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Religion, Society, and the Market: The Contribution and the Legacy of Wilhelm Röpke (1899–1966)*

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The social market economy that shaped the Federal Republic of Germany after the catastrophe of the National Socialist regime is more than just an economic order based on the principle of competition. Its central concern is embedding its economy in a sociopolitical order and a normative and legal framework with special consideration of the social, ethical, and personal aspects of economic life. This article examines first the social philosophy and economic ethics of the German economist Wilhelm Röpke, one of the pioneers and founding fathers of the social market economy. Second, it shows the points of convergence between the principles of Catholic social teaching and the theoretical and ethical foundations of the social market economy. After analyzing Röpke's concept of the social responsibility of entrepreneurs, it concludes by presenting the relevance and legacy of Röpke's thought to business ethics today.

Introduction

Wilhelm Röpke is one of the most influential economists of the twentieth century in the German-speaking countries and one of the founding fathers and initiators of the social market economy—that is, the economic and social order that shaped the Federal Republic of Germany after the Second World War. Röpke's extensive oeuvre covering scientific as well as popular publications is known for its conservative criticism of *laissez-faire* liberalism and the underlying ordoliberal concept of society.[1]

During his lifetime, Röpke not only served as a scientific researcher and academic teacher but also actively participated in the public debate as a political

consultant and prolific author of articles for a general audience.[2] Therefore, his perspectives resulted from both academic as well as practical insights. Already at a very young age, during the 1920s, Röpke became one of the youngest professors in Germany, and he gained traction as an engaged participator in the political and economic debates of the Weimar republic.[3] He criticized the lack of economic innovation and competitive development of the German economy, which was dominated by powerful business cartels at this time. Moreover, as early as 1922–1923, he was invited to participate in important political commissions, such as the expert commission for the economic implementation of the Versailles Peace Treaty.[4] There was another important membership in 1930: Röpke joined the commission for crisis management and the fight against unemployment (called *Brauns-Kommission* after the successful German Labor Minister, Heinrich Brauns). In that context, he wrote an essay[5] pledging a public investment program in order to boost economic development, an approach that he later refined and explained in a more systematic way.[6] This brings to light another aspect of Röpke's lucid political engagement during the early period of his political life: his vigorous criticism of and consequent opposition to Nazi ideology and potentates. On September 11, 1930, three days before the *Reichstag* elections, Röpke warned of the pending success of National Socialism and defined it as an "avowed hostile, violent, and revolutionary" organization: "No one who votes National Socialist on 14 September should be able to say later that he did not know what could result from it. He should know that he is voting for the war internally and externally, and for senseless destruction.… Vote! But decide in such a way that you cannot feel complicit in the disaster that may befall us."[7]

It is a demonstration of his courageous positioning in that conflict that even on February 8, 1933—a week after Hitler's rise to power and after the beginning of violent prosecutions of the enemies of Nazism in Germany—Röpke delivered in Frankfurt a critical speech against the new government. At a time when many were cooperating with the racist and totalitarian regime—with some well-known academics such as the constitutional lawyer, Carl Schmitt, and the philosopher, Martin Heidegger, even joining the party—Röpke avoided any fraternization. Röpke qualified the change of government as "the revolt against western civilization" and as "a mass revolt against reason, freedom, humanity, and against the written and unwritten millennial rules that enable a highly differentiated human community to exist without degrading individuals into slaves of the state."[8]

Röpke had to leave the country shortly after this courageous act in order to avoid imprisonment and he never returned to live in Germany again. However, even after the Second World War, his active political involvement continued. He

was one of the closest advisors to the first Federal Chancellor, Konrad Adenauer, and the Federal Minister of Economic Affairs, Ludwig Erhard, and thus an important co-creator of the renewal program, which supported the political, social, and economic reconstruction of Germany. In 1931 Röpke wrote a pamphlet dealing with the social and economic crisis of those years and stated that the solution to the social question could only be found by providing "prosperity for all."[9] This statement later became the motto for Ludwig Erhard's political and social program.[10] In 1950, while Röpke obtained a guest professorship at Frankfurt, he authored a paper for Konrad Adenauer entitled, "Is the German Economic Policy the Right One?"[11]

This was a crucial moment for the economic transformation and the stabilization of the German Federal Republic, because with the floating of the new currency unemployment initially rose and opponents of liberalization postulated a return to the pre-reform command economy. In this key situation, Röpke supported the turnaround in the market economy that was started the year before by Erhard, thereby making a significant contribution to the so-called *Wirtschaftswunder* (economic miracle).

Röpke became famous in international discussion for his books *The Social Crisis of Our Time*,[12] *Civitas Humana*,[13] *The German Question*,[14] and *International Order and Economic Integration*.[15] These works, together with his intellectual testament, *A Humane Economy*,[16] can be understood as his theoretical and practical contribution to the intellectual milieu of the Second World War and to the renewal program of a humane, efficient, and social economic order in which any form of collectivism is rejected and a healthy understanding of liberalism and capitalism is supported.

The historical background for Röpke's concepts is the socioeconomic and political situation of the twentieth century: the exacerbation of the international crisis after the First World War, the experiences of the world economic crisis of 1929, the rise of the totalitarian regimes of Nazi and Soviet socialism, the outbreak of the Second World War, and the moral reorientation after the disastrous martial events. In all of these upheavals, a comprehensive normative question arose, and Röpke asked, what should a humane economic and social order look like? In that respect, Röpke's theory is one of the most relevant and influential attempts to integrate humanistic personal morality, on the one hand, and social-ethical institutional design-principles, on the other. Both, mostly separate and sometimes even opposed, perspectives are included in his normative standpoint. It is most unfortunate that his ideas fell into oblivion when they again are highly relevant, both for finding a normative framework for global economic exchange

and for the renewal of corporate values. Both of these challenges together, and each of them individually, again recall the interdependence of personal ethical behavior and regulatory co-responsibility of entrepreneurs.

Shaping a Humane Economic and Social Order

Röpke positioned himself in the tradition of Ordoliberalism,[17] the theoretical and economic tradition developed by the Freiburg School of Economics in the 1930s at the University of Freiburg in Germany. The founding members of this school were the economist Walter Eucken and the jurists Franz Böhm and Hans Großmann-Doerth. The intellectuals of the Freiburg School represent the founding fathers and pioneers of the social market economy. The Freiburg School of Economics provided theoretical support for the economic and political elements of the social market economy that were implemented in Germany after the Second World War.[18] Together with colleagues Walter Eucken, Franz Böhm, Alfred Müller-Armack, and Alexander Rüstow, Röpke defended the competitive market with an institutional approach. They underlined that the competitive order is in itself a public benefit and as such should be protected. They also supported the idea of a constitutional order for the market, which has the task of guiding, guaranteeing, and limiting the processes of the market. This institutional approach to the market brings the position of the ordoliberal tradition closer to *constitutional economics* and to the institutional research by James Buchanan, who transferred the liberal ideal of voluntary cooperation from market decisions to institutional choices.[19]

After the complete disaster of the Second World War and the criminal Nazi ideology, not only did Röpke focus his ambition on a purely economic reorientation but he also strove to develop a socioeconomic model that could provide a sustainable orientation for the challenging process of rebuilding the country. Therefore, his approach was developed against the background of a thorough analysis of the different historical forms of the market economy. Moreover, Röpke also sketched a comprehensive critique of collectivism, which during these years was establishing itself as the philosophical foundation of the then-communist regimes of Eastern Europe. In a first step, he strove to deliver a postive interpretation of the controversial term *liberalism*.

For Röpke, the roots of his positive approach to liberalism lie in ancient philosophy and Christianity. Moreover, he even believed liberalism to be the "legitimate child of Christianity." The guiding principles of such a concept of liberalism are "humanism," "personalism," "anti-authoritarianism," and "universalism."[20] From such a perspective, Röpke conceived liberalism to be in close

connection with the concept of a decentralized order guaranteeing human liberty and opposing the centralization of power by establishing counterpowers. Thus, even if liberalism could originally be coined as an achievement of Western culture, it nevertheless also represents certain developments of the nineteenth century that Röpke considered the source of social decay and negative tendencies in his own time. He framed this as "old liberalism" (*Paläoliberalism*), which assumed the existence of a natural order of business, a pre-established harmony, which would bring about social justice automatically.[21]

For Röpke, the concept of "self-organization" (resulting from the system of competitive forces in a market economy) as such represents an important intellectual discovery. Simultaneously, however, he criticized the idea, derived from that concept of self-organization, that the market, if just left alone (*laissez faire, laissez aller!*), would automatically bring about social integration, equilibrium of interests, and the common good. Such a notion substantially ignores the social and institutional prerequisites of a market economy.[22] Therefore, according to Walter Eucken's ordo concept, Röpke criticized the idea of a passive liberalism and of the "Night-watchman State."[23] And even if he warned of the danger of an all-encompassing state as a "crocodile,"[24] Röpke still advocated a *starken Staat* (strong state)[25] but with some important limitations. The expression "strong state," however, which in the current political context would recall the idea of a paternalistic state, assumes a different function for Röpke and the theorists of the Freiburg School. Röpke outlined the character of a strong and neutral state against the liberal, *laissez-faire* conception of a small role for the state. Röpke stated that the task of the state is to intervene in order to prevent the formation of monopolies and to guarantee the mechanisms of competition. The active and positive task of the state is to establish the framework within which the market processes must take place. As an impartial arbitrator, the state should police the players and ensure that they stick to the rules of the game. At the same time, however, it should refrain from intervening too much in the game itself.[26] Thus, Röpke defended the necessity of government intervention in the social and political sphere, thereby taking a stance against *laissez-faire* liberal contemporaries. But a central aspect of Röpke's thinking, which is often forgotten, is that state interventions should remain in conformity with and respectful of the laws of the market and competition.

