majorities are not entitled to do what they want to. Rather it argues for constrains on
38 parliamentary law making by the constitutionally enshrined rights of property and of the
39 freedoms of property. In the European case these rights and freedoms are supranational in
40 character. Europe is an economic and monetary union but not a political union. Habermas'
41 verdict about the EU as a post-democratic regime recognises that at the Eurozone's critical
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58 ² On the meaning of a free labour economy, see Smith (1976a, p. 87) and Bonefeld (2011).
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3 moment the European Council of the Euro-club stepped into the vacant political space of the EU
4 decision-making. Nevertheless, this assertion of political sovereignty belongs to those same
5 political entities that founded the EU as a policy-maker for the domestic pursuit of politics. In
6 cohort with the IMF and ECB, the European Council responded to the Euro crisis by replacing
7 the formalism of the competencies of law and statutory regulation that prevails under normal
8 circumstances by sovereign decision making on the exception, dictating austerity ostensibly in
9 order to preserve the formalism of law and regulation in the long run (Jörgens, 2015; Wilkinson,
10 2014).

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12 The paper develops its account of a post-democratic Europe in four steps. It first introduces
13 Smith's classical argument about the state as the political form of the system of liberty to
14 establish the liberal veracity of the state. It then examines the tradition of authoritarian
15 liberalism that emerged towards the end of the Weimar Republic as a new mode of (ordo-
16)liberal response to the then crisis of capitalism. In distinction to laissez-faire liberalism, it
17 assigned the task of ensuring the constitution of economic freedom to the state and argued that
18 the premise of free economy is the strong state. Section Three introduces the (ordo-)liberal
19 argument about the benefits of European integration for free economy. Section Four assesses
20 the market enabling structure of European monetary union. For the market liberal constitution
21 of monetary union, the principle of subsidiarity is fundamental – for the sake efficiency
22 competition, it separates the conducts of labour market policy, fiscal policy and monetary policy
23 into decentralised domains of governance (see Feld, 2012). The conclusion returns to the
24 argument that the Euro club has transformed into a post-democratic regime of executive
25 decision making.

36 37 38 **The System of Liberty and Political Form**

39 Adam Smith's classical political economy makes clear that the magic of the invisible hand
40 depends on undistorted competition in undivided markets. The invisible hand does not remove
41 impediments from markets nor does it create and maintain the undistorted order of liberty.
42 Order is a political category. Indeed, for Smith, the invisible hand and the order-making state do
43 not compete with each other. On the contrary, he conceives of the state as the political form of
44 the system of liberty. He thus defines political economy not as a science of the invisible hand.
45 Rather, he defines it as a 'science of the statesman or legislator' (Smith, 1976a, p. 428).

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47 Smith specifies a number of indispensable state functions. Apart from defending the country
48 against external threats, the state is indispensable also for the provision of public goods that are
49 required for the operation of the market but which cannot be provided for by the market itself
50 for lack of profitability (cf. Smith, 1976a, p. 723). Furthermore, it has to provide for an exact
51 administration of justice in order to resolve clashes of interest between property owners. For
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3 him, 'justice...is the main pillar that holds up the whole edifice' (1976b, p. 86). It safeguards the
4 rights of the individual to liberty and property, guaranteeing the framework of civil society.
5 Finally, the state is charged with facilitating the law of private property by, for example,
6 removing various institutional and legal impediments, and by confronting those private
7 interests that impede the perfect liberty of the market. This responsibility also entails the state
8 in achieving the 'cheapness of provision' (Smith 1978, p. 6), facilitating the progressive
9 development of accumulation on the basis of increased labour productivity. Smith thus argues
10 that the 'system of private property necessarily requires the establishment of civil
11 government...Civil government, so far as it is instituted for the security of property, is in reality
12 instituted for the defence of the rich against the poor', and he maintains that the defence of
13 private property against the poor is in fact undertaken in the interest of the poor (Smith 1976a,
14 p. 770). According to Smith, the unimpeded system of liberty benefits the poor as wealth once
15 accumulated in the hands of the rich, tends to trickle down – the bigger the cake, the bigger the
16 slice for the poor.

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18 For Smith, the purpose of the state is to secure for the invisible hand that perfect order upon
19 which the progress of society is said to depend. It eradicates disorder, establishes the rules of
20 justice, facilitates the achievement of greater labour productivity and protects 'those who have
21 some property against those who have none at all' (ibid., and Smith 1978, p. 338). He introduces
22 the class struggle between capital and labour arguing that 'wages depend upon contract
23 between two parties whose interests are not the same'. That is, the 'workmen desire to get a lot,
24 the master to give as little as possible. The former are disposed to combine to raise, the latter to
25 lower the wages of labour'. In this struggle, the masters have the upper hand because they 'are
26 fewer in number, and combine much more easily; they can live for longer without getting their
27 profits, the workers are starved' (Smith 1976a, p. 83). That workers rebel is understandable
28 given their 'desperate conditions'. Yet, their action is foolish because 'the masters react with
29 purpose and force the worker back and that is, the workmen very seldom derive any advantage
30 from the violence of those tumultuous combinations'. The only way to raise wages and improve
31 conditions is by sustained accumulation. 'Workers do well not to struggle, because with the
32 increase of surplus, stock accumulates, increasing the number of workers, and the increase of
33 revenue and stock is the increase of national wealth. He argues thus that 'the demand for those
34 who live by wages...increases with the increase in national wealth'. This, then, is the famous
35 trickle-down effect - accumulation, he argues, increases national wealth and 'occasions a rise in
36 the wage of labour' (Smith 1976a, pp. 84, 85, 86-7, 87). Smith calls this the 'liberal reward for
37 labour', and one consequence of his argument is, of course, that if there are poor, then this is an
38 indication that 'things are at a stand', requiring state action to facilitate 'the cheapness of goods
39 of all sorts', that is, to facilitate by means of police the of increase labour productivity, improving

