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AUTHORITARIAN LIBERALISM, ORDOLIBERAL RATIONALITY AND THE EUROPEAN INTEGRATION PROJECT

Abstract. The author assesses the relevance and analytical significance of authoritarian liberalism and interprets it as one of the modern conceptual models of ordoliberalism and European integration. The basic concepts of authoritarian liberalism and ordoliberalism emphasise the political and ideological connection between the authoritarianism of the strong state and the economic liberalism of market rationality. As a flexible market-oriented form of authoritarian liberalism, ordoliberalism means a rational strategy for maintaining and promoting the European integration project towards which the market economy and the technocratic elite are moving to contain crises. Due to the presence of the values of political liberalism, pluralism and the rule of law, authoritarianism in this structure is not repressive or monocentric, but subject to democratic criticism in relation to the supranational regulation of European integration.

Keywords: authoritarian liberalism, ordoliberalism, market capitalism, democracy, eurocrisis, European integration

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Introduction

The European Union's credibility and legitimacy have been influenced by several existential challenges related to the liberal democratic future of the European project. After Brexit, the EU remains stable; outside the UK, while political ideas of abandoning European integration are marginal, Euroscepticism is on the rise. Contemporary challenges are primarily associated with the very functioning of the European Union, entailing right-wing populist pressure from regional parties and movements. In European regions, where there is increased support for right-wing populist parties, the mobilisation of Eurosceptics occurs on the basis of ethno-national identity. As Lovec, Kočan and Mahmutović note, "the EU crises initially led

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DOI: 10.51936/tip.60.3.475

to a decline in support for the EU, based on the drop in the EU's output legitimacy and that this later triggered input-side Euroscepticism, mutually reinforced by populism and illiberalism. While on the left anti-neoliberalism became more vocal, on the right, a reactionary-nationalist type of populism emerged with some faux-modern elements also being mainstreamed" (Lovec, Kočan and Mahmutović, 2022: 523). This crisis of confidence concerns not only the European Union as a whole, but also the supranational political system and the order of governance on the continent. The systemic conditions for this were created in the era of the Maastricht Treaty and the subsequent transformation of Europe. The Maastricht Treaty created the constitutional structure of the Economic and Monetary Union, which laid the foundation for the Schengen Area and expanded European integration. These processes paved the way for a weakening of the search for a 'real alternative' to market capitalism and neoliberalism on the part of nationalists, Eurosceptics and leftists and the development of authoritarian liberalism. According to Habermas, since 1992 it has no longer been possible to escape from the universe of capitalism; the only option left is to civilise and tame the capitalist system from within (Habermas, 2012).

Contemporary political analysts characterise the constitutional crisis in Europe as an outcome of the economic policy of authoritarian liberalism (Bonefeld, 2017; Somek, 2015; Wilkinson, 2015), which was first analysed by Heller as a fundamental characteristic of the late Weimar regime (Heller, 2015). Polanyi and Marcuse conceptualised authoritarian liberalism as the most common characteristic of the entire period of the interwar collapse of liberal democracy (Marcuse, 1988; Polanyi, 2001). Müller introduces the concept of constrained democracy as a representation of authoritarian liberalism (Müller, 2011). Wilkinson points out the connection between political authoritarianism and economic liberalism, which lies in the dynamics of constitutional changes in Europe (Wilkinson, 2018). Authoritarian liberalism is actualised during periods of economic crisis and a structural element of post-war constitutional regulation in Europe based on the fear of democracy and popular sovereignty, largely because of the threat they can pose to the ordoliberal order (Bonefeld, 2017). Authoritarian liberalism does not operate through the economic doctrine of *laissez-faire*, but with the help of a strong state apparatus that overregulates national parliaments, deregulates the free market and privatises social goods, using forms of coercion within both states and the framework of integration institutions. Neoliberal constitutionalism has always viewed social rights with caution and suspicion due to the clearly articulated material demands they entail (*ibid.*). According to Streeck, the neoliberal authoritarian regime of the consolidation state involves a deep transformation of democracy away from the traditional institutions of popular political participation designed to stand

up for social equity against the laws of the market: where there are fewer public goods due to privatisation, there is less to decide politically, and the economic democracy of capitalism begins to replace political democracy (Streeck, 2014). With markets becoming the principal mechanisms of collective decision-making, there is even less fiscal democracy left than in the rigidified debt state of old: on the macro level, public finances are increasingly constrained by constitutionally enshrined debt limits and balanced-budget rules. In the European case, there are also international agreements on fiscal austerity from which countries can break away only at great political and economic cost (Streeck, 2011).

