Between Fate and Hope, Despair and Responsibility: 
The continental liberal search for light and stability in a dark age

Author: Erwin Dekker, Ph.D

Affiliation:
Erasmus School of History, Culture & Communication
P.O. Box 1738, 3000 DR, Rotterdam, The Netherlands
Room L2-35,
Tel. +31104082460
e.dekker@eshcc.eur.nl

Mercatus Center at Department of Economics,
George Mason University
Mason Hall
22030 Fairfax, VA

Abstract

This paper analyzes the work of Wilhelm Röpke, Friedrich Hayek and Bertrand de Jouvenel in the years leading up to, during and following WWII. It argues that these three political-economic thinkers all went through a period of despair about the fate of Europe and its civilization. This despair was accompanied by a sense that the forces of history were stronger than humans. After that despair they regained (diminished) hopes about the economic and political future of Europe, and the power of men, including themselves, to shape that future. To do so they turned toward an analysis of the institutions and morality that sustained liberalism and away from the ideal of a value-free economic and political science. The paper thus demonstrates how more or less traditional economists, in the case of Röpke and Hayek, become involved in the formulation of a new liberalism for the post-war world.

Keywords: Friedrich A. Hayek; Wilhem Röpke; Bertrand De Jouvenel; World War II; post-war economics; neo-liberalism
Between Fate and Hope, Despair and Responsibility

The continental liberal search for light and stability in a dark age

Most of what presents itself in the shop windows these days as ‘objectivity’, for instance, or ‘scientificity’, ‘l'art pour l'art’, ‘pure will-less knowing’ is only dressed-up skepticism and paralysis of the will.

— Friedrich Nietzsche, *We Scholars from Beyond Good and Evil* (1886)

**Introduction**

It was in 1936, towards the end of his life, that Sir Austen Chamberlain nineteenth-century liberal and recipient of the Nobel Peace Prize looked back at his aspirations and that of his generation: “Consolidate democracy in the world! Was there ever more a more striking illustration of the vanity of human aspirations?” (quoted in De Jouvenel 1963, 69–70). He would not live to discover that even his characterization of the period as the post-war years would become obsolete. His disillusionment and despair about the political situation, however, was shared by a generation of liberal intellectuals and politicians. The nineteenth century had certainly not been peaceful, but overall an optimistic spirit had prevailed. As Chamberlain suggests the belief that democracy would be consolidated and would slowly spread had been widely shared. In fact even on the ruins of the first world war, future president, and then Foreign Minister of Czechoslovakia Edvard Beneš had proclaimed the war to have “progressively become an episode of mankind’s grandiose struggle for the progress of democracy in every realm of human activity”, it had finally “destroyed four great absolutist Empires” and it had “made the world safe for democracy” (quoted in De Jouvenel 1963, 68–69). What vanity, what naivety indeed, we are tempted to conclude.

The optimism of Beneš at the end of WWI knows no counterpart at the end of WWII. Europe was in ruins for the second time in three decades and it would take a considerable period before reconstruction could really start. Many continental liberals felt that even though the war was over, the prospects for
liberalism were dim. This sentiment was confirmed by the election results of 1945 in which the Brits threw out their war-time leader Winston Churchill, in favor of the Labour Party which won with nearly a two-thirds majority. Communism had not been defeated, and the intellectual appeal of socialism would last well into the 1970's. A constitutional democracy was reconstructed in Germany, but Eastern Europe had to be given up to the Communists, Spain was still ruled by Franco and Greece was in a state of civil war. The executive branch of government, moreover, had usurped virtually all political power branch of government during the war (Judt 2005).

It was against this background that continental European liberal political-economic thinkers sought to regroup and conceptualize what the future would and could look like. It was in these ruins that they sought a few glimmers of hope. This article is about the years leading up to and following WWII and the response of three continental political economists to it. These three intellectuals would meet one another in the Mont-Pèlerin Society (MPS) which would provide a refuge for liberal economic thought in the post-war years (Burgin 2012). They all sought to formulate goals, ideals, and projects for the future but they did so only reluctantly and slowly, initially overcome with despair. And even when they dared to look forward again their liberal hopes were far more restrained than they had been before. Furthermore each of them felt the need to redefine the role and responsibility of the scholar in the time of such a crisis. They all adopted a more activist and involved stance. This in sharp contrast to many of their peers who sought to free modern social science from values and politics, and turned economics in a technique for social engineering (Backhouse and Fontaine 2010; Mirowski 2012; Porter 2012).

The selection of these three figures—Wilhelm Röpke, Friedrich August von Hayek and Bertrand de Jouvenel— is in some sense arbitrary. They however share important characteristics. They were all born at the dawn of the twentieth century and the three of them all sought to reform liberalism. They represent different national traditions and experiences, but they all felt part of a European liberal culture and civilization. In that sense they provide an exemplary group of European continental political economists through which we can study the
transformation of liberal economic thought, into what sometimes is called neo-liberalism. In this article we will demonstrate their search for the appropriate response was to a great extent dependent on the hope they dare to have for the future. It is therefore neither stable across these thinkers, nor within their own oeuvres. Plickert, in his study of neo-liberalism, has argued that neo-liberalism is a product of the crisis of the 1930’s (Plickert 2008, 103ff.). This article argues that this is not only true in the sense that neo-liberalism emerged from the political and economic crisis of the 1930’s, but also true in the sense that it emerged from an emotional and moral crisis. A crisis that undercut the belief that there was any future for liberalism in Europe.

Contrary to earlier studies into the formation of what has been called a neo-liberal thought collective or neo-liberalism this paper explicitly focuses on the sentiments underlying the reconceptualization of liberalism and its prospects for the future (Plickert 2008; Mirowski and Plehwe 2009; Jackson 2010). In all three writers we will find a stage in which the emphasis is on analysis and acceptance of the historical situation, they then slowly adopt a more activist stance and reluctantly regain some hope for the future. They refuse to disconnect their economics from the political circumstances of their age and resist the technical turn in their disciplines, and as such represent a continuation of an older political economy. This also makes them alert to the institutional context that allow economies to function, and they all in one sense or another make an institutional turn.