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3 the price competitiveness of stock in a world governed by the magic of the invisible hand and
4 the promise of a liberal reward for labour.
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6 However, although according to Smith 'national wealth' and 'workers' benefit from progressive
7 accumulation, the owners of stock might not because 'the increase in stock, which raises wage,
8 tends to lower profit' (Smith 1976a, p. 105). He argues that the owners of stock might therefore
9 be inclined to maintain the rate of profit artificially, impeding the natural liberty of the market
10 by, for example, price fixing or protectionism. According to Smith, this assertion of private
11 power 'produces what we call police. Whatever regulations are made with respect to the trade,
12 commerce, agriculture, manufactures of the country are considered as belonging to the police'
13 (Smith 1978, p. 5). Effective policing entails a strong state, a state where it belongs: over and
14 above the egoistic interests and class struggles, ostensibly not governing in the interest of either
15 but in the interest of the beauty of the well-ordered whole, securing its propriety. The state thus
16 governs in the interests of the bonum commune of what he calls commercial society. It
17 intervenes into the behaviour of individuals to restrain their passions that are governed by 'self-
18 love' and short term class interests. Concerning the poor, police is needed to make the worker
19 accept that 'if he is frugal and industrious, [s/he] may enjoy a greater share of the necessities
20 and conveniences of life than it is possible for any savage to acquire'. There is thus need, also,
21 for a public system of education to promote 'the instruction of the people' to secure the order of
22 liberty in the (govern)mentality of the poor (Smith 1976a, pp. 10, 723).
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32 However, the liberal character of the state is not defined in national terms. It derives from world
33 market relations. He argues that the owners of stock in some countries might achieve higher
34 rates of return on their investment than owners in other countries, 'which no doubt
35 demonstrate[s] the redundancy of their stock' (Smith 1976a, p. 109). In order for their stock to
36 be maintained, competitive adjustment at home is required, and its facilitation is a matter of
37 'police' (Smith 1978, p. 5). Furthermore, 'the proprietor of stock is properly a citizen of the
38 world, and is not necessarily attached to any particular country. He would be apt to abandon the
39 country in which he was exposed to a vexatious inquisition, in order to be assessed to a
40 burdensome tax, and would remove his stock to some other country where he could either carry
41 on his business, or enjoy his fortune more at his ease' (Smith, 1976a, pp. 848-49). That is to say,
42 the world market transcends national legal systems and national currencies. It is the categorical
43 imperative of the political economy of capital. Smith penned his work in critique of the then
44 mercantilist state. But by the beginning of the 19thC it had become the ideological orthodoxy of a
45 liberalising state (see Clarke, 1988, chap. 1). It was in this context that Marx (and Engels) speaks
46 in the Communist Manifesto about the cosmopolitan character of the bourgeoisie, the world
47 market reality of the price mechanism, and defines the national state as the executive
48 committee of the bourgeoisie. In sum, the Smithean state restrains the quarrelsome nature of
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3 commercial society, prevents the political assertion of the private interests, quells social unrest,
4 suppresses the class struggle, and prevents illiberal manifestations of freedom on the basis of a
5 law governed, perfectly civil constitution of social interaction, in which the individuals are free
6 because they are only governed by the law of private property. In this community of equals, as
7 Marx put it, 'each pays heed to himself only, and no one worries about the rest. And precisely for
8 that reason, either in accordance with the pre-established harmony of things, or under the
9 auspices of an omniscient providence, they all work together to their mutual advantage, for the
10 common weal and in the common interest' (Marx 1990, p. 280). Smith's account makes clear
11 that the sociability of economic regulation by the invisible hand 'must assume the form of the
12 state and must gain expression as the will of the state, as law' (Marx and Engels 1976, p. 180).

19 20 **Liberty, Democracy and the Force of State**

21 In our time, Milton Friedman has provided a cogent definition of the state as the executive
22 committee of the bourgeoisie. Friedman argues that the state is 'essential both as a forum for
23 determining the "rules of the game" and as an umpire to interpret and enforce the rules decided
24 upon' and enforcement is necessary 'on the part of those few who would otherwise not play the
25 game' (1962, pp. 15, 25). That is, 'the organisation of economic activity through voluntary
26 exchange presumes that we have provided, through government, for the maintenance of law
27 and order to prevent coercion of one individual by another, the enforcement of contracts
28 voluntarily entered into, the definition of the meaning of property rights, the interpretation and
29 enforcement of such rights, and the provision of a monetary framework' (p. 27). The state has to
30 'promote competition' (p. 34) and do for the market what the market 'cannot do for itself' (p.
31 27). Liberals, he says, 'must employ political channels to reconcile differences' because the state
32 is the organisation that provides the means 'whereby **we** can modify the rules' (p. 23, emphasis
33 WB). However, what happens when **they** interfere?

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43 In his Road to Serfdom Hayek (1944, p. 58) focuses on this simple point of law making by
44 (unconstrained) democratic majorities. He invokes Kant's notion that 'man is free if he needs to
45 obey no person but solely the law', and goes on to argue that the unlimited character of mass
46 democracy imperils this freedom by subjecting the rule of law to the democratic majority
47 principle, transforming it, he argues, into an instrument of mass opinion, mass emotions, and
48 mass demands. Instead of the rule of law governing society, society governs through the rule of
49 law. Once the rule of law becomes subject to unpredictable parliamentary majorities and mass
50 opinion, the germ of tyranny takes hold as egalitarian and collectivist forces triumph to the
51 detriment of free economy (for a recent restatement see Bernholz, 2013). For Hayek, then,
52 society is either governed by the liberal rule of law securing individual freedom or it is governed
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3 by the democratic principle of majority rule, leading to tyranny and planned chaos.³ In the face of
4 the democratic idea that law is made by, and in the interest of, democratic majorities, the protection of
5 liberty is said to demand the provision of a constitutional structure to restrict the 'set of considered
6 issues' that come before a democratic assembly (Riker, 1982, p. 2).⁴ The liberal rule of law is thus not 'co-
7 determinous with democracy'. In fact, it is meant to restrict the scope of democratic government, give
8 direction to policy-making, and 'protect against the excess of democracy and its dangers', that is, the so-
9 called tyranny of the democratic majorities to legislate for the satisfaction of their – illiberal – interests in
10 employment protection and welfare provision (May, 2014, p. xxix).⁵

