

Neo-liberal Governmentality in post-Nazi Germany's Ordoliberal Political Economy Discourse (1948 – 1962)

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Abstract

Using Michel Foucault's methodology of 'micro-power' analysis, this article selectively draws on his *The Birth of Biopolitics* (1978/ 1979) to critically-constructively analyse and interpret the birth of Germany's ordoliberal economy discourse, and more broadly, aspects of the discursive formation. Around a hundred years later, from our own point of view, or 'method of decipherment' or broad-based socio-discursive analytical lens, the article traces a selection of the seminal aspects of these micro-powers in this study for the period, mid-1920s – early 1960s in Germany. Contextualised in their own forms and historical dynamics, they are historicised. Yet, the question arises too, as to their historical socio-economic significance, especially in their ordoliberal form and rationales, in the African, or more broadly, modern world developmental economic discursive context today. And for this, three main reasons for the focus on an analysis of post-Nazi neoliberalism, or ordoliberalism, are provided. The study also, in a precursory and provisional way, interprets the data generated from *Biopolitics*, in terms of a four-level thematic framework, related to the research rationale.

Keywords: neo-liberalism, governmentality, ordoliberalism, post-Nazi, micro-powers, point of view, modern developing world economies

Introduction

Neo-liberal economic systems have emerged in current humanities discourse as an important problematisation of political economies, especially in the third or developing world. Its basic premise is that neo-liberalism, with an emphasis on the -ism, does not adequately consider or account for any form of social consciousness, which would effect greater equity or equality in the world

system. It does not capture the social responsive and responsibility part of governance in the modern developing world economies. It is in fact a system of an over-heated world capitalism, the decline if not collapse of which have been prophesied about by many an economist over the last more than 150 years, and is therefore unwelcome. Given this state of affairs, and drawing on some seminal insights and conceptualisations of the late Michel Foucault in his *The Birth of Biopolitics*, I have tried to illuminate a sample of problematisations relevant to his own thought (from 1978/ 1979), and to some degree also ours (in 2019) (cf. Smit 2019a; 2019b).

Foucault's reflections in his lectures towards the end of the 1970s, has the year 1948 as significant nexus, in the aftermath of World War II. This was the year, that some definitive economic initiatives from within Germany, not only determined the development of a neo-liberal economic system over a period of nearly 15 years. It also laid the foundations of an economic system that has become known for 'good governance', and by default socially effective. Turbulent but also hamstrung as they were, it is during these fifteen years that an economic system was created, from within Germany, that would guarantee, 'a strong Deutschmark, a satisfactory rate of growth, and expanding purchasing power, and favorable balance of payments' (Foucault 2008: 85). Given the levels of post-war destruction and reconstruction needed in post-War Germany, this has been and continues to be indeed remarkable.

In this article I focus on Foucault's account of the birth of German neoliberalism, or ordoliberalism, which, in *The Birth of Biopolitics*, is one of the two primary samples of the historicising of the emergence of specific biopolitical neoliberal systems of thought. The other is American neoliberal discourse, which Foucault similarly subjected to analysis in *Biopolitics*, but with less rigour. The article then provides a brief analysis of the methodology and rationale of the study, context in which German neoliberalism discourse was generated, and then consecutively provides an analysis of 'Neo-liberal Governmentality in post-Nazi Germany's Political Economy Discourse (1948 – 1962)', with some interpretations towards answering certain objections.

Methodological Scope and Rationale

Methodological Scope

The founding and constructive development of a governmental model, through a historical governmental process of policy development, and its historical

discursive formation elaboration and amplification, may figure an epistemic break in the domain of the histories of knowledge-power. The index for such an epistemic break may be traced, by identifying and analysing the specific, additive development of interactive ‘micro-powers’ or initiatives, of analyses of conditions, and constructive discursive proposals for policy formulation and implementation. The study of such a model, will have to then focus in its analyses, on the dynamics of micro-powers of formation – micro-initiatives, microanalyses, micro-discursive conceptual formulations or actioning of policy, in short, the microevents, and their conceptual and theoretical contents, that constitute the model (cf. Foucault 2008:185ff). This was the methodological approach in Michel Foucault’s study of the emergence of the neo-liberal governmental system in Germany after World War II (pp. 75 - 184), and also in the United States of America (pp. 216 - 316), as a grounding for his reflections on twentieth century biopolitics throughout his *The Birth of Biopolitics* (2008). Important to note is that his analyses additively pinpoint and interlink specific institutional formations, events, conceptualisations, and the directives for policy implementation. Focused on German neo-liberalism, especially as it emerged from Freiburg, he traced seminal details in the discursive formation development of the specific form of German of neoliberalism, ordoliberalism, from around 1932¹ to 1948, and 1948 to 1962. This was not done in a strictly linear argument, but, as he says, his approach was from a specific ‘point of view’, or ‘method of decipherment’, ‘sideways’, ‘like the crawfish’ (Foucault 2008:79ff; 186; 78).

Thinking with Foucault, but from our own South African, point of view, and through a broad-based socio-discursive analytical lens, around 100 years later, a selection of the seminal aspects of these micro-powers are traced

¹ The text that Senellart traced to identify the correct date, was by Eucken (1932). In the presentation, Foucault was not sure whether it was 1930 or the historically significant date of 1933. To note though for the argument here, is that he does also indicate that similar arguments in Freiburg already date from 1925, and 1927, and that the decade of the 1920s in Germany was also characterized by socio-political discussions on socialism. In Foucault’s view, socialism does have a theory of the state, as well as a ‘historical rationality’ and an ‘economic rationality’. What it lacks, in his view from 1978/ 1979, is ‘governmental rationality’, i.e. ‘a reasonable and calculable measure of the extent, modes, and objectives of governmental action’ (Foucault 2008:91f).

in this study for the period, mid-1920s – early 1960s. Contextualised in their own forms and historical dynamics, they are historicised. Yet, the question arises too, as to their historical socio-economic significance, especially in their ordoliberal form and rationales, in the African context today. And for this, the main reason for the focus on an analysis of post-Nazi neoliberalism, or ordoliberalism, is three-fold.

Rationale

Firstly, the research continues my basic assumption that there is not only one neoliberalism, but several neoliberal systems from history, each with its own dynamics of formation and continuation, but also ruptures, since the birth of ordoliberalism around one hundred years ago. Discursively, and conceptually, it would be obfuscating, or even erroneous to use this notion in an unqualified sense in *the framework of governance in the modern developing world economies, where post-, neo-, and decolonial forces are at work*. Rather than illuminating, it might be mis-interpreting socio-economic epistemic phenomena that play out in small-scale brazen myopic ‘factionalism’, and that should invite different forms of data generation, and analysis, that do take the facts of post-, neo, and decolonial discursive socio-cultural forces into consideration. So, for the attempt at a constructive developing world economic discourse, for developing world governmentalities, different sets of facts than those harnessed under generic neoliberalism discourse might be important. And, in Smit (2019b), I have already tried to outline some of the considerations that need to be accounted for in such an effort, especially as Africa embarks on its operationalisation of the Africa Continental Free Trade Area (AfCFTA) project trajectory.