The first section will deal with Wilhelm Röpke, arguably the most pessimistic of the three, but also the one who feels the strongest duty to attempt to provide a cure for the ‘social and economic crisis’ of his time. The second section will analyze Friedrich Hayek, who like Röpke, increasingly broadens his intellectual horizon to understand ‘the revolt against civilization’ but who is at least during the 1950’s more optimistic about the prospects of liberalism. The third section will analyze the work of Betrand de Jouvenel, whose scholarly work is inspired by totalitarian power, and who explicitly turns his work towards the future, with his ‘Futuribles’ project.
Röpke and the search for a humane order

Wilhelm Röpke is the first of our three writers who not only formulates an analysis of the crisis of Western civilization, but also starting in 1941 offers a positive program for the reconstruction era. He is relatively early at liberty to inquire into the crisis and possible ways forward because he goes into exile in 1933 after the Nazi’s have seized power and have repeatedly ‘asked’ him to join the party (Hennecke 2005). He ends up in Istanbul with fellow economist Alexander Rüstow, before taking up a position in Geneva in 1937. Röpke starts out as a narrow technical economist, but during his exile years he broadens his scope and adopts a more activist stance. In his 1935 article on fascist economics he expresses the reasons for this shift clearly:

“it is my sincere conviction that the economists would grossly neglect the duty laid upon them by their special training if they should persist, like Archimedes, in drawing their curves while the enemy threatens to invade the city at every moment.” (Röpke 1935, 85)

This sense of responsibility is a permanent feature of Röpke’s work. In 1930 in a pamphlet he calls upon his fellow men from the countryside to resist fascism in a pamphlet and in 1933 he writes that it is the he seeks to find new moral and spiritual foundations for our economic system: “that is the grand task for which we are called upon” (quoted in Hennecke, 2005:104). But that sense of duty is combined with a deep despair about the state of the world: “Nietzsche was completely right: Germany is responsible for every breach of civilization. Perhaps it fulfills a role in God’s masterplan. Or is Germany tomorrow perhaps called upon to lead the way, after it first has gone through the purgatory of the destruction of civilization” (Hennecke 2005, 120).

This tension between a tendency towards fatalism and the duty, to resist it is also evident in the work of the Ordo-group in Germany with whom Röpke is close associated. In their Ordo-manifesto they attempt to provide an antidote to the relativism and fatalism in modern social science (Böhm et al. 1936/1989). These themes are further developed during the early 1940’s in a trilogy of books.
The first book Röpke writes is ‘International Economic Disintegration’ (1942, hereafter IED), in which he tries to make sense of the protectionism that has plagued the world economy after WWI. That book is the bridge between his more technical economic work (the curves of Archimedes) and his broader analysis of the crisis of Western culture as well as more political and moral stance in opposition to the trends of his time. Röpke argues that the economic disintegration and the re-emergence of the ideal of national autarchy cannot be understood as a purely economic phenomenon. The current ‘earthquake’ cannot be grasped without a consideration of the wider political, social and especially moral context. But understanding is not the only reason why economists ought to broaden their scope, because a lack of understanding might give rise to fatalism:

“Not knowing, however, how to disentangle the causal threads in this phenomenon and how to comprehend it in causal terms is generally only the first step to accepting it as the result of historical ‘fate’ which simply happens for unfathomable reasons and in face of which man feels completely helpless.” (Röpke 1942b, vi)

His book therefore is consciously written with the aim of helping to contribute to the wider cure and specifically to end the economic disintegration of the interwar period. About this Röpke is less apologetic than we will find Hayek to be, but Röpke nonetheless feels the need to make this crystal clear to his readers:

“In submitting this book to criticism, I am not afraid to expose myself as one who believes not only in the scientific legitimacy but even in the utmost scientific necessity of employing a measure of judgments, which is ultimately based on a definite conception of what is wrong with the world, and of what should be done in order to put it right again.” (Röpke 1942b, viii)

In fact he devotes an entire article, written around the same time, to the responsibility of the scholar, and his duty to take a moral stance. In that article ‘A Value Judgment on Value Judgments’ (Röpke 1942a) he criticizes the positivism of his day which takes great pains to avoid all value judgments in an
attempt at pure intellectual honesty. An effort which is not only bound to fail, but which can only end in relativism, so argues Röpke. In a striking conclusion he accuses his fellow social scientists of fiddling, while Rome is burning, to which he cynically adds: “But the last phrase is perhaps somewhat unkind if the fiddler is honestly and to his own distress convinced that it is sin to help put out the fire” (Röpke 1942a, 19).

That is not to say that Röpke is convinced that the fire can be put out at all. In the conclusion of IED he desperately wonders: “Does not the present situation prove, in fact, that the war leaves no longer any choice and that the liberal countries, belligerent or neutral, are simply obliged to adapt themselves to the economic structure of the collectivist countries?” But even asking such questions, Röpke argues, is dangerous, because they rob the people of the: “very minimum of confidence in the future that men require if they are to find any sense at all in making the present sacrifice” (Röpke 1942b, 256). The answer he provides to the question of the inevitability of the rise of totalitarianism is ambiguous at least. He asks his readers to differentiate between the ‘necessity and precept of history’ which has put dictators at the helm of democracies and the belief in an absolute historical necessity which argues that totalitarianism itself is inevitable (De Jouvenel would in a similar context distinguish between absolute and contingent necessity). But a distinction between the two is hard to make and Röpke admits the many of the policies implemented and the political structures adopted during the war “would [in peace time] in fact carry their political and economic life irresistibly down the slippery slope of collectivist authoritarian totalitarianism” (Röpke 1942b, 259).

The second book of the trilogy is the one that would make Röpke a European intellectual celebrity. Even though the introduction to IED is already more wide-reaching, ‘The Social Crisis of Our Time’ (1943/1950) is Röpke’s first book-length attempt to provide a general diagnosis of the crisis of the west. Its tone is even heavier than that of its predecessor:

“the distant past seems to reach forward into the present and more than ever before do we consider ourselves the last member of a continuous chain. We
ask (...) whether the inevitable end is now approaching for the development which began with the Ionians during one of the greatest moments of world history.”  