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14 Hayek's Road to Serfdom is in parts a fine résumé of ordoliberal ideas, which emerged towards
15 the end of the Weimar Republic.⁶ Ordoliberalism was the first serious attempt at addressing the
16 challenges of collectivism and mass democracy to the system of economic liberty. For the
17 ordoliberals Weimar stood for the seizure of the liberal state by the Fourth estate, which had
18 gained entry into its institutions, transforming the party system and the systems of
19 parliamentary representation and government into one of mass representation by mass parties
20 leading to mass politics and government on the basis of mass convictions, to the detriment of
21 the system of liberty.⁷ Herman Heller (1933) characterized ordoliberalism as an authoritarian
22 liberalism, one which 'denotes the primacy of the political for [the conduct of free economy]'
23 (Jörgens, 2015, p. 3). The ordoliberal response to the challenge of mass democracy to the system
24 of liberty dismisses the argument for a weak night-watchman state as a dangerous doctrine. In
25 fact, in their view, the weak state is the Achilles-heel of free economy. It is unable to defend itself
26 against the unbound demands of a mass society with the consequence that it loses its
27 'independence' from society. Instead of governing over the 'demos' the demos governs through
28 the state, which imperils the capacity of the state to facilitate the system of liberty. Instead, an
29 unlimited mass democracy tends to transform the state into a 'self-serving unlimited-liability
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41 ³ Hayek (1944) explores this distinction with unrelenting passion. He was a post-war addition to the
42 ordoliberal Freiburg School.

43 ⁴ This last point paraphrases Riker's dictum that constitutional restriction and direction is about the
44 structuring of the world so that you can win. See Riker (1993).

45 ⁵ In May's account the liberal rule of law is one amongst a number of different conceptions and possible
46 manifestations of the rule of law. Indeed, 'the rule of law is not a well-defined concept' (van Gerven, 2005,
47 p. 104). Is the rule of law a manifestation of parliamentary democracy, which would entail a rule of law by
48 shifting parliamentary majorities, or does it designate a *Rechtstaat* that is bound by the rule of law as the
49 basic constitutional norm that frames the scope, content and direction of democratic law making? In the
50 last century the battle over the meaning of the rule of law was fundamentally one between the
51 proponents of the liberal rule of law and the proponents of majoritarian democracy, which substitutes
52 political accountability to the demos for the rule of law. This article argues that European Union secures
53 the liberal rule of law as the constitutional framework of a federated system of mass democratic
54 governments. On the social mechanism of legal revolutions, see Brunkorst (2014). In a free labour
55 economy, the freedom of labour holds sway in the conceptuality of law. On this, see Pashukanis (1987)
56 and Bonefeld (2014).

57 ⁶ The founding ordo-liberal manifestos are Eucken (1932), Rüstow (1932), and Müller-Armack (1932). On
58 ordoliberal thought see Haselbach (1991) and Bonefeld (2012a).

59 ⁷ For an account, see Weber (1994)

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3 insurance company, in the business of insuring all social interests at all time against every
4 conceivable risk', from the cradle to the grave.⁸

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6 Ordoliberalism thus dismisses the weak state for being unable to set itself apart from the
7 preying social interests. Instead, it succumbs to the 'attacks of pressure groups...monopolies
8 and...unionised workers' (Rüstow, 1942, p. 276). The weak state does not set limits to the
9 contesting social forces and fails to depoliticise the socio-economic relations on the basis of a
10 rule-based system of market interaction. Instead of governing over society, the state is 'being
11 pulled apart by greedy self-seekers. Each of them takes out and secures a piece of the state's
12 power for himself and exploits it for its own purposes...This phenomenon can best be described
13 by a term used by Carl Schmitt – "pluralism". Indeed, it represents a pluralism of the worst
14 possible kind. The motto for this mentality seems to be the "role of the state as a suitable prey".
15 For the sake of liberty, what is therefore needed is a state that 'governs, that is, a strong state, a
16 state standing where it belonged, above the economy and above the interest groups' (Rüstow
17 1932/1963, pp. 255, 258). Only the strong state can distinguish itself from society. It prevents
18 government from becoming the 'target' of the powerful private interests and class specific
19 demands. For the sake of liberty, a strong state is therefore needed to secure the liberal veracity
20 of government in the face of unbound mass democratic 'rent seeking' by the special interests
21 (Vanberg, 2014, p. 7).

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23 For the ordoliberals, liberalism has always to focus on the 'whole', and this whole 'is the state'
24 (Röpke, 1959, p. 45). For the sake of free economy, the distinction between society and state is
25 not negotiable. On the threat of 'ungovernability', the liberal rule of law can therefore not be
26 subjected to shifting democratic parliamentary majorities and unrestrained assertion of
27 political pluralism. If indeed there has to be democracy, it must be 'hedged in by such limitations
28 and safeguards as will prevent liberalisms being devoured by democracy. Mass man fights
29 against liberal-democracy in order to replace it by illiberal democracy' (Röpke, 1969, p. 97). For
30 the sake of liberty, democracy has thus to be limited. The liberal state is the state of limited
31 democracy.