This article aims to achieve two goals. First, to show the connection between ordoliberalism and authoritarian liberalism on one hand and the European integration project on the other. Second, to provide a conceptual analysis of authoritarian liberalism within the framework of competing political and philosophical models: critical and neoliberal theory. The conceptualisation of authoritarian liberalism as a category of contemporary political philosophy is becoming a theoretical priority. Based on an all-embracing conceptual analysis, the article corroborates that in critical and transformational periods the actualisation of authoritarian liberalism corresponds to the fundamental tension in a democratic state between market capitalism and representative democracy. By identifying contemporary liberalism as political liberalism, political theory usually excludes the conflict dynamics between capitalism and democracy, thereby creating difficulties for the perception of the concepts of authoritarian liberalism and ordoliberalism.

Ordoliberalism and Authoritarian Liberalism – the Other Face of the Liberal Canon

In critical periods when capitalism and democracy come into a fundamental conflict of values, the state is perceived as conflict manifestation and in some cases as an actor in conflict resolution. The reason that one can speak of the state within the framework of this conflict is that the ideological and repressive state apparatus reinforces the contradictions between democracy and capitalism through the military, police, and judicial authorities (Althusser, 2014). Just as modern capitalism and inequality can threaten a democratic state, the democratic struggle for political and social equality can act as a potential threat to the capitalist state. Democratic movements are challenging the structural configuration of politics and economics with a new demand for political democratic control of the economy. In order to preserve the status quo, the ‘ideological and repressive state apparatus’ proposes a market-oriented and renewed form of authoritarian liberalism – European ordoliberalism.

European ordoliberalism as an enhanced market-oriented form of authoritarian liberalism transforms the norms of democratic constitutionalism and representative democracy in order to maintain economic commitments to currency and price stability, tight fiscal discipline and competitiveness. Bonefeld defines ordoliberalism as “a veritable statement about the character of capitalist society and its state”, adding that

in the contemporary debate about the ordoliberalisation of Europe, the ordoliberal argument about capitalist labor economy as a practice of government is put aside and instead it is identified with a certain ‘German’ preference for austerity and seemingly also technocratic governance, undermining the European democracies and leading to calls for the resurgence of the national democratic state that governs for the many. In this argument illusion dominates reality. (Bonefeld, 2019)

Following the 2008 crisis, authoritarian liberalism paradoxically began to be accompanied by antisystem challenges to the future of the European project in the process of searching for integration alternatives, activating right-wing populism, neo-nationalism and illiberal authoritarianism. The situation described is most evident in Central and Eastern Europe, yet also reflected in the growth of Eurosceptic parties in Western Europe. The economic and political model of authoritarian liberalism has a contradictory character: in a crisis, neoliberal integration processes can increase social instability, creating conditions for the escalation of reactive neo-traditionalism and its development into deep-rooted cultural conflicts (Moravcsik, 2004; Slobodian, 2018; Wallerstein, 1995). According to Slobodian, “while neoliberal elites might be organized globally, they remain reliant on the setup of a national vision, through which any national ruling class can appear as the sole representative of their national people. If we want to know why neoliberalism is now dissolving into this specific nightmare – one of nationalist authoritarianism – this is where we need to look” (Brandes, 2019).

Bonefeld states that Hayek’s idea of the potentially illiberal nature of a democratic government is the key to understanding German ordoliberalism as a form of authoritarian liberalism that arose in the context of the socio-economic crisis of the Weimar Republic (Bonefeld, 2017; Hayek, 1960). Ordoliberals relied on the political theology of Schmitt with his concept of the state as the dominant force in relations between the market and the state, calling these relations the union of a free economy and a strong authoritarian state. The premise of authoritarian liberalism was the idea that the establishment of a social order is the basis of a free economy, and a strong liberal state becomes a concentration of this order (Bonefeld, 2019; Röpke, 1960; Schmitt, 2008).

