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FOR AN ECONOMIC HUMANISM WILHELM RÖPKE'S
“*CIVITAS HUMANA*” AND THE SOCIAL MARKET ECONOMY

Abstract

Civitas Humana is a thoroughly articulated work. In it, Röpke makes interact all the disciplinary spirits that inform the so-called social market economy: economics, both microanalysis as well as macro, sociology, and politics. Wanting to provide an informative introduction, rather than merely presenting a summary of all the topics covered by the book, the writer proposes a reflection on the contribution that the work of Röpke offers to the debate over global *governance* as opposed to global *government*.

The reconstruction of the international order after totalitarian devastation, in the opinion of Röpke, imposes a choice between economic regimes that were incompatible: a market economy or a controlled economy. The tragic experience of the past leads our author to choose, without any hesitation, the way of the market economy, an economy of competition that develops the theory of liberalism given direction by the Freiburg School and that could be implemented in a dynamic Social Market Economy

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«The solution of the problem of planning thus also presupposes that the “economic will” is autonomous and is formed by the democracy of consumers. All ought to have the unlimited possibility to make their preferences a determining factor of the economic “plan” of the community. Anyone who possesses the most elementary knowledge of economic theory knows that this constitutes the very essence of market economy. That is its definition» (Wilhelm Röpke 1996, 29)

1. Introduction

The article aims to present the economic perspective of humanism, from the reflections of one of the major European intellectuals of the Twentieth Century. Wilhelm Röpke went through the so-called “short century,” leaving us an extraordinary legacy of ideas that range from economics to sociology, from political science to social ethics. With this article, we wanted to focus our attention on the notion of “economic humanism,” as it emerges from one of the most important works of our author: *Civitas Humana. Grundfragen der Gesellschafts und Wirtschaftsreform*.

The contribution is divided into five parts, each of which tries to highlight a significant aspect of the Röpke’s work, taken as a whole, searching out the traits that make it a compendium of social sciences and not just an economic treatise.

The first part, *Genesis and reception*, presents the way in which the work appeared as Röpke worked it out, the characteristics of the different editions, and reception it had in some cultural circles. The second part, *The trans-disciplinary dimension of economic problems*, introduces a multidisciplinary interpretation of the economic system, where the economic, political and cultural dimensions come together, confront each other, and interacting, affect each other mutually. In the third part, *The causes of international*

violence, we show the reasons for which Röpke rejects a “one-sided economism” that reduces the warlike character of or peaceful relations between peoples to economic causes. The fourth part, “*Civitas Maxima*” and *global Leviathan*, presents a classic theme of Röpke’s: the identification of “centralization” with the collectivist economy. The reason that we should avoid all forms of collectivism is that it, unlike the market economy, requires the complete politicization of economic relations and this politicization translates into “nationalization” within a given territory. The fifth and final part, “*Civitas Humana*” and *global interdependence*, expresses Röpke’s ideal, an alternative to the *Civitas Maxima*: an authentic global economy presupposing that individual nation states cede a portion of their sovereignty to the extent that it is necessary to promote freedom, multilateralism, and mobility. This would then be able to promote the development of international economic processes, making possible the communion of the market and prices, within a monetary system which provides a “payment community.”

Röpke’s reflection is part of a historical context of great change, characterized by the search for a new international order that contemplates economic and political freedom, peaceful relations between states and respect for the dignity of each person. In this regard, Röpke distinguishes between a “competitive economy” and a “controlled economy,” not confusing the first with “historical capitalism.” The tragic experience of the past leads our author to choose the way of the market economy, in the specific form of the social market economy, for which there are three principles: 1. The polyarchic dimension of civil society and the consequent common good (irreducible to its political dimension); 2. The principle of subsidiarity as a principle of order (horizontal and vertical); 3. The rejection of political discretion in the organization of the market (the economic constitu

2. Genesis and Reception

The first German edition of *Civitas Humana* was published in 1944¹. (The English translation by Cyril Spencer Fox, *The Moral Foundations of Civil Society*, appeared in 1948, published by W. Hodge. Citations in this text are from the 1996 edition of that translation from Transaction Publishers.) It is the second book of the so-called “Röpke trilogy” that has ensured the international reputation of the thought of Wilhelm Röpke. The other works are *Die Gesellschaftskrisis der Gegenwart* (1942) (English translation, *The*

¹Röpke 1944.