Compared to other ordoliberal thought leaders, Röpke did not propose a rigid intellectual concept; rather within his more general characterization of the relationship between market and state, he proposed a plurality of principles. This becomes especially obvious if one compares his ideas concerning social order and economic policies with those of Eucken.[27] Beyond the biographic and

intellectual similarities among both authors, important differences remain. For Eucken (as well as his colleague at the University of Freiburg, Franz Böhm) the primary role of government is characterized by its function as an effective arbitrator of the private sector.[28] Endowed with a legitimate enforcement authority, government should prevent the establishment of cartels or even monopolies, which had so perniciously characterized the economic situation of the Weimar Republic. Compared with Eucken, Röpke more strongly highlighted the importance of *society* and defended a stronger sociological, historical, and cultural dimension of the market economy, thereby promoting his program of decentralization. Moreover, even the concept of competition considerably varied between the two authors. While Eucken perceived competitive markets primarily as an effective instrument against private power, Röpke rather rated higher their coordinative value for ensuring economic efficiency and for reaching a balance of interests. Thus, even if both authors agree in the necessity to establish institutional market frameworks in the political sphere, Röpke emphasized more strongly the importance of these frameworks to strengthen and preserve normative values in society. In their similarities and differences, the two leading theorists represent the multifaceted legacy of the Freiburg School of Economics: Eucken more in its liberal economic positions, Röpke more in its conservative, values-oriented positions.[29]

Röpke criticized the abusive and decaying tendencies of the contemporary economic order. For that purpose, he began by distinguishing between the conceptual core of a market economy (defined by private ownership, freedom, true competition, and the price mechanism), on the one hand, and its historically contingent forms, on the other. He explained the superiority of a market economy over socialist as well as nationalist forms of collectivism based on a plurality of economic, political, cultural, ethical, and anthropological arguments.[30] Thus, he argued for a liberalism that should be perceived not only in its economic but also in its broader social and anthropological dimensions—especially by choosing human freedom and dignity as its point of departure. On that basis, Röpke's political reform program of "economic Humanism"[31] emerged as early as the 1930s. He perceived it as a synthesis (but not a compromise) between personal freedom and community orientation.[32] In later German editions of the book *Die Lehre der Wirtschaft*, he even called his model the "[e]conomy serving the human being."[33] How could this concept be interpreted? Having experienced the totalitarian ideologies of the twentieth century, this claim was chosen against "the way of the mass" and as the "road of moderation and proportion" against "the cult of the colossal" and against centralization and standardization.[34] Thus, moral behavior, on the one hand, and ethical design of institutions in the political realm,

on the other hand, effectively coalesce here. Röpke's anthropological views run parallel to the contemporary concept of economic personalism.[35] This concept consists in the attempt to combine the moral implications of the market economy with a theological idea of mankind and to unite true liberalism and the market economy with Christian social ethics.

Röpke's position on economic ethics can be understood both methodologically and substantially as a recognition of the realism and autonomy of economic science and the embedding of economic thinking in a normative framework. Röpke found the basis for his business ethics approach among the "courageous pioneering work" of the representatives of the Spanish late scholastic theologians of the so-called School of Salamanca, such as Luis de Molina, Francisco de Vitoria, and Francisco Suarez. Röpke pointed out—referring with appreciation to a study by the Catholic social ethicist and economist and later cardinal, Joseph Höffner—that in the social philosophy of Scholasticism there were economic-ethical ideas that can be described as "liberal."[36] Röpke stressed that in these authors there was not only a healthy relationship between liberal ideals and Christianity but also a nascent defense of the free market and competition.[37] Scholastic thinkers who combined theoretical activities with practical pastoral care in everyday life also proved themselves to be valuable contributors to economic and social development and innovation.[38] With regard to the relationship between right and true individualism and Christian social philosophy, Röpke stated, quoting Friedrich August von Hayek, that an individualism rightly understood is convergent with the personalism of Catholic social teaching. Furthermore, Röpke identified the Catholic liberals, Alexis de Tocqueville and Lord Acton, as fathers of the Christian humanism and Christian liberalism that he supported and as representative of the true individualism that he promoted.[39]

Social Market Economy: Embedding Economic Efficiency in a Normative and Institutional Framework

Röpke spearheaded the German model of the social market economy after the Second World War. From 1949, in his publications as well as his journalistic work, he committed himself to this terminology: One may well therefore call him a co-architect and founding father of it. Consequently, Röpke's economic and social reform program contains a wide variety of analyses and proposals for decentralization, always promoting small social entities and crafting institutions to prevent the formation of monopolies and the concentration of power. Röpke conceived the social market economy as a genuine program of order in freedom

to realize mass welfare: a humane economic system characterized by a liberal humanistic social and cultural philosophy.[40]

A successful and well-known formulation of the social market economy is owed to Alfred Müller-Armack, who wrote in 1956: "The concept of a social market economy may therefore be defined as a regulative policy which aims to combine, on the basis of a competitive economy, free initiative and social progress."[41] Müller-Armack programmatically described the attempt to balance economic freedom and social security as "social irenics." This peacemaking phrase has a double meaning: On the one hand, it is about "bringing the ideals of justice, freedom and economic growth into a reasonable equilibrium."[42] On the other hand, it is an "irenic formula" that aims at "establishing a social concept embracing different creeds and ideologies,"[43] that is, a pluralistic society. In his time Müller-Armack saw in Catholicism, Protestantism, Socialism, and Liberalism ideological currents and social-theoretical beliefs to be reconciled, integrated, and united. Therefore, social irenics is "an attempt to overcome the existing differences and which sees in the dissolution the essence of preservation and in those differences the elements of a possible unity."[44]

Röpke shared this view and considered the social market economy as a practical and theoretical program. Consequently, he underlined that the origins of the concept are deeply rooted in the Western political tradition and can be found on the desks of many European thinkers.[45] Moreover, he himself has contributed not only to the theoretical foundation but also to the practical implementation of the social market economy, because he understood it as a program for everyday economic policy. However, it represented his central concern that the economic order would be part of a broader societal one, which had to be developed based on humanistic social and individual ethics. The market economy possesses the important ability to coordinate the pursuit of man's own interests with the common good. At the same time, he stressed that "the market economy is not everything." The economy is only one part of society, albeit an important one. Therefore, the market economy "must find its place in a higher order of things which is not ruled by supply and demand, free prices and competition. It must be firmly contained within an all-embracing order of society in which the imperfections and harshness of economic freedom are corrected by law and in which man is not denied conditions of life appropriate to his nature. Man can wholly fulfill his nature only by freely becoming part a community and having a sense of solidarity with it. Otherwise he leads a miserable existence and he knows it."[46]

In this respect, the market principle of competition must be integrated into a comprehensive moral, legal, political, and institutional framework that also accommodates individual well-being. Economic life requires an ethical founda-

tion, because it naturally "does not go on in a moral vacuum."[47] Röpke noted that the market process and economic life derive from "moral reserves," which are outside the market. The German constitutional lawyer, Ernst-Wolfgang Böckenförde, formulated in reference to the modern state: "The liberal secularized state draws on prerequisites which it cannot guarantee itself."[48] Decades earlier, Röpke had stated the same for a market economy: "Extra-economic, moral, and social integration is always a prerequisite of economic integration, on the national as on the international plane.… The market, competition, and the play of supply and demand do not create those moral reserves; they presuppose them and consume them. These reserves have to come from outside the markets, and no textbook on economics can replace them."[49]

In academic discussion Röpke's insistence on the social dimension of the market economy remains controversial.[50] According to Röpke, it is achieved through a healthy (and genuinely regulatory) social policy that channels market-economy processes toward social goals. Demanding a social dimension is legitimate insofar as certain economic conditions need to be observed and fulfilled: The first prerequisite for its realization is adherence to the mechanisms and laws of a market economy. In fact, the failure of these principles and the preferential treatment of nonmarket intervention by the state (e.g., by eliminating competition, lack of monetary stability, excessive costs, expenditure of the welfare state, etc.) induces processes of social inequality and disrupts an efficient economic order. This means that one must first of all establish a normative and institutional framework for the market economy that focuses on social objectives and the common good. In this sense, the market economy is therefore not an end in itself but a means of serving higher aims, namely, to guarantee justice and solidarity. For Röpke, the fate of the market economy, then, is decided "beyond supply and demand," as the concise German title of his most important book describes it.[51]

The Role of Social and Virtue Ethics in a Market Economy

Röpke's concept of a social market economy combines economic and normative considerations. Consequently, in the development of his business ethics, Röpke was concerned with realizing a unity between economic analysis and sensitivity for humanity and ethical questions. At first, Röpke identified two extremes in the relationship between ethics and economics: "moralism" and "economism." These ways of thinking are as common now as then. Röpke disapproved of the tendency to underestimate economic rationality in social life as well as the spirit of economism, which makes the materialistic element the real driving force of

history or the only criterion of judgement of society. Röpke criticized two erroneous theoretical positions here: On the one hand, there is the "economically ignorant moralism" of those who possess no profound economic knowledge and make ethical judgments without properly analyzing the moral quality of the market. On the other hand, alongside this type of moralism, Röpke criticized those who make evaluations of economic processes without considering the laws of the market economy and end up discrediting the principle of income and profit. Additionally, there is also "morally callous economism," which does not consider the ethical foundations and prerequisites of the market economy at all: "We need a combination of supreme moral sensitivity and economic knowledge. Economically ignorant moralism is as objectionable as morally callous economism. Ethics and economics are two equally difficult subjects, and while the former needs discerning and expert reason, the latter cannot do without humane values."[52]

Röpke rejected both the moralistic contempt of the market economy and the economism that remains blind to the demands of higher social goals and employs as a measure only the logic of profit, without considering those factors that give substance and meaning to human existence. Röpke invited, therefore, a program of collaboration between economists and other intellectuals, criticizing the allergy economists tend to have to the ethical sphere, but also the aversion other intellectuals often have to economic issues, a program that would and could give rise to a new humanism in which the market and culture are reconciled. Röpke criticized in his time the intellectual errors of those who believe that the principle of economic freedom was not compatible with the spirit of Christianity. He polemicized and defined the Catholic exponents who demonized the desire for profit and gain as ignorant moralists. At the same time, he invited them to acquire the necessary skills and notions from economists, even if these economists are bad Christians.[53] According to Röpke, economism's lack of moral sense is deleterious, but a moralism that ignores the economy is no less so. Moral theology should therefore acquire the appropriate expertise in scientific economic analysis because it is also a matter of not falling into pure moralism. The primacy of ethical reflection over economic rationality applies, but the autonomy of both disciplines must be recognized.

For Röpke, the fundamentals of business ethics exhibit a versatile, polyhedral structure. He underlined that economic-ethical reflection must not be left to the theologians and philosophers; rather, economists themselves should actually carry it out. His line of argument moves on different levels. First of all, economic ethics includes ethical arguments concerning the superiority of the market economy over other economic systems. It takes into account not only the ethical

assumptions and conditions that the market economy fulfills but also the ethical consequences that result from it. Business ethics focuses on the ethical conditions and moral reserves that the market economy needs but that it cannot produce on its own initiative. It also reflects the moral limitation of an institutional and individual nature that needs to be imposed on the market. Thus, Röpke acknowledged the moral quality of market mechanisms and competition in modern industrial society. He demonstrated that there exists an inherent moral dimension in the structure and principles of the market economy, since the exchange mechanism and division of labor contribute to economic prosperity. This particular structure offers to the individual the opportunity to realize himself/herself and create solidarity between people. The market contains a coordination mechanism, but it is far from automatic and therefore cannot be left to its own devices; rather, it needs a political, legal, and social framework to guide and structure it. Röpke analyzed the conditions and limits of the market by considering not only the ethical performance that the market can deliver but also the moral and institutional conditions on which that performance is based. Moreover, competition is not regarded as an end in itself but solely as a means of achieving genuine social objectives; in particular, the well-being of people and the improvement of individual and social life.

