

## ORDOLIBERALISM AND LIBERALISM IN THE POST-WAR CZECHOSLOVAKIA (1945–1948)

Tomáš Nikodym<sup>1</sup>  
Josef Šíma<sup>2</sup>

### Abstract

*The paper deals with economic thought of almost forgotten Christian conservatives after the World War Two. Despite the all-embracing socialist ideas, these people were proposing non-socialistic post-war order based on private property, free enterprise and competition. Their proposals were in the sharp contrast to the leading idea of “socializing” or “economic” democracy and comprehensive economic planning. Their economic thought had elements of both classical liberalism and ordoliberalism. Despite their relatively good public recognition, political development of post-war Czechoslovakia did not allow them to change public opinion. One way or another, the proper interpretation of their work is still missing in the history of economic thought textbooks so we attempt to provide at least the overview of their ideas and thus also provide the basis for future research agenda.*

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<sup>1</sup> Tomáš Nikodym, Ph.D., Metropolitan University Prague, Czech Republic, +420 606 791 846, nikodym.tomas@gmail.co, <https://sites.google.com/site/nikodymtomas/>

<sup>2</sup> Prof. Josef Šíma, Ph.D., Metropolitan University Prague, Czech Republic, josef.sima@mup.cz; <https://josefsima.net/>

## 1. Introduction

The environment for economic liberalism was never favorable in Czechoslovakia and the former Czech lands through their entire history. When socialism finally fell in 1989, it was according to some interpretations more a coincidence rather than as a requirement of the liberal economic order.<sup>3</sup> Of course, we can find some liberals from the nineteenth century onwards, but liberalism was never a leading philosophy in Czechoslovakia (see the overview of Czech / Czechoslovak liberalism in Šíma, Nikodym, 2015). The Great Depression and the subsequent World War Two did not help to improve the position of liberalism either, since it was understood to be the cause of all evils (Beneš, 1938, pp. 71, 155; Peroutka, 1947, pp. 117–118). This feeling was even strengthened after World War Two when the post-war order was being considered.

However, there were still some individuals who were intellectually fighting the all-embracing socialism. We have to mention especially Antonín Basch who was a true liberal thinker and saw that the only possible way to post-war recovery led through a free economic system and international cooperation (Nikodym, Nikodym and Brhelová, 2016). While Basch participated at various international meetings dedicated to the post-war order, he practically lost all his influence after the war. Another prominent inter-war liberal, Karel Engliš, also met the same fate. He did not have the strength to form a liberal opposition either. Unfortunately, his speech at Masaryk University in Brno in 1947 warning about the dangers of economic planning came too late. *“Where economic liberalism is knocked down, authoritative planning extends into the political sphere [...]. The state which controls the economy wants to control the thoughts of the whole nation to secure its planned economic system”* (Quoted in Vencovský, 1993, p. 125).

When trying to find the opponents to the leading idea of socialism after the World War Two, we would like to turn our attention to the small group related to the Christian People’s Party which achieved at least some public recognition. The group itself was rather heterogeneous without any deeper connection other than Christianity. The post-war debate resulted in various proposals of the ideal post-war order, but only few members of this group proposed an order which can be considered as liberal social order, while others imagined society organized on the caste principle, conservative patriarchy, national-conservative system close to Othmar Spann’s ideal, etc. In our paper, we would like to focus on thinkers who proposed liberal post-war order, namely Miloslav Skácel and Helena Koželuhová.

Miloslav Skácel was born in 1914 into the family of the lawyer and the president of the Chamber of Advocates. While Miloslav Skácel studied law as well as his father, he was also heavily influenced by his uncle Bernardin Jan Skácel, who was professor of theology and philosophy in the Gymnasium of Dominican Order, and accepted his neo-scholastic philosophical orientation (Nikodym, 2022). In the next sub-chapter, we will show how this philosophical orientation also affected his economic thought.

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<sup>3</sup> Michal Pullmann (2002, p. 258) shows how the hegemony of socialism was much stronger than the Czechs are currently willing to admit.

Helena Koželuhová was born in 1907 and she grew up in the intellectually stimulating environment. While her father was politician and publisher of an economic journal, her mother came from cultural-literary environment and she was related to Čapek brothers – famous writers during the interwar period. In 1925, she enrolled to University and studied law under the supervision of František Weyr and Karel Engliš. Engliš was the most prominent economists of that time and he is still considered as the proponent of economic liberalism. (Šíma, Nikodym, 2015, p. 278) His thought definitely influenced Helena Koželuhová's economic argumentation since she used mainly practically-oriented arguments to defend her position.