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33 In the ordoliberal account, state and economy are innately connected. Ordoliberalism does not
34 define the state in relationship to the economic. The perennial question about such a conception
35 is whether the market has autonomy vis-à-vis the state, or the state vis-à-vis the market, leading
36 to arguments about the 'retreat' or the 'return' of the state as dominant actor in relation to the
37 economy.⁹ Rather, ordoliberalism conceives of the state as the concentrated force of a society,
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55 ⁸ The argument about the state as an insurance company quotes from King's (1976, p. 12) diagnosis of the
56 1970's crisis of the (British) state as a crisis of ungovernability.

57 ⁹ On the alleged retreat of the state in so-called neoliberal globalization see, for example, Strange (1996).
58 On the apparent return of the state in the context of the crisis of 2007 see Blyth (2013). For critique see
59 Bonefeld (2010).
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3 which in its concept contains both 'greedy self-seekers' (Rüstow, 1942, p. 255) and a 'tendency
4 towards proletarianisation' (Röpke, 2009, p. 218). In the first case, if unfettered, the society of
5 'greedy self-seekers' destroys the 'ethical and social forces of coherence' of free economy
6 (Rüstow, 1942, p. 255). In the second case, the class tied to work 'might systematically do
7 poorly', and might therefore struggle for higher wages and full-employment at the expense of
8 free economy (Vanberg, 1988, p. 26). They dismiss the redistribution of wealth as violating the
9 principle of a free labour economy and reject a policy of full-employment as contrary to its logic.
10 Rather than solving the problem presented by quarrelsome workers, it would stall economic
11 development, creating unemployment. They accept that the struggle between the traders in
12 labour power, the one buying the other selling, is innate to the character of a free labour
13 economy. Within this zone of conflict, ordoliberalism declares for the strong state as 'the
14 guardian of enterprise' (Vanberg, 2001, p. 50). It is charged with depoliticising the socio-
15 economic relations as relations of contract, governed by the liberal rule of law.

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17 In the ordoliberal account *laissez-faire* is a category of economic order. Order is not an
18 economic category, but a political one. They thus argue that *laissez-faire* is not only 'a highly
19 ambiguous and misleading description of the principles on which a liberal policy is based'
20 (Hayek, 1944, p. 84). It is also a dangerous idea if it is allowed to organise society as a whole.
21 Competition 'tends more to dissolve than to unite. If competition is not to have the effect of a
22 social explosive and is at the same time not to degenerate, its premise will be a correspondingly
23 sound political and moral framework' (Röpke, 2009, p. 181). For the sake of *laissez-faire* as the
24 principle of economic constitution, it can therefore not be a principle of political organisation
25 and policy-making. Instead, *laissez-faire* amounts to a political practice of socio-economic
26 organisation. *Laissez-faire* is no 'answer to riots' (Willgerod and Peacock, 1989, p. 6). It is
27 neither an answer 'to the hungry hordes of vested interests' nor to an unlimited mass
28 democracy that does not know how to limit itself to the pursuit of free economy (Röpke, 2009,
29 p. 181). The viability of a free labour economy is a political matter. That is, as Martin Wolf
30 (2001) argued in a different context, free economy cannot be built on 'pious aspirations'. It rests
31 on 'organized coercive force'.

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33 Liberalism does therefore not demand 'weakness from the state, but only freedom for economic
34 development under state protection', to prevent 'coercion and violence' by the private interests
35 (Hayek 1972, p. 66). What is protected by the state is not independent from it. On the contrary,
36 its independence is an eminently political practice of government that is charged with achieving
37 the 'complete eradication of all orderliness from markets and the elimination of private
38 power from the economy' (Böhm, 1937, p. 150). The economic order of freedom is a
39 depoliticised order, that is, it is a state-less sphere under state protection. Paraphrasing Franz
40 Böhm, the state-less sphere of the free economy amounts to a political practice of 'eradicating
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3 disorder' from the economy, removing impediments to market competition. The state therefore
4 really is 'the mistress of the economy in its totality as in its parts...and the state must master the
5 whole of economic development both intellectually and materially' (Böhm, 1937, p. 10).¹⁰ In
6 Thomas Balogh's (1950) succinct characterisation, ordoliberalism amounts to an attempt at
7 planning 'by the free mechanism'.¹¹ The meaning of the strong ordoliberal state lies in this
8 construction of a rule-based system of economic freedom.

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12 Ordoliberalism recognises economic freedom as a political responsibility. In its account, the
13 economic sphere and the political sphere need to be conceived together interdependently and
14 have to operate interdependently to maintain the system of liberty as a whole.¹² There is thus a
15 need for coordinating the economic, social, moral and political spheres, to achieve and maintain
16 systemic cohesion. The organisational centre of a free labour economy is the state; it is the
17 power of interdependence and the force of liberal coherence. The economic constitution of
18 liberty amounts therefore not only to 'an eminently political decision' but, also, to a continuing
19 practice of government (Böhm, 1973, p. 39). Its success appears in the form of a functioning
20 market system in which the economic agents respond to price signals in the civilised and
21 entirely self-responsible manner of the entrepreneur who, rather than rebelling against the
22 movement of the free price mechanism as welfare seeking proletarians do, adjust his utility
23 calculations to the movement of prices. For the ordoliberals, then, the strong state is the limited
24 state. It secures the possibility of spontaneous action in the behaviour of the economic agents by
25 limiting itself to the organisation of the market as the sphere of a state-less freedom that,
26 unimpeded by mass democratic demands for collective provision, regulates individual
27 preference calculations of the entrepreneur, including the entrepreneur of labour power.¹³

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31 I have argued that ordoliberal political economy recognises unlimited mass democracy as an
32 impediment to liberty and conceives of the strong state as a force of liberty. It proclaims for the
33 establishment of an economic constitution in which the acting economic agents 'come under a
34 regime of imposed liberty' (Engel, 2003, p. 431). That is, the viability of an economy that is
35 governed by supply and demand is a matter 'beyond supply and demand'.¹⁴ The achievement of
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48 ¹⁰ In a later publication Böhm (1969, p. 171) makes the same point when he argued that free economy
49 requires the 'etatisation of society' to secure the responsible pursuit of freedom on the part of the
50 economic agents, preventing its illiberal misuse by the social forces. Böhm contrasts the 'etatisation'
51 of society as a force of freedom with the 'socialisation' of the state by the social forces, which, in the form of
52 the Keynesian welfare state, institutionalises 'special interest rent seeking' (Vanberg) to the detriment of
53 free economy.