Consequently, Röpke justified the role of competition as a regulatory instrument for market processes but simultaneously made it clear that the principle of competition cannot achieve the ultimate objective of the economy. Based on this, Röpke developed an institutional framework in which the economic processes should take place. Accordingly, he also called for the moral responsibility of economic actors and, much more than other authors at the Freiburg School, focused on their moral capital. Not only rules, laws, and institutional conditions are necessary here but also the moral virtue of the individual person, that is, personal values that every entrepreneur and every economic subject should bring to the market. Thus, Röpke perceived the social market economy as an opportunity to combine the capabilities of free and independent entrepreneurship with the realization of key social goals. Consequently, he stressed the impossibility of a free market economy without entrepreneurial freedom, that is, without free entrepreneurs and businesspeople as central figures of market processes. Rather, any free economic order "stands and falls"[54] with the independent entrepreneur and businessman and their personal values: "We can do this more confidently and effectively if more entrepreneurs embrace free competition, which makes them the servants of the market and causes their private success to depend upon their services to the community. Otherwise they stab us in the back."[55]

Therefore, the market may reconcile conflicting interests according to merit and return, but it cannot give birth to an actual spirit of solidarity. Rather, this requires a particular moral attitude from economic actors that can reconcile self-interest with public interest. In other words, "The social and humanitarian principle in the frame must balance the principle of individualism in the core of the market if both are to exist in our modern society."[56] Several consequences result from this provision. First of all, it requires moral education of persons which guarantees personal development in the context of small communities endowed with trust and mutual solidarity. Moreover, to extend this important factor, human cooperation also requires institutions and social structures, in which sensitivity to values and moral principles can develop.

Thus, the contrast to recent purely institutional and political-economic positions of business ethics scholars such as Karl Homann and Ingo Pies[57] cannot be overestimated: They based the market economy on the fact of pluralism and rational logic only, consistently focusing on changes in rules and incentives as the only decisive socioethical parameters. On the contrary, Röpke accepted the essential sociopolitical significance of personal moral behavior; moral values represent a crucial framework element for the stability and "developability"[58] of the market. In this way, Röpke accentuated the role of education and upbringing as well as small communities such as the church, the family, neighbors, and schools; moreover, he favored small villages, sport clubs, parishes, and so forth. Therefore, his considerations seem to be strongly influenced by his Swiss context as well as the sociocultural context of the 1950s and early 1960s. He emphasized strong regional identity, rather homogenous communities with limited diversity and pluralism, and a well-formed society that still maintains a consensus of values. These often threatened—or at least were perceived as threatening—minorities and deviant behavior with distrust, discrimination, and even exclusion.

Röpke has been criticized for his conservative-elitist attitudes and opinions, which even remained skeptical against mass media and mass democracy.[59] He shared this with many representatives from Catholic social teaching during these years: Johannes Messner, Joseph Höffner, and others. However, critics often overlook that while many aspects of the writings of these authors remain dated, they also have to be interpreted by the strong experiences they passed through during the 1930s and 1940s—including the extraordinary atrocities that resulted from them. What younger generations simply took for granted—namely a stable liberal democracy and social order—an older generation emphasized as fragile and requiring an abundance of preconditions. Therefore, current interpretations of the writings of Röpke should not judge his positions from a later point of view

but rather ask more constructively what types of organizations would Röpke point to today as breeding places of a values-based, leadership mindset.

The Convergence of Social Market Economy and Catholic Social Teaching

Röpke's contribution to the convergence of the social market economy and Catholic social teaching is of crucial importance for the subsequent discussion in the twentieth century on the two theoretical perspectives and thus for overcoming reservations and prejudices. Röpke always tried to show how Christian social principles can be realized in the economic and social order, and he always regarded them as the theoretical basis of his views. By combining the Christian heritage with the economic efficiency and social responsibility of entrepreneurs and economists, he helped bring the two positions closer together. However, it should also be remembered that a lot of time had to pass before the representatives of Catholic social teaching could accept Röpke's view and thus the social market economy.

The Protestant Röpke appreciated and acknowledged the humanistic, ethical, and cultural tradition of Catholic social teaching and Christian liberalism. Although Christian social ethics is not the primary aspect addressed by Röpke in his career, it is nevertheless part of his comprehensive economic and social analysis because Röpke dealt with the anthropological foundations of a right and humane social and economic order in which he developed his social and individual ethics. Röpke's liberal interpretation of the social encyclicals was neither forced nor a misunderstood interpretation of the texts of the official teaching of the Catholic Church; rather, it was the result of reflection on the fundamentals and assumptions for shaping of a social order according to *Quadragesimo Anno* and *Mater et Magistra*.[60]

Taking a look at the history of Catholic social teaching, one can see that the Catholic Church has come closer to the principles and content of the (social) market economy. However, this development has not always been linear; it has often been marked by tensions, mutual misunderstandings, and reservations. Yet, if one recognizes the positive and reciprocal influence of both perspectives, one can certainly see a convergence between the principles of Catholic social teaching and those of the social market economy. One expression of this mutual appreciation can be found in John Paul II's *Centesimus Annus* (1991),[61] an encyclical that can be seen as an intellectual and ideally retrospective answer to some of Röpke's criticism of the previous encyclicals.[62] In fact, *Centesimus*

Annus opened up to an interpretation that amounts to convergence as regards both theory and content with the (social) market economy and Röpke's views, especially in relation to the principle of competition and private property, the role of the state, and criticism of the welfare state. Similarities also emerge with regard to the principles of personality, solidarity, subsidiarity, and the common good, as well as with regard to reflections on the role of technology, the social responsibility of entrepreneurs, monetary stability, social security, and market-conforming state interventions. In this context, these characteristics are those that Alfred Müller-Armack originally assigned to the social market economy.[63]

Centesimus Annus represented a turning point in Catholic social teaching and denotes the highest point of recognition for the principles of the market economy. Although this encyclical did not explicitly use the term "social market economy," it nevertheless took up its central ideas. The proximity between the two perspectives is obvious in relation to the anthropological, social, and ethical presuppositions of the political and economic order. John Paul II's positive attitude toward the free market is well known; he regarded it as one of the most important social institutions, and above all, he appreciated that it also had a social dimension. The free market "is the most efficient instrument for utilizing resources and effectively responding to needs."[64] At the same time, this encyclical stressed the limitations of the market and the need for it to have an ethical foundation. John Paul II rightly asked the question whether, after the failure of Communism, "capitalism is the victorious social system"[65] that should serve as a model for the countries of the Third World. The pope offered a differentiated judgment on the nature and function of capitalism,[66] and there is considerable agreement with Röpke's views in this respect.

According to John Paul II,

> If by "capitalism" is meant an economic system which recognizes the fundamental and positive role of business, the market, private property and the resulting responsibility for the means of production, as well as free human creativity in the economic sector, then the answer is certainly in the affirmative, even though it would perhaps be more appropriate to speak of a "business economy," "market economy" or simply "free economy." But if by "capitalism" is meant a system in which freedom in the economic sector is not circumscribed within a strong juridical framework which places it at the service of human freedom in its totality, and which sees it as a particular aspect of that freedom, the core of which is ethical and religious, then the reply is certainly negative.[67]

These affinities are paradigmatic when one compares this paragraph with some of Röpke's early statements. In *Civitas Humana* Röpke wrote that the "Yes … but … type of thought … alone does justice to the complexity of appearances and … at the same time endeavours to define as closely as possible with a forever incomplete vocabulary and incomplete means of expressing ideas, the 'Yes' no less than the 'But.'"[68] In 1934 Röpke gave a differentiated interpretation of the capitalist economic system; this shows a strong *ante litteram* parallelism to the corresponding view in *Centesimus Annus*. He noted that capitalism could not be blamed for the 1929 world economic crisis:

> However, it would be very difficult to blame capitalism for these things if we do not want to grossly abuse the term. Of course, if you like, capitalism can be understood to mean very different things, and perhaps that is why it is advisable to replace this expression with a clearer and more neutral expression, if possible. Many differences of opinion between the capitalist and anti-capitalist schools probably stem from such a diversity of definitions. One can, of course, hold capitalism responsible for all the suffering and injustices of the world if one puts them into the concept beforehand. If, however, we understand capitalism to be merely an economic system regulated by price formation on the market, quite a number of charges might have to be dropped.[69]

John Paul II also tended toward a balanced and appreciative recognition of the role of the market and competition and stressed the need for a social and institutional framework in which the market should be placed. He wrote with words that Röpke would have willingly signed: "Economic activity, especially the activity of a market economy, cannot be conducted in an institutional, juridical or political vacuum."[70] The differentiated analysis and recognition of market-economy processes, capitalism, and the role of the state made it possible to determine that with this encyclical the social market economy was "discovered" by the Church.[71] This affinity or parallelism is not merely coincidental but rather an "overwhelming similarity"[72] between Röpke's ordoliberal social market economy and Catholic social teaching. Röpke's criticism of *Mater et Magistra* and *Quadragesimo Anno* concerning the recognition of competition, the conscious commitment to the market economy, the question of trade unions, and inflation finds a solution and answer in *Centesimus Annus*.

The incompatibility, which has been discussed for decades, between the social market economy and Christian social ethics has proven unsustainable in many respects.[73] Not only did Röpke build bridges, he also clarified many misunderstandings and contributed to the convergence between the two views, mutual

appreciation, and joint development. Catholic social teaching has had a considerable influence on the theoretical concept of the social market economy and thus has decisively shaped the principles of the welfare state and the specific form of social policy. It does not offer a self-contained model, but it does represent a normative approach. This openness, both in terms of content and methodology, is due to the fact that the statements of Catholic social teaching have always arisen from the concrete confrontation with different practical social problems and that the representatives of Christian social ethics felt that they belonged to different social-ethical orientations.

Catholic social teaching does not regard as absolute and does not institutionalize either an economic or a political system. The social market economy is also one kind among the various economic orders. Although the two positions are not identical, this does not exclude the possibility of finding affinities and parallels between the two theoretical systems, the word "system" being understood in an open and dynamic sense here. These convergences, which some scholars only discovered over time and with difficulties, whereas other representatives of both traditions had recognized them from the beginning, can be identified in the respective theoretical attitudes and principles. Both Röpke and Catholic social teaching defend an economic order that should be humane, just, efficient, and social. Both stress the value of the human person, free initiative, and a market economy based on the principles of the common good, subsidiarity, and solidarity. Both consider healthy economic and social policy, competitive order, and decentralization policies to be necessary, while at the same time criticizing the expansion and abuse of the welfare state. They have in common that the free market economy is anchored in an ethical, social, and institutional framework. Finally, both defend the dependence of the economic order on a higher and more comprehensive social order that corresponds to human dignity.