(Röpke 1943/1950, 2)

Röpke sketches the ‘general crisis of civilization’ and the sudden downfall from the very heights of that civilization since 1914. He examines the spiritual as well as the social and economic crisis of Western civilization. The growing relativism, the demise of Christianity, the ‘proletarization’, the transformation of liberal democracy into the tyranny of the majority and the process of concentration and collectivization. But nonetheless it is, at least so claims Röpke, a hopeful book. He finds hope in the fact that a small intellectual vanguard is joining forces to diagnose the current crisis, and to point the way forward. It is a limited hope however, Röpke positions himself between a naïve optimism and: “that decadent and utterly pagan fatalism of those who, tired and resigned, submit to a supposedly inevitable fate, or those who (...) hoodwink the mentally indolent with the sham argument of predetermination” (Röpke 1943/1950, 23). But it is clear that Röpke is far closer to the fatalistic camp than he would like to be, and he has trouble hiding it, for he continues:

“We, on the other hand, who do not leave the decision to a mystical destiny but seek it within ourselves, are particularly concerned to show beyond doubt how grave and at the same time how unavoidable it is. At the moment, however, it has not yet been made, and we are still free to choose”

(Röpke 1943/1950, 23–24)

That hope is strengthened by his experience in Switzerland, a country which he has been living for the past five years at that point and in which he establishes various contacts with prominent journalists, especially those of the Neue Zürcher Zeitung, who support his work and repeatedly devote considerable space to it (Hennecke 2005, 129–139). Not only is the political situation in the country proof for Röpke that things can indeed be different, but he is also impressed by the way in which Switzerland has been able to resist the tendencies the economic and political trends of collectivism and centralism. One of the central elements of
Röpke’s plan for the future is the ideal of small capital-owners and farmers who are economically independent. Switzerland might be an exception, but it does provide encouragement and providing a living ideal and proof that Röpke positive suggestions are no Utopian illusion (Röpke 1943/1950, 25).

The complaint by his critics about Röpke’s utopianism holds a fortiori for his next book ‘Civitas Humana’ (1944/1948), which present a positive program for a humanistic society and life. Röpke attempts to undercut the objection of Utopianism from the preface. He tells the story of a protagonist, from a novella by Heinrich Zschokke, who living through a time of great political upheaval, answers every political question asked to him with ‘quite possible’ and in turn comes to be considered as a great prophet. Röpke sketches his reader the great political upheaval of his time, the message is clear: ‘everything is quite possible’. He illustrates this with a best- and a worst-case scenario for what might occur after the war. Röpke makes clear that is our shared duty to do everything to avoid the worst-case, and help bring about something as close as possible to the best-case. He seems increasingly convinced that this is possible, especially strengthened in his optimism by the widespread acclaim and the numerous responses he has received to his previous books from all over Europe. Röpke makes an interesting argument reflexive argument about that reception. The positive reception of the ‘Social Crisis of Our Time’ is in fact: “an aspect of the state of affairs which the book is investigating” (Röpke 1944/1948, xvi). That positive reception is further proof that there are still healthy elements in existence in Western civilization, that there is still something worth fighting for. But he cautions his reader collectivism remains a highly infectious disease, and its opponents should therefore remain steadfast.

Röpke also expands on the role of the intellectuals including his own during times of crisis. He reflects on the praise he received for the courage he show in writing and publishing SCOT. He dismisses such praise on the one hand, because: “intellectuals have a special responsibility” (Röpke, 1944/8:xx). But he admits that it took a lot of courage to leave behind his technical economic work and to attempt a synthetic analysis of his times. Such a synthesis is perhaps less necessary during periods in which society is sound and healthy, but
it is an absolute necessity when society breaks down. Röpke argues, that he decided to write SCOT with ‘the courage of despair’. In that sense ‘Civitas Humana’ and the book that soon follows it ‘The German Question’, both written just before the end of WWII are Röpke’s most hopeful books. They present the future as open, as full of opportunities. But these books are warnings at the same time, for Röpke is aware that the worst-case scenario he sketches is just as possible.

It is with such a warning that Röpke starts his ‘reconstruction’ book ‘The German Question’ (1945/1946). He emphasizes the depth of the crisis that Germany and all of Western civilization is experiencing. The book starts with a dramatic introduction in which Germany is the tragic ‘hero’, whose desperate endeavor to master fate has led to terrible tragedy and a fatal end (Röpke 1945/1946, 19–20). The most remarkable aspect of the book is how Röpke builds his ethos – a theme which we will also explore in Hayek’s work below. Germany has lost the war and is controlled by foreign powers. It is clear that the victors have little patience with the Germans and are unwilling to listen to them. But, argues Röpke, the victor is at a disadvantage too. He is a foreigner, who has:

“a sharp eye for some things the German misses, and he is able to consider the problem with the outsider’s freedom from much that obscures or distorts the closer view; but he has to purchase this advantage with the disadvantage of the lack of a particularly important source of illumination—self-questioning.” (Röpke, 1945/6:16)

So Röpke argues it is particularly someone like him, a German with an outsider’s perspective, who can shed most insight into the problem. The importance of these remarks is instantly clear when we read the introduction. Until this day Röpke’s opening is off-putting to the reader. His emphasis on fate, destiny and external circumstances with only a casual reference to the guilt of the Germans and especially the comparison of the tragic fate of the German nation to that of the Jews are likely to displease most of his non-German readers. No wonder that Hayek in his introduction to Röpke’s book warns the reader that the part of the argument which will be least popular is at the start of the book. Röpke then
sketches the fall of Germany from the heights of civilization to a Hell reminiscent of a painting by Breughel. But Röpke attempts to end the introduction, characteristically, on a more hopeful note: “The investigation of the German problem (...) means setting up a warning beacon for all: but our situation would indeed be desperate if we were to do this without any hope—hope for Germany as well as for the rest of the world” (Röpke, 1945/6:22).

Writing about Karl Popper's work during the same period Hacohen concluded: “Whence hope? From nowhere, said Popper, but we must fight nonetheless” (Hacohen, 2000:426). The words could not be more fitting to describe Röpke's attitude. And in hindsight we can say with good reason, for his appeal to the Western victors to create a federal Western Germany integrated into the Western world would be implemented in the following years.

Despite this success Röpke grows increasingly critical of the developments of the Western world. While his economic and political program finds resonance in German and wider European politics and in the MPS that he set up with Hayek, his cultural and moral program is neglected (Hennecke, 2005: chapter 10 and 11; Burgin chapter 4). As he makes clear in a small brochure ‘Das Kulturideal des Liberalismus’ (1947) liberalism is not just a political and economic program, but it is an essential part of Western civilization and can be traced back to the Ancients. This imperishable liberalism is for Röpke a combination of the best parts of the heritage of three millennia of Western thought: humanism, natural law, the culture of the individual and universalism. But more than that it is an inner power which allows the West to reinvent itself and to renegotiate the tension between freedom and obligations (Röpke 1947, 14). He is critical of the modern (transitory) guise of liberalism with its undue emphasis on rationalism, individualism and its primarily economic program.