54 ¹¹ Balogh was an important Keynesian economist and advisor to the British Labour Party during the
55 1950s and 1960s.

56 ¹² Interdependency is Eucken's term (2004).

57 ¹³ The entrepreneur of labour power is an investor in human capital.

58 ¹⁴ See Wilhelm Röpke's (1998) book A Human Economy. The German title of his book is Jenseits von
59 Angebot und Nachfrage (Zürich: Rentsch, 1958), that is, Beyond Supply and Demand. The German title

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3 a free-market order is therefore more important than growth in GDP, inasmuch as GDP does not
4 provide for liberty that socio-economic order, upon which it feeds. Laissez-faire is a function of
5 order. For the ordoliberal, the strong state is the political power of that order.
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8 In conclusion, the familiar 'no demos' that is part of European construction is at the heart of
9 ordoliberalism. 'Organisation through competition requires no more than the clearing away of
10 obstacles' (Möschel, 2003, p. 287), including the obstacles of mass democratic interference with
11 the rules that govern a free economy. Government by unpredictable parliamentary majorities
12 entails discretionary policy making to the detriment of the liberal rule of law, which is the
13 foundation of efficiency competition. In the late 1920, the liberal argument that unlimited
14 democracy leads to the tyranny of the majority was part of the rightist reaction against
15 democratic government. In the 1950s, it became part of the 'anti-totalitarian' idea that an
16 unlimited mass democracy leads to tyranny and that for the sake of stable democratic
17 government, an open society and individual freedom, democracy needed to be limited and
18 constrained, and that political participation by the demos needed to be dampened down
19 (Agnoli, 1990; Müller, 2014).
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22 The next two sections set out the case that European integration provides a supranational
23 means for limiting democracy to the pursuit of economic liberty. De Gaulle (1971, p. 143)
24 recognised this benefit of the Treaty of Rome most clearly when he argued that 'international
25 competition...offered a lever to stimulate our business sector, to force it to increase
26 productivity...hence my decision to promote the Common Market which was still just a
27 collection of paper'. The other side, then, of the domestic reality of mass democratic
28 incorporation into the post-war political system of government was the de-democratisation of
29 economic governance by means of supranational structures of law that established the rule of
30 undistorted competition in an undivided common market. The lucid prophet of the benefits of
31 this project was Hayek.
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34 35 36 37 38 39 40 41 42 43 **Hayek and the idea of a *Stabilitätsgemeinschaft***

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45 During the 1930s, Hayek advocated that national states should combine to create a federal
46 interstate system. This arrangement he argued would prevent inflationary demands which, for
47 him, were a consequence of the unlimited character of mass democracy at the national level. He
48 endorsed supra-nationalism as a means of encouraging competitiveness, against a national
49 politics of economic protectionism; supported the de-politicisation of economic relations,
50 against the power of 'special interests' to subject the national state to material
51 concessions and inflationary demand management; and called for the removal of restrictions on
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57 focuses the locus of market integration on its political form, the form of the state, whereas the English
58 title, A Humane Economy, focuses the liberal objective of state intervention.
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3 the movement of capital, labour and commodities. Furthermore, supranationalism would allow
4 'the creation of common rules of law, a uniform monetary system, and common control of
5 communications' (Hayek, 1939, p. 255), which would narrow the scope for illiberal political
6 interference into economic life and discourage collective responses to social pressures.
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Supranationalism was thus endorsed as a means of placing society under a supranational regime of imposed liberty. It would thus limit the effect of mass democracy on political decision making by curbing the power of the dispossessed sellers of labour power to force governments to commit to welfare and employment guarantees associated with Keynesianism.¹⁵

For Hayek supranationalism would provide 'a rational framework within which individual initiative will have the largest possible scope' (ibid., p. 268). Nothing would stand in the way to what, today, is termed the de-regulation of labour relations. As Hayek saw it 'even such legislation as the restriction of child labour or of working hours becomes difficult to carry out for the individual state' (ibid., p. 260). Within a supranational union, individual states 'will not be able to pursue an independent monetary policy' (ibid. p. 259). Politicians, he suggests, are always governing with the next election in mind. This perverts even those committed to free economy to give in to 'popular pressures', leading to the politicisation of economic relations, thereby impeding free economy and thus harming the capacity of the invisible hand to regulate the spontaneous actions of the market participants within the framework of the system of liberty. Furthermore, monetary policy always requires an element of judgement and thus discretion that government might abuse to retain legitimacy. A supranational operation of monetary policy, with an independent bank removed from domestic considerations, would thus insulate economic policy-making in member states from distorting democratic pressures on policy. Monetary policy would instead be rule-based and out of reach of parliamentary majorities. The independence, then, of monetary policy from democratic influence would accord its conduct a quasi-judicial status. In short, domestic politics would be anchored in a supranational policy regime that, in the view of Müller-Armack (1971), came into being with the European Economic Community, which for him created a European Stabilitätsgemeinschaft. In this community a rule-based system of undistorted market competition facilitates the labour market's adjustments in member states. Instead of adjusting national prices to world market conditions by meddling with monetary conditions and depreciation of currency exchange rates, the achievement of greater labour productivity becomes the means of competitive adjustment.