Social Crisis of Our Time, 1950²), and *Internationale Ordnung* (1945) [English Translation, *International Order and Economic Integration* (1959)³]. To these three works, we should ideally add Röpke's spiritual testament, *Jenseits von Angebot und Nachfrage* of 1958 (English Translation, *A Human Economy*, 1960⁴). Together, these can be considered Röpke's intellectual contribution to the political, economic, and social thought that characterized the years during and after World War II.

The second German edition of *Civitas Humana* was published in 1946, for which Röpke added several corrections, changes and additions. Röpke The third German edition of 1949 contains only a few bibliographic additions to the second. The fourth edition, reprinting the previous one, appeared in 1979 in the collected works of Röpke from the publishing house Paul Haupt Bern. The first Italian translation of *Civitas Humana* was by Ervino Pocar, based on the second German edition of 1946. It was published by Rizzoli the English translation by Cyril Spencer Fox, *The Moral Foundations of Civil Society*, appeared in 1948, published by W. Hodge. Citations in this text are from the 1996 edition of that translation from Transaction Publishers.

Röpke considered *Civitas Humana* a continuation and completion of his book *The Social Crisis of Our Time*, but it should also be read in connection with other writings of his that appeared in the Forties of the last century: *Die deutsche Frage* (1945) (*The German Question*, 1946⁵) and *Internationale Ordnung* (1945), both of which appeared in Italian translation from Rizzoli in 1946, as well as the book *Die Krise des Kollektivismus* (*The Crisis of Collectivism*, 1947), published in Italy in 1951 for the publisher Nuova Italia.

Civitas Humana shows clearly that the thought of Röpke was a body of work continuously under development, taking shape alongside the various historical events of the Twentieth Century, of which he was an active witness. There are several events that influenced his thinking, motivated the writing of his books, and found an analysis in his writings: the experience of the two World Wars; the economic crisis of the capitalist system in 1929; the emergence of groups seeking totalitarian power; the vanishing of collectivism and socialism; problems of international crises; and, after World War II discussions, issues, and events related to the establishment and implementation of the Social Market Economy model.

² Röpke 1950.

³ Röpke 1959.

⁴ Röpke 1960.

⁵ Röpke 1946.

The title *Civitas Humana* and its program for the formation of a humane society substantively represents both the ideal resolution of the social crisis of the time described by Röpke's eponymous volume and its fulfillment. Originally, the work was to bear the title "*Civitas optima*,"⁶ as Röpke revealed in a letter to his friend Alexander Rustow. *Civitas Humana* in part contains newly updated and expanded version of certain articles published in the *Neue Zürcher Zeitung*, in the *Neue Schweizer Rundschau*, in the *Gazette de Lausanne* and in *Schweizerische Bauzeitung* in the years immediately preceding. The central core of the book revolves around the relationship between moral and institutional issues, as Röpke highlights in the long preface, which also offers a balance to and an echo of his scientific work, especially concerning the reception of *The Social Crisis of Our Time*.

Within the context of Röpke's thought, *Civitas Humana* should be considered a continuation of his diagnostic analysis in that previous book. Röpke formulates and outlines further the principles and foundations on which a better society should be built. As indicated in the original subtitle of the book – *The fundamental problems of social and economic reform* – Röpke offers a contribution to the reconstruction of an economic and social order that is both efficient and respectful of human dignity, an order restored after the Second World War and opposed to all forms of collectivism and to the degeneration of liberalism and capitalism. His program contains elements of reform, of theoretical foundations, and of suggestions of considerable practical relevance in the context of contemporary society. Into it, Röpke also merges the great and significant thought of Christian Social Doctrine for the establishment of a healthy human society. He also lays out the foundational principles that would form the basis of the Social Market Economy program. Röpke further underscores the value of the principles of subsidiarity and of coordination between the three major subjects of this program: the State, society and the economy.