Both concepts have a common anthropological foundation. They underline human dignity, from which the defense of economic and political freedom is derived, and consider that the value of economic freedom is not to be understood in an absolute sense but is subordinate to higher social and ethical goals. These justify the priority of the person, not only with the efficiency of the market economy but also with the dignity of the human person as an image of God. Human dignity is the criterion with which the various political and economic orders can be evaluated and criticized. Both the social market economy and Catholic social teaching criticize the idea of a society as the sum of isolated and atomized individuals, and they defend both the individual and the social dimension of man. For Röpke, the economic sector was a necessary but not sufficient prerequisite for the development of one's personality. Against the individualistic

conception of human beings and *laissez-faire* freedom, he defended the image of a person who acts responsibly out of freedom and who can be entirely fulfilled only in the solidarity-based interpersonal relationships within society. With Röpke, this image of man is also based on the religious and transcendent dimension. Against critics who reject this theological foundation of his ideas, it must be stated that the Christian and biblical-theological view of human freedom is a point of normative reference from which certain practical consequences for the shaping of a humane economic and social order can be derived, as well as specific tasks of economic and social policy.

The social market economy and Christian social ethics emphasize both the social and individual ethical perspectives. They testify to the fact that human freedom always requires a moral commitment. They show that there are no definite answers to social problems because they are always contingent on time and context-related. Both concepts stress the principle of personalism and anti-perfectionism, which is based on a fallible understanding of science. It follows that there can be no ultimate recipes to prevent the emergence of new crises. But even in times of crisis, human dignity is the highest decision-making criterion as well as the most sustainable principle of order and leadership: "For man is the source, the center, and the purpose of all economic and social life."[74] Man as a whole is and remains the criterion of economic life.

Social market economy as well as Catholic social teaching defend the social structuring of the economic order. For the representatives of these concepts, the market economy is more than just an exchange of goods and services. Rather, it represents a cultural and social process developed by people according to their feelings and decisions. They recognize the cultural, social, and ethical quality of the market economy. Both concepts defend the autonomy of economic processes. They recognize the indispensable value of the market with its laws, principles, and social functions. They are aware that the market is the basic premise for sustainable development and can contribute to people's wealth. They do not dismiss private property, the market, and competition as intrinsically antisocial, but regard them as part of a comprehensive, humane social order. Even if competition is the regulatory principle of economics and is regarded as a control and regulatory principle, it is not absolute. It is not an end in itself but is subordinate to higher ethical goals. Both conceptions justify the role of competition as a regulatory instrument for market processes. Based on this, they develop a legal, ethical, and social framework in which economic processes can take place. This framework, in which economic processes are to be embedded, and the reference to rules as a supporter of civil coexistence are the basis for the affinity between Catholic social teaching and the social market economy.

An additional conceptual common denominator is that a renewal of the economic and social order is required, but it should also involve moral and institutional reform. Both concepts agree that the economic order must include social elements and that the solution to the social issue is not only to solve technical and economic problems but also to address religious and moral renewal. Both reject the abuse of the welfare state and defend the social dimension of the market economy as an integral part of it. They take into account social justice and the common good as essential elements in shaping economic processes. Although Catholic social teaching does not have a concrete economic and social order to offer, it is not indifferent to the order people live in. As Röpke and other thinkers have shown, the social market economy represents an order that accords with Christian social ethics because it meets the demands and principles of Catholic social teaching. The social market economy is an economic and social order combining economic efficiency with social solidarity and justice as well as freedom and human dignity. This implies that it must be oriented to a subsidiary structure of economy and society in which freedom and solidarity are guaranteed and where the concentration of power, monopolies, and privileges are prevented. For this reason, the social market economy can be described as "applied Catholic social teaching."[75]

Another conceptual similarity of both positions is their openness and adaptability to change. Neither is a closed and defined system, planned only once; instead, they are dynamic, as they are characterized by adaptations to the ever-changing historical, economic, political, and cultural contexts of the time. As far as the social market economy is concerned, Müller-Armack characterized it from the beginning as "a progressive style concept that remains to be shaped."[76] His idea of "social irenics" should also be regarded as a way to reconcile different positions in a pluralistic society and to enable the search for a common unity in the diversity of convictions and worldviews. Concerning Catholic social teaching, the German ethicist and theologian, Oswald von Nell-Breuning, formulated emblematically that the statements of Catholic social teaching are fallible and revisable and "subject to the possibility of error."[77] This openness with regard to the specific design and implementation of social principles as well as the commitment to the possibility of their later adaptation can also be found in the theoretical concept of the social market economy. Although Catholic social teaching is based on firm principles, it must adapt to changing historical circumstances that may give rise to new problems. This makes it possible to re-examine the question of the claim to truth of the statements of Catholic social teaching. It becomes clear that its statements do not have an absolutely binding character; rather, they are dependent on the historical development of theological thought

in its historical framework, although they are based on the principles of the revelation and tradition of the Church.

When studying Catholic social teaching and analyzing the texts of the social encyclicals, a comprehensive methodical and hermeneutic approach should be taken. This also includes avoiding simple reductionism, because the entire contribution Catholic social teaching has made should be considered, and for this reason its three pillars[78] must be taken into account as follows:

1. the views developed by the respective encyclicals, the theoretical gain of each doctrinal social issue, and the historical context in which the encyclicals were written;
2. theological elaborations and their scientific analysis within the social sciences, and Christian social ethicists as well as their reception;
3. Christian social movements which have tried to implement the contents of Catholic social teaching and have contributed to its understanding and further development.

These three pillars imply the conviction that the statements of Catholic social teaching have not fallen from heaven: that although they are based on the eternal truths of faith, they attest the historical emergence of the theological thinking of Catholic social teaching and its development on the basis of successes and errors. Both Röpke and the representatives of Catholic social teaching pointed out that interdisciplinary works are necessary in order to solve economic and social problems. These reflections on interdisciplinary thinking in the humanistic and social sciences have important implications for epistemology as well as for contemporary Christian social ethics, theology, and economics. The first dialogs between theology and economics should take place at the methodological level. No individual discipline can solve the important ethical problems that arise. Both Christian social ethics and economics are called upon to critically review the results of other disciplines.

The Ethical, Social, and Regulatory Role of Entrepreneurs

As an author, Röpke is characterized by his distinguished practical orientation and the high concretion of his concepts. However, his statements on normative aspects of business, postulating a co-responsibility of business elites for social development and the solution of international problems, are less known. Röpke

was one of the few economists of his time who explicitly examined the entrepreneur as a social actor and explored his social role. For this purpose, he portrayed the entrepreneur in the historical context of postwar Europe. In doing so, he perceived the history of the first half of the twentieth century as a background for developing an in-depth concept of corporate responsibility:

> It is important to them that [the disintegration of the old hierarchy has given entrepreneurs] a role, a function, an area of influence that they generally did not aspire to, but that they also cannot get rid of and deny. Thus, through this process of the industrial society … entrepreneurs have in a relatively short period of time grown into the function of supporting figures of our modern free economic and social order. They would be betraying a mission that fell to them if they refused the tasks they had been given.[79]

For Röpke, two developmental strands of his time have brought about this increasing importance of the entrepreneurial role: (1) the total discrediting of the old elites in National Socialism and the Second World War and (2) the increase in the importance of the private sector in comparison with political decision making. Hence, Röpke's remarks concerning the social market economy are derived from the abovementioned, especially his emphasis on small social entities and civil society groups as a counterweight to the state. Their task is to promote social integration and moral education as an antidote to the processes of internationalization and proletarianization. Consequently, according to Röpke, not only does the realization of economic and social integration require government activity but also a number of organizations, individuals, and social actors—according to the principle of subsidiarity—to act as counterforces to the state and take action against the concentration of power and the formation of monopolies.

According to Röpke, these counterforces include moral, social, political, and economic institutions and also specific counterweights such as religion, the press, judges, and science.[80] Therefore, forces of law and order are supposed to realize and maintain the social order. Moreover, Röpke also mentioned the family, entrepreneurs, foundations, and educational institutions.[81] Their role is to create a balance between the individual and society and to ensure a genuine relationship between the individual and the state, in order to avoid a "theologization" of the state and to enable a free and responsible life. In addition to moral and intellectual counterforces, Röpke also examined various material aspects such as private life and the economic independence of individuals. These forces are represented by intellectual, political, and moral leaders that Röpke calls "secularized saints," "*Nobilitas naturalis*," or "aristocrats of public spirit."[82] To express it in a more

modern way, Röpke highlights the political co-responsibility of social entrepreneurs, of civil-society elites, of public intellectuals, for the regulatory process of a market economy:

> [Persons] who take a leading position in society, because they work in widely visible places that exert an above-average influence through this position in society—because widely visible—radiate their actions and behavior far and wide, even if this was unintended by them. These are people who, by virtue of this position, practically exercise the right to multiple votes in democracy because they influence hundreds, perhaps thousands, of other people in their political behavior.[83]

Hence, promoting liberal and economic humanism, Röpke detailed the role of leaders for productive relationships, corporate governance, and the logic of the market in general. He reinforced a humanistic dimension of entrepreneurship and the economic, sociopolitical, and social position of entrepreneurs. In this context, Röpke was fully aware of the importance of the role of economic and managerial education. At the center of his attention is the social responsibility of entrepreneurs: "Therefore, the entrepreneur is the actual exponent and carrier of the market economy and thus the antithesis of the collectivist economic bureaucrat. He is the nodal point of this so incredibly complicated process of the market economy."[84]

Consequently, Röpke not only counted regulatory factors such as monetary stability, the order of competition, and moderate taxation under the prerequisites for an efficient and functioning market economy but also underlined healthy entrepreneurship and entrepreneurs who were aware of their social role and particularly their special responsibility. To illustrate the role of the entrepreneur in the market economy, Röpke used the image of a navigator on the open and unpredictable sea of the market. Precisely because of the uncertainty with which he is confronted in his decision-making behavior, the entrepreneur must always be focused on the market; he proves himself to be one of the market's leaders, and the servant of the market, who is rewarded for his obedience and whose disobedience is punished. The dynamics of competition force him to reconcile his goals with the needs of the market time and again: It is precisely here that the high financial reward from corporate profits is justified.[85]