The purpose of this paper is to provide the overview of the ideas of Miloslav Skácel and Helena Koželuhová, who were, in our opinion, amongst the most important proponents of ordoliberal ideas in the post-WWII Czechoslovakia. To our best knowledge, the topic of ordoliberalism is completely missing in the Czechoslovak history of economic thought and this paper should be understood as a first piece which provides the basis for the future research agenda. Despite the fact that ordoliberalism is in Czech economic textbooks related almost exclusively to the Freiburg school (see for example Holman 2005, pp. 342–349), we argue that ordoliberalism does not necessarily have to be connected to any homogeneous school of economic / social thought. It can be, in our opinion, also understood as bundle of specific ideas as presented in this paper, especially economic liberalism (but with the strong emphasis on governmental measures such as designing the legal-economic environment; anti-monopoly policy, etc.), intended creation of the order, the strong democratic state and the necessary commonly shared values in the social sphere – Christian ethics. All three aspects of social life were then interdependent.

While having listed the basis of the ordoliberal social order, these features and their combinations should be understood as the starting point of the study of ordoliberal ideas in Czechoslovak economic thought. Then the study of ordoliberalism should not be limited only to the people who openly admitted influence of ordoliberalism / Freiburg school (for example Skácel), but also to the people whose works shared the above-listed values and principles. This is, in the end, also the approach we use in this paper, especially in Koželuhová's case.

## **2. Miloslav Skácel's Anti-Capitalism**

We are fully aware of the fact that the title of this sub-chapter may seem quite puzzling. In fact, it accurately describes Miloslav Skácel's intellectual position and yet we consider him to be a consistent liberal thinker. In our opinion, Skácel's anti-capitalism was simply a matter of particular understanding of general concepts and theories such as capitalism, socialism and economic democracy. Moreover, while we see the biggest intellectual shift in 1947 when he discovered the work of Wilhelm Röpke, the shift was not as significant as Drápala (2000, pp. 514–515) claims. Let us now analyze Skácel's work.

In his “pre-Röpke” work, Skácel strongly opposed the ideas of liberalism and capitalism in general. There were several reasons for his rejection of liberalism as well as capitalism. Firstly, it involved the destruction of the family. As a conservative Christian, Skácel considered the family to be the most important social unit. In his opinion, it was the family which stood against all forms of oppression, i.e. the family was considered to be the “guardian of liberty”. Then, the capitalist system was created and *“the capitalist needs a person to be ‘liberated’ from the family bonds in order to be able to exploit him easily”* (Skácel, 1946a, p. 17). The disintegration of the family was the main cause of the atomization of society, because an atomized individual is much easier to exploit. *“Of course, the liberal theoreticians do not fight against the family, but the greatest enemy of the family is the factory which tears it to pieces when the man works in the first factory, the woman in the second and the children in the third”* (Ibid., p. 25). Secondly, Skácel claimed that capitalism is in direct contradiction to the institution of private property. In his opinion, private property was one of the oldest institutions which had been generally accepted and its “serious enemies” represented the minority of mankind. These “serious enemies” were then the big capitalists and socialist doctrinaires (Skácel, 1946b, pp. 26–27). Moreover, liberalism was understood to be a threat to democracy, because it meant the negation of all moral values – or rather all values could be “right”. It could only lead to the isolation of the individuals and the depletion of the “democratic brotherhood”.<sup>4</sup> The logical outcome would be a dictatorship (Skácel, 1946c, p. 8).

While Skácel rejected capitalism as well as liberalism, this does not mean that we can consider him to be a socialist. In his opinion, there was a close relationship between capitalism and socialism. Skácel concluded that socialism was just capitalism with all the evil honed to perfection. *“We do not reproach socialism for wanting to reverse the development started by capitalism, but the fact that socialism wants to accomplish and bring to perfection all that we hate in capitalism”* (Skácel, 1946b, p. 30; see also Skácel, 1946a, p. 26). In other words, he understood socialism to constitute the replacement of the big capitalists with bureaucrats. Ironically, he did not reject the idea of the progressiveness of socialism, but he used it against the socialists. *“Socialism calls itself a progressive movement, but that is the reason why we are against it, because socialist progress leads us inevitably to the totalitarian regime, the police state [...]. Socialist progress means, in the end, to be pushed forward by the police”* (Skácel, 1946b, p. 32).