Another reason is to represent and capture some historicised perspectives of *national freedom discourse* that, as history proves, have had not only had positive outcomes for citizens of the German state, since 1948, or which has become a beacon of hope for many from the former eastern bloc or communist countries. They also exemplify historicised and historicisable, dynamics that nation states the world over aspire, and elements that might be worthy to consider replicating in form (if not in ‘model’ and content) in spatially, and historically, and even anthropologically distant nations or countries. This asks attention for the historically-developing discursive and conceptual formations of ‘the neoliberal’ at specific world-historical junctures

in the governance systems of the modern developing world economies, over the last twenty-five to sixty plus years in Africa. With an eye to the future, and as economic systems have migrated to global international digital systems and liquid currencies, this question might also prove helpful, since it illuminates socio-economic phenomena as they were ‘scientifically’ created and steered by constructive research in the devastated German state. Rather than brazen politicised and factional opportunism, or universalising political economies that both discount the wellbeing of the population at large, such discursive analyses may inform interventions in the economic field for the benefit of the greatest majority. So, not to fall victim to either neoliberal ‘factionalism’, or monopoly-and-cartel formations, nor neoliberal ‘lawlessness’ certain balances need to be introduced that serve both the life and wellbeing of the population, and the establishing and building of strong, and robust national economies, that meet the expectations fostered in the cauldrons of freedom discourse of centuries.

Thirdly, as the world systems have consistently gained momentum with the transformation of communication, and information and data flows as well as the democratisation of worldwide web access to knowledge (cf. Klopper 2018), the question of not only the nature of Human Sciences discourse, globally, but also questions about its *local relevance and significance*, have become important. A concomitant set of questions have arisen with regard to the generic conceptual nature and positioning of economic discourse within the Human and Social Sciences. What is the nature of the world economy today? How does it interact with local economies (or not)? And, how do academe have to conceptualise, analyse, research, study and teach, a twenty-first century economy in the Human and Social Sciences, especially the African Humanities, broadly speaking, in the strategically positioned African university, locally? How does economic discourse have to feature, as an aspect of humanities discourse that is not limited to just one or a certain cluster of disciplines, but is truly trans-disciplinary? Is it possible to conceptualise a configuration of such an economics that speaks to the future of governance, to the future of twenty-first century world economic governance, and more specifically, Africa’s present and future economic governance, or governance systems in local forms? These look like important questions, because, at present, graduates weaned on the indigestible conceptualisations of historicised industrialising nineteenth century political economic discourse from Western Europe (cf. Wallerstein 1995; and Smit 1999), appear ill-

prepared for not only comprehending but creatively, and transformatively, engaging and contributing to the African economies of the twenty-first century in local contexts.

Briefly reviewing internal and external conditions in the Germany of the post-1945s, the next section treats the contextual historical framework in which ordoliberalism² arose.

Context

Internal Conditions

At the end of World War II, Germany, if not much of Europe, was wrecked and ruined. Infrastructurally, institutionally, economically in terms of a generic economic framework, capital and labour, and socially speaking, in terms of social organisation for socio-cultural and educational wellbeing and advancement, the countries in which the war were waged, were devastated and desolate. *Internally*, the situation was exacerbated by some intellectuals not merely supporting, but in some cases actively propagating the war. So, philosophically, and theoretically, Europe, and not least, Germany, were lacking the needed organised, if not centralised, intellectual acumen to re-constitute a viable state. The capacity to develop an arguably legitimate and viable, top-down statist plan, or, even a contextually-relevant theory of the state, that might be developed and used to ground future economic and socio-cultural developments and advancement was lacking. Even worse, some academics that might have played a post-war constructive philosophical, theoretical and conceptually constructive role, were in exile, or just still too much locked in a critique of National Socialism, and similar ideological formations³. To focus on an assertive development, of constructive proposals

² The label, 'ordoliberalism' has been used for the Neoliberalism that has emerged from the mid-1920s in Germany as counter-foil to national socialism, since some aspects of the discourse, and some of its related publications were developed and articulated in the prominent journal, *Ordo*, founded by its protagonists, Walter Eucken and Franz Böhm in 1948.

Cf. <https://www.degruyter.com/journal/key/ORDO/html>

³ As much as it was needed, and certainly had certain discursive effects, Horkheimer's broad study of prejudice in Germany and Europe, on his return from America, is a case in point. Not only did it seek to integrate theory and a

and scenarios for interventions in the present with an eye towards developing and advancing the (re-)building of a prosperous future nation and state, were lacking. So, there was an absence of the theory of the state, or a viable theory that might be used in the post-Nazi conditions, on which to build a state (cf. Foucault 2008:76f).

External Conditions

From the perspective of *external forces*, the situation was even bleaker. Externally, the (re-) emergence of a ‘strong or totalitarian state ... experienced in the [war] years’ was prevented (cf. Foucault 2008:83). Any form of state-forming initiatives, were in principle denied by the victorious transatlantic allies and their war- and post-war political and liberal economies and ideologies. It laid down that Germany would not have a self-governing state-system, nor political system for the immediate future and that it would be ruled, and regulated from outside. American and European forces, also France and Russia, had exclusive right to policy formulation on especially the German future. In this atmosphere, the first German free elections since 1933⁴, were held on 14 August 1949, primarily involving the Christian Democratic (CDU),

large sample of empirical research data. It also sought to continue to address the broad-based question of the authoritarian personality with its roots in the research of the Frankfurt School in American exile (cf. Ziege 2009; Abromheit 2013; Schmid-Noerr & Ziege 2019; and Jay 1980).

⁴ 1933 was the year of the enthusiasm of the German ‘national rising’, or ‘national revolution’, which included some Jewish intellectuals at German universities, capturing their nationalism. Influenced by the general ‘mood’ of the time, it was also the year in which the famed German existentialist philosopher, philosophy professor and friend of Jaspers, and influencer of Sartre, amongst others, Martin Heidegger, had a form of ‘conversion’ to Nazism, and ‘primitivism’. The association of the general national cultural euphoria and celebrations found resonance in Hölderlin, Wagner, and the early Nietzsche amongst others (cf. Jaspers’ *Philosophische Autobiographie* of 1975, p. 101. in Safranski 1998: 231; and Safranski 1998: 230 - 306). Institutionally, the *Führer*-principle was deployed – i.e., that a national-socially appointed leader, in whatever leadership (or management) position, only had to answer to the party and not democratic community.

Social Democratic (SPD), and Communist Party (KPD), across the four Allied occupation zones within a federal state framework. This happened in an atmosphere characterised by the Allies' state phobia (of a hegemonic German state), and commitment to forms of liberal economy that are critical of state-controlled economies, the central, state planning of national and international economies, and state interventionism (cf. Foucault 2008: 78; and 79 - 80, on Keynes).