The tension between Röpke and his fellow-MPS-members, both with the old-fashioned liberals (paleo-liberals in Röpke’s terms) and modern economists in the MPS is mounting during the 1950’s and ultimately leads Röpke and his close friend Rüstow to resign. They shortly toy with the idea of establishing a rival organization, but nothing comes of that. He moreover finds it increasingly hard to keep his frustrations to himself. This is very evident in the preface to ‘The
Humane Economy’ (1957/1960): “This volume is, however, more than its predecessors were, a book full of apprehension, bitterness, anger, and even contempt for the worst features of our age” (Röpke 1957/1960, ii). Even though Röpke adds that this is not a sign of the growing gloom of the author but the consequence of the deterioration of the social crisis of our age, the reader cannot help but think that some of it is due also to that growing gloom. He seems overcome with a feeling that his efforts have been in vain, and that this final time that he writes a book he will be completely frank, at the risk of alienating his audience (a subject which he addresses explicitly in the preface to the English edition). This is therefore also his most personal book, and it becomes clear that Röpke is in as much despair about the state of the world as he was in in the late 1930’s: “what, even fifteen years ago, sounded to many people like fruitless nostalgia for a lost paradise is today a lone voice competing, without hope, against a hurricane” (Röpke 1957/1960, 7). In the introduction to ‘Civitas Humana’ he already hinted that the real crisis of the West was moral and spiritual rather than social, and now Röpke makes that explicit:

“I am not one to air my religious views in public, but let me say it here quite plainly: the ultimate source of our civilization’s disease is the spiritual and religious crisis which has overtaken all of us and which each must master for himself. Above all, man is Homo religious, and yet we have, for the past century, made the desperate attempt to get along without God, and in the place of God we have set up the cult of man, his profane or even ungodly science and art, his technical achievements, and his State.”

(Röpke 1957/1960, 8)

It is difficult, perhaps impossible, to establish whether Röpke believed this all along, but it certainly sheds a different light on his work. For if behind the political, social and economic crisis is a moral and spiritual crisis as he suggests here the real solution cannot be found in a different social and economic framework¹. It is at least the line he adopts in his late work, but it is also a line

¹To illustrate that a little more: “Since men obviously cannot live in a religious vacuum, they cling to surrogate religions of all kinds, to political passions, ideologies, and pipe dreams—unless, of course, they
that, as always, allows him to have hope. If the real crisis is moral and spiritual and man can realize that he has lost all certainty, under the influence of relativism and secularization, then there is hope that: “man finds the way back to himself and to the firm shore of his own nature, assured value judgments, and binding faith” (Röpke 1957/1960, 13).

In a letter to his friend Alexander Rüstow Röpke once described himself as ‘active fatalist’, a self-description that seems particularly apt (Hennecke 2005, 126). Throughout the middle decades of the twentieth-century he was trying to fight the fatalism of those around him, and that of himself. He was unwilling to give in, but pessimistic about the effects that his own efforts would have. Even the success of his works during WWII could not fundamentally alter that feeling. It made him more hopeful, but that hope was soon lost in the reconstruction era. The spiritual renewal of liberalism that Röpke was looking for proved hard if not impossible to achieve. As he himself admitted at times his proposals for the future had a back-ward looking character, and were undoubtedly influenced by the experiences of his youth in the German country-side. Or as he admitted: “I may, on perfectly scientific grounds, defend e.g. the proposition that a large number of family farms is essential for the health of a society, and in doing so I am, of course, under the influence of certain valuations and pre-scientific judgments” (Röpke, 1942:7). For Röpke this did not disqualify the proposition, social and moral science was impossible without such valuations. What he wanted to achieve was recognition for the need of such valuations and the reconstruction of liberalism that was honest about those valuations. Neo-liberalism for him was a cultural ideal, but it was a cultural ideal that rejected virtually all if not all of the social and moral developments since the French revolution. His age was a different one. Hayek and De Jouvenel, as we will see below, were more in tune with the post-war world.

prefer to drug themselves with the sheer mechanics of producing and consuming, with sport and betting, with sexuality, with rowdiness and crime and the thousand other things which fill our daily newspapers” (Röpke, 1957/60: 9).
Hayek on the road to the Rule of Law

Friedrich A. Hayek, like Röpke, started his career as a more or less traditional economist, in his case under the mentorship of Friedrich von Wieser and Ludwig von Mises in Vienna (Caldwell 1988; Craver 1986). Hayek broadens his intellectual concerns in writing during the 1930’s. Which culminates in his work on the role of knowledge in society and ‘The Road to Serfdom’ (1944b). It is for this work that Hayek is now most frequently remembered and that has created an image of him as an economist and political thinker seeking to resist totalitarianism and reinvent liberalism. A task which he further pursued in the MPS which he founded and which played an important role in the establishment of what is now called neo-liberalism.

Hayek’s work during this period is, however, as much concerned with the responsibility of the economist in society and underneath that work we can find the same tension between hope and despair as in that of Röpke. His first step in the exploration of the role of the economist in modern society is in the acceptance speech of his professorship in at the London School of Economics (Hayek 1933). In that speech he sketches the curious position of the economist who shares the sympathies of his fellow men, but has to emphasize time and again the limits of man’s ability to improve society, and who has to correct the more naïve economic beliefs. In a lecture in Zurich in 1938 he even compares the role of the economist to that of Cassandra, the prophetess who was never believed (Hennecke 2000, 119). That does not mean that the task of the economist is an idle one, just that Hayek frequently emphasizes the critical rather than the constructive task of the economist.

He develops these initial explorations about the role of the economist in society further toward the late 1930’s when he starts a project on ‘The Abuse of Reason’ (Caldwell 2004, 241). The project as a whole was never completed, but parts of it became the most important works of Hayek. The more political side of the work resulted in ‘The Road to Serfdom’ (hereafter RTS) and other parts as a series of articles on scientism and the study of society published in the 1940s and collected as ‘The Counter-Revolution of Science’ (1952). The great shift in this work regarding the role of the social scientist is that Hayek moves away from
technical economics toward a general criticism of the way social science is practiced.