Röpke presents himself in *Civitas Humana* as a "son of a village of the Lüneburg Heath," who through "many stages, errors, and books and conversations and insights and experiences" eventually became a firm advocate of the liberal worldview (Röpke, 1996, 24). Röpke criticized *laissez-faire*, which failed because it neglected the non-economic factors of the market economy and attributed to it an autonomy without realizing that it needed a moral, political, and institutional framework to guarantee its operation. Röpke does not deny, however, that there is a common aspect between the old liberalism and the neo-liberal, represented by their defense

6 Röpke's Letter to Alexander Rustow on May 13, 1943, quoted in: Hennecke 2005, 146, f. 74, 269.

of the core value of freedom and the fulfillment of the individual. However, Röpke distances himself from the concept of a market automaton which would be able to bring into existence a natural order on the basis of pre-established harmony. Against forms of collectivist and totalitarian thought, Röpke stresses that the only valid response is the realization of a liberal conception compatible with a *civitas humana*. In this regard, Alfred Müller-Armack states that the error of liberalism is to consider the economic order as something which is in itself capable of “creating a definitive social order.” For Müller-Armack, the economic order is only a “means of organization” and not an order that it can be left to itself (Müller-Armack 1966, pp. 106-107).

Among the various positive reviews *Civitas Humana*, we can highlight those of Friedrich August von Hayek and Alfred Müller-Armack. Hayek, who was related to Röpke through strong intellectual ties and was among the main founders of the Mont Pelerin Society along with Röpke, had this to say: « Professor Röpke has now followed his earlier critical work with a fascinating view of possible liberal society of the future. His *Civitas Humana* is the nearest approach to that positive programme for a future liberal society which is so often asked for by those who sympathise with the new counter-attack against Totalitarianism. That in 1944 such a work, written in the best tradition of the great European civilisation, should come from the centre of the European continent, is an encouraging and significant fact.» (Hayek July 9 1944)

For his part, Müller-Armack also devoted a long commentary – published in the journal *Ordo* in 1950 – to the volumes of the Röpke trilogy. He praised with great esteem the thought contained in these books (Müller-Armack 1950, pp. 253-267). Müller-Armack recalls the widespread and positive reception to the writings of Röpke in Germany during and after World War II. Müller-Armack defines this trilogy as «an expression of our historical and cultural condition, and at the same time as the criterion for the possibility of spiritual renewal and the starting point of an author’s dialogue on the further development of the situation of our time.» (Müller-Armack 1950, pp. 253-254) Müller-Armack defends the new concept of “liberalism” proposed by Röpke, which contains a program that could guide the creation of a new economic and social order. Müller-Armack moreover connects Röpke’s conception of liberalism with Christian Social Doctrine and says: «An important task of Christian Social Doctrine in the near future will be to take greater account of the positions presented by this new conception of liberalism and overcome those prejudices often thrown up against liberalism in ecclesial practice; on the other side, the task of liberalism will be to definitively overcome the era in which it presented itself as a competing

cultural orce and lead its conception into a deep dialogue with the central ethical values.» (Müller-Armack 1950, pp. 264-265)

Röpke defends the concept of a human society, of an economic humanism, and of liberal man. Among features of a liberal man, Röpke recalls that the liberal is one who defends the principles of ownership and competition. The liberal criticizes any accumulation of power, prevents its abuse by creating counterweights, and opts for decentralization. The liberal democrat is one that focuses on the defense of the human person and his rights, and is critical of all forms of collectivism and totalitarianism. The liberal, finally, stands in favor of intermediate classes and small social units. In summary, Röpke—in his criticism of the historical errors of liberalism and capitalism, in his commitment to renewing the liberal tradition and constructing an economic and social order worthy of man, and in his many attempts to find lines of convergence between Christianity and market economy—has shown that a good Christian is a liberal who does not know it. (Röpke 1947)

3. The Trans-Disciplinary Dimension of Economic Problems

This study also applied ARDL co-integration and long form test to check the co-integrating variable and long-run relation among the agriculture sector and economic growth of Pakistan and the results obtained from regression analysis of these tests are incorporated in below table (6) and (7).

As one particular motif of Röpke's work, we can trace the relationship between "market economy" and "collectivist economy" in relation to a free and peaceful international order, the only one that in his judgment complies with *civitas humana*. He treats a theme that has interested a wide array of liberal authors who, during and immediately after World War II, asked themselves what order to promote at the end of that devastating conflict⁷. Röpke inserted himself into this debate among European social scientists and sided overwhelmingly in favor of the market economy, highlighting its personalist, humanistic, and peaceful nature.