Not only is the entrepreneur subject to market forces but he also can and should influence, create, and develop the market. He should also provide initiatives for economic life and try to open up new ways of production and organization. In addition to the economic functions of the entrepreneur, Röpke also

explained the necessity to talk about the role of the entrepreneur under a "larger theoretical-philosophical perspective."[86] In this context, he understood the entrepreneur as a spiritual-moral person and considered his social function and position in society. Complementarily, Röpke criticized the image of an egoistic entrepreneur who is exclusively focused on the search for profit and "debit and credit." Röpke contrasted this view, which corresponded to an erroneous notion of economic life (namely as "a mechanical process"), with a different corporate image: "The dehumanization of theoretical economics necessarily includes a human devaluation of the entrepreneur, as of all other economic groups. As against the physics of the economy, we have to underscore its psychology, ethics, intelligence—in short, its human elements."[87]

Thus, Röpke cited among all the other qualities that the entrepreneur should possess the ability and willingness to respect the limits, conditions, and requirements of the market economy. Hence, he or she should orient the economic processes toward higher social and ethical goals. In addition, the entrepreneur should also consider the intellectual, moral, political, and social fields that lie beyond supply and demand: in particular, the coordination between self-interest and the common good.[88] Especially in the age of industrialization, Röpke therefore considered the necessity and importance of a humanistic against a purely scientific education for entrepreneurs and economists. Academic economics should be taught as a theoretical discipline that is at the same time oriented toward practical problems—precisely because it deals with vital problems.[89] On the other hand, however, Röpke also criticized the "one-sided intellectualist orientation" of the education system in the 1960s, which "endangers the adequate formation of the intellectual leaders of our society." He therefore defended an authentic humanistic education and criticized the processes of "industrialization of science."[90] In sum Röpke expressed the social responsibility of entrepreneurs as well as their resulting legitimacy:

> Nothing has changed in the fact that the entrepreneur, who is embedded in the context of a market economy based on genuine competition, is basically nothing more than a trustee administrator of the productive forces entrusted to him: a social functionary; and that such an entrepreneur, who proudly and consciously rejects both the pillars of monopoly and of state subsidy, is not only protected from every attack, but also has the right to engage in an attack and make sure that others also abide by the rules of the game.[91]

Röpke's Legacy and Contemporary Business Ethics

The economic and social philosophy of Röpke had a strong influence on the constitution of the social market economy during the 1950s and 1960s. His reform program and his economic and business ethics have earned him the title of co-architect of the social market economy in Germany. But after his death in 1966 and in the spirit of the feasibility mania of the 1960s and 1970s, Röpke's influence on the public and political discussion quickly declined. Today, it should be admitted that his legacy is largely forgotten, but his potential has not yet been exhausted.[92] Röpke developed concepts that are of great importance even in today's society. His thoughts on the international regulation of financial markets and his emphasis on ethics and the regulatory co-responsibility of entrepreneurs and civil society actors are of central importance in times of globalization and digitization.

Especially since the 2007–2010 financial crisis, the debate about Röpke's concepts has become more and more topical because they address moral, cultural, social, and religious resources beyond the essential economic requirements. However, Röpke's merit lies on a theoretical and conceptual level. Like few other economists of his time, he abandoned the academic observer position and actively participated in economic and sociopolitical discussions. His expert opinions at crucial crossroads in German postwar history, his correspondence to leading politicians in the young Federal Republic of Germany, and his wide-ranging lectures have secured him a high degree of influence: Röpke realized what is being rediscovered today as the "transfer-function" of universities and academic researchers.

Currently, the institutional system of the Federal Republic of Germany reflects Röpke's ideas in many ways. The federal order represents an important component of the German state system. Its historical predecessors (e.g., professional self-administration in guilds) had become obsolete during the liberal reforms of the nineteenth century. In the 1950s and 1960s, however, the total catastrophe of Nazi terrorist rule and opposition to totalitarian socialism in Central and Eastern Europe led to a critique of centralist and authoritarian control by political institutions. Accordingly, the creation of subsidiary self-governing bodies as complementary regulatory factors to free competition was discussed. These should fight soulless collectivism and, conversely, strengthen freedom and responsibility. In these discussions, as well as in the criticism of unrealistic liberalism, the relationship between the order of competition on one hand and a subsidiary political structure on the other was determined in concrete terms. Röpke's reflections on federalism and the principle of subsidiarity became immensely influential in the

early days of the Federal Republic of Germany. For the economist and social philosopher, market economy and democracy represent necessary but by no means sufficient conditions for a decent and free economic and social order. Rather, moral capital as well as a lively conscience of business leaders for the common good must be added in practice. For Röpke, this combines the principle of subsidiarity with the promotion and defense of human dignity. More concretely, formations of "social and moral capital" represent a correction against bureaucratization and concentrations of power in the economy and politics as well as against a disenfranchised welfare state.

In today's business ethics discussions, the actuality and relevance of Röpke's concept becomes obvious in a variety of ways. Especially after the last economic crisis, there has been a resurgence of the role of individual morality, virtue ethics, and professional values in the business literature.[93] Even economists and social scientists who used to continuously emphasize the autonomous character of market processes, the exclusive role of the institutional framework for guiding its operations, and the outdated character of moralistic argumentations, often converted to a more comprehensive viewpoint.

Moreover, even public documents have specified the role of personal responsibility. An important example is the UN Global Compact (UNGC), formulated in 1999/2000 by General Secretary Kofi Annan to provide a platform for the international business sector to cooperate in the achievement of the Millennium Development Goals (after 2015: Sustainable Development Goals). During the recent decade, the UNGC initiated a series of declarations propagating "professional duties" of certain parts of the business community, such as business schools ("Principles of Responsible Management Education," PRME) or the Investment community ("Principles of Responsible Investment," PRI).[94] Obviously, in voluntary self-commitment documents of that kind, no coercive mechanism corresponds to these principles. Rather, as they represent the result of participatory dialogue processes among branch professionals, the documents appeal to the professional values of the respective group. Moreover, they also play a transformative role in the gradual process of institutionalization—for example, if professional levels of "due diligence" have to be determined.

The remarkable renaissance of "moral principles" appeals to the political co-responsibility of the business community: After all that has been said so far, it should not be too difficult to draw a line from these developments to Röpke's comprehensive concept illuminating the economic, institutional, and moral element of a market economy. In an international context, in which national governments are only endowed with a limited possibility to restrict or even effectively sanction unsustainable international business practice and in which ground-

breaking new opportunities are opening up due to technological innovations, moral sensitivity and personal responsibility of managers are increasingly playing a role. Institutional regulation (increasingly at stake) has to be complemented with values-based self-regulation.

Another indication of the current relevance of Röpke's concepts is the rising importance of "social entrepreneurship" and "social business." The stunning success of these notions, which are increasingly impacting business education as well as corporate strategies, also implies that moral imagination and values-based leadership, on which those phenomena are based, grow in importance.[95] After taking note of these developments as well as their implications elaborated earlier, a closer look into Röpke's concepts poses additional questions. As seen already, not only did Röpke point to moral values in a general and abstract way but he also very concretely reflected on small communities and civil society groups as breeding grounds for moral attitudes and behavior. Naturally, moral principles can only effectively have an impact in society if social spaces exist, in which they can be learned, taught, and elaborated. In the UNGC architecture, this is partly reflected in the network, conferences, blogs, and communications triggered by the principles. PRME and PRI are platforms that are embedded in international professional reflection and practice networks; they complement and enact the abstract documents with elements of benchmarking, best practice, and mutual learning. All these normative catalogues are surrounded by national and international civil society groups and organizations, which are trying to diagnose regulatory deficits for their respective areas and to address them through pragmatic reform proposals. Recent literature has coined the term "corporate citizen";[96] the significance of pluralistic moral cultures aimed at different aspects of public welfare has been less reflected in this context. In such open networks, regulatory co-responsibility is practiced and shaped culturally; at the same time, innovations are created. However, they often cover only a small number of addressees who are professionally working in business ethics. Consequently, more sophisticated and inclusive business networks need to emerge, if Röpke's comprehensive vision of a free and self-governing economy is to be updated for the twenty-first century. Regional structures should be complemented with professional ones, which may span a variety of cultural, ethnic, and institutional perspectives. The analysis and cultivation of corresponding moral cultures can be measured by Röpke's sociophilosophical design, which helped Germany reach an unprecedented peak after the total catastrophe of the Second World War.

Röpke' criticism of moralism and economism is also relevant to the contemporary university education system. His advice that Catholic exponents and theologians ought to acquire the necessary skills and economic knowledge is

still valid today. Students of theology, for example, should attend courses in economics, and it would be good for theologians to acquire the basic notions of economic thought.[97] At the same time, the role of economists should be to engage in a broader dialogue with other disciplines and should also learn to see connections with problems beyond the economy. This requires that economists recognize their potential contribution but also the limits of their own discipline and that they broaden their horizons. For this reason, the following aspects should also be addressed in research and offered in the teaching of economics: relevant philosophical topics, the history of economic thought, ethical reflection, and the Christian view of human life. The university education system should make students aware that there is nothing more practical than a good theory and should show that the topics just mentioned can contribute to a holistic education of critically thinking students who can look beyond the limits of their own disciplines. Finally, any well-organized economic and social order must channel citizens' interest toward social goals. In addition to the existence of rules, laws, and institutional frameworks, the ethos of the individual is also important: Every entrepreneur and responsible person can bring personal values to the community. Moral education takes place through committing to small communities and building trust and solidarity. Only in the context of vibrant communities can a sense of lived moral cultures develop.

Conclusion

Röpke's indications provide enormous potential for orienting economic and social policy in the twenty-first century. His economic ethics is particularly relevant in today's situation, precisely because it is not only about indispensable technical solutions to economic crises but also about their causes, which in turn have to do with the general social crisis of the present day, which might have cultural, social, and religious roots. Returning to Röpke's thought today, to the social market economy and to the normative and Christian principles on which it is based, and transferring their insights to contemporary fields of practice and academic discussion, will enhance the overall sense of responsibility and will make a substantial contribution to the debate on reshaping a virtuous and more sustainable free society. The efficiency, functional capability, and future sustainability of the market economy require in modern society the integration of the economic order into a sociopolitical order, and the consideration of social and individual ethics, which enable human flourishing under the conditions of solidarity and social justice.

The convergence between the principles of Catholic social thought and the theoretical and ethical foundations of Röpke's liberal tradition represents a mutual enrichment that can be expressed emblematically using the following expressions: "The measure of the economy is man. The measure of man is his relationship with God,"[98] and "a good Christian is a Liberal who does not know he is Liberal."[99] Röpke's liberalism consists of three basic ideas: the idea of freedom, the idea of reason, and the idea of humanity. From his conceptions emerges the overall image of a *homo liberalis et christianus* (a liberal and Christian man), which supports a fallible understanding of man, defends the social dimension of the market economy, encourages individual responsibility, promotes the role of small communities against excessive interventions by the state, and shows the identity and relevance of the religious dimension of man. The liberal person is one who is in agreement with Christian social ethics and who defends the principles of private property and competition. The liberal man criticizes any accumulation of power, avoids its abuse by creating counter powers, and advocates decentralization. The liberal man is a democratic man because he focuses on the defense of the human person and his rights, and he criticizes all forms of collectivism, totalitarianism, and populism. A liberal and Christian man is a person who by promoting the open and virtuous society supports a healthy pluralism in society, politics, democracy, and institutions such as universities and churches.