So, it was in the gap of a certain internal absence of a constructive economic discourse, and within the constraints of the Allied- and American enforced political and economic framework, from outside, that Ordoliberalism emerged⁵.

The Emergence of Neo-liberal German Governmentality (1948 – 1962)

The Economy-centred State

The Neo-liberal German governance system was economy-centred, and not state, nor party-centred. Due to the state phobia, if not state-*Angst*, focused on Germany – but also wider afield, and of which Orwell's *nineteen eighty-four; a novel* (1949), is a good example –, the Allied forces allowed German economic, and suppressed political initiatives. There were both external and internal affordances for this. *Externally*, whatever economic initiatives German economic ventures would take, had to accommodate international – read specifically American – free trade relations and regulations, in the post-War world economy of the time.

... [B]oth the Americans and Europe, ... by guaranteeing economic freedom to a Germany in the process of reconstruction and prior to any state apparatus, the ... different American lobbies [specifically] were assured that they could have the free relationships that they could choose with ... German industry and economy (Foucault 2008:83).

Internally, the situation was more complex, and there were at least 3 considerations or requirements that played themselves out historically, in the

⁵ Cf. Also Hodge's important study, 'The Long Fifties: The Politics of Socialist Programmatic Revision in Britain, France and Germany' (1993).

post-Nazi German state from 1948 – 1963, with the implementation of the then developed economic policy from 1952. *Firstly*, the challenge of *reconstruction* was massive, as is evident from the brief contextual overview above, and needed a broad-based intervention. *Secondly*, planning itself was a challenge, because a wide variety of discursive initiatives have had to be coordinated, ranging from analyses, rationales and conceptualisations that accompanied the Marshall Plan and requirements from America, and the different initiatives in the European countries. *Thirdly* the questions and complexities of the social and social problems, not only due to the war, but also as the internal challenge to organise and manage the people into an upward developmental trajectory – the biopolitical challenges (cf. Smit 2019b: 34f) – were immense⁶. Yet, these were the,

... social objectives that were considered to be politically indispensable in order to avoid the renewal of fascism and Nazism in Europe. In France this requirement was formulated by the CNR⁷.

⁶ In the words of Mierzejewski (2004: 45) ‘[S]ocialism, loosely defined, was very popular in postwar Germany. State planning and the socialization of big business enjoyed wide support. Right across the political spectrum, support for a collectivist solution was strong. The Social Democrats called for planning and public control of large enterprises. The new Christian parties, the Christian Democratic Union (CDU) and the Christian Social Union (CSU) in Bavaria aimed at curbing capitalism. Even the party most closely tied to business, the Free Democrats (FDP), was ambivalent about free markets’.

⁷ I.e The National Council of Resistance (Conseil national de la Résistance, CNR). Senellart (2008: 97 n. 15) adds, that the CNR ‘was formed in the Spring of 1943 in order to unite the different and politically divided resistance movements. It was presided over by Jean Moulin and then by Georges Bidault’. He then quotes H.G. Galant’s *Histoire politique de la sécurité sociale française*: ‘During their plenary meeting, all came to an agreement to remain united after Liberation. The Resistance Charter, which resulted from these deliberations, discussed and approved by the different groups making up the CNR, contained a bold social and economic program. Amongst other reforms, it called for “a complete plan of social security aiming to guarantee every citizen the means of existence, when they cannot procure these through work,

As it happened, the ordoliberal project not only eroded substantive arguments and policies but also replaced them with the neoliberal economic policy. Framed within Weber's distinction between substantive and formal economic rationality, the sequence of events from 1948, systematically eroded the political foundations of the German political parties that based their politics in substantive foundations. This came about especially with the rallying of Christian Democracy and the Social Democratic Party to liberal policy by the end of the 1950s. This was for political tactical reasons, namely to align with the economy-centred and not state- nor party-centred policy developments, as well as because especially the socialist parties had to break with the British Keynesian 'planning' discourse and opt for neoliberal 'competition' discourse (cf. Foucault 2008: 88 – 91, 92). Yet, the argument for the social would be implicitly integrated into the discourse of ordoliberalism (cf. below).

Reconstruction – The Process

The channelling of efforts for the *reconstruction* of the German economy was the main aim of post-war German economic initiatives. State *planning* was the way in which to achieve this.

[T]he requirement[s] of reconstruction, [were] the conversion of a war economy back into a peace economy, the reconstruction of destroyed economic potential, and also the integration of new technological information which appeared during the war, and new demographic and geopolitical facts (Foucault 2008:79).

These had to be engaged in the framework of the conscious, overt, and deliberate collective identification and negotiation of the 'social objectives'. There are three relevant considerations related to three specific events, in this regard.

The *first event* is the constitution of a Scientific Council parallel to the economic administration. At a meeting on 18 April 1948, it resolves 'that the function of the direction of the economic process should be assured as widely as possible by the price mechanism', i.e. to deregulate and bring German prices in line with world prices.

with management entrusted to the representatives of the different interests and the state”’.

On 28 April, at the meeting of the Council at Frankfurt, Ludwig Erhard – Minister of Economic Affairs under Chancellor Konrad Adenauer (1949 - 1963) – supported this decision and gradual deregulation, and therefore the measured and systematic limiting of state intervention in the economy, saying in his speech,

We must avoid both anarchy and the termite state ... only a state that establishes both the freedom and responsibility of the citizens can legitimately speak in the name of the people (in Foucault 2008:81)⁸.

‘Freedom and responsibility’ will empower citizens to become active entrepreneurs of their own economic welfare and destiny, while implicitly continuing to remain responsive to the social objectives in society, and accountable to democratic society. Anarchy, characterised the fragmented multi-party Weimar Republic that was established after WWI. It is a state in which economic action has no form of internal responsibility or accountability towards society. A termite state, hollows out the state economically, and politically, from the inside, with implosion its result. Both the Weimar and the Hitler states must be prevented.

So, this statement explicitly uses the notion of liberal economics to counter what was experienced in the *Führer*-state, i.e. no responsibility and accountability, and an active instrumentalization of the state for the corrupt

⁸ Coming from a petty bourgeois individualist background, Erhard was strongly influenced by his doctoral promoter, Franz Oppenheimer, who propagated a system called ‘liberal socialism’. in the early 1920s. Not sharing Oppenheimer’s Marxian ideas, he developed his own on how the market could serve social justice and transform poverty to middle class life, via his notion of a ‘social market’ – his term. Some of his central ideas resonating with Oppenheimer, were a critique of monopolies, cartels and interest groups – which destroy competition potential and therefore the market; that continuous growth will provide funding for continuous socio-economic development; and wide-spread property ownership, because, in the words of Oppenheimer, property ownership makes people ‘free and equal’. In the mixed economy of his time, Erhard did not oppose the existence of the welfare economy (Mierzejewski 2004:xiii, 9ff, 33, 37).

purposes of a despotic, exploitative and oppressive discriminatory oligarchy. A very incisive analysis from Foucault (2008:81) is that,

a state which abuses its power in the economic realm, and more generally in the realm of political life, violates basic rights, impairs essential freedoms, and thereby forfeits its own rights. A state cannot exercise its power legitimately if it violates the freedom of individuals; it forfeits its rights [of representativity, and not sovereignty].