Hayek becomes convinced that social science has gone down a fundamentally wrong path at the beginning of the nineteenth century when it came under the sway of positivism and attempted to imitate the methods of the physical sciences. He saw it as his task, which he first formulated in 1936, to alter this course (Hennecke 2000, 120–121). And while he realized that such an effort could only be successful in the long run this more or less remained his strategy until late in his life. Part of this effort, which culminated in his study ‘The Counter-Revolution of Science’ was an intellectual history of the social sciences to uncover the roots of the problem. Hayek argued for a psycho-analytic role of the social philosopher who would uncover: “what unknowingly dominates our thinking” (quoted in Hennecke, 2000: 121). Along with the uncovering of the flawed assumptions underlying the practice of social science was an analysis of the appropriate role of the social scientist. He argues in the conclusion of the series of articles on scientism and the study of society that:

“It is because the moral sciences tend to show us such limits to our conscious control, while the progress of the natural sciences constantly extends the range of conscious control, that the natural scientist finds himself so frequently in revolt against the teaching of the moral science.”

(Hayek 1944a, 37–38)

Social scientists who operate under the sway of positivism are therefore wrongfully led to believe that society too can be brought under conscious control. This problem is aggravated by the fact that these positivist social scientists tend to present the growth of conscious control and rational planning as inevitable trends as Hayek already observes in 1933:

“Characteristically enough, this belief in the inevitability of more State control is, in most cases, based not so much upon a clear notion of the supposed advantages of planning as upon a kind of fatalism: upon the idea that ‘history never moves back’.”

(Hayek 1933, 134)
That same analysis forms the basis for ‘The Road to Serfdom’ in which he sets out to warn his Anglo-Saxon audience about the dangers of an impending socialism and fascism and: “the fatalistic acceptance of inevitable trends” (Hayek 1944/2007, 59). The book is intended as a warning, mainly to the Brits, that the socialist goals that they still cling to will lead to similar developments as occurred in Germany. Hayek attempts to show how the goals of socialism must lead to a kind of totalitarian planning that is similar to the planning of Hitler. This activist call to arms comes out first in Hayek’s work in 1938 when he publishes a pamphlet ‘Freedom and the Economic System’ (Hayek 1938/1939). Social scientists and other intellectuals start out with a genuine desire to improve the world, to achieve say full employment or more security. But they end up endangering the liberty that they so cherish:

“A careful examination of the transition undergone by the countries which only recently seemed the most ‘advanced’ (…), actually reveals a pattern of development which suggests that these were not unfortunate historical accidents but that a similarity of methods applied to achieve ideal ends (…) was bound to produce entirely unanticipated consequences.”

(Hayek 1938/1939, 6)

Totalitarianism, argues Hayek, is an unintended outcome of the desire to improve the state of the world. That is also why the working title of his project during this period is the “Hubris of Reason and the Nemesis of the Planned Society” (Ebenstein 2003, 112)².

The project, however, is not just a critical examination, it also attempts to alter the course of our thinking. In 1939 he already observes that “freedom and democracy are not free gifts which will remain with us if only we wish it” (Hayek, 1939:36). The tension between analysis and providing guidance is even clearer in the introduction to the RTS in which he writes:

---

² This tragic notion of good intentions leading to horrible outcomes is also present in Röpke’s discussion of the Germans.
“I have every possible reason for not writing or publishing this book. It is certain to offend many people with whom I wish to live on friendly terms; it has forced me to put aside work for which I feel better qualified and to which I attach greater importance in the long run; and, above all, it is certain prejudice the reception of the results of the more strictly academic work to which all my inclinations lead me.” (Hayek 1944/2007, 37)

Hayek nonetheless writes and publishes the book, a task he regards as ‘a duty’ he ‘cannot evade’ (Hayek, 1944/2007: 37). When Karl Popper, just after he has completed his ‘The Open Society and its Enemies’, reads this he passage he writes to Hayek: “I felt that you were driven by fundamentally the same experience which made me write my book and which made me describe it as a war effort” (Popper, quoted in Hennecke, Hennecke 2000, 173–4).

And even though the work of both Hayek and Popper possess this fighting spirit, they remain primary back-ward looking (Jacobs and Mullins 2015). Hayek’s book is far from a plan for the future, it rather is a combination of analysis and wake-up call. Only the last chapter of the book on international politics deals directly with the political situation at hand. Hayek, however, does start to get involved in contemporary affairs. In an address to historians he considers the best way to nourish liberal values in Germany after WWII (Hayek 1944/1992). And in his opening address to the MPS, with both Röpke and De Jouvenel in the audience, he pays special attention to the political future of Germany and to international integration, for which he has scheduled sessions during the first gathering. In a later paper to the MPS he encourages his colleagues to have the ‘courage to be utopian’, and consequently to look forward again (Burgin 2012, 217).

Hayek is certainly not just concerned with these efforts during the late 1940’s and 1950’s, since he also publishes a book on psychology. But his efforts in the MPS continue and Hayek migrates to United States to join the University of Chicago. There he writes his most constructive and idealistic book ‘The Constitution of Liberty’ (Hayek 1960, hereafter CoL). A book in which he finally hopes to address the positive ideals of a revived liberalism: “If we are to succeed in the great struggle of ideas that is under way, we must first of all know what to
believe” (Hayek 1960, 2). The political climate seems more favorable and he even suggests to his fellow liberals in the MPS that the society could celebrate its tenth anniversary in 1956 and disband itself (this does not happen). In 1956 he also writes a new foreword to the RTS that is much more optimistic: “It is true that its main conclusions are today widely accepted. If twelve years ago it seemed almost sacrilege to suggest that fascism and communism are merely variants of the same totalitarianism which central control of all economic activity tends to produce, this has become almost a commonplace” (Hayek 1956/2007, 3). That does not mean that Hayek thinks has book has become outdated, but the context is now that of an expanding welfare state rather than of an impending socialism. Its central thesis in this context is that adjustments should conform to the rule of law, rather than that the Western world is threatened by socialism (Hayek 1956/2007, 45).