¹⁵ For a similar account in the context the political economy of the US, see Riker (1987). Riker had started out as a supporter of Roosevelt's New Deal and in this context he saw federalism as an obstacle to the New Deal. Later in his career he turned against what he decried as 'big government', which he identified with Johnson's Great Society. Riker's libertarian turn led to a re-evaluation of the system of federalism, which he now as a protection against democratic tyranny. In distinction to Riker, Hayek did not advocate the creation of a federal state system. He advocated a supranational system of law and money.

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3 Müller-Armack - 'probably the most influential German at Brussels' (Moss, 2000, p. 258) - was
4 opposed to economic dirigisme but not to a 'consciously steered market economy' (Müller-
5 Armack, 1947, p. 95) and, as Secretary in the Economics Ministry of the FRG, argued that
6 centrifugal forces had become 'visibly greater in the situation of prosperity', necessitating 'an
7 additional effort towards social integration' to achieve efficiency competition (see Müller-
8 Armack, 1960).¹⁶ The purpose of political 'steering' is 'planning for competition' (Hayek, 1944,
9 p. 31). However, by the late 1970s, Hayek had renounced his youthful views of the 1930s.
10 Fearful that a single European currency would be prone to interference by the weak member
11 states of the European Community, he advocated that money was to be issued by competing
12 private banks (Hayek, 1978).¹⁷ Hayek thus distinguished between an entirely de-democratised
13 monetary union as the gold standard of asserting economic discipline and a political union, in
14 which the conduct of monetary policy is subject to illiberal political interference and meddling,
15 including fiscal free-riding by weak member states and supranational systems of fiscal
16 redistribution (Feld, 2012).
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20 In the late 1980s and early 1990s, the architects of monetary union were most emphatically
21 agreed on keeping the Euro at arms lengths from political pressures and forms of democratic
22 accountability. The Euro was to diminish political sovereignty at the national level without
23 transferring it to 'Brussels'. They thus accepted that a supranational system of monetary
24 discipline was preferable to political union. The market liberal watchword for both Hayek's
25 interstate-federalism and the established institutional structure of European monetary union is
26 subsidiarity. Subsidiarity entails a system of 'relative sovereignty' (Röpke, 1954, p. 38), in which
27 the fundamental freedoms of a free labour economy, including monetary conditions and 'anti-
28 trust rules and institutions for the supervision of state aid', are regulated by supranational
29 institutions that are not 'directly controlled by the electorate' (Engel, 2003, p. 430). However,
30 the 'disciplinary effect[s]' (Feld, 2012, p. 410) of the supranational rules of the game do not
31 come about automatically. They depend on the capacity of the member states to translate
32 European policy decisions into effective national policy, from fiscal retrenchment to removal of
33 protectionist measures, and from the achievement of higher labour productivity to the
34 abandonment of state aid. For Engel (2003, p 430), this system of supranational policy decision
35 on the rules of the game and national politics of implementing the rules agreed upon makes
36 'Europe the stronghold of the fight to save the Member States' civil society'. In the context of
37 Europe, subsidiarity reinforces the liberal foundation of the system of liberal-democracy,
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54 ¹⁶ Müller-Armack worked for the German Economic Ministry under Erhardt in the 1950s and was a
55 member of the German Delegation to the Intergovernmental Conference on the Common Market and
56 Euratom (Treaty of Rome).

57 ¹⁷ Hayek's disapproval of monetary union occurred in the 1970s, which the neoliberals view as a decade
58 of lamentable political weakness. The states of Western Europe, they argued, had become ungovernable
59 as a consequence of unlimited mass democracy (see Crozier, 1975).
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3 fettering its democratic element to transcendent structures of the liberal rule of law and money
4 (see Agnoli, 2000). Although, and following MacCormick's idea of best democratic practice,
5 'combined and divided state-and-community sovereignty seems the enemy of popular
6 democracy', subsidiarity is a 'better vision of democracy than all-purpose sovereignty ever did'
7 (MacCormick, 1999, p. 126). It consists of a set of entities, principally the 'no longer fully
8 sovereign' states of Europe and the still not sovereign Union (ibid., p. 142), confining mass
9 democracy into a 'denationalised' system of economic governance. The following section on
10 monetary union sets out the case that subsidiarity holds the key to the economic constitution of
11 Europe. It asserts the liberal utility of the state as 'market police' (Rüstow, 1942, p. 289).
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18 **EMU and the System of Subsidiarity**