A similar argument springs from a declaration of method, that the economist should avoid overestimating the weight that the "business side"

⁷ Consider also the positions taken by F. A. von Hayek, L. Robbins, L. Einaudi and L. Sturzo. From the last, we quote a few lines from one of his works from 1946: «Nationalism and Internationalism are today the two poles around which politics has its evolutions and involutions. All other human interests, institutions, social trends, even cultural and religious life, are affected by the influx of nationalist or internationalist policies.» Sturzo 1946, p. viii.

carries in international politics, thus reducing the nucleus of causes that have led and still lead to conflictual situations, breaking “harmony among people.” In fact, Röpke intends to highlight the interpenetration of the economic side with the political and of both with the cultural dimension, to bring out the great responsibility that is vested directly in “politics,” understood as the «terrain of ideas, of power, justice, ambition, of desire for dominion or for independence, of the collision of the peace-loving and aggressive, and of further irresolvable sentiments.» (Röpke 1996, p. 224)

Faithful to a position that can be characterized as a multidisciplinary interpretation of the social market economy model, where the economic, political, and cultural dimensions come together, interact, and affect each other mutually, Röpke describes the "economic regime" that is both the sum of the principles which govern economic life and is, at the same time, never completely autonomous and self-referential. It is conditioned by the "social system," in which all the systems and subsystems of social life confront and affect each other. Such a description, Röpke states, to the extent that is true for the life of a nation, must also be true for international relations.

4. The causes of international violence

By virtue of this methodological perspective, our author rejects a “one-sided economism” that reduces the warlike character of or peaceful relations between peoples to economic causes, leading us to affirm that human beings necessarily will resort to war and yield to imperialist forces, once the economic system called “capitalism” has been chosen. On the other hand, Röpke does not deny that one can identify the character of the economic systems that promote harmony among peoples and those that compromise it. This is exactly the goal that he seeks, attempting to locate the dividing line between an economic regime conducive to peace and one that instead contributes to international hatred. In this regard, Röpke avoids any delay and without mincing any words decides to “take the bull by the horns” and contest in an absolute manner and in a direct way the statement, an “extremely popular” one, that “‘Capitalism’ is the intrinsic cause of war and capitalism.” Indeed, with a great sense of urgency, Röpke outlines the best way to demonstrate how mistaken this opinion is. (Röpke 1996, p 225-226)

Röpke’s demonstration proceeds from the assumption that we are all agreed that «the profit motive often possesses the tragic tendency to influence governments in a warlike direction, that the secret archives of the armaments industry in all countries must have their darker side, that individual concerns often enough guide colonial policy in an undesirable direction from behind the scenes and so have contributed to world conflict,

that uncontrollable financial forces have spread the poison of nationalism in public opinion by straight or crooked means and so on and so forth.» (Röpke 1996, p. 225) Nonetheless, in what way could everything have to do exclusively with one economic regime rather than with another? For our author, the universal acceptance of such an assumption, indeed, is only to say that there are unscrupulous, greedy and ambitious, raging adventurers and scoundrels – and they are not few. Such figures have always existed and will always exist in any latitude and longitude, as well as in any economic and social regime. Once we recognize this fact, Röpke understands that the problem of the causes of international violence, far from being solved, appears only slightly shifted. The new question that arises is what economic regime favors - although it cannot absolutely determine - international conflict and which instead promotes peace. Again, the most popular response places in the dock the economic regime that arose from the Industrial Revolution, centered on the intensive use of capital, on the division of labor, and on the free market. Röpke objects that it is hard to understand how such a “race of individuals,” sinister and villainous, has been able to bring to an end the era of feudalism and yet has not expressed itself in all its supposed wickedness during the era of totalitarianism or collectivism, brought about in whatever way. The reality, says our author, is that «To speak here of the mischievous influence of “Capitalism” means obscuring the matter, and where it is a question of human guilt indulging a notion divorced from responsibility.» (Röpke 1996, p. 225)