The counterpoint is that in the absence of the constitution of a new state, and state sovereignty – which would only be constituted on 24 May 1949⁹ - Erhard's argument is implicitly, that the economy-founded state would be positioned mid-way between the untenable multi-party system of the post-WWI Weimar Republic, and Hitler's termite state¹⁰. And as Foucault points

⁹ This was the outcome following a process started by the Allied forces, in 1948, and the constitution of a Parliamentary Council to draft a Constitution (cf. Constitutional History of Germany).

¹⁰ To quote Mierzejewski (2004: 32f), 'Erhard was no friend of the power state that had evolved in Germany and other industrialized countries in the nineteenth and twentieth centuries. "We suffer not from too little government, but from too much government". Erhard visualized a state that left its citizens alone as much as possible. "Where the citizen is directly addressed by the state", he said, "there is something wrong.. However, the state had an essential role to play in the smooth functioning of society. The state was responsible for creating and maintaining the market system, for observing the social effects of economic development, for assuring prosperity and stability, and for promoting both growth and free trade. Clearly, Erhard did not support the idea of the "minimal state." The state had a vital role to play in ensuring that the market functioned properly. The state, again, should not engage in business activity itself, but it could provide infrastructure necessary for business to prosper. By infrastructure, Erhard meant utilities, schools, and a system of laws, very much in the spirit of Adam Smith and Walter Eucken.

The balanced structure that Erhard conceived would serve larger human goals. Erhard fully accepted the notion that the objective of economic activity was social well-being. Economic activity was not a goal in itself. Accumulating economic goods was, in Erhard's eyes, a means of freeing

out throughout his lectures, such positioning, within the constraints set by the Allied forces, means that it is in fact economy that creates the state, or sovereignty and not the other way around. His view of this, the ‘fundamental feature of German governmentality’, is worth being quoted in full.

... we should not think that economic activity in contemporary Germany, that is to say, for thirty years, from 1948 until today [1978/1979], has been only one branch of the nation’s activity. We should not think that good economic management has had no other effect and no other foreseen and calculated end than that of *securing the prosperity of all and each*. In fact, in contemporary Germany, *the economy, economic development and economic growth, produces sovereignty*; it produces *political sovereignty* through the institution and institutional game that, precisely, makes this economy work. The economy produces *legitimacy for the state* that is its guarantor. In other words, the *economy creates public law*, and this is an absolutely important phenomenon, which is not entirely unique in history to be sure, but is nonetheless a quite singular phenomenon in our times. In contemporary Germany there is a *circuit going constantly from the economic institution to the state*; and if there is an inverse circuit going from the state to the economic institution, it should not be forgotten that *the element that comes first in this kind of siphon is the economic institution*. There is a *permanent genesis, a permanent genealogy of the state from the economic institution*. And even this is not saying enough, for the economy does not only bring *a juridical structure or legal legitimization to a German state that history had just debarred* [with the demolition of national socialism]. This economic institution,

people from mundane problems so that they could pursue more lofty ends. Erhard wanted people to be independent and to participate as fully as they wanted in the intellectual and cultural life of the country. Relieving them from grinding poverty, the monotony of work, and daily cares and giving them comfort and security would make this possible. For Erhard, the vehicle for achieving these ends was the free market. Erhard was clear about how a market should function and what was necessary for it to do so. He summed up his view by saying that ‘There is no free market economy without free prices’. In order for the price system to function properly, competition was necessary’.

the economic freedom that from the start it is the role of this institution to guarantee and maintain, produces something even more real, concrete, and immediate than a legal legitimization; it produces a permanent consensus of all those who may appear as agents within these economic processes, as investors, workers, employers, and trade unions. All these economic partners produce a consensus, which is a political consensus, inasmuch as they accept this economic game of freedom.

Let's say that in leaving people free to act, the German neo-liberal institution lets them speak, and to a large extent it lets them act History had said no to the German state, but now the economy will allow it to assert itself. Continuous economic growth will take over from a malfunctioning history (e.a; Foucault 2008:84).

The *second event*, is the publication of the book by Karl Schiller, *Socialism and Competition* in 1955. He formulates the 'formula for German socialism': 'as much competition as possible and as much planning as necessary'. Four years later at a special meeting of the SPD, the party will break with its Marxist-inspired programme, adopted in Heidelberg in 1925. It now renounced the party objective of the socialization of the means of production; legitimates private ownership of the means of production, inclusive of state protection and encouragement, but with the continued objective to work towards and 'an equitable social order'; and supports the movement to a market economy, where 'the conditions of genuine competition prevail' (cf. Foucault 2008:89; also n. 42). It did however include the mobilization of small and medium enterprises versus the big enterprises. Foucault comments,

Clearly, for anyone who thinks in Marxist terms, or on the basis in Marxist terms, or on the basis of Marxism, or on the basis of the tradition of German socialism, what is important in these motions is obviously the series of renunciations – the desertions, heresies, betrayals, as you like – of the class struggle, of the social appropriation of the means of production, and so on.

This event was the final one on how the political objectives primarily focused on the social, were eroded and now dis-, and re-placed by the market economy.

The *third event*, centrally involves the publications of a number of neo-liberal economic theorists who were part of, or associated with the Scientific Council (cf. the first event above). Walter Eucken, a professional economist also associated with Freiburg, and Husserl's phenomenology, and author of the 1932 article, 'Structural Modifications of the State and Crisis of Capitalism', published a book, with the title of *Grundlagen der Nationalökonomie*, on 'national economy', in 1940, but which was in fact on the foundations of a neoliberal economy (cf. Eucken 1950). Not recognised internationally at the time, he provided the principles of Germany's social market economy, which laid the foundations for the hegemony of Germany's economy in Europe since the 1970s if not earlier (cf. Woodbridge 1991). This was followed by Erhard's secretary from 1949, Alfred Müller-Armack's *Genealogy of Economic Style*, that articulated a theory of the new 'style' or art of economic governance that supported free enterprise. The third to mention is Wilhelm Röpke's *The Orientation of German Economic Policy*, prefaced by the first Chancellor of the Federal Republic of Germany (West Germany), 1949 – 1963, and a Manifesto of ordoliberalism. Against state planning and Keynes, and forced into exile, in 1933, his further trilogy *Gesellschaftskrisis*¹¹ (*The Crisis of Society*), was influenced by Husserl's *The Crisis of European Sciences* ([1936] 1970) and served in Foucault's words as a 'Bible' of ordoliberalism. And then we may add Alexander Rüstow's *The Failure of Economic Liberalism: A Problem of Religious History* (1945), and his trilogy, *Determination of the Place of the Present*, that treats the beginnings of domination (*Herrschaft*), the road to freedom, and the topic of the distinction between freedom or domination (1950; 1952; 1955). The latter has the sub-title, *A historical Critique of Civilisation*¹². So, since the article by Eucken, there were a number of substantial publications that constituted the discourse and strategies of ordoliberalism for a post-Nazi Germany. The Austrian economist, Friedrich von Hayek, who also had a strong impact on American Anarcho-liberalism, was also critically brought into the mix and appointed at Freiburg in 1962 (Foucault 2008: 102 - 105; Senellart 2008: pp 124f, notes 20 – 24; Worsdörfer 2013).