19 Padoa-Schioppa (1994, p. 191) characterises EMU as a system of governance that curtails
20 parliamentary democracy by a supranational regime of market enabling rules. As he puts it,
21 'subsidiarity, not the Leviathan, is the catchword for European political union'. He explains that
22 in EMU monetary policy is ruled-based and denationalised, and that it stimulates competition
23 between territorially segmented labour markets. Monetary policy as a means of adjusting
24 labour productivity to world market conditions has ceased as an option of economic policy in
25 member states; in EMU adjustment is a matter solely of achieving greater labour productivity.
26 The institutional structure of EMU combines the supranational conduct of monetary policy with
27 national state responsibility for competitive labour markets. Padoa-Schioppa's neo-
28 Machiavellian view of EMU as a depersonalised 'collective prince' (p. 151) is therefore apt. EMU
29 appears indeed to reduce government to governance, to the sphere of technical control and
30 implementation of supranational rules that, despite proclamation of the sovereignty of a -
31 territorialized -people, are founded on the sovereignty of supranational law and money, that is,
32 the regulative institutions of bourgeois property rights.
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42 Padoa-Schioppa's depersonalised 'collective prince' appears to govern in the absence of a
43 Republic and without government - seemingly, it is a prince of economic governance that,
44 founded on the rule of European law, replaces politics with policy and the routines of
45 administration. It ostensibly removes the political character of decision making and entrusts the
46 politics of implementation to the member states.¹⁸ According to EMU rules, the European
47 Central Bank (ECB) cannot be given instruction by any conventionally conceived political body.
48 It appears as if it were a court of law rather than an instrument of public policy. Its objective is
49 to enhance the credibility of monetary policy. 'One way to bolster credibility...is to assign the
50 responsibility for monetary policy to an institution that is not subject to political influence'
51 (Padoa-Schioppa, 1994, p. 188). Its conduct belongs to bankers, not law-making
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58 ¹⁸ On Padoa-Schioppa's depersonalised prince, see also Müller (2014).
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3 parliamentarians. The ECB's conduct of monetary policy appears thus impartial as an expert-led
4 non-political exercise of technical fine tuning, granting no privileges and extending no special
5 favours to the economic agents, political pressure groups, and antagonistic social interests,
6 including the democratic member states that have become accountable to supranational
7 structures of money and law.
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10 Expanding on Padoa-Schioppa's metaphor about EMU as a depersonalised Prince without
11 Republic, fiscal policy is its court and the territorialized European working classes its Fourth
12 Estate. EMU places the responsibility of economic adjustment squarely on competitive labour
13 markets. The responsibility of labour market adjustment is the preserve of the member states.
14 Fiscal policy is the forte of neither the national state nor the Union – it is located in the twilight
15 zone between the member states and the Union.¹⁹
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18 The EU has a monetary union but not a fiscal union. Fiscal policy remains a national
19 responsibility, which is shared with the Union. That is, national fiscal policy is to take place
20 within limits imposed by the Stability and Growth Pact (1996) and the Fiscal Compact (2013)
21 that strengthened the Pact's resolve in response to the Euro Crisis. The Compact did not in any
22 way change the structure of subsidiarity nor did it change the position of fiscal policy within the
23 governance structure of EMU. According to this structure, EMU excludes the transfer of fiscal
24 policy to the Union, at the same time as which the Union requires member states to achieve
25 balanced budgets.²⁰ The Union has the power of coordination and surveillance, and the ability to
26 recommend modifications of fiscal policy and apply sanctions against member states that
27 breach agreed rules. Continued national fiscal responsibility within an overall supranational –
28 rule-based - system of coordination, recommendation, surveillance and punishment of fiscal
29 offenders, is designed to undercut fiscal free-riding at the national level and prevent the
30 possibility of 'non-market' intervention at the supranational level.²¹ EMU is thus endorsed as a
31 'framework of incentives and constraints' that will 'condition national budgetary policies, for
32 which the keywords will be autonomy (to respond to country specific problems), discipline (to
33 avoid excessive deficits), and coordination (to assure an appropriate overall policy-mix in the
34 Community)' (Emerson, 1992, p. 11). In sum, fiscal policy rules are meant to support the
35 monetary union as a robust means of economic discipline and to ensure its resilience. For this
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50 ¹⁹ For a detailed account on the twilight of fiscal policy, see Bonefeld (2001).

51 ²⁰ Economic theory does not tell us what a balanced budget is. Its determination is a political decision,
52 which, for the sake of appearing credible, needs to eliminate any doubt in its veracity to forgo adverse
53 market reactions. Financial markets feed on deficits and react with herd-like runs if confidence is dented.
54 The Euro club decided that a balanced budget amounts to a budget deficit of less than 3% of GDP,
55 requiring Greece to renegotiate her basic social contract, for the sake of confidence in the Euro. On the
56 political decision of what counts as a deficit, and its enforcement, see Radice (2014).

57 ²¹ A fiscal rule breaking state can be fined up to 0.1% of its GDP. On this see Macartney (2013). The fine is
58 a matter of legal judgment that is delivered by the Court of Justice in the EU. It will have to decide on the
59 policy intensions of 'imbalanced' member states.
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3 reason, fiscal policy could not be entrusted to member states nor could it become a Union
4 responsibility.
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6 The positioning of fiscal policy as a national policy instrument within a supranational
7 framework of balanced budget rules was meant to contain the 'risk' of fiscal free riding by weak
8 member states. Indeed, the fiscal rules of EMU remove anti-cyclical fiscal policy responses to
9 economic downturn as a means of economic adjustment. Instead, at a time of crisis fiscal
10 retrenchment is a requirement as budgets have to balance on the basis of receding tax bases.
11 The Union fiscal rules entail thus not only a huge redistribution of wealth from labour to capital
12 but, also, a robust framework for labour market reform. In the context of the crisis of 2010, the
13 IMF (2010) saw this clearly. It argued that the strengthening of fiscal governance, including
14 mechanisms for enforcing compliance with rules and surveillance to secure fiscal sustainability,
15 requires for its success key labour market reforms, 'making the labour market more effective,
16 removing disincentives to work embedded in various public policies, enhancing wage
17 bargaining flexibility, and further liberalizing services sectors' (p. 7). Indeed, EMU has all along
18 focused adjustment on 'two primary [channels]: a) workers can move; b) wages can change'
19 (Currie, 2000, p. 124). Within the structure of subsidiarity, economic adjustment falls on labour
20 markets. Increased competition within the EU was to 'result in an increased responsiveness of
21 wages to unemployment', with 'labour market flexibility, and most importantly wage
22 flexibility...the most important adjustment instrument' (Emerson, 1992, p. 149). The 'wage-
23 price flexibility remains the basic adjustment channel as a substitute for the nominal exchange
24 rate' (ibid., p. 102). In addition, labour migration is expected to adjust the burden of
25 unemployment on national budgets. That is, 'wage bargainers will be affected by a credible
26 monetary union' as they will realise that excessive wage rises will not be underwritten by
27 devaluations (ibid., p. 24). Lower labour costs are 'a condition to the relative price decrease
28 needed to restore the competitive position of [member states] and to bring output and
29 employment back into equilibrium' and 'factor mobility, in particularly labour mobility, may
30 solve the problem through migration' (ibid., p. 147). In other words, the cost in terms of output
31 and employment might not be high for as long as the sellers of labour power respond flexibly to
32 market pressures and requirements. In the absence of competitive adjustment of the labour
33 markets, unemployment might result and the 'need' to migrate arise. That is, an unemployed
34 worker is in fact a worker in transit, up and down the wage-scale, from this activity to that
35 activity, from this labour market to that labour market. Employment and unemployment
36 converge in the form of the employable worker as embodiment of, and investor in, human
37 capital.²²
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58 ²² On this issue in the context of ordoliberal social policy, see Bonefeld (2013).
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3 The architecture of monetary union vindicates Padoa-Schioppa's view of EMU as resembling a
4 modern version of Machiavelli's prince. This prince is, however, not a Leviathan – it has no
5 Republic to call upon and its rule is depersonalised. The Union does not possess political
6 sovereignty. It is a prince of sound money and rule-based conduct. Courted by fiscal policy, it
7 governs its subjects through the democratic member states. Its subjects are the territorially
8 regimented European working classes who comprise the mass democratic subjects of the
9 member states. Their allocated position is that of the democratic plebes, i.e. democratically
10 accepted in the republic of the market that, facilitated by free price mechanism, is governed by
11 Say's (in)famous democracy of demand and supply.
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18 **Conclusion**