Ordoliberalism is the theory behind the German social market economy. Its theoretical stance was developed in the context of the economic crisis and political turmoil of the Weimar Republic in the late 1920s. It is premised on the strong state as the locus of liberal governance, and holds that economic freedom derives from political authority. In the context of the crisis of neoliberal political economy and austerity, and debates on the resurgence of the state vis-à-vis the economy, Bonefeld introduces the ordoliberal argument that the free economy presupposes the exercise of strong state authority and that economic liberty is a practice of liberal governance. This practice is fundamentally one of social policy to secure the sociological and ethical preconditions of free markets. The study of ordoliberalism brings to the fore a tradition of a state-centric neoliberalism, one that says that economic freedom is ordered freedom, argues that the strong state is the political form of free markets, and conceives of competition and enterprise as a political task (Bonefeld, 2012).

During periods of political transformations, tensions between democracy and the capitalist state increase, leading to a potential constitutional crisis. The most important moment in the history of European integration is the interwar period. In late Weimar Germany, the democratic capitalist state reached its climax due to the growth of a politically emancipated proletariat, which began to threaten the differentiation of the political and the economic created and protected by the Constitution (Wilkinson, 2019). The reaction of the ruling elite to this threat was the convergence of authoritarianism and economic liberalism, as first pointed out in 1933 by the social democrat and constitutional theorist Heller (Heller, 2015).

The main principle of authoritarian liberalism in Heller's phenomenology is the principle of rigid authoritarian power instead of the principle of democratic majority; authoritarian support for economic liberalism does not necessarily amount to totalitarian quasi-religious salvation (*ibid.*). The term authoritarian liberalism was used by Heller to radically criticise German conservatives' attempts to enter into an alliance with big business between 1930 and 1933 in order to maintain economic liberalism at the cost of intervention in politics in favour of capitalist interests. The subject of Heller's criticism was not only the centrist policy of Chancellor Brüning, but also the constitutional theory of Schmitt with the formula "the strong state and the free economy". Schmitt recommended for Germany a strong state with a free market, resisting the threat of social democracy and emancipative experiments of economic democracy (Cristi, 1998). Heller's central argument is that social inequality is incompatible with constitutional democracy since it requires a high degree of social homogeneity, or at least its prospects for maintaining political legitimacy (Heller, 2015).

According to Polanyi, the more violently Western countries resisted

social democracy through authoritarianism in the name of economic liberalism, the stronger and tougher the backlash was: authoritarian liberalism crowded out democracy, weakening its ability to respond to the fascist threat (Polanyi, 2001). However, modern liberal-constitutional theory still underestimates the challenges to democracy from economic liberalism and sees it as a threat to capitalism. After the Second World War, political theory substantiates the key idea of the constitutional defence of liberalism, neglecting research into power structures that can formally or informally undermine democracy in a capitalist state (Hailbronner, 2015). Post-war neoliberal theorists who design legal and political institutions are developing domestic, international and supranational institutional mechanisms to control majoritarianism and 'democratic irrationality'.

In post-war political practice, "Les Trente Glorieuses" (Fourastié) of welfare states mitigated the contradictions between capitalism and democracy. Post-war democracies were created not only to counter state terror or aggressive nationalism, but to counter totalitarianism as well: Western Europe has built a highly manageable form of democracy marked by the stamp of deep distrust of popular sovereignty and even traditional parliamentary sovereignty (Müller, 2011). Liberal theory sought to resolve the majority dilemma by limiting democracy both institutionally (constitutional control) and ideologically (Rawls' concept of reasonableness; Rawls, 1993). The post-war liberal development of Europe has been characterised by a new vision of not only technocratic management functions, but also the essence of economic management. Wilkinson's criticism describes this trend as the de-democratisation of power and sovereignty; this neoliberal approach sets out a new vision of the individual as a market participant rather than a political citizen (Wilkinson, 2018).

The Freiburg Ordoliberal, for whom uncontrolled irrational capitalism was a threat to a social market economy based on order and competition, proposed the new concept of the economic role of the state. While analysing the ideological significance of neoliberalism, Friedrich noted the fundamental theoretical turn of German ordoliberalism with its idea of transforming popular sovereignty into individual market freedom as a tool to legitimise the constitutional order (Friedrich, 1955). For the Ordoliberals, economic constitutionalism, based on equality, individual rights and competition, was intended to ensure the complete elimination of class and ethno-national conflicts from the political sphere. From this point on, the self-identification of the subjects of constitutional relations in Europe (in particular, the European Court of Justice and the European Commission) will be conditioned by the ideology of economic rationality and the logic of market competition (Müller, 2011).