As the titles and contents of these publications reveal, the discourse

¹¹ The work was banned shortly after it appeared. Cf. Sennelart (2008:n. 21).

¹² The Trilogy was reviewed by Friedrich in *American Political Science Review* in 1980.

developed, was strongly anti-(political) domination, strongly market and free enterprise oriented, with equally strong in accommodating aspects of the social, aimed at neutralising the national socialism of the Hitler state that officially came into being in 1933, and was finally dissolved in 1945, as well as the Marxian propagation of the KPD.

By developing the ordoliberal discourse, a discursive formation space had to be created, so as to bring in the ordoliberal discourse into this space and then to leverage influence of the economic policy of the federal state. This was done by the historicising and critique of the older political economy systems, the dynamics of which, we now turn.

The Critique and Analysis of the German History of Economics Discourse – Opening Up the Space

The Critique

Strategically, historicising dated and also competing economic systems opens the space for the conceptual and theoretical development that is designed to re- and displace them. The protagonists of the model of post-Nazi neoliberalism problematized and historicised the different elements of German history – a) the protectionist nationalist economy developed by Friedrich List (1840); b) Otto von Bismarck's state socialism; c) the First World War's planned economy; d) Maynard Keynes's interventionist state planning system; and e) the nationalist socialist economic system (Foucault 2008: 107 – 111).

- List's national economy' was criticised because it was a protectionist policy – a *protected economy* – that erroneously held the all forms of liberal policy had world domination as objective. The maritime British colonialist tactics of using liberal policy for purposes of domination and control, was used as example.
- Bismarck's *state socialism*, was likewise protectionist, in that it emphasised internal national unity versus all systems from outside which could compromise strategies towards forms of national unification. The aim was to also integrate the proletariat into the national economy.
- The German planned economy of WWI – a planned economy –,

necessitated a centrally planned economy focused on regulating the efficient centralised administration of the economic system, distributing ‘scarce resources, fixing prices and guaranteeing full employment’. The planned economy remained in place in the post-WWI years, and was intensified during the time of the Führer-dominated nationalist socialist oligarchy.

- Keynes’s planning and *state interventionism*, were likewise rejected, because it denied or limited freedom of economic action by the general public¹³.

If the neoliberal protagonists historicised these systems, they also criticised two contemporary and competing systems, viz. the New Deal and the Beveridge Plan. New Deal discourse hinged on two main principles, viz. a government-related economy, and the facilitating of forms of balance and equity between rival economic forces. The Beveridge Plan was criticised for its resemblance of the state economy of German National socialism. ‘English Labour party socialism will lead you to German-style Nazism’ (cf. Foucault 2008:110).

Whereas the Western world downplayed the significance of these economic systems, individually, the ordoliberalists accepted them as Germany’s ‘truth’. They functioned together as an interwoven cluster of historically-developed systems that not only implied one another, but also had national socialism as their logical, historical outcome. This was an ‘inversion’ on three counts, of the argument that the economy of one hundred and fifty years was an heterogeneous hodgepodge, of economic systems, a mishmash, uncontrollable and that the state could not limit or steer. And for this, they generated three critical analytical methods, *coups de force*, or masterstrokes, to analyse

¹³ To add, at the time of the emergence of ordoliberalism, America’s New Deal and Britain’s Beveridge plan and programmes were criticised for precisely the same reasons national socialism and Keynes’ centralized planning and interventionism were criticised. Amongst others, Röpke for instance said, ‘The Beveridge Plan will lead you to the Göring Plan and the national socialist [undemocratic] four-year plan of 1936’ (cf. Röpke in Foucault 2008:110f).

this historically grown economic system, and especially the Nazi economy (Foucault 2008: 110 - 114).

The *first coup de force* was to argue that together, and as the 'truth' of the German and Nazi economy, this 'type' of economy was an 'anti-liberal invariant', not a mere hodgepodge. Through concerted research they group economic theories together, that show aspects of these systems, ranging from mild Keynesianism, through the British and American models, to Communism (Foucault 2008: 110f).

The *second coup de force*, was to argue that rather than the Nazi-regime being the culmination of a dynamics that ultimately lead to a totalitarian hegemonic state, it rather was a system that precisely did the opposite – it generated the 'withering away of the state', e.g. the loss of juridical structure and therefore the state as juridical personality; the loss of internal administrative hierarchy, and state apparatus operationability, having been replaced by the *Führertum* principle; and the constitution of the party as supreme authority, and vesting of all authority in the existence and functioning of the party, with the state subjected to the party (Foucault 2008:111f).

The third *coup de force* was to argue that rather than being the antithesis of mass, technological society characterised by consumption and spectacle, that broke with its natural and traditional roots, it was in fact an intensification of the mass technological society which it criticised. The order of the mass and of spectacle, e.g. the Nuremberg spectacles, were ideologically driven. Foucault (2008: 113f) says,

Rather, they are the product and effect of a society that economically does not accept liberalism, of a society, or rather of a state, that has chosen a policy of protectionism and planning in which the market does not perform its function and in which the state or para-state administration takes responsibility for the everyday life of individuals. These mass phenomena of standardization and the spectacle are linked to statism, to anti-liberalism, and not to a market economy.

The question that then arises, is, whether a liberal or ordoliberal economy can fill this gap, so created by ordoliberal discourse. In Foucault's (2008:117) formulation,

In actual fact, something much more important is at stake in modern

neo-liberalism, whether this takes the German form [of ordoliberalism], or the anarcho-liberal American form. What is at issue is whether a market economy can in fact serve as the principle, form, and model for a state which, because of its defects, is mistrusted by everyone on both the right and the left, for one reason or another. Everyone is in agreement in criticizing the state and identifying its destructive and harmful effects. But within this general critique, will liberalism in fact be able to bring about its real objective, that is to say, a general formalization of the powers of the state and the organization of society on the basis of the market economy? Can the market really have the power of formalization for both the state and society? This is the important, crucial problem of present-day liberalism and to that extent it represents an absolutely important mutation with regard to traditional liberal projects [from the] eighteenth century.

The ordoliberals answer yes, it can, through three mechanisms – through ‘a shift from exchange to competition in the principle of the market’; through a market-driven competition that is not natural, according to ‘natural appetites, instincts and behaviour’, but phenomenologically (following Husserl), a formalising principle, or an *eidōs*; and, that the essence of the market, pure competition must produce the state. This approach is possible through an ‘active governmentality’ (Foucault 2008: 118 - 121).