19 I have argued that European integration institutionalises the rule of money and law at a de-
20 nationalised level of policy making. I further argued that this institutionalisation strengthens the
21 liberal state purpose, undercutting mass democratic systems of parliamentary law making in
22 member states. Europe ties the democratic element of the liberal-democratic state to its liberal
23 foundation. Padoa-Schioppa's notion of EMU as a modern prince is therefore emblematic. It
24 focuses liberal state purpose in supranational rules of law and money, which have come about
25 by the decisions of law-making national executives meeting behind closed doors, and which are
26 administered by apolitical experts of administration, including a cabal of central bankers
27 ostensibly fine-tuning monetary aggregates but in reality conducting monetary policy. Within
28 the structure of supranational money and domestic responsibility for the achievement of
29 competitive (labour) markets, fiscal policy is the hinge upon which the functioning of this
30 structure of economic governance depends.
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39 The solidarity shown by member states to prevent the collapse of monetary union has been
40 immense. In the case of Greece her commitment has put a whole political economy on the brink,
41 and in the case of Italy led to the appointment of a technocratic government. Attempts at
42 resolving the Euro crisis has brought the European Council comprising the Euro club to the fore
43 as the political lynch-pin of Euro solidarity. It has overseen the strengthening of the entire
44 system of fiscal rules to achieve balanced budgets, including the requirement that member
45 states submit their budgets to European assessors before they are presented to national
46 parliaments and to report to the European Council and Commission their plans for borrowing
47 on capital markets. In response to the Euro crisis the economic constitution of Europe that binds
48 member states to agreed commitments appears to have hardened into a system of economic
49 governance led by a central agency. The central agency is the European Council of the Heads of
50 the Euro countries. Habermas' identification of the new 'Europe' as a state of exception brings
51 this change from a law governed economic constitution to executive managerialism into sharp
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3 focus (see also Wilkinson 2014). The state of exception characterises the coming to power of an
4 'unbound executive' (Jörgens, 2015, p. 16) that makes law by executive decision, from fiscal
5 retrenchment to loss of fiscal sovereignty.
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8 Traditionally, the European Council lays down policy guidelines but is authorised neither to
9 pass legislation nor to direct the Commission. Notwithstanding the attempts by the Lisbon
10 Treaty to recognise the institution of the European Council, its power is extra-constitutional. It
11 is a body that governs not on the basis of the rule of law. It governs by decisions that have far
12 reaching implications for parliamentary law-making in member states. The European system of
13 imposed liberty has its political place in a system of executive decision-making that is akin to a
14 medieval conclave of rulers (Anderson, 1997; Bonefeld 2001). The 'pact for Europe' is a pact
15 without demos.²³ It is also a pact without political sovereignty, which remains federated into
16 territorialised political entities, each enjoying the status of democratically constituted monopoly
17 holders of the legitimate use of violence for the enforcement of the 'rules decided upon', as
18 Friedman put it in his account of the liberal state as the executive power of the rules of the
19 game.
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22 In the Eurozone, the liberal notion that a properly ordered 'commonwealth' has to limit the
23 democratic excesses of the Fourth Estate manifests itself through the system of subsidiarity. It is
24 designed to remove democratic pressures from monetary policy, fetter fiscal policy to the
25 pursuit of tight money, and enable the freedom of competition between territorialised labour
26 markets. The figure of the demos appears enfeebled as mere election fodder. Euro government
27 by monetary discipline, fiscal retrenchment, competitive labour markets, and law- and policy-
28 making by executive decisions entails two interrelated manifestations of democracy. The first
29 was articulated by Schumpeter (1950), who endorsed the liberal utility of democracy as an
30 incomparable system for the peaceful circulation of rival teams of political managers by means
31 of competitive elections. The second belongs to the demos, which has assembled on the streets
32 in noisy protest and refusal. The democracy of the streets might well put paid to Schumpeter's
33 appraisal – not because of its power of 'horizontalism' but because of its national leanings. The
34 system of subsidiarity not only stimulates competition between territorialised labour markets.
35 It also tends to nationalise the rejection of austerity. Not every Down is Golden (Bonefeld
36 2012b).
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58 ²³ On this see, Macartney (2014) and Wilkinson (2014).
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