A European Social Model of State-Market Relations

The Ethics of Competition from a “Neo-liberal” Perspective

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Ein Europäisches Sozialmodell der Beziehungen zwischen Staat und Markt – Die Ethik des Wettbewerbs aus „neo-liberaler“ Sicht

In this paper I portray „neo-liberalism“ in its original conceptual meaning as opposed to the generic term of depreciation as which it is commonly used. I identify fair competition and the denial of all privilege as the major concerns of original neo-liberals. Ethical merit for competition might, at first sight, be based on only two principles: individual natural rights (equal liberty) and socially desirable outcomes (“unintended altruism”). It was the neo-liberal idea to put fairness-norms or universally applicable rules of just behaviour between an unqualified “input-based” ethics and an unqualified “output-based” ethical consequentialism. The enforcement of such rules is a major obligation of the state. Today, the European Union assumes the role of “guardian” of competition. In a certain, but limited sense, neo-liberalism, correctly understood, can be argued to be the one founding “European Social Model”. However, beyond the realm of core of common, universalisable interests, competition amongst social-political models seems a preferable option for Europe.

Keywords: Neo-liberalism, Ordo-liberalism, European Social Models, Ethics of Competition

1. Introduction: the spectre of neo-liberalism

The Communist Manifesto, published in 1848, opens with these dramatic lines:

“A spectre is haunting Europe – the spectre of Communism. All the Powers of old Europe have entered into a holy alliance to exorcise this spectre: Pope and Czar, Metternich and Guizot, French Radicals and German police-spies. Where is the party in opposition that has not been decried as Communistic by its opponents in power? Where the Opposition that has not hurled back the branding reproach of Communism, against the more advanced opposition parties, as well as against its reactionary adversaries? Two things result from this fact: I. Communism is already acknowledged by all European Powers to be itself a Power. II. It is high time that Communists should openly, in the face of the whole world, publish their views, their aims, their tendencies, and meet this nursery tale of the Spectre of Communism with a Manifesto of the party itself.” (Engels/Marx 1848/2005: 1)