There will not be the market game, which must be left free, and then the domain in which the state begins to intervene, since the market, or rather pure competition, which is the essence of the market, can only appear if it is produced, and if it is produced by an active governmentality. *There will thus be a sort of complete superimposition of market mechanisms, indexed to competition, and governmental policy. Government must accompany the market economy from start to finish.* The market economy does not take something away from government. Rather, it indicates, it *constitutes* the general index in which one must place the rule for defining all governmental action. *One must govern for the market, rather than because of the market.* To that extent you can see that the relationship defined by eighteenth century liberalism is completely reversed.

With this brief background, we need to also provide some perspectives of the impetus for the ordoliberal discourse that had its beginnings in Max Weber's theorising.

The Irrational Rationality of Capitalism

Within the German economy-centred state, 'economic freedom both found and limit the state at the same time' (Foucault 2008:101ff). Max Weber called it the 'irrational rationality of capitalism'.

Marx identified the contradictory logic of capitalism, i.e. to generate capital through the exploitation of labour, that generates surplus value (capital) that does not serve all – worker and elite – equally. In Germany, Max Weber, though defused Marx, with his conceptualising of the problem of the movement from capital to capitalism, as a movement from the rational to the irrational. The capitalist system might appear and function in a completely rational way, yet, it is irrational, in so far as it does not describe why needs are not met equally, or the distribution of goods and services are unequal. In his explanation,

Where a planned economy is radically carried out, it must further accept the inevitable reduction in formal, calculatory rationality which would result from the elimination of money and capital accounting. Substantive and formal (in the sense of exact *calculation*) rationality are, it should be stated again, after all largely distinct problems. This fundamental and, in the last analysis, unavoidable element of irrationality in economic systems is one of the important sources of all 'social' problems, and above all, of the problem of socialism (Weber 1968:111 – translation by Roth & Wittich).

Where a planned economy is pursued with thoroughness and rigour, the diminution of formal calculative rationality has to be simply accepted as an inevitable outcome of the absence of monetary and capitalist calculation. Material rationality and, in the sense of exact calculation, formal rationality, here inevitably part company: the fundamental, and ultimately, inescapable irrationality of the economy is one of the sources of any "social" problematic, and above all, for every form of socialism (Weber 2019: 206 – translation by Tribe).

Weber's notions of formal and substantive rationality is a distinction between the rationality of means, and the rationality of ends. The *rationality of means* dominates society via industrialization, bureaucracy, as it functions according to generic laws, rules and regulations in economic, legal and scientific domains. The *rationality of ends*, involves 'value-rational action', i.e. action that ensures that the end of an action meet a certain value, or a cluster of values or value system, as we find in a religious formation, aesthetic systems, communism, or socialism or egalitarianism for instance. Formal rational action that does not meet or adhere to substantively rational value systems, are therefore deemed irrational (cf. Karlberg 1980:1158ff; 1155ff)

Both the Frankfurt School and the Freiburg schools of thought aligned with Weber, rather than Marx and obviously the KPD. Yet, whereas Horkheimer focused on transforming the economic irrationality through a new social economic rationality, factoring in the social, the Freiburg school did not do this in the same way. They tried,

to resolve it in a different way, not by rediscovering, inventing, or defining the new form of social rationality, but by defining, or redefining, or rediscovering, the economic rationality that will make it possible to nullify the social irrationality of capitalism (Foucault 2008:206).

Neoliberalism followed the Freiburg school of thought of Eucken and Röpke, amongst others. If free entrepreneurial creativity and freedom of enterprise, induce growth, and realise the social good for all, then, functioning like a siphon, it would successfully account for social problems, and so, make socialism unnecessary. On this point, and also bringing Durkheim into the discussion, Turner's (2003:3) well-informed take is that,

Durkheim in particular adopted a sympathetic approach to socialism as a moral regulation of the economy which would restrain the anomic effects of utilitarian ideology and market conflicts (Durkheim 1958)¹⁴. Weber was highly critical of the rationalisation of economic life which

¹⁴ Durkheim gives an exceptional contextual analysis of the ideas of St. Simon. He does not provide a constructive argument for his own positioning though (cf. Gouldner 1958: iiiff).

a centralised socialist economic plan would entail, but he was also significantly influenced in his view of the economic structure of the ancient civilisations by Marx's theory of slavery and feudalism (Weber 1976)¹⁵.

To note, in the context of the argument is that in both Durkheim and Weber there are forms of engaging and accounting for the social, within a capitalist framework, very different from the crude and banal forms of Marxism and communism. The centralised controlled economy system, of China came to a fall in 1979 and that of the old USSR in 1989/ 1991. For both, the reason was that, resonating with Keynes, and being grounded and founded in the centralisation of the economy, and because both operated via centrally planned economies, they could not sustain the sheer weight and strain the populace, not excluding its expansionist mythologies and forms of colonisation, put on the centralised political management and steering of the system. And, to this we need to add a third reason, namely Foucault's point, that forms of socialism (and communism) do not have functional, responsible and accountable representative social governmentalities, whereas forms of democratic liberal, and also the neo-liberalist, do have forms of representation for the general populace.

Yet, obviously, as said, in the postcolony, and from decolonial points of view and analyses of their own micro-powers, there are additional discursive forces that come into play. But this is not now the focus of analysis.

In the final section we follow and think with Foucault about the nature and dynamics of the social, and how, in ordoliberalism it was thought and presumably successfully implemented in Germany.

The Socially-conscious Market Economy – The Model for German Neoliberal Political Power

The Model

The seven obstacles which were removed, did not win over the approval and

¹⁵ Weber's text is important because it provides an overview that is less reductionist than Marx's even though there are obviously some similarities. It is based on an essay of 1897, and appeared in 1909 (cf. Weber [1909] 1998, and especially his last chapter, 'The Social Causes of the Decline of Ancient Civilizations', which is an essay from 1898).

endorsement of the German capitalist and political, as well as the international Allied forces, within the economy-centred system, or were at least discredited. This opened the space for the progressive development of an economic model that would simultaneously suit the needs of German reconstruction, meet the requirements of international capital, and prevent national socialism from re-forming.

Continuing the argument that forms of liberalism and neo-liberalism have forms of governmentality, whereas forms of socialism do not, Foucault's basic argument is that central to neo-governmentality is the modelling of political power, and its form of governance, on the principles of a market economy.

So, it is not a question of freeing an empty space, but of taking the formal principles of a market economy and referring and relating them to, of projecting them on to a general art of government. [And] ... that in order to carry out this operation, that is to say, to discover how far and to what extent the formal principles of a market economy can index a general art of government, the neo-liberals had to subject classical liberalism to a number of transformations.

The transformations relate to the well-known re-articulation of the market with governmental power. This is a switch from the old liberal ideal of zero governance interference according to the ideology of *laissez faire*, in the variety of market formations in liberal society¹⁶. Governance had to create a 'concrete and real space in which the formal structure' of a competitive market could function optimally. And to create and regulate this space required 'vigilance, activity, and intervention'.