Heller's concept of authoritarian liberalism became part of the criticism

of Schmitt's political theology and German ordoliberalism. A common feature of these doctrines is the recognition of the state as a source of security and social order in capitalist society. In relation to the economy, the state is absolutely the dominant force: Schmitt and the German Ordoliberals viewed the state as a "security regime" and characterised it as the main instrument for "preventing civil war" (Bonefeld, 2017; Schmitt, 2008). For them, the Weimar Republic was an ineffective political structure that allowed the ruled to influence the strategy of the rulers. According to Schmitt and the German Ordoliberals, for the sake of a free economy, the state should have been built as a fortress in order not to become a victim of massive democratic demands for social protection. Schmitt argued his position by referring to Hobbes' concept of Leviathan as a symbol of dominant power, as well as to the traditions of conservative criticism of the egalitarianism of the French Revolution: Schmitt rejected the idea of social equality and defined lawmaking in democracy as the "rule of the crowd" (Schmitt, 2008).

Ordoliberals argued, based on the political intuitions of Smith, that the power of the state is fundamental to the creation of civil society. The state, as legislator, must uphold the law of private property and prevent "bloodshed and disorder" (Smith, 1976). In ordoliberal theory, the state is the political practice of the market police, where competition is not a category of cohesion and integration (Rüstow, 1942). The market police is obliged to maintain a competition of private interests, which can be reconciled based on common needs for security and freedom through contract and guarantee of property rights. Acting as the market police, the state civilises the behaviour of "greedy self-seekers" based on politically imperative rules of the game (Rüstow, 1942). The law is a means of social security and a category of personal freedom: individuals are free if they obey the law, but the law does not apply to riots. The rule of law is underpinned by social order as a key political category. For theorists of authoritarian ordoliberalism, the rule of law entails the absolute power of the state as a concentrated force of order: if a situation of choice between law and order arises, the law must be sacrificed for the sake of order (Bonefeld, 2017). Marcuse states that authoritarian liberalism is associated with the existentialisation and totalisation of the political sphere, when the depoliticisation of social relations entails the politicisation of the state as the dominant force (Marcuse, 1988).

Early German ordoliberalism expressed the political needs of a free economy in the form of Schmitt's political theology: it is vital to eliminate all democratic intentions of state policy, especially in the monetary sphere, which should not be run like a switchboard by a weak government directly dependent on the parliamentary majority or, even worse, from a non-parliamentary group posing as a representative of public opinion (Röpke, 1960: 232). In this context, the Ordoliberals argued that the desire for a free

economy presupposes a reduction in social democracy and total freedom to make executive decisions. The weakness of democracy in its effective response to economic crises and social unrest leads to the need that, according to Röpke, it must be supported by such restrictions and guarantees that will not allow democracy to be absorbed by democracy itself (Röpke, 1969: 97).

The reduction of democracy to a liberal economic regime has become the main goal of authoritarian liberalism in the post-war period. These attempts have included empowering European constitutional courts to rule on the legitimacy of parliamentary law, subjecting parliamentary law to the primacy of judicial oversight, declaring the majority system invalid, and using debt-ceiling regulation as a constitutional constraint on parliamentary power in the current European crisis. Since the early 1980s, there have been institutional attempts to remove and reduce the democratic oversight of political decision-making for extra-democratic technocratic institutions such as central banks, which have been given wider independent powers (Bonefeld, 2017). Slobodian argues that authoritarian ideas have shaped modern globalist neoliberalism, despite the fact that the path to it was “a twisting one of diplomacy, political economy and power politics”, and therefore identifies it as “the last episode of the twentieth-century neoliberal search for an institutional fix in a world they saw as always threatened by spasms of democracy and the destructive belief that global rules could be remade to bend toward social justice” (Slobodian, 2018: 258).

The concept of interstate federalism underlying ordoliberalism and the European integration project was embodied in the European economic constitution, according to which federal states operate within a supranational framework of economic rights and restrictions that dominate national democratic decision-making and legitimise the de-democratisation of lawmaking (Wilkinson, 2015; Bonefeld, 2017). Today, in the eurozone, the ordoliberal idea of an effectively governed community that should limit the democratic excesses of a mass society (Bonefeld) manifests itself in a federal form, including a supranational economic constitution agreed on by all member states. This megastructure reduces the national democratic regulation of monetary policy, restricts fiscal policy, and assures free competition and territorialisation of the labour market, establishing the regime of imposed liberty (Bonefeld, 2017).