According to Röpke, economic ethics is a normative science that needs a solid foundation in both economic and ethical theory. The task of economics is to provide people with the best possible supply of goods and services; it deals with economic processes and causal relationships and provides for their description, forecast, and explanation. Economics is not an end in itself but has always to do with people. Economic processes are also human and social processes, not just an opportunity to apply mathematical and statistical methods limited to quantitative and measurable dimensions. The economic goal is (and should be) to create a humane economic and social order that facilitates cooperation between its own interests and those of the common good, thus contributing to people's achievements. Röpke's thoughts and actions leave a legacy that represents an enduring challenge at the same time: *Economics without ethics is blind; ethics without economics is empty!*

Notes

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1. Among the several recent studies and publications on Röpke, see Patricia Commun and Stefan Kolev, eds., *Wilhelm Röpke (1899–1966): A Liberal Political Economist and Conservative Social Philosopher* (Cham: Springer, 2018); Giuseppe Franco, *Economia senza etica? Il contributo di Wilhelm Röpke all'etica economica e al pensiero sociale Cristiano* (Soveria Mannelli: Rubbettino, 2016); Stefan Kolev, *Neoliberale Staatsverständnisse im Vergleich* (Stuttgart: Lucius & Lucius, 2013); Sara Warneke, *Die europäische Wirtschaftsintegration aus der Perspektive Wilhelm Röpkes* (Stuttgart: Lucius & Lucius, 2013); Samuel Gregg, *Wilhelm Röpke's Political Economy* (Cheltenham: Elgar, 2010); Marcelo F. Resico, *La estructura de una economía humana. Reflexiones en cuanto a la actualidad de W. Röpke* (Buenos Aires: Educa, 2008); Bertram Schefold, ed., *Vademecum zu einem Klassiker der Ordnungstheorie. Kommentarband zur Faksimile-Ausgabe der 1942 erschienenen Erstausgabe von Wilhelm Röpke: Die Gesellschaftskrisis der Gegenwart 1942* (Düsseldorf: Verlag Wirtschaft und Finanzen, 2002); John Zmirak, *Wilhelm Röpke. Swiss Localist, Global Economist* (Wilmington, DE: ISI Books, 2001); Andreas Böhmler, *El ideal cultural del liberalism. La filosofía política del ordo-liberalismo* (Madrid: Unión Editorial, 1998).

2. On Röpke's intellectual biography, see Jean Solchany, *Wilhelm Röpke, l'autre Hayek: Aux origines du néolibéralisme* (Paris: Publications de la Sorbonne, 2015); Hans Jörg Hennecke, *Wilhelm Röpke. Ein Leben in der Brandung* (Stuttgart: Schäffer, Poeschel, 2005).

3. Wilhelm Röpke, "The Intellectuals and 'Capitalism'" [1931], reprinted in Wilhelm Röpke, *Against the Tide* (Chicago: Regnery, 1969), 25–44.

4. See Wilhelm Röpke, *Die internationale Handelspolitik nach dem Kriege* (Jena: Gustav Fischer, 1923). See also Hennecke, *Wilhelm Röpke*, 40–45.

5. See Wilhelm Röpke, "Praktische Konjunkturpolitik. Die Arbeit der Brauns-Kommission," *Weltwirtschaftliches Archiv* 34 (1931): 423–64; Wilhelm Röpke, "Das Brauns-Gutachten und seine Kritiker," *Soziale Praxis* 40, no. 21 (1931): S665–71.

6. See Wilhelm Röpke, *Krise und Konjunktur* (Leipzig: Quelle & Meyer, 1932); Wilhelm Röpke, *Crises and Cycles* (London: Hodge, 1936).

7. Wilhelm Röpke, "Nationalsozialisten als Feinde der Bauern. Ein Sohn Niedersachsens an das Landvolk" [1930], reprinted in Wilhelm Röpke, *Gegen die Brandung* (Erlenbach-Zürich and Stuttgart: Eugen Rentsch, 1959), 85–86. Translation my own.

8. See Wilhelm Röpke, "End of an Era?" [1933], reprinted in Röpke, *Against the Tide*, 81.

9. Wilhelm Röpke, *Der Weg des Unheils* (Berlin: Fischer, 1931), 16. Translation my own.

10. See Ludwig Erhard, *Prosperity through Competition* (London: Thames and Hudson, 1962).

11. Wilhelm Röpke, *Is the German Economic Policy the Right One*? [1950], reprinted in *Standard Texts on the Social Market Economy*, ed. Horst Wünsche (Stuttgart and New York: Gustav Fischer, 1982), 37–48.

12. Wilhelm Röpke, *The Social Crisis of Our Time* (Chicago: University of Chicago Press, 1950).

13. Wilhelm Röpke, *Civitas Humana: A Humane Order of Society* (London: William Hodge & Company, 1948).

14. Wilhelm Röpke, *The German Question* (London: Georg Allen & Unwin, 1946).

15. Wilhelm Röpke, *International Order and Economic Integration* (Dordrecht: Reidel, 1959).

16. Wilhelm Röpke, *A Humane Economy: The Social Framework of the Free Market* (Chicago: Regnery, 1960).

17. Wilhelm Röpke, "Die Grundlagen der Nationalökonomie" [1942], reprinted in Röpke, *Gegen die Brandung*, 334–44; Wilhelm Röpke, "Walter Eucken" [1950], reprinted in Röpke, *Gegen die Brandung*, 374–79; Wilhelm Röpke, "Blätter der Erinnerung an Walter Eucken," *Ordo—Jahrbuch für die Ordnung von Wirtschaft und Gesellschaft* 12 (1961): 3–19.

18. For an overview of the intellectual fathers and principles of the social market economy, see Alan T. Peacock and Hans Willgerodt, eds., *Germany's Social Market Economy: Origins and Evolution* (London: Macmillan, 1989); Rolf H. Hasse, Hermann Schneider, and Klaus Weigelt, eds., *Social Market Economy: History, Principles and Implementation* (Paderborn: Ferdinand Schöningh, 2008). For a selection representative of their contributions, see Alan T. Peacock and Hans Willgerodt, eds., *German Neo-Liberals and the Social Market Economy* (London: Macmillan, 1989); Wünsche, ed., *Standard Texts on the Social Market Economy*.

19. See Viktor Vanberg, *The Constitution of Markets. Essays in Political Economy* (London: Routledge, 2001); James M. Buchanan, *Constitutional Economics* (Oxford et. al.: Blackwell, 1991); Geoffrey Brennan and James M. Buchanan, *The Reason of Rules: Constitutional Political Economy* (Indianapolis: Liberty Fund, 2000).

20. Wilhelm Röpke, *Maß und Mitte* (Erlenbach-Zürich: Eugen Rentsch, 1950), 19–20.

21. See Wilhelm Röpke, "Die natürliche Ordnung" [1948], reprinted in Röpke, *Maß und Mitte*, 135–59.

22. See Röpke, *The Social Crisis*, 37–148.

23. See Wilhelm Röpke, "Wirtschaftlicher Liberalismus und Staatsgedanke" [1923], reprinted in Röpke, *Gegen die Brandung*, 42–46.

24. Wilhelm Röpke, *Die Ordnung der Wirtschaft* (Frankfurt am Main: Schulte-Bulmke, 1948), 15–16.

25. Röpke, *The Social Crisis*, 192.

26. See Röpke, *The Social Crisis*, 192.

27. Walter Eucken, *The Foundations of Economics: History and Theory in the Analysis of Economic Reality* (London: Springer-Verlag, 1992); Walter Eucken, *Grundsätze der Wirtschaftspolitik* (Tübingen: Mohr Siebeck, 2004).

28. See Kolev, *Neoliberale Staatsverständnisse*, 119.

29. See Kolev, *Neoliberale Staatsverständnisse*, 190–91.

30. See Wilhelm Röpke, "Kernfragen der Wirtschaftsordnung" [1953], reprinted in *Ordo—Jahrbuch für die Ordnung von Wirtschaft und Gesellschaft* 48 (1997): 27–64.

31. Röpke, *The Social Crisis*, 23, 201.

32. See Wilhelm Röpke, "Marktwirtschaft ist nicht genug" [1953], reprinted in Wilhelm Röpke, *Wort und Wirkung* (Ludwigsburg: Hoch, 1964), 140.

33. Wilhelm Röpke, *Die Lehre der Wirtschaft* (Bern and Stuttgart: Haupt, 1979), 326–36. Translation my own.

34. Röpke, *Die Lehre der Wirtschaft*, 334. Translation my own.

35. See Gregory R. Beabout et al., *Beyond Self-Interest: A Personalist Approach to Human Action* (Lanham: Lexington Books, 2001); Gregory M. A. Gronbacher et al., *Human Nature and Economic Science: Personalist Anthropology and Economic Methodology* (Lanham: Lexington Books, 2002); Anthony J. Santelli et al., *The Free Person and the Free Economy: A Personalist Examination of Market Economics* (Lanham: Lexington Books, 2002).

36. Röpke, *Maß und Mitte*, 33. See also Röpke, *International Order and Economic Integration*, 89–90. Röpke referred to the economic doctoral dissertation concerning the question of monopolies in the fifteenth and sixteenth centuries that Joseph Höffner wrote under Walter Eucken: Joseph Höffner, *Wirtschaftsethik und Monopole im fünfzehnten und sechzehnten Jahrhundert* [1941], reprinted in Joseph Höffner,

Wirtschaftsordnung und Wirtschaftsethik, Ausgewählte Schriften, vol. 3, ed. Ursula Nothelle-Wildfeuer and Jörg Althammer (Paderborn: Ferdinand Schöningh, 2017), 33–118. It is above all the merit of Höffner to have built bridges between Catholic social teaching, ordoliberalism, and the social market economy. At the same time Höffner is to be credited for having elaborated the economic thought of medieval scholasticism and late scholasticism, which formed the cultural and historical European roots and traditions of the market economy. Höffner was also one of those who contributed significantly to the acceptance of the market economic order in the Catholic Church and to the practical implementation of the social market economy, especially with regard to the constitution of the social policy, as well as to the application of the principle of subsidiarity in Germany's social, political, and economic order. See Giuseppe Franco, *Da Salamanca a Friburgo. Joseph Höffner e l'Economia Sociale di Mercato* (Città del Vaticano: Lateran University Press, 2015); Enrique Colom, ed., *Dottrina sociale e testimonianza cristiana* (Città del Vaticano: Libreria Editrice Vaticana, 1999); Nils Goldschmidt and Ursula Nothelle-Wildfeuer, eds., *Freiburger Schule und Christliche Soziallehre. Joseph Kardinal Höffner und die Ordnung von Wirtschaft und Gesellschaft* (Tübingen: Mohr Siebeck, 2010).