In all the texts of the neo-liberals you find the theme that government is active, vigilant, and intervening in a liberal regime, and formulae that neither the classical liberalism of the nineteenth century nor the contemporary American anarcho-capitalism could accept. Eucken, for example, says: 'The state is responsible for the result of economic activity'. Franz Böhm says: 'The state must master economic

¹⁶ This was obviously also a critique of forms of collectivism, socialism, and communism.

development'. Miksch says: 'In this liberal policy' – and here the phrase is important – 'there may be as many economic interventions as in a policy of planning, but their nature is different' (Foucault 2008:133)¹⁷.

So, the question is not *whether* there should be governance interventions, but the *nature*, or the *how*, or the *style*, or *art*, of governmental interventions and governance action (Foucault 2008: 132, 133f). Thematically this relates especially to the problems posed by monopolies, 'conformable economic action' and social policy (Foucault 2008: 133ff).

- a) The matter of *monopolies* is a very real problem in neoliberal capitalism, because it clashes with both its ideal of free regulated competition and its social ideals. Monopolies or cartels form and then control and leverage production, export and price controls, and so, reduce the portion of the market that is open for competition. So, in Germany, there is an extensive framework that seeks to prevent the forming and functioning of monopolies and cartels.
- b) Concerning 'conformable economic action', Foucault (2008: 135f) references Walter Eucken's *Grundsätze der Wirtschaftspolitik* (1952) which is the practice-focused twin of his *Grundlagen der Nationalökonomie* a decade earlier. *Grundsätze* distinguishes between the 'regulatory actions' and 'organizing actions' of governance. *Regulatory actions* intervene on the 'conditions' of the market, such as 'the tendency to the reduction of costs' creating 'price stability', 'the tendency to the reduction or increase of the 'profit of the enterprise', through credit and taxation and not price controls, support of selective market sectors, or job creation, or improvement in production.

Organizing actions intervene on conditions of the market too, but at the structural or more fundamental levels. In agriculture for instance,

¹⁷ The foundational text is Walter Lippmann's *An Enquiry into the Principles of the Good Society* (1937), and the related event, the Lippman Colloquium held in Paris, in August 1938, a year before the start of WWII. A number of leading neoliberal theorists in the aftermath of WWII, attended the colloquium (cf. Foucault 2008:132).

interventions are on the level of ‘population, technology, training and education, the legal system, the availability of land, the climate’. Conditions need to be created in these levels that will positively impact the market.

- c) In addition to monopolies and the regulating and organizing actions of government, the third is the question of social policy. In the ordoliberal economic framework, ‘[a] social policy is broadly speaking a policy with the objective of everybody having relatively equal access to consumer goods’.

As such, it criticised the welfare economy that functions through the socialisation of forms of consumption, e.g. collective medical and cultural consumption; family allowances; and collective growth, which means there is a greater surplus to share. On the first it argues that consumption is unequal, and is as such a market instrument; on the second, that rather than providing social access to medical aid and cultural practices, it should provide the means for people to freely organise themselves to attain these, which also means that private property is endorsed; and finally, that growth, as initiated by the individual provides growth of the whole. Significantly Foucault adds that these blunt instruments could not be instituted immediately in 1948 – 1952, but that they were phased in over a period of more than a decade.

So, to put it rather crudely, after it emptied the economic arena of competing economic systems – the seven systems mentioned above – ordoliberalism developed its own ideas that have their beginnings in the middle of the 1920s, through the foundational essay by Eucken in 1932, and the Lippman book and colloquium in 1937/ 1938, to the 1948 policy development interventions and their implementation over the next decade and a half, led by Erhard.

It was this form of neoliberalism with its integrated social policy, that American anarchoneoliberalism rejected (Cf. Foucault 2008: 145; 215ff). And it is to a closer analysis, in the form of *Gesellschaftspolitik* (Policy of Society) that we now turn.

Gesellschaftspolitik (Policy of Society)

This notion references that strategy of governance instituting and regulating

forms of competition in society. The notion of competition does not only provide the template for political power and government – both national and international – but also the template for the self-regulating of society. Governance need to create the social environment conditions, in which competition is entrenched integrally in society throughout its functioning. And there are two aspects on this dynamic.

Firstly, that society is ‘not a supermarket society, but an enterprise society’. This means that governmental action is ‘shifted downwards’. In a text by Röpke, *The Orientation of German Economic Policy*, prefaced by Adenauer, the list of final objectives of governmental action are,

... *first*, to enable as far as possible everyone to have access to private property; *second*, the reduction of huge urban sprawls and the replacement of large suburbs with a policy of medium-sized towns, the replacement of the policy and economics of large housing blocks with a policy and economics of private houses, the encouragement of small farms in the countryside, and the development of what he calls non-proletarian industries, that is to say, craft industries and small businesses; *third*, decentralization of places of residence, production, and management, correction of the effects of specialization and the division of labor, and the organic reconstruction of society on the basis of natural communities, families, and neighborhoods; *finally*, generally organizing, developing, and controlling possible effects of the environment arising either from people living together or through the development of enterprises and centers of production. Broadly speaking, Röpke says in 1950, it is a question of ‘shifting the center of gravity of governmental action downwards’ (in Foucault 2008:147f).

All these units focused on as ‘objectives of ordoliberal policy of society, are forms of enterprise - private property, towns, private houses, small farms, craft industries and small businesses, natural communities such as families, and neighbourhoods. So this is the way through which forms of competition could be integrated in society, and governmental action moved to different societal formations, impact the whole of society in all its social manifestations. Foucault (2008: 148) says,

I think this multiplication of the ‘enterprise’ form within the social body is what is at stake in neo-liberal policy. It is a matter of making

the market, competition, and so the enterprise, into what could be called the formative power of society.

So, rather than representing the Marxian commodity form, and the uniformity of the commodity, the cultivation of a competitive ordoliberal society is focused on ‘the multiplicity and differentiation of enterprises’ (Foucault 2008: 149).

Secondly, in addition to the enterprise society envisaged by the ordoliberals, we have a judicial society. This is an enterprise society, which again, has ingrained into it, judicial institutions – ‘two faces of a single phenomenon’ (Foucault 2008: 150). This focus problematises a number of issues related to the juridical interventions in the economic order and the future of capitalism; as well as questions about introducing the rule of law into the economic order; and, given the multiplicity of the enterprises, the explosion in ‘judicial demand’ (Foucault 2008: 159 -184). Significantly, Foucault closes his chapter with reference to Schumpeter’s argument that the continuous development of the enterprises society will ultimately, due to monopoly and cartel or similar social formations, end up in a form of socialism¹⁸.

Critical-constructive Interpretation of Micro-Powers

With the notion of ‘critical-constructive’ interpretation, I want to affirm the role that research rationales, as filters, play in data generation for any form of contextual interpretation. Research rationales, already contain assumptions in terms of which data is generated and selected, according to the principle of relevance. So, both the ‘critical’ analytical aspect and the interpretive-constructive aspect are already present in the processes of generation and selection of data. This is done with, for, and in the interests of specific interpretive communities, and such communities, could be socio-culturally, but also socio-historically analysed.