According to Somek, the ambivalence of authoritarian liberalism as an instrument of eurocrisis management is an example of how actions taken in unfavourable conditions contribute to cognitive adaptation: confrontation with what needs to be done in an unprecedented crisis easily cancels what previously were considered as normative restrictions for delegation, and such cognitive adaptations occur not the least because delegation is based

on trust (Somek, 2015). Crisis management of the Economic and Monetary Union shows the administrative character of the cosmopolitan constitution of the member states (Somek, 2014). This type of constitution obliges states to present their results in a peer review process: the administrative dimension of authoritarian liberalism is associated with the growing importance of transnational decision-making processes, such as technocratic mechanisms and control and enforcement tools. In the present eurocrisis, the principle of the proportional exercise of powers is replaced by the principle of the proportionality of powers to unpredictable tasks (Somek, 2015: 78).

The post-war political mainstream did not offer an alternative to capitalism as a potential threat to the democratic order, which today is reflected in the criticism not only of the economic liberalism of Hayek, but also of the political liberalism of Habermas and Rawls for insufficient coordination with the problem of the ability of economic power to influence politics (Mouffe, 1999; Wolin, 1996). Independent technocratic institutions such as constitutional courts, commissions and central banks are becoming the norm and gradually taking root in neoliberal consciousness. European integration is becoming an integral part of the ordoliberal constitutional processes of building a “militant democracy” or “constrained democracy” (Müller, 2011). The principle of the militant defence of neoliberalism in the name of democratic consolidation is chiefly due to concern for economic liberalism, and not the goals of defending political liberalism and strengthening representative democracy. Modern liberal theory focuses on analysis of the challenges and dangers of “unfettered democracy” rather than the explicit threats of “unfettered capitalism” to social and economic equality, as Heller and Polanyi warned (Wilkinson, 2019).

Authoritarian liberalism and the eurocrisis: Ordoliberal structures of the European integration project

The democratic paradigm of modern political science is based on the concept of competitive electoral democracy. Indices calculated by Freedom House are widely used to define the state as an electoral democracy (competitive multi-party political system; universal suffrage; regular alternative elections; wide public access to the main political parties through the media and through open political agitation). An electoral democracy is procedural and limited in nature and defined as a method: such an interpretation does not intrude on the economy and the political system. As P. Schmitter and T. Karl note, democratisation does not necessarily lead to economic growth, social stability, managerial efficiency, political harmony, a free market, or the end of ideology (Schmitter, Karl, 1993). Contemporary critical analysts consider the mechanism of electoral democracy outside of the separation

from political institutions and the framework of the capitalist economy of liberal democracy. In this context, many critics view liberal democracy as a political tool and the most suitable shell for capitalism, and by no means as a means of human liberation.

In a democratic state, the political sphere belongs to liberalism, and the social sphere belongs to democracy: the political sphere is the space for limiting the powers of the state and protecting civil rights, the social sphere is the democratic space for the redistribution of welfare. Today, the new left is advocating cultural liberalism that promotes individual rights and equality of opportunity, while the new right is advocating authoritarian liberalism that defends a free market liberated from a bureaucratic state. These conflicting forms of contemporary liberalism mutually reinforce each other and add to the convergence of market individualism, bureaucratic collectivism and sociocultural atomisation which, in turn, is leading to depoliticisation of the economic sphere, making it completely dependent on market capitalism. The process of European depoliticisation as the main factor of authoritarian liberalism reached its apogee in the centrism of Blair's New Labour that proposed an alternative to economic neoliberalism, but in many cases deepened it. European integration has strengthened centrism through consensus lawmaking procedures and institutional support for market liberalism. Neoliberal austerity measures (privatisation, liberalisation, labour market reforms, regressive taxation) became the fundamental conditions for European integration, proposed by the member states of the Eurogroup, as well as the Troika of institutions (IMF, European Central Bank, European Commission). This requires the extreme intervention of the market state in a democratic process and the transformation of social contracts. While analysing institutional changes in the management of the Economic and Monetary Union, it is important to note that this trend is a symptom of long-term latent authoritarian processes in European constitutionalism (Wilkinson, 2018; Kaupa, 2017).