But even in his optimistic CoL the tension between despair and hope remains. He cautiously attempts to restate old truths for new generations, and his whole project starts not from what he know, but from the nature and range of our ignorance: “Though we cannot see in the dark, we must be able to trace the limits of the dark areas” (Hayek, 1960:23). That being said, CoL is undoubtedly his most hopeful book, as is clear from its dedication to “the unknown civilization that is growing in America” and is repeated reference to the hope that we can once again commence a common project of liberty: “I have drawn encouragement from the fact that it [liberalism] has often emerged from adversity with renewed strength” (Hayek 1960, 7). The CoL suggests that a free society can be created and that individuals can shape their own lives. His chapter on responsibility and freedom argues clearly that man is the maker of his own fate, and although that freedom is never absolute, it is certainly quite extensive, argues Hayek (Hayek 1960, 71–84). And while he repeatedly cautions that we should set ourselves limited objectives, be more patient and show more humility this book is the attempt by Hayek, the skeptic liberal, to write a liberal utopia (Hennecke 2000, 248).

That optimism is in rather stark contrast with Hayek’s later work. In that work he emphasizes the limits of freedom, and the limits of human reason and
capabilities. This comes out with great force in his essay on the sources of human values (Hayek 1982). In that essay he emphasizes the discipline that markets and other social forces impose on individuals and the limits to our ability to shape these social forces and our own future. His later work is characterized by a despair about the future of the West that is similar to that of the late 1930s and early 1940s. But it is also in this later work that Hayek is clearly a social philosopher concerned with the institutions and morality that make the functioning of a market economy possible. Aspects of his work for which he initially – in the RTS and CoL– felt he had to apologize, but which become pillars of his work.

De Jouvenel and what could have been

Unlike Röpke and Hayek who opposed the rise of fascism from its emergence, Bertrand de Jouvenel is initially attracted to fascism. In the 1930’s he works as a journalist for various magazines and frequents nationalist circles. In a notorious interview with Hitler in 1936 he seems swayed by Hitler’s self-presentation as a grand political leader concerned with European peace (Dard 2008). And in a monograph written in the aftermath of the French defeat in 1940 ‘After the Defeat’ (1940) De Jouvenel displays a curious mixture of appreciation for the youth and vigor of Italy and Germany, and a regret that French culture has not been strong enough to resist it. The work, which brings him lasting fame and which is of most interest to us here, is written in response to the war and the rise of totalitarianism. His major works are studies of power that emerge out of his experience of the ‘Minotaur’ as he calls the totalitarian state. The views that he develops in ‘Power: The Natural History and its Growth’ (1945/1948, hereafter Power), ‘Sovereignty: An Inquiry into the Political Good’ (De Jouvenel 1957, hereafter Sovereignty) and ‘The Pure Theory of Politics’ (1963b, hereafter PTP) are at odds with the political impatience he displays during the 1930’s.

But let us start with ‘After the Defeat’, a thoroughly pessimistic book. It takes French politicians, intellectuals and other leaders to task for having failed to take on the responsibility that was thrust upon them after the victory of 1918.
De Jouvenel argues that ever since the misguided Treaty of Versailles French leaders have been unable to take on this great responsibility. Undoubtedly the most striking aspect of the book is the acceptance of the resulting defeat. The title suggests that already, the defeat of France is a ‘fait accompli’. That despair and almost defeatist attitude pervades the book and its themes with chapter titles like ‘Winter in France’ and ‘Settling Accounts’. It is as if the history of France has ended and De Jouvenel is writing a eulogy.

Soon after De Jouvenel, suspected of resistance activities, flees to Switzerland (Maloney, 2005: 12). In Switzerland he starts working on ‘Power: A Natural History of its Growth’ (1945). The English translation of the book starts with a telling disclaimer in the preface written by Scottish historian of France D.W. Brogan. He warns the reader that De Jouvenel’s plea for ‘hesitation, skepticism and criticism’ should not be taken as a ‘form of petty treason’, but as: “an argument for not letting necessity, ‘the tyrant’s plea’ have all its own way” (Brogan, 1945/8:11). But to present De Jouvenel’s effort as only an appeal for hesitation and critical thinking would be to miss much of the purpose of the book. The book is in fact also a very personal account by a European intellectual who is coming to grips with the complete destruction of a civilization he so cherished. It is a ‘cri de coeur’ and at the same time an analysis of the rise of state power (Mahoney, 2005:30). That gives the book a sometimes ambivalent character, for its analysis is full of anger and outrage, which prevents De Jouvenel from coming completely to grips with the destructive forces of his age. The title of the book suggests that this is the natural history of the rise of power. One half of the book is indeed that, a deterministic natural history. This half of the books suggests that De Jouvenel believes that the extension and concentration of state power was inevitable: “it ends in the atomization of Society, and in the rupture of every private tie linking man and man, whose only bond is now their common bondage to the State” (De Jouvenel, 1945/8:147). De Jouvenel speaks of ‘the spectacle of history’ which has run its ‘predestined course’. In one of the final chapters he argues that:
“the proposition that this state of public servitude is the inevitable culminating point of the historical sequence formed by the successive stages of a civilization, can be supported with many more proofs than are available to demonstrate the interpretation of a progress towards Liberty.”

(De Jouvenel, 1945/8:289)

It is not up to him to attempt to change this course of history or to form a judgment on it:

“We do not demand of a chemist who has just described to us a chemical reaction that he should pass on it a judgment of value. Why, then, should the political analyst be expected to hold up one phase of this unending transformation scene as progress and another as decadence.”

(De Jouvenel, 1945/8:150)

But that ethos of the objective analyst is in stark contrast with the purpose of the book as set out at in the introduction to combat the destructive powers of the Minotaur. And with the final chapter in which De Jouvenel claims that he does not want to want to be swept away like ‘swimmers by a current’, but he wants to understand and like the doctor find the appropriate treatment (De Jouvenel 1945/1948, 303). De Jouvenel argues that the core of the modern problem is discontent that arises from the fact that the complex industrial society fails to integrate the people and justify existing the distribution of social and economic prestige. He argues that we have come to believe that either society must be ordered by the state, or that man can is not bound by any moral concern and can pursue his own self-interest. The combination of these two ideologies have led to the rise of the totalitarian state, argues De Jouvenel:

“This metaphysic refused to see in Society anything but the State and the Individual. It disregarded the role of the spiritual authorities and of all those intermediate social forces which enframe, protect, and control the life of man, thereby obviating and preventing the intervention of Power.”