So, with regard to this article, apart from the very brief historical contextual overview, in which ordoliberalism emerged, before, and after WWII, and the equally brief following of some analyses by Foucault and Weber, a critical interpretation of the data could be done by following the

¹⁸ Cf. especially Part II: ‘Can Capitalism Survive?’, pp. 139 - 142, on ‘The Destruction of the Institutional Framework of Capitalist Society.’

three-pronged focus of the rationale of the study, reflecting on the 'micro-powers' in each of the levels.

I want to suggest that we do the three-pronged analysis at four levels, or in terms of a thematised four level framework.

The Macro-level: The Framework of the Modern Developing World Economies, where Post-, Neo-, and Decolonial Economic Forces are at Work

In the modern developing world economies of the global south, and BRICS, the articulation with the Western world has been problematic, not least the capitalist mode of production. All countries of the global south have had historical experiences of the detrimental impacts and effects of the Western colonising world, in response to which a wide variety of forms of resistance and anti-colonisation developed. In South Africa at least, there is evidence of such resistance from pre-colonisation contacts with the Western seafaring nations (Smit 2017). Postcolonial theory problematised the impacts of colonisation with regard to the loss of land, culture, heritage and civilisations, other than the western, amongst others. Neo-colonial analyses brought to the fore the continued forms of suppression of indigenous modern development and continued extraction of resources that did not benefit formerly colonised countries. De-colonisation was the process through which former forms of colonising governance and administrative systems serving colonising forces, were replaced with indigenously-developed ones serving the postcolony's free nation. Of late, the latter term references the decolonisation of academe, including the knowledge-power systems that did not serve indigenous people(s).

With regard ordoliberalism, the significant perspectives concerning Germany's economy of the forty years focused on in this study, is primarily threefold – the four-phase historical growth of Germany's pre-Nazi economic systems, that culminated in the fifth phase, of the Nazi-economy; the coerced form of Allied restrictions and constraints with regard to post-war state building, which in principle only allowed space for an economy-centred development dependent on the Western economies, especially the American; and the kinds of ordoliberal critique and use of international theories of economics, with regard to the Beveridge plan and the New Deal for instance.

The Meso-level: The Framework of National Freedom at the Level of the State and Nation

The main principle for the building out and giving shape to national freedom, was to optimally engage the space allowed, viz. the developing of an economic policy with no obviously Keynesian or socialist agenda, that yet had focused on the complexities of rapid reconstruction and that had the welfare of the greatest number of citizens in its scope. As such, on the one hand, the ordoliberal economic model was to provide the shape for political power and governance, and not the other way round. On the other, the model had to impact the society in its smallest detailed forms of social interaction. These forms of interaction, were likewise determined by the ordoliberal economic model.

The Micro-level: The Framework of Local Relevance and Significance

The micro-level, details the minutiae of social formations in society with a focus on how they could be regarded as forms of enterprise. So, through the inculcation of forms of competition from the affirmations of private property, through rural villages and towns, to clubs and societies, the inbuilt cultivation of competition derived its template from the ordoliberal economic agenda. This is founded in the principle that social action in its broadest sense is decentralised, and devolved, from state and other national systems, to regions and smaller local systems, which were then entrusted with the democratic authority to function optimally.

The Mega-level: The Framework of Multi-lateral Interaction

To the three levels of analysis above, we may add a fourth, namely the multi-lateral interactions of the local economies with the broader world of [neo-]liberal economies. We may call it the mega- or global level. And here, I think Weber's distinction between the *rationality of means* and the rationality of *ends* may have relevance.

If the *rationality of means* dominates society via industrialization, bureaucracy, as it functions according to generic laws, rules and regulations in economic, legal and scientific domains, then it is obvious that in the global framework or at mega-level, multi-lateral relations which would benefit the

postcolony optimally, would be important to explore. And, this is also true at BRICS levels.

The *rationality of ends*, involves questions concerning 'value-rational action'. And, whether one wants to pursue multi-lateral relations within the levels or between the levels, the question of the primary values that should or ought to play a role in such relations and interactions should be crystalized. On this score, and from within the ordoliberal camp, Wilhelm Röpke's 'Ethics and the Economic Life' (1955), is important. It resonates with developing world governance and economic concerns on the matter of the role of values in social and economic development. The example is obviously the notion of *Ubuntu*, and similar developing world economy values systems, and their forms of modernisation. Questions for instance, could then be raised with regard to *Ubuntu* discourse and *Ubuntu* values, or, the contextual value-rationalities of *Ubuntu*, in economic governance.

Conclusion

I want to conclude this article with three observations, which are observations that I think are helpful from a study such as this one.

Firstly, since the rational irrationalism of capitalism will continue to be part of all economic systems in the world – including the BRICS countries – at those levels that embrace and foster forms of entrepreneurial thinking and activity, the reality questions of what we may term the missing social, will remain. Even as Africa embarks on its Africa Continental Free Trade Area (AfCFTA) project trajectory, questions of irrational capital on the one hand and the demand for forms of social development, advancement, and social responsibility and equity – including education and capacity and capability development – will accompany Africa's expected forms of the upscaling of open economic development. The Africa-focused constructive and productive creation of competitive entrepreneurially created economic enterprises, systems, institutions and companies will play a key role in generating growth, and prosperity from which all will benefit inclusively, on our continent.

Secondly, methodologically, Foucault's study of the 'micro-powers' involved in the birth of German ordoliberalism is helpful for similar studies of the past. Such studies may focus on the problematisation of economic systems, or generic cultural and institutional systems of formations for that matter. And, given Foucault's development and deployment of his archaeological and genealogical methodologies in respect of the founding and development of the human sciences, this is helpful. By drawing on local and developing world economic system and value-rationalities, to undergird the developing of the human and social sciences in African contexts are helpful. As Foucault – and the ordoliberals – have shown, from his study of the twentieth century, such studies may not only prove helpful in historicising and breaking with certain epistemes, but also in creatively generating useful conceptual frameworks and theories from our collective past, that may be helpful in the twenty-first century developing socio-cultural economies of the world.

Finally, as forms of African existentialism have shown, the future hopes of modern developing world governmentalities and their related economies cannot materialise and be realised without ontologically and experientially involving the people, their initiatives, arts, crafts and their sciences. Locally-grounded value-rationalities, that are operationally integrated into economic thought action is of paramount importance. Amílcar Cabral has shown, in his text from 1970, 'National Liberation and Culture', if you want to contribute to 'developing the economic and social progress of the people', in the post-liberation or post-, and de-colonial phase of a country's trajectory of international multi-lateral interactions in the interests of advancement, you have to do it by centrally involving song and dance. Value-responsive and value-rational enterprises are key to the African continent's future sustainable growth trajectory. And as said, these should, be integrated in multi-lateral ways into the life-forces of work and labour, which are central to the sparking and continuation of an upward and sustainable growth trajectory into openness.

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