Bruno analyses the ordoliberal ideas on European integration and argues that there exist two ordoliberal paradigms of integration: one epitomised by Röpke's liberalism from below, which follows a bottom-up logic and posits that the commitment of the nation states to a liberal *Ordnungspolitik* is the pre-requisite for the international order (Bruno, 2023). In this paradigm, as Bonefeld put it, governments act as federated executives of an international order whose functioning depends on their commitment to govern through liberal economic practices (Bonefeld, 2017). The other, exemplified by V. Vanberg's competitive federalism, is top-down: a federal *Ordnungspolitik* can help the establishment of a liberal order on the national level (Vanberg, 2015). What matters here is not consensus, but competition. Not all member states need to be committed to a liberal economic policy from the outset; a

federal Ordnungspolitik that exposes them to the disciplining pressure of international competition among governments will force them to reform their economies in a liberal sense (*ibid.*).

In the context of the European crisis, it is necessary to talk about the politically authoritarian style of management of the Economic and Monetary Union, even if this managerial authoritarianism does not bear traces of direct repression (Somek, 2015). According to Wilkinson, authoritarian liberalism encompasses two key symptoms of the constitutional crisis of contemporary Europe – de-democratisation and de-legalisation. In the EU, there is a latent authoritarian aspect of governance represented by the binary process of de-democratisation and delegation, associated with ignoring parliamentary powers and democratic debates, and violation of guarantees of the rule of law and the protection of social rights (Wilkinson, 2018). To understand this binary process in contemporary political philosophy, the terms “executive managerialism” and “emergency Europe” are used (Joerges, 2013; White, 2015).

Efforts to combat the systemic eurocrisis and its implications for public debt financing have profoundly changed the legal framework of the Economic and Monetary Union. The essence of these reforms is manifested in the active and deep involvement of the European Commission in the economic and budgetary planning of the member states through the European Semester, which gives the Commission broad access to the entire field of domestic policy planning. The member states of the eurozone should not only submit to the Commission and the Eurogroup a draft budget planning for the coming year, but in certain conditions, following the results of the work of fact-finding missions, they may be sanctioned in connection with the failure to implement the recommendations based on the reform of the Stability and Growth Pact (Somek, 2015).

Constitutional reforms and the creation of new European integration institutions are accompanied by two fundamental problems that have been present during the entire post-war European project. The first issue is the legal authority and competence of the Union and the member states to take appropriate action. The second relates to the prospects for European crisis management within the existing “democracy deficit” (Craig, 2012; Menendez, 2014; Somek, 2015). In this respect, the contradictions between national and supranational legal competences inevitably lead to an increase in the deficit of democracy. The democratic deficit is that not one of the areas in which the European Parliament specialises – trade liberalisation, monetary policy, the removal of non-tariff barriers, technical regulation in the field of environmental protection and others – appears on the list of issues of interest to voters (Moravcsik, 2004). The transformation of democracy in the direction of market technocracy and market rationality is also a

manifestation of these trends. In 1995, Habermas noted an increase in the deficit of democracy in Europe: economic dynamics within the existing institutional structure were leading to the erosion of nation states through European law (Habermas, 1995). The concern of Marxists and critical theorists about the economically liberal bias of the European integration and its impact on social democracy can be traced back to before the Single European Act was adopted. Although authoritarian-liberal governance has intensified through the eurocrisis, the logic and dynamics of authoritarian liberalism and the underlying de-democratisation have been defined since the beginning of European post-war reconstruction, when the judiciary and technocratic authorities assumed the role of leaders of the European integration project (Cohen, 2007; Wilkinson, 2018).

Systematic interference in national law is observed within the framework of the European semester in order to develop a mechanism for reporting macroeconomic imbalances in member states. The checks conducted by the European Commission and the European Council cover all areas of public policy and areas over which the Union has no jurisdiction. According to Somek, due to the Union's influence on budget planning, the member states are left with a "core of sovereignty": national parliaments are not the main participants in decision-making against the background of the growing influence of the European Parliament and supranational executive bodies (Somek, 2015). W. Streeck states that where national democratic institutions are neutralised by international "governance", as under the European Monetary Union, their de-politicised empty spaces are likely to be filled with new content, which may be public entertainment of the "post-democracy" kind (Crouch, 2004) or some politically regressive sort of nationalism. Under the auspices of the emerging consolidation state, politicisation is migrating to the right side of the political spectrum where anti-establishment parties are becoming ever better at organising discontented citizens dependent upon public services and insisting on political protection from international markets (Streeck, 2014). The measures taken in response to the eurocrisis can be described as violating various constitutional norms stipulated in European treaties and constitutions: authoritarian liberalism leads to deconstitutionalisation, which is the flip side of excessive neoliberal constitutionalisation: post-war constitutional regulation in Europe reflects this authoritarian attitude, which is the systemic fear of popular sovereignty and democratic constitutional power. Various measures associated with attempts by democratic politics to strike back at the principles of authoritarian liberalism at the national and subnational levels are rejected and condemned by neoliberal constitutionalists as populist (Wilkinson, 2018).