(De Jouvenel 1945/1948, 317)
But it is also—and from this fact we might derive some hope—in that sense that totalitarianism is only a contingent necessity. If we can once again come to understand the importance of social bonds, and the responsibilities of every citizen, if we are able to find new constraining concepts we might, we might, be able to turn the course of society around. But do not expect too much, for look what happened to the warnings of Tocqueville, Comte and Taine, they became: “Useless Cassandras” (De Jouvenel 1945/1948, 318). Both in content and intent he is here close to Hayek, who also felt a duty to involve himself in the politics of his age, but without much confidence that he would be able to make a difference.

Just like Röpke and Hayek are far from convinced that the end of WWII had brought brighter perspectives for the future. In his next book ‘L’Amérique en Europe’ (1948a) he reflects on the role of America in the reconstruction of Europe. De Jouvenel remains deeply pessimistic. The book, like the work of his Austrian and German contemporary around the same time, wants to drive home the point that the crisis in Europe is far deeper than is directly visible. Beneath the destroyed cities, is a society that is destroyed: “The American, who lives in a well-ordered society, free of want and fear, could not imagine the European apocalypse. He has no idea of the decline of the cosmopolitanism, the personal security and the rise of the mob-mentality” (De Jouvenel 1950, 4). He is particularly afraid that in an economically contracting society the same misguided search for security will be undertaken that had such disastrous consequences in the 1930’s. But the glimmers of hope are becoming a little clearer, especially in his discussion of the concept of the American concept of ‘opportunities’. The book, however, is mostly a lament of how the bourgeoisie and its spirit has been destroyed first in Central-Europe through inflation and later on the rest of continent through state power and the mob-mentality: “The European peoples are more or less ready to be polarized (...) and to seek the cure to their disease in conflict once again. This cure can, however, only be found in the slow regeneration of the roots and their threads, which keep human society upright” (De Jouvenel 1950, 30).
In the following years De Jouvenel would join Röpke and Hayek in the MPS. In a letter to Hayek he expresses well the deep pessimism that prevailed after the war: “doubtless you feel as I do that we are now hovering on the brink (...) The Russian menace from the outside, the Communist menace from the inside, (...) the Socialists whose very idea tends to weaken the Occident” (quoted in Burgin, 2012:106). The pessimism was not just economic, but it was political and cultural as well. Like Röpke, De Jouvenel frequently refers to the moral crisis, the disappearance of the individualist culture and many of his postwar books emphasize the importance of manners. In a later letter to Hayek he complains about the cultural effects of capitalism: “when Capitalism triumphs there is, as I see it, a decline of culture” (quoted in Burgin, 2012:114).

But like Hayek, De Jouvenel regains his spirit and hopes during the 1950’s. When he is asked by Richard Cornuelle whether one of his essays the 1940’s can be reprinted, he agrees, but only on the condition that he can write a note explaining the deep pessimism of his essay. That pessimism is no longer needed, De Jouvenel argues, because: “a Golden Decade of Reconstruction has brought Europe to the highest degree of prosperity ever enjoyed and to a degree of social sanity which could hardly be hoped for eleven or twelve years ago”. His next book ‘Sovereignty’ is a collection of meditations on the subject of power and sovereignty. Like Röpke and Hayek he attempts to show a way forward:

“Originally, my objects were to tell in this book how the idea of the legitimate origin of Power has suppressed and driven out its natural fellow, that of the legitimate use of Power, and to drive home the loss thereby inflicted. But what was the good of noting and emphasizing this loss if no attempt was made to repair it?

(De Jouvenel 1957, xxii)

But, like Hayek, De Jouvenel struggles to formulate a program for the future. His book remains primarily an inquiry into the hidden assumptions beneath the philosophies of his age; it is more diagnosis than cure. The English version of the

---

3 The note is attached to a letter from Cornuelle to Mises, dated May 1, 1958, from the Mises Archives at Grove City. I am indebted to Solomon Stein for bringing this letter to my attention. Even though Mises suggests to reprint De Jouvenel’s paper with the added note, it seems that this was never done.
book contains an additional concluding chapter on the prospects of political science. It is here that it becomes clear that De Jouvenel, impressed as he is with objective science, has realized that political science can never become one. It is a moral science, aimed at fostering fruitful co-operation between men. The study of the means to do so should be as objective as possible, but the science itself is not possible without clarity about this end, a point also repeatedly made by Röpke.

It is this type of socially motivated political science that De Jouvenel turns to next. During the 1960’s De Jouvenel develops a new project that is as forward-looking as can be. It is worth quoting the introduction to the first volume of ‘Futuribles’, the name of the project, at some length:

“The project illustrates De Jouvenel’s determination to look forward again, to help shape the future. He argues that disciplined speculation about the future might be beneficial for his ‘fellow-men’. He extends this argument in an article ‘Political Science and Prevision’ (1965). That essay makes clear how much De Jouvenel’s work is shaped by his experience. The first example he gives in which ‘prevision’ could have been helpful is that of the situation of Germany in 1930. De Jouvenel argues that a political scientist could have foreseen that any attempt at maintaining a balanced budget would lead to more unemployment and the further rise of the Nazi Party. The political scientist could have made clear what the relevant priorities for government should have been. The second example is of equal historical importance. De Jouvenel argues that is was easy to foresee that France could not live up to the military alliances it committed itself to before WWI, that these alliances in fact set it up for a new conflict or an invasion of Germany. There is no irony intended when De Jouvenel claims:”
“I have chosen two instances of fatal mistakes, of which I can bear witness that they were perceptible at the time (...) Is it not the political scientist’s role to take a view sufficiently panoramic to call attention to such blunders?”

(De Jouvenel, 1965:31)

This is the polar opposite of the despair of his work during the war, in which he claimed the primacy of the forces of history. The political scientist, if listened to, could have prevented both world wars, he now argues. That claim is all the more curious given that De Jouvenel himself was initially attracted to fascism in the 1930’s. Even though overly optimistic at this stage, he is aware of some of the problems with this vision. He especially emphasizes the difficulty of predicting structural changes. Particularly during ‘heated’ periods he argues there are:

“people floating in outer darkness who can, if the occasion arises, irrupt upon the scene, casting out both of the small armies that have been engaged in a civilized duel” (De Jouvenel 1965, 34). In the conclusion he raises the ante once again when he argues that: “the political scientist should foresee the deficiencies of the institutional system not only before these have excited popular discontent and brought it into discredit, but even before these deficiencies have been made manifest by faulty performance” (De Jouvenel, 1965:38). No minor task.