37. In fact, research demonstrates that some of the earliest traditions of market economic thinking in Europe were fostered by scholastic philosophy and theology, in particular in the Franciscan and Dominican Schools of the thirteenth through fifteenth centuries as well as in the Spanish and German late-scholastic tradition of the sixteenth to seventeenth centuries. Thinkers such as Peter of John Olivi, Antoninus of Florence, Bernardino of Siena, Gabriel Biel, Conrad Summenhart, Luis de Molina, and Francisco de Vitoria have made important contributions to economic analysis. For example, they formulated the principles of competition, capital theory, the conceptual difference between usury and interest, private property law, just price theory, monetary theory, and the subjective theory of value. Scholastic and late scholastic economic thinking, therefore, is an interesting chapter in the history of economic thought. For instance, a specific understanding of poverty motivated the Franciscan friars and theologians to address and deal with economic issues and correlations. Thus, they could contribute to the development of the western economic notions and to the methodologies for economic analysis. They aligned their economic ideas steadily with ethical objectives such as with serving the community. For an overview, see Höffner, *Wirtschaftsethik und Monopole*; Marjorie Grice-Hutchinson, *The School of Salamanca: Readings in Spanish Monetary Theory* (Oxford: Oxford University Press, 1952); Alejandro A. Chafuen, *Christians for Freedom: Late-Scholastic Economics* (San Francisco: Ignatius Press, 1986); Odd Langholm, *Economics in the Medieval Schools: Wealth, Exchange, Value, Money and Usury according to the Paris Theological Tradition, 1200–1350* (Leiden: Brill, 1992); Odd Langholm, *The Legacy of Scholasticism in Economic Thought: Antecedents of Choice and Power* (Cambridge: Cambridge University Press, 1998); Odd Langholm, "Olivi to Hutcheson:

Tracing an Early Tradition in Value Theory," *Journal of the History of Economic Thought* 31, no. 2 (2009): 131–41; Giacomo Todeschini, *Franciscan Wealth: From Voluntary Poverty to Market Society* (Saint Bonaventure University: Franciscan Institute, 2009); Giovanni Ceccarelli, *Il gioco e il peccato. Economia e rischio nel Tardo Medioevo* (Bologna: Il Mulino, 2003); Domènec Melé, "Scholastic Thought and Business Ethics: An Overview," in *Handbook of the Philosophical Foundations of Business Ethics*, vol. 1, ed. Christoph Lütge (Dordrecht: Springer, 2013), 133–58; Martin Schlag, "Economic and Business Ethics in Select Italian Scholastics (ca. 1200–1450)," in *Handbook of the Philosophical Foundations of Business Ethics*, vol. 1, 179–205; Roberto Lambertini, "Economic Ethics," in *The Cambridge Companion to Medieval Ethics*, ed. Thomas Williams (Cambridge: Cambridge University Press, 2019), 306–24.

38. Franciscan reflection and preaching also found direct practical application in the creation of the so-called "Mounts of Piety," financial and credit institutions that played a role that was both economic and social. The Franciscan friars initiated solutions to alleviate misery and poverty and to combat usury. See Maria Giuseppina Muzzarelli, *Il denaro e la salvezza. L'invenzione del Monte di Pietà* (Bologna: Il Mulino, 2001); Carol Bresnahan Menning, *Charity and State in Late Renaissance Italy: The Monte di Pietà of Florence* (New York: Cornell University Press, 1993); Samuel Gregg, *For God and Profit: How Banking and Finance Can Serve the Common Good* (Spring Valley: Crossroad, 2016); John Gilchrist, *The Church and Economic Activity in the Middle Ages* (London: MacMillan, 1969); John T. Noonan, *The Scholastic Analysis of Usury* (Cambridge: Harvard University Press, 1957); Bernard W. Dempsey, *Interest and Usury* (London: Dennis Dobson, 1948).

39. See Röpke, *Maß und Mitte*, 33.

40. See Röpke, *Wirrnis und Wahrheit*, 315.

41. Alfred Müller-Armack, "The Meaning of the Social Market Economy" [1956], in *Germany's Social Market Economy*, ed. Peacock Willgerodt, 83. See also Nils Goldschmidt and Michael Wohlgemuth, "Social Market Economy: Origins, Meanings and Interpretations," *Constitutional Political Economy* 19, no. 3 (2008): 261–76.

42. Alfred Müller-Armack, *Genealogie der Sozialen Marktwirtschaft* (Bern and Stuttgart: Haupt, 1981), 131. Translation my own.

43. Alfred Müller-Armack, *Social Irenics* [1950], in *Standard Texts*, ed. Wünsche, 347.

44. Müller-Armack, *Social Irenics*, 347.

45. See Wilhelm Röpke, "Die Laufbahn der Sozialen Marktwirtschaft" [1956], reprinted in Wilhelm Röpke, *Marktwirtschaft ist nicht genug. Gesammelte Aufsätze* (Waltrop and Leipzig: Manuscriptum, 2009), 200.

46. Röpke, *A Humane Economy*, 91.

47. Röpke, *A Humane Economy*, 124.

48. Ernst-Wolfgang Böckenförde, *Staat, Gesellschaft, Freiheit* (Frankfurt am Main: Suhrkamp, 1976), 60. Translation my own.

49. Röpke, *A Humane Economy*, 124–25.

50. See Oswald von Nell-Breuning, *Wie sozial ist die Kirche? Leistung und Versagen der katholischen Soziallehre* (Düsseldorf: Patmos, 1972); Oswald von Nell-Breuning, "Was macht den Markt sozial?" *Nachrichten und Stellungnahmen der Kath. Sozialakademie Österreichs* 19 (1983): 6–7; Nils Goldschmidt, *Der Streit um das Soziale in der Marktwirtschaft* (Köln: Katholische Sozialwissenschaftliche Zentralstelle Mönchengladbach, 2007); Ursula Nothelle-Wildfeuer, "Soziale Marktwirtschaft als subsidiaritätsbasierte Marktwirtschaft. Korreferat zum Beitrag von Joachim Starbatty," in *Die Zukunft der Sozialen Marktwirtschaft. Untersuchungen zur Ordnungstheorie und Ordnungspolitik*, ed. Nils Goldschmidt and Michael Wohlgemuth (Tübingen: Mohr Siebeck, 2004), 153–61.

51. Wilhelm Röpke, *Jenseits von Angebot und Nachfrage* [1958] (Düsseldorf: Verlagsanstalt Handwerk GmbH., 2009). ET: Röpke, *A Humane Economy*.

52. Röpke, *A Humane Economy*, 104.

53. See Wilhelm Röpke, "A Protestant View of *Mater et Magistra*," *Social Order* 12 (April 1962): 162–72.

54. Röpke, *A Humane Economy*, 124.

55. Röpke, *A Humane Economy*, 30–31.

56. Röpke, *Civitas Humana*, 32.

57. Karl Homann, *Vorteile und Anreize: Zur Grundlegung einer Ethik der Zukunft* (Tübingen: Mohr Siebeck, 2002); Karl Homann, *Anreize und Moral* (Münster: Lit., 2003); Ingo Pies, *Moral als Heuristik: Ordonomische Schriften zur Wirtschaftsethik* (Berlin: Wissenschaftlicher Verlag, 2009).

58. Wilhelm Röpke, "Wirtschaft und Moral" [1960], reprinted in Wilhelm Röpke, *Wort und Wirkung* (Ludwigsburg: Hoch, 1964), 72. Translation my own.

59. See Nils Goldschmidt, "Wilhelm Röpke und die kulturelle Ökonomik," in *"Wort und Wirkung": Wilhelm Röpkes Bedeutung für die Gegenwart*, ed. Heinz Rieter and Joachim Zweynert (Marburg: Metropolis, 2010), 114–15.

60. For Röpke's comments and criticisms on social encyclicals and for his considerations on the epistemological status of Catholic social teaching and on the compatibility of Christianity with a market economic order based on the principle of competition,

see Wilhelm Röpke, "Die Neuordnung von Gesellschaft und Wirtschaft: *Betrachtungen zu Meßners Die berufsständische Ordnung*," *Monatsschrift für Kultur und Politik* 2, no. 4 (1937): 325–32; Wilhelm Röpke, "Gerechtigkeit" [1944], reprinted in Röpke, *Gegen die Brandung*, 348–54; Wilhelm Röpke, "Liberalism and Christianity," *Commoweal* 46, no. 18 (1947): 328–31; Wilhelm Röpke, "Der Christ und die soziale Marktwirtschaft," *Neue Zürcher Zeitung*, October 30, 1955, 5; Wilhelm Röpke, "Liberalism and Christianity," *Modern Age* 1, no. 2 (1957): 128–34; Röpke, "A Protestant View."

61. Pope John Paul II, Encyclical Letter *Centesimus Annus* (May 1, 1991); idem, *Acta Apostolicae Sedis* 83, (1991): 793–867.

62. Andrew W. Foshee and William F. Campbell, "Catholic Social Encyclicals and Wilhelm Roepke's Political Economy of the 'Third Way,'" *Catholic Social Science Review* 2 (1997): 117–44.

63. See Lothar Roos, "Aus Rom einer Skizze der Sozialen Marktwirtschaft: Die Enzyklika *Centesimus annus* und die Wirtschaftsordnung," *Frankfurter Allgemeine Zeitung*, May 5, 1991, 12; Lothar Roos, "Die Sozialenzykliken der Päpste," in *Handbuch der Katholischen Soziallehre*, ed. Anton Rauscher (Berlin: Duncker & Humboldt, 2008), 125–42 (esp. 134).

64. John Paul II, *Centesimus Annus*, no. 34.

65. John Paul II, *Centesimus Annus*, no. 42.

66. See Samuel Gregg, *Challenging the Modern World. Karol Wojtyła/John Paul II and the Development of Catholic Social Teaching* (Lanham: Lexington Books, 2002), 145–78.

67. John Paul II, *Centesimus Annus*, no. 42.

68. Röpke, *Civitas Humana*, xxii.

69. Wilhelm Röpke, "Kapitalismus oder was nun," *Wiener-Wirtschafts-Woche*, Juni 27, 1934, 3–4. Translation my own. See also Röpke, "The Intellectuals and 'Capitalism'"; Röpke, "End of an Era?"; Röpke, "The Secular Significance of the World Crisis" [1933], reprinted in Röpke, *Against the Tide*, 45–77.