Authoritarian liberalism is accompanied by a significant weakening of parliamentary power and parliamentary debate both within the member

states and within the EU itself, as well as the violation or refusal to protect social rights. The economic measures imposed by the Eurogroup and the Troika (IMF, ECB, European Commission) are neoliberal austerity measures requiring government intervention, breaking social contracts and disrupting existing social relations in favour of structural reforms. According to Tusk, the alternative to austerity is a dangerous illusion: Tusk links national resistance to austerity with “anti-German” forces and speaks approvingly of ordoliberalism as a “new rationality” and the main criterion of economic stability (Donald Tusk Interview, 2015). The authoritarian tendencies of European integration are manifested in the practices of “crypto-federalism” and “integration by stealth”. Crypto-federalism is federalism without a federal constitution, when the subjects of political integration do not act openly in the direction of the federal constitution, but non-publicly launches the integration process, while political integration takes place under the guise of economic integration. The integration by stealth strategy renders democracy irrelevant and provides key solutions to European elites: it is a *fait accompli* – a realised fact strategy that renders confrontation and public debate useless (Majone, 2009).

European neoliberalism is not formally a constitutional restriction and the internal electorate may agree with the idea of the absence of alternatives to neoliberal reforms, but today this idea is imposed as dominant. Authoritarian liberalism is becoming both a transforming and a ‘conservative’ idea and principle of the constitutional order in Europe: the post-war Euro-regime has mutated from a nominally rule-based structure accompanied by market discipline to a discretionary regime reinforced by bureaucratic power; the goal of the mutation is to preserve Europe’s neoliberal constitution and its underlying market principle (Bonefeld, 2017; Wilkinson, 2015). For post-war political philosophy, the convergence of authoritarianism and liberalism seems conceptually untenable given that the considered conceptual dichotomy is about political, not economic liberalism. During the ideological battles of the Cold War, liberalism was closely associated with democracy (in Western capitalism) and opposed to authoritarianism (in Soviet communism). In the theories of Rawls and Habermas, liberal democracy is combined with egalitarian and progressive tendencies (Rawls, 1971; Habermas, 1995). However, they offer neither an alternative to capitalism as a subject of political economy, nor an analysis of capitalism as a threat to the democratic order (Wolin, 1996).

The COVID-19 pandemic affected all European societies. This new crisis arrived after a period of gradual recovery from the 2008 financial crisis that had jeopardised the achievement of the Europe Strategy 2020 (ES2020) targets. The need to recover for the European countries, which had austerity programmes during the financial crisis, is crucial to ensure the continuation

of economic and social development. Currently, there is strong European investment in response to the socioeconomic impacts of the pandemic, with all countries defining measures adjusted to protect the most vulnerable groups. As Casquilho-Martins and Belchior-Rocha note, the implications of these responses require political commitment for them to contribute to sustainable recovery and development: “the influence that the economic and financial crisis of 2008 had on the EU is remarkable and did nothing to ensure that in 2020 societies will be prepared for a new global crisis” (Casquilho-Martins and Belchior-Rocha, 2022: 36). According to Hočevár, during the COVID-19 crisis, “the main goal of the EU did not change, i.e., the reproduction of the capitalist economy” (Hočevár, 2022: 961). The COVID-19 crisis “might prove to be a unique response within the broader deregulation and flexibilisation of labour markets. When taking a historical-materialist perspective and comparing the reasons for the temporarily different cross-national policy responses, the making of general claims about radical and long-term Keynesian policies would demand a stronger and more organised working class, which is not the case in the three countries considered, nor the EU as a whole. As explained, the future of labour market regulation depends on the balance of class power relations and the EU’s orientation regarding that” (ibid.: 962).