It is this vision, however, that shapes his subsequent work ‘The Art of Conjecture’ (1967). In that book he is, more self-reflective, about the limits of speculation about the future and to extent to which this can be part of science. But speculation about the future, he emphasizes, can –just like science– benefit from mutual criticism. More importantly, the project of offering plausible conjectures about the future is justified by its practical necessity, not by its methodology. Despite the expression of these great hopes and his belief that both world wars could have been prevented by a careful study of the trends in society at the time, De Jouvenel’s own contribution to his ‘Futuribles’ project about the future of politics remains modest and far from optimistic. In his article on the evolution of forms of government he discerns three modern trends. The rise of the modern bureaucracy (agentry), the decline of Parliament and the Rule of Law (De Jouvenel never lost his love for capital letters) and thirdly the
personalization of authority. His outlook for the future is therefore far from bright, he in fact compares the modern situation to that of Imperial Rome. The institutions of many Western countries might be inspired by liberal thought, but: “the formal institutions for which Liberals have fought can now be adopted without producing the effects which were thought inherent in them” (De Jouvenel 1963b, 118). And even more pessimistically he argues that: “at this moment of history, so critical for the fate of freedom, we do not have any clear recipe of free institutions, such as our ancestors felt possessed of” (De Jouvenel, 1963:119).

It is also in the 1960’s however that De Jouvenel, in contrast with both Hayek and Röpke, attempts to tie in with the political currents of the time. It is not just that his ‘Futuribles’ project is forward looking, but he is also looking for new energetic movements and finds hope in both the emerging green movement as well as the social revolutionaries of 1968. He was in that sense the only one of the three to overcome the impact of the tragic decades of the middle of the century.

**Conclusion**

Above we have seen how three European liberals, one French, one German, one Austrian, were drawn into the political developments of their age during the 1930 and 40’s and how they responded to the political developments in the following decades. That involvement makes them rethink their role as scholars and intellectuals, it alters the nature and concern of their work and it makes them question the extent to which the future is in our own hands.

All three argue that political and economic inquiry should start from some moral principles. For Röpke this is a personal vision, for De Jouvenel the promotion of the social co-operation of men, and for Hayek it is a more liberalism based on the rule of law. That is not to say that they reject value-free inquiry, but that, especially during their dark times, they argue for the need for and the importance of morally motivated synthetic work, which can provide guidance for the future. They reluctantly take up these engaged positions out of a sense of
duty and necessity, all the while remaining skeptical that their own efforts will have much effect.

The turn in their work is not just moral, but it is also institutional. The three authors we studied here inquire into the institutions and culture that enable a stable liberal society. For Röpke this leads initially to a study of international relations and the cultural ideals of liberals, but ultimately to certain spiritual ideals. For De Jouvenel this leads him to inquire into the rise of state power at the expense of civil society, and how this has made the atomized individual powerless against the state. In the 1940s and 50s he inquires how civil society can be strengthened, but he ultimately puts his hopes in a more scientific project, which concerns itself with the study of future scenario’s and the ways in which we can prevent the grave mistakes of the past. For Hayek it leads to his work on a constitution that will limit the power of the state, and the study of the evolution of cultural norms.

Within these new projects one of the central concerns is the extent to which we can shape the fate of our society. Röpke grows skeptical that much can be done. Hayek and De Jouvenel, on the other hand, contribute actively to the formation of a more resilient liberalism. The idea that we can, to some extent, shape our own fate is closely tied to the new hope that Hayek and De Jouvenel experience during the 1950s. That hope, they argue, comes hand in hand with the responsibility to formulate goals for the future.

It would be surprising if at least some political and economic scholars would not be drawn into public debates during an upheaval such as continental Europe experienced during the 1930’s and 40’s. As such the efforts of the De Jouvenel, Röpke and Hayek are not surprising. But seen in the light of the post-war development of economics these three men are, surprisingly perhaps, the exception rather than the rule. It is not that many other economists are not engaged with the war effort. In fact the influence of WWII on modern economics can hardly be overstated (Bernstein 2001; Mirowski 2002). But rather than becoming social engineers producing useful economic knowledge as so many of their contemporaries, these European political economists, reflect on the role of economics (and political science) and the economist in society. All three
recognized that an instrumental political, economic or social science could not provide the guidance that could prevent, or could have prevented, the rise of socialism and fascism, and more generally that of state power. To be able to do so, economic knowledge had to be supplemented by ideals and values.

This made their contributions look distinctively political, skeptical or even pessimistic for their contemporaries. Their proposals tended to emphasize what was not possible, and what should not be attempted, what could not be achieved. This is well illustrated by Hayek’s plan to write on ‘The Three Great Negatives: Peace, Justice and Liberty’ (Hennecke 2000, 287). He argues that these three concepts can only be defined in the negative, in the form of restraints on them: the extent to which we cannot be peaceful, cannot achieve justice, and cannot be free. De Jouvenel’s inquiry is into the way we can and should limit power. That of Röpke into the extent to which we can and should accept industrialization and secularization. They were too aware of the dangers inherent in modern society to be overly optimistic. Those tensions makes their work interesting and of lasting value. Not because they are contributions to a universal body of economic theory, but because they form a combination of knowledge from experience and theory. A combination of enquiry and commitment as Michael Polanyi would describe it (Polanyi 1958). In that sense they also provide an alternative to the path taken by economics in the post-war period.

**Bibliography**


——. 1944b. The Road to Serfdom. Chicago: The University of Chicago Press.


What is the difference between Fate and Destiny? Fate is believed to be inevitable and unchangeable whereas destiny can be changed by an individual. Fate and destiny are two words that are often used interchangeably, and they are both believed to be related to man’s future and fortune. Fate and destiny both refer to a supernatural power that predetermines and orders the course of events. However, there is a slight difference between fate and destiny. The main difference between fate and destiny is that fate is unavoidable or inevitable whereas destiny can be changed. What is Fate. Fate is a supernatural power that is believed to control the events in the future. The term fate comes from, Latin fatum meaning “that which has been spoken.”