In fact, Skácel’s rejection of capitalism and liberalism was merely a matter of different definitions and understandings. We believe that we can show that he can be considered to be a member of the economic opposition thanks to his approach to individualism and collectivism, private ownership of the means of production and economic democracy. Of course, there is also an extremely important relationship with Röpke’s ordoliberalism. While Skácel discovered Röpke’s work in 1947, we are of that opinion we can even find typically ordoliberal ideas in his earlier work.

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<sup>4</sup> Skácel’s claim can be compared with the understanding of classical liberals such as Hayek or Mises. Both believed that democracy itself is only a political method with no values and that it was liberalism which could give the “empty-valued” political method content.

When considering the issue of individualism, we have already mentioned Skácel's critique of the "capitalist atomization" of society. However, this did not mean the rejection of individualism. This should be clear from his critique of collectivism. "*The dependency of man on society is the reason why sociologists have lost sight of the individuals who are, in fact, creating society*", Skácel (1946a, p. 5) reasoned. He continued by saying that "*man is for (both socialist and fascist) collectivists only the atom of the nation, species or race.*" So, while he accepted the idea of the dependency of the individual on society, this did not lead him to the idea of the superiority of society over the individual. Since the "initial reality" is itself individual, we can only explain the nature and goals of society through individual nature and goals. In effect, the individual, as a rational and free person, could not be used as a means to achieving society's goals. Moreover, Skácel expanded his concept of individuality to include personality which is, in our opinion, a concept which is very close to the ordoliberal understanding of liberty in general. "*Personality adds to individual specific positive transcendence, because there is an individual essence in it which rationally and freely leads the individual to his own actions [...]*" (Skácel, 1946b, p. 24). It is often not mentioned, but the ordoliberal concept of *freiheitlich und menschenwürdig* order contained Christian principles as its value basis, which in our opinion lay at the root of the similarities with Skácel's work even before he had discovered ordoliberalism. For example, Walter Eucken considered "freedom and (Christian) morality" to be the basis of order. He was strongly against stereotyping processes, because this could only bring "mental uniformity" and the loss of the soul and personal identity. "*For what is freedom, if man denies his own essence?*", asked Eucken (2004, p. 250). In addition, similarly to Skácel, he refused classical liberal individualism, because he recognized the importance of the society when forming individual personality (Rieter, Schmolz, 1993). Moreover, Röpke made a direct connection between the "emptiness of the soul" and the support for collectivist totalitarian regimes. "*Communism prospers more on empty souls than on empty stomachs*" (Röpke, 1971, p. 111). And since this understanding of individual liberty and its essence was, in our opinion, the basis for social order, we may conclude that Skácel had had "ordoliberal thought" even before he discovered Röpke and his work.

Despite the fact Skácel turned his attention to ordoliberal works, he did not stop criticizing capitalism and he still understood it as the negation of the institution of private property. "*Socialism is not a cure for capitalism, but its very culmination*", wrote Skácel in his 1947 article (see Drápala, 2000, p. 527). On the other hand, he criticized the socialists as well for their misunderstanding of capitalism. In fact, this merely clarifies his anti-capitalist position and his final explanation of the term. "*[...] we have to realize that the socialist theoreticians have used this term [capitalism] to mark every economic order based on economic freedom, free exchange and competition*", Skácel stated (Ibid., p. 536). He then continued with a critique of the socialist theorists stating that they "*do not use the term capitalism for any unhealthy monopolism and property hoarding, because they claim that every economic order based on private property leads to monopolistic capitalism [...]*" (Ibid., p. 536). Even more important is Skácel's explanation of the free economic system in the monopolistic capitalism which he opposed. "*The truth is that the free economic order characterized by private property, entrepreneurial freedom, free exchange and competition was disfigured by the*