70. John Paul II, *Centesimus Annus*, no. 48.

71. See Anton Rauscher, "Die Entdeckung der sozialen Marktwirtschaft: Wirtschaftsethische Positionen in *Centesimus annus*" [1992], reprinted in Anton Rauscher, *Kirche in der Welt: Beiträge zur christlichen Gesellschaftsverantwortung*, vol. 3 (Würzburg: Echter, 1998), 168–87. The above-mentioned view is also—despite all differentiations and accentuations—reflected in the later encyclical *Caritas in Veritate*, published in 2007 by Benedict XVI. The considerations contained in *Caritas in*

Veritate on the role and limits of the market and the need for a necessary institutional framework and ethical embedding represent a point of convergence with Röpke's insights and with the principles of the social market economy. See Giuseppe Franco, "L'etica del mercato e i compiti della scienza: Il contributo della Caritas in veritate di Benedetto XVI," *Gregorianum* 95, no. 2 (2014), 273–94. A conceptual affinity to Röpke's ideas can be found in a lecture given in 1985 by the then theologian and cardinal, Joseph Ratzinger. Here he called for the necessary dialogue between economy and theology and articulated the relationship between economics and ethics with viewpoints very similar to those of Röpke:

> A morality that believes itself able to dispense with the technical knowledge of economic laws is not morality but moralism. As such it is the antithesis of morality. A scientific approach that believes itself capable of managing without an ethos misunderstands the reality of man. Therefore it is not scientific. Today we need a maximum of specialized economic understanding, but also a maximum of ethos so that specialized economic understanding may enter the service of the right goals. Only in this way will its knowledge be both politically practicable and socially tolerable.

Joseph Ratzinger, "Church and Economy: Responsibility for the Future of the World Economy," *Communio* 13, no. 3 (1986), 204.

72. Foshee and Campbell, "Catholic Social Encyclicals," 140. See also Ursula Nothelle-Wildfeuer and Gerhard Steger, "Die päpstliche Sozialverkündigung und ihr Ver-hältnis zur Marktwirtschaft von Rerum novarum bis Deus caritas est," *Freiburger Universitätsblätter* 45, no. 173 (2006): 19–33, esp. 28; Walter Kerber, "Katholische Soziallehre und Marktwirtschaft," *Christophorus* 36, no. 3 (1991): 85–92, esp. 90; Walter Kerber, "Soziallehre und Marktwirtschaft," *Academia—Zeitschrift des Cartellverbandes der Katholischen Deutschen Studentenverbindungen* 87, no. 3 (1994): 104–7, esp. 106; Manfred Spieker, "Katholische Soziallehre und soziale Marktwirtschaft," *Ordo—Jahrbuch für die Ordnung von Wirtschaft und Gesellschaft* 45 (1994): 169–94, esp. 169; Manfred Spieker, "Markt und Staat als Bedingungen der Civitas Humana: Gemeinsamkeiten zwischen der Christlichen Soziallehre und Wilhelm Röpke (1899–1966)," *Jahrbuch für Recht und Ethik* 18 (2010): 167–81, esp. 170.

73. See Franco, *Economia senza etica?*; Patrick M. Boarmann, ed., *Der Christ und die soziale Marktwirtschaft* (Stuttgart: Kohlhammer, 1955); Anton Rauscher, "Gibt es für die Soziale Marktwirtschaft eine Zukunft?" [1984], reprinted in Anton Rauscher, *Kirche in der Welt: Beiträge zur christlichen Gesellschaftsverantwortung*, vol. 2 (Würzburg: Echter, 1988), 360–70; Anton Rauscher, "Katholische Soziallehre und liberale Wirtschaftsauffassung" [1985], reprinted in Rauscher, *Kirche in der Welt*, vol. 2, 371–408; Anton Rauscher, "Ein schwieriges Verhältnis: Katholische Soziallehre und Wirtschaftsliberalismus," *Freiburger Universitätsblätter* 45, no. 173 (2006): 119–31.

74. Second Vatican Council, Pastoral Constitution *Gaudium et Spes*, no. 63.

75. Jörg Althammer, "Soziale Marktwirtschaft und katholische Soziallehre," in *Tradition und Erneuerung der christlichen Sozialethik in Zeiten der Modernisierung*, ed. André Habisch et al. (Freiburg im Breisgau: Herder), 282. Translation my own.

76. Müller-Armack, *Genealogie*, 212. Translation my own.

77. Nell-Breuning, *Wie sozial*, 68. Translation my own.

78. See Reinhard Marx, "Wirtschaftsliberalismus und katholische Soziallehre," *Freiburger Universitätsblätter* 45, no. 173 (2006): 10.

79. Wilhelm Röpke, *Die Verantwortung des Unternehmers in der Marktwirtschaft* (Frankfurt: Industrie und Handelskammer, 1961), 13. Translation my own.

80. See Röpke, *Civitas Humana*, 109–32.

81. See Röpke, *A Humane Economy*, 129–36; 149–50.

82. Röpke, *A Humane Economy*, 130–31.

83. Röpke, *Die Verantwortung des Unternehmers*, 9. Translation my own.

84. Wilhelm Röpke, "Kernfragen der Wirtschaftsordnung" [1953], reprinted in *Ordo—Jahrbuch für die Ordnung von Wirtschaft und Gesellschaft* 48 (1997): 56. Translation my own.

85. See Röpke, *A Humane Economy*, 122:

> Again we turn to the social philosophy of the eighteenth century and its lessons. An economy resting on division of labor, exchange, and competition is an institution which, in spite of its occasionally highly provocative imperfections, does tend, more than any other economic system, to adjust the activities governed by individual interests to the interests of the whole community. We know the mechanism of this adjustment. The individual is forced by competition to seek his own success in serving the market, that is, the consumer. Obedience to the market ruled by free prices is rewarded by profit, just as disobedience is punished by loss and eventual bankruptcy. The profits and losses of economic activity, calculated as precisely and correctly as possible by the methods of business economics, are thus at the same time the indispensable guide to a rational economy as a whole.

86. Wilhelm Röpke, "Die Stellung des Unternehmers auf dem Markte," *Schweizer Monatshefte* 26, no. 11 (1947): 667. Translation my own.

87. Röpke, *A Humane Economy*, 258.

88. See Röpke, *Die Verantwortung des Unternehmers*, 10–15.

89. See Wilhelm Röpke, "Wirtschaftstheorie und Wirtschaftspraxis," *Maschinenbau—Wirtschaftliche Teil* 8, no. 18 (1929): 209. See also Wilhelm Röpke, "Weg und Ziel staatsbürgerlichen Erziehung," *Staatsbürgerlichen Erziehung an den deutschen Universitäten*, (Marburg: Bauer, 1920): 3–9; Wilhelm Röpke, "Staatsbürgerliche Erziehung und auswärtige Politik," *Die Studentenschaft—Wochenschrift für akademischen Leben und studentisches Arbeit*, 25 Juli, 1921, 14–16; Wilhelm Röpke, "Vierdimensionale Nationalökonomie," *Die Hilfe. Zeitschrift für Politik, Wirtschaft und geistige Bewegung* 13 (1926): 261–63; Wilhelm Röpke, "Die unbeliebte Nationalökonomie," *Wiener Wirtschaft-Woche*, 1936: 8–9; Wilhelm Röpke, "Der wissenschaftliche Ort der Nationalökonomie," *Studium Generale* 6–7 (1953): 374–82; Wilhelm Röpke, *Wider den Bildungsjakobinismus. Eine Herausforderung* (Herodlsberg: Glock and Lutz, 1979).

90. Wilhelm Röpke, "Die Stellung der Wissenschaft in der Industriegesellschaft" [1963], reprinted in Röpke, *Wort und Wirkung*, 272, 278. Translation my own.

91. Röpke, "Die Stellung des Unternehmers," 672. Translation my own.

92. See Pierre Bessard, ed., *Wilhelm Röpke heute: Zur Aktualität des grossen liberalen Ökonomen und Publizisten* (Wien: Lit, 2017); Lars Feld, "Europa in der Welt von heute: Wilhelm Röpke und die Zukunft der Europäischen Währungsunion," *Hamburgisches WeltWirtschaftsInstitut* 70 (2012), 1–31; Rieter and Zweynert, eds., *Wort und Wirkung*; Institute Universitaire Hautes Etudes Internationales, *Colloque Wilhelm Röpke (1899–1966): The Relevance of His Teaching Today—Globalization and the Social Market Economy*, Cahiers dHEI, 6 (2002); Alfred Schüller, "Wilhelm Röpke. Werk und Wirken in Marburg: Lehren für Gegenwart und Zukunft," in *Ordo—Jahrbuch für die Ordnung von Wirtschaft und Gesellschaft* 54, (2003): 21–48; Patrick M. Boarman, "Apostle of a Humane Economy," *Humanitas* 13, no. 1 (2000): 31–67.

93. Claudius Bachmann, André Habisch, and Claus Dierksmeier, "Practical Wisdom: Management's No Longer Forgotten Virtue," *Journal of Business Ethics* 153, no. 1 (2018): 147–65.

94. See Jeanie M. Forray and Jennifer S. A. Leigh, "A Primer on the Principles of Responsible Management Education: Intellectual Roots and Waves of Change," *Journal of Management Education* 36 (2012): 295–309; Andreas Rasche, "The Principles of Responsible Management Education (PRME)," in *Ethics Education: Unternehmens- und Wirtschaftsethik in der wirtschaftswissenschaftlichen Ausbildung*, ed. Michaela Haase, Sabine Mirkovic, and Olaf J. Schumann (Mering: Rainer Hampp, 2010), 119–36.

95. See André Habisch and René Schmidpeter, eds., *Handbuch Corporate Citizenship: Corporate Social Responsibility für Manager* (Berlin: Springer, 2007).

96. See Andreas Georg Scherer and Guido Palazzo, eds., *Handbook of Research on Global Corporate Citizenship* (Cheltenham: Elgar, 2008); Andreas Georg Scherer and Guido Palazzo, "Global Rules and Private Actors: Towards a New Role of the TNC in Global Governance," *Business Ethics Quarterly* 16, no. 4 (2016): 505–32; Andreas Georg Scherer and Guido Palazzo, "The New Political Role of Business in a Globalized World: A Review of a New Perspective on CSR and Its Implications for the Firm, Governance, and Democracy," *Journal of Management Studies* 48, no. 4 (2011): 899–931.

97. See Samuel Gregg, *Economic Thinking for the Theologically Minded* (Lanham: University Press of America, 2001).

98. The above quotation is a formulation that Martin Hoch used in his *Laudatio* for Röpke at the award ceremony of the "Willibald Pirckheimer Medal" in 1962. See Röpke, *Wort und Wirkung*, 355. Translation my own.

99. Röpke, *Civitas Humana*, xvii: "Un bon chrétien est un libéral qui s'ignore."