5. “Civitas Maxima” and Global Leviathan

This is, to our author, the fundamental error of any kind of “radical thought,” the “unfortunate doctrine of Rousseau,” according to which man is in himself good and that it is society that corrupts; from this point of view, it would be sufficient to redesign society to have man again in his pure goodness. «The feeling of guilt which all should share in true repentance is silenced and perniciously blunted in a determinist way, i.e., by means of theories which blame the purely objective force of “circumstances” and absolve humanity. The theory of economic imperialism, the subject of discussions here, can be taken as a pattern of this type of evading guilt.» (Röpke 1996, p. 226) According to Röpke, it follows that the political consequences that are imputed to capitalism would not be typical of this economic regime and that only under certain conditions they manifest themselves. However, this reality would be “concealed” by the «blanket of vagueness covering ideas including that of ‘Capitalism.’ » (Röpke 1996, p. 226).

To avoid misunderstandings and superficial judgments, Röpke proposes to set aside the vague and often indefinable (except ideologically) term of *capitalism*⁸ and take the two guiding principles of an economic system, the “market economy” or competition and “controlled economy” and he invites us to keep these principles rigorously distinct. Once the model is built, we have only to rephrase the original question: «which of the two systems is more likely to be conducive to a peaceful, free and just international order?» (Röpke 1996, p. 226). Moreover, Röpke introduces this economic distinction, comparing it to another distinction in the political order, stating that there are two ways of “universal political organization”: a world state that denies the sovereignty of the existing nation-states (“*Civitas Maxima*”), or one that does not negate but rather limits national sovereignty. The *Civitas Maxima*, in economic terms, would mean the construction of a single international economy that would involve all the peoples of the earth. In such a case, the reasons for interstate conflict would be mitigated and the problem of peace would finally be resolved.⁹

⁸ It is interesting to note that John Paul II in the encyclical *Centesimus Annus* assumes a position on the use of the term “capitalism” similar to that of Röpke, and also shared by Luigi Einaudi: « If by “capitalism” is meant an economic system which recognizes the fundamental and positive role of business, the market, private property and the resulting responsibility for the means of production, as well as free human creativity in the economic sector, then the answer is certainly in the affirmative, even though it would perhaps be more appropriate to speak of a “business economy”, “market economy” or simply “free economy”.»; Giovanni Paolo II 1991, n. 42. On the same issue, see L. Einaudi 1942.

⁹ About the global *government/governance* debate, see Kennedy 2008, pp. 838-839. Kennedy sees a line of continuity between the so-called Manhattan School, at Columbia and NYU, and Röpke neo-liberalism: «For the Manhattan School, global governance was to be as much a work of the spirit, a work on the self, as a structure of rules and institutions...In this, the Manhattan School echoed Wilhelm Roepke’s famous description of the liberal order of the nineteenth century, held together not by institutions of global governance but by a common appreciation of the “liberal principle” that governments should simply not allow the political to contaminate the economic. For Roepke, this “liberal spirit,” plus the Gold Standard, constituted what he termed an “As-If World-Government” more valuable and ethically compelling than the collectivist fantasies of both European and international lawyers after the Second World War.3 For the Manhattan school, it was the activist spirit of Dag Hammarskjöld, working flexibly with great, if often contradictory, principles, along the boundaries of law and politics, East and West, guided by the imaginary

It is needless to say how illusory and mystifying Röpke found such a position, since the universal economy that exceeds the reasons of particular (national) conflicts would only be possible under the proviso that a central universal polity was established that would act as an “all-powerful world state.” In the absence of such conditions, the universal economy would lack “an executive political leader.” A universal collectivist economy cannot do without a universal collective State, an institution with universal political jurisdiction that assumes in itself, as a synthetic summit, the negated sovereignty of the nation states and the specific responsibilities of the institutional network, whose pluralism would necessarily succumb to the new global Leviathan. «This World State must be really universal for as long as there remained individual giant empires side-by-side with continental federations the same question of their hostile or friendly relations with each other would arise as is the case at present between national states.» (Röpke 1996, p. 227)