*private monopolism which was allowed and supported by government interventions and collectivist interventions*” (Ibid., p. 537).<sup>5</sup> To conclude, Skácel only used the term capitalism for what is now called *cronyism*, i.e. a system where big business has strong connections with the government and tries to use its political influence to gain advantages over others.<sup>6</sup> In fact, the problems with Skácel’s use of terms do not end with capitalism. Once he had rejected capitalism as a possible post-war order on the aforementioned grounds, he turned his attention towards economic democracy. Unlike the usages for example by Edvard Beneš (1946), Milan Hodža (1942), Štefan Osuský (1925; 1939) or Karel Ladislav Feierabend (1994; 2007) and others, Skácel’s understanding was diametrically different.<sup>7</sup>

Economic democracy, according to abovementioned authors, can be explained as the transfer of political means (for example, voting, participating of workers in the company management, etc.) into the economic sphere. Skácel’s approach was different. In his opinion, economic democracy was an issue of property ownership and responsibility – the means of production belongs to whoever bears the responsibility (Skácel, 1947, p. 7). In Skácel’s economic democracy, the voting principle was a means for consumers, not for producers or workers. If we have private property (since it also means private responsibility) and economic systems where *“the subject of production, its quantity and quality depends on the will of the consumers, then we can talk about economic democracy”* (Ibid., p. 8). On the other hand, socialism was economic dictatorship, because the individual and the individual’s choices constituted nothing but a burden for the socialists. Despite the fact that Skácel was against capitalism, we can find fascinating similarities in the work of Ludwig von Mises, who was probably one of the most significant defenders of capitalism in Skácel’s time. According to Mises (1981, pp. 399–400; see also Schumpeter, 2008, pp. 242–243, 273), the original purpose of political democracy was to make the will of the people effective in political issues. On the other hand, economic democracy in the socialist understanding could never be a way to effectively implement the will of the people in economic issues. Let us ask the question: under which conditions would the will of the people (consumers) be most effectively expressed in the economy? There is no doubt that it is the capitalist system with its profit motive, which provides the most efficient way of using scarce resources in the manner which consumers want. Briefly summarized, *“the capitalist system of production is an economic democracy in which every penny gives a right to vote”* (Mises, 1944, p. 21).<sup>8</sup> In fact, we may conclude that Skácel’s economic democracy and Mises’ capitalism are the same concepts since both demanded an unhampered free economic system without political intervention. The difference was in the terms they used to describe it.

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<sup>5</sup> He even admitted that the liberal demand for free markets, not socialism, is the true opposition to monopolism. It was probably the ordoliberal influence which led him to use the word liberal / liberalism in a slightly positive way.

<sup>6</sup> Moreover, Skácel understood non-interference as a means to peaceful cooperation between nations. The biggest threat to it and the roots of imperialism lay, in his opinion, in merging political and economic power (Drápala, 2000, p. 531).

<sup>7</sup> We are using these politicians as example since they all were considered as people with different economic-political views. At first, Hodža and Osuský are commonly understood as prominent members of anti-Beneš opposition during the World War Two. Secondly, Feierabend was, according to Beneš, an anticipated leader of post-war right-wing party. Unfortunately, these interpretations make no sense from economic point of view, since all of them accepted socialist definition of “economic democracy”.

<sup>8</sup> The same idea was also expressed by Frank Fetter. Fetter argued that *“The market is a democracy where every penny gives a right to vote”* (Quoted in Mises 1981, p. 400).

Of course, Skácel's economic democracy had "purely" ordoliberal features as well. He criticized liberals in the same way as Eucken did. According to Skácel (1947, p. 10), liberalism failed because its proponents thought that the system of economic democracy would be created as a spontaneous order and would then preserve itself. The same applies to Eucken (2004, p. 60) who claimed that in order for it to be a "permanent" order, it had to be created by "human design" and not by spontaneous processes.<sup>9</sup>

Some similarities can even be found when considering the specific functioning of the market system. In Skácel's opinion, capitalism's error lay in its consideration of everything through the eyes of economic and market logic. He was in no doubt that competition was a good thing and the same applied to the division of labor, commercialization, etc. On the other hand, he claimed that *"there must be fields of life which are not directed by the market. It is necessary to have part of the citizenry largely self-sufficient and independent of the market changes, specifically the peasants [...]"* (Skácel, 1947, pp. 19–20). The peasant issue was of special importance in the Freiburg school. For example, Eucken's colleague, Constantin von Dietze, emphasized the special relationship between the peasants and the soil and refused the commercialization of the agrarian sector to a greater extent (see Rieter, Schmolz, 1993, p. 107). Eucken (2004, p. 329) was not so strict in his considerations, but he also demanded a market-independent sector. He especially mentioned small, self-sufficient peasant and family farms.