To summarise, we can say that authoritarian liberalism is being reduced to the conceptualisation of the free economy as a political practice of latent economic authoritarianism: European ordoliberalism proceeds from the idea of the insufficiency of political liberalism and controls the democratic organisation of power. Today, the ordoliberal rules of economic neoliberalism established by the Economic and Monetary Union are in conflict with the democratic and social movements against austerity. Democracy and the rule of law, including the protection of social rights, are also nominally protected in EU treaties and the Charter of the European Union. Thus, the eurocrisis could transform into a legitimation crisis and a conflict of political values of ordoliberalism, market capitalism, European integration and democratic self-government. The essence of authoritarian liberalism lies in the fact that distribution and production issues are removed from the public sphere of politics and determined by market rationality and technocratic bodies: when politics is reduced to economic logic and market rationality, and the possibility of reformism is reduced to a constitution and constituent power, the autonomy of the political is reduced or to a pure formality or to the prospect of right-wing populism. In contemporary Europe, right-wing Eurosceptics are gaining popularity, and in this tense situation the authoritarian-liberal restriction of democracy can lead not only to a strengthening of market capitalism, but also to the revival of reactionary forms of ethnic nationalism and illiberalism.

Conclusion

The modern state continues to develop as a democratic state; its constitutional authority essentially depends on a fundamental connection with the people. The people here represent the rhetorical and symbolic power of sovereignty, which reflects the relative autonomy of the political sphere, not only from classical theocracy in the context of modern secularisation, but also from economic power. It is not simply a modernist worldview, but a continuous and fragile process of democratisation and cultural modernisation as well, driven by the social struggle against the confluence of political and economic power and class society; this narrative includes class, labour, feminist, anti-colonial, ethno-national movements and other forms of struggle for equality and recognition.

The autonomy of the economic sphere, acting according to the logic of the depoliticisation of inequality, the commodification of social relations and the erosion of solidarity, affects the legitimacy of the political dimension of democracy and the relationship between the rulers and the ruled. Neoliberal theory shies away from analysing these dynamics, taking market capitalism for granted: it does not resolve capitalist contradictions between public goods and private interests, nor the structural inequalities inherent in the capitalist state. In Europe, authoritarian liberalism means the strategy of maintaining and promoting economic neoliberalism, to which the market economy and technocratic elite are shifting to contain social crises. Authoritarian liberalism embodies the structure of capitalism's dominance over democracy with the priority of economic liberalism and a technical role of political authoritarianism. Due to the presence and dominance of the values of liberalism, authoritarianism in this structure is neither repressive nor monocentric, it is subject to sharp democratic criticism in relation to the supranational overregulation of European integration processes.

European ordoliberalism as an enhanced form of authoritarian liberalism manifests itself in the constitutional consolidation of the primacy of economic freedoms in relation to legislatures and trade unions, as well as in institutions (European Commission, European Council, ECB, Eurogroup, European Parliament) that transfer control over economic and monetary management from parliaments to supranational expert bodies and executive power. Authoritarian liberalism is pragmatic and ambivalent: on one hand, if the emphasis is on economic liberalism, then authoritarian ways of managing and implementing policies are subject to the interests of property; on the other hand, economic liberalism can be an effective means of facilitating political authoritarianism, making it more acceptable to achieve interests. For authoritarian liberalism, the state is the dominant category of political economy. Authoritarian liberalism recognises that the free economy, as

a fundamental political category, is based on social order and constitutes an all-encompassing, totalising practice of government: for ordoliberalism, all economic crises reveal themselves as “crises of interventionism”.

The institutional model of authoritarian liberalism is made up of the principles of constrained democracy: constitutionally proclaimed and protected human rights and procedures for making political decisions either remain unchanged for a long time or are more difficult to change than the provisions that are regulated by ordinary law. The approval of the model of constitutionally limited democracy in post-war Western Europe was impossible without two conditions: first, the development of the welfare state, which guaranteed everyone a certain share of the social wealth; second, the integration processes that unfolded in the 1950s and imposed restrictions on the national sovereignty of European democracies through the creation of supranational institutions. The essence of authoritarian liberalism lies in the fact that distribution and production issues are removed from the public sphere of politics and determined by market rationality and technocratic bodies: when politics is reduced to economic logic and ordoliberal goal-setting, and the possibility of reformism is reduced to the constitution and constituent power, the autonomy of the political is reduced or to a pure formality or to the prospect of right-wing populism and disintegration. In contemporary Europe, right-wing Eurosceptics are gaining popularity, and in this tense situation the authoritarian restriction of democracy can lead not simply to the strengthening of market capitalism, but also to the revival of reactionary forms of ethnic nationalism and illiberalism.

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