Such a universal collectivism, Röpke reassures us, should not frighten us, or at least should not worry us any more than we can worry about unlikely conjectures. It is so distressing and terrifying that no one will ever achieve it, unless in a partial and so vulnerable manner. All that remains, then, is to consider the second hypothesis, namely, in the aftermath of the Second World War, Röpke sees not so much the birth of a world state, as a series of states or federations of states somehow connected with each other. This means that the same collectivism, if it ever develops, would cover states or federations of States and not an international collectivism, embodied by a universal political institution: «Indeed if a Mephistophelian world spirit were to consider how he might best effect a maximum of irritation between the nations by means of a well-thought-out economic system, this juxtaposition of collectivist states or groups of states would prove the most genial solution.» (Röpke 1996, p. 227) To the “Mephistophelean world spirit” of universal collectivism, Röpke opposes the Christian spirit of freedom, the only one that is able to solve the problem that is inherent to the pursuit of freedom, of justice, and of peace, without falling into the trap of the “world state.”

The reason that we should avoid all forms of collectivism is that, unlike the market economy, it requires the complete politicization of economic relations and that politicization translates to “nationalization” within a given territory. Röpke’s concept of “nationalization,” much like the “statism”

perspective of an international community, an international judiciary, and an international jury of his peers».

denounced by Luigi Sturzo¹⁰, is not the same as the notion of public intervention or an active role for the state in economic life. It indicates the maximum strengthening of state power, which implies an equally powerful reinforcement of the state borders and the creation of a bureaucratic network that takes on a similarly nationalistic and despotic tendency. To great effect, our author describes the situation in which one finds oneself living in a city within a collectivist state: «Each individual is so bound to the State for his very existence that even his identity card becomes as it were a sort of soup ticket or insurance policy. This implies the simultaneous shutting oneself off from the outside world; autarky, the strictest control over emigration and immigration, the most rigid and compulsory Foreign Exchange control. And it means furthermore, that, in contrast with market economy, since nation and the economic system have only now become merged, the economic well-being of the nation becomes a function of the size of territory and of the natural resources within the territory which is thus politically governed.» (Röpke 1996, p. 228)

6. “Civitas Humana” and Global Interdependence

Here we come to a fundamental affirmation with which our author declares that anyone who wants collectivism, inevitably, will have to reach out to the collectivist economy that he also defines as the “bloc economy.” Those who want “a world economy” will have to renounce collectivism in every field and move towards a market economy. «*World economy is nothing but the market economy form, and bloc economy the collectivist form of international economy, and in both cases the form of the international economic order must correspond with the national.*» (Röpke 1996, p. 228) Ultimately, for our author, the market economy is the world economy, as the collectivist economy is to that of the bloc, and this occurs both inside and outside of nation states, in international economic relations. You cannot speak at the international level the language of liberalism –

¹⁰ In the field of economics, Sturzo complains of the undue intrusiveness of the state bureaucracy into private initiative. This is the first of the “three evil beasts of democracy”: “statism”, which would go against freedom. Sturzo wrote on this matter “The error of those of good faith stems from a false vision of the modern economy, believing that the state with its ever-widening interventions can repair inequalities, give work to the unemployed and elevate the level of the working classes; it will be just the opposite.”; Sturzo, 1998, p. 12 (Translation from Italian for this article).

which for Röpke is the language of freedom, peace, and equality – and at the national level promote the language of collectivism. Indeed, to not understand such a discrepancy between domestic collectivism and universal peace, when compared to the incompatibility between world economy and economy of the “bloc,” was the source of the greatest danger for those who would be called to the difficult work of rebuilding democratic institutions after the tragedy of the Second World War.

For “world economy,” Röpke means a model of competition able to contribute to the building of an international order worthy of the name, since the elements of “multilateralism,” of “interdependence,” of “freedom,” and of “equal rights,” if they are present at a national level, transfer into international relations. It is for this reason that for Röpke, a genuine world economy can only be created in the form of an “international community of markets, price and settlement,” whose precondition is an «interdependent, intercommunicating, and multilateral system of international economic relations with an international monetary standard with a minimum of import and export restrictions and with an absolutely free international exchange of the factors of production, capital and labour.» (Röpke 1996, p. 229)