Finally, like Röpke, Skácel was afraid of mass society. *"The biggest danger of socialism lies in the fact that it wants to implement the main modern ill, i.e. enmassment [...]"* (Skácel, 1947, p. 30).<sup>10</sup> For Röpke, socialism lacked brakes which could prevent the *enmassment* of society. In effect, society's center of gravity would move from communities and individuals to *"the center of impersonal public administration and the impersonal mass organizations flanking it. This implies growing centralization of decision and responsibility and growing collectivization of the individual's welfare and design for life"* (Röpke, 1971, p. 163).

Let us now summarize Skácel's work. We have endeavored to show that, despite his openly anti-capitalist stance, he supported the free economic system. It was just a matter of different terms. As such, we are of the opinion that he can be considered to be a member of the liberal opposition since he proposed an economic system which was not based on economic planning. Or to put it in a Hayekian way, he proposed an economic system based on individual economic planning. For both Skácel and Hayek, the issue was not "to plan" or "not to plan", but "who plans". *"If we think about a plan, we think about a specific goal – then every economic activity is planned since every individual necessarily has a goal whenever he freely acts"* (Skácel, 1947, p. 36). For Hayek, the issue of "who plans" was part of the debate over the rational economic calculation and in fact one of the most important arguments against socialism. *"This is not a dispute about whether planning is to be done or not. It is a*

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<sup>9</sup> On the other hand, Röpke's work contains "spontaneous features". Röpke claimed that competition was not only a means for achieving the economic efficiency, but that it could also play a role when constituting the order. Compare Eucken and Skácel with Röpke (1971, p. 95).

<sup>10</sup> We are using the word "*enmassment*" from the Röpke's book. Skácel himself did not use the term *en masse*, but "herd" which we feel has the same meaning in the way Skácel used it.

*dispute as to whether planning is to be done centrally, by one authority for the whole economic system, or is to be divided among many individuals” (Hayek, 1945, pp. 520–521).*

### 3. Helena Koželuhová – An Unsubmissive individualist

While Miloslav Skácel’s argumentation was more abstract and theoretical, Helena Koželuhová’s approach to liberalism was purely practical. Of course, this does not mean that her resistance to socialism was weaker. Actually, she was expelled from the Christian People’s party because of her liberal approach to the social order (Pehr, 2011, p. 447). While Pehr (2011) concluded that the Christian People’s Party was the only non-socialist party in post-war Czechoslovakia. In our opinion, he is mistaken and the only “internal” opposition was truly non-socialist (see the comprehensive analysis of the party’s position in Nikodym, 2020, pp. 125–128). This should be clear from the party’s internal material. In 1946, when she was conclusively expelled from the party, the party’s verdict was as follows: *“She has proposed liberal economic theories which are in direct contradiction to the party’s program”* (quoted in Drápala, 2000, p. 90).

Milan Drápala called Helena Koželuhová an “unsubmissive individualist”, so let us start with her understanding of individualism and collectivism. As in Skácel’s case, we can perceive some aspects of ordoliberalism, especially when considering the meaning of the individual. *“The essence and meaning of human life lies in free choice and reasoning. Otherwise there is no reason for human existence, because a human ceases to be a human, i.e. an individually reasoning being, and becomes only a working tool”* (quoted in Drápala, 2000, p. 126).<sup>11</sup> On the other hand, collectivism could not allow a human to be a human. For example, when doctors proved that smoking was bad for our health and doing sports was good, a collectivist state would prescribe adherence to the rules of these experts. She concluded that collectivists do not take the “pros and cons” of human nature into account. Similarly to Hayek, she did not question the good will of the communists, but accused them of ignorance of human nature. While she refused the ideal of collectivism, she did discuss the features of the typical Czech national nature. She claimed that Czechs were bureaucrats without an entrepreneurial spirit.<sup>12</sup> If that was true, then post-war reconstruction would be extremely difficult, because the Czech nation was “full of intelligence”, but lacked entrepreneurs. *“We are afraid of the*

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<sup>11</sup> Elsewhere, she expressed herself as follows: *“We create an impersonal mankind from the people, then en masse from mankind which in fact has nothing to do with being human – it is only the malleable material which our rulers can use to create the State they imagine.”* Even more importantly, it seems to us that she refused the idea of positive freedom. In the same