At this point in his reflection, Röpke identifies two possible solutions for giving birth to a true global economy. The first would involve the integration of all the economies of the Earth by means of a union of all the nation states within a “world state”; in this case, the communion of markets, prices, and payments would be realized, resulting in a global national economy. The second solution, to which our author evidently leans, requires an authentic global economy presupposing that individual nation states cede a portion of their sovereignty, to the extent that it is necessary and sufficient to promote freedom, multilateralism, and mobility. This would then be able to promote the development of international economic processes, making possible the communion of the market and prices, within a monetary system which provides a “payment community”¹¹: «This implies limiting trade policy to a reasonable measure of protection (“conformable” policy in contrast with the “non-conformable” policy of quotas, clearings and monopolies), Most Favored Nation treatment and an international currency system like the gold standard.» (Röpke, 1996, p. 230). The proposal of Röpke goes in the direction of a union of states that retain a certain amount of sovereignty, out of the fear that a world state might be born that absorbs and synthesizes within itself all individual sovereignty. Though some peddle the birth of this world state as a “dream,” in the eyes of our author it looks like the worst of nightmares.

¹¹ For the theoretical framework, see Kehoane – Nye 2012⁴; Jessop 2004, pp. 49-74.

7. Conclusions

The proposal of Röpke goes in the direction of a union of states that retain a certain amount of sovereignty, out of the fear that a world state might be born that absorbs and synthesizes within itself all individual sovereignty. Though some peddle the birth of this world state as a “dream,” in the eyes of our author it looks like the worst of nightmares.

Röpke shows himself fully aware of the difficulties a federation of sovereign states might face, since it runs the risk of replicating outside its borders the same problems that have characterized relations between individual member countries: a conflict between states would be replaced by a conflict between federations. Here the reflection of Röpke meets those of Friedrich August von Hayek (Hayek 1939) and Lionel Robbins (Robbins 1937), where the Austrian and English economist say a federation - both national and international - can only live in an economic system marked by the free market¹²: «Collectivism in fact means the utmost and inescapable piling up of the power of the state which it is possible to imagine, and it should be plain that such a Leviathan can have nothing else for its substance but the utmost nationalism, despotism, and imperialism. If in future the world should become divided up into a system of collectivist clumps of power, nothing is more sure than that these will become involved in annihilating wars with one another until such time as one or other of them shall have achieved indisputable world leadership and so created a World State, that is to say to have realized those conditions on this planet which no words can describe in all its frightfulness.» (Röpke 1996, p. 231-2) Nevertheless, Röpke is confident about the future and is confident that collectivism necessitates such international disorder, such deprivation of freedom, and such absence of peace, that people themselves will “smash...to smithereens” the collectivist nightmare.

¹² «It is this which is the object of international liberalism. It is an institutional pattern especially designed to meet the difficulties of economic organization on an international scale. If planning is an attempt to create institutions conducive to the satisfaction of the citizens, then international liberalism is a plan»; Robbins 1937, pp. 224-225. «But now when nationalism and socialism have combined-not only in name-into a powerful organization which threatens the liberal democracies, and when, even within these democracies, the socialists are becoming steadily more nationalist and the nationalists steadily more socialist, is it too much to hope for a rebirth of real liberalism, true to its ideal of freedom and internationalism and returned from its temporary aberrations into the nationalist and the socialist camps?»; Hayek 1939, pp. 270-271.

The reconstruction of the international order, after totalitarian devastation, in the opinion of Röpke, imposes a choice between economic regimes that were incompatible: a market economy or a controlled economy. The tragic experience of the past leads our author to choose, without any hesitation, the way of the market economy, an economy of competition that develops the theory of liberalism given direction by the Freiburg School and that, purified from the dross of the “historical capitalism,” could be implemented in a dynamic “social market economy.” This program is possible only through a limitation of the sovereign rights of the individual nation states, in favor of a new political order worthy of *civitas humana*: «We have in fact reached a stage in the history of humanity when a considerable measure of internationality and the limitation of national sovereignty has become a question of existence for the nations themselves[...]. Perhaps we are not hoping for too much if we succeed in convincing people that to the questions which the collectivists are putting to us there is today and always a perfectly good liberal answer even if it be quite a different one from historical liberalism, the sole answer indeed which is compatible with a *Civitas Humana*» (Röpke 1996, pp. 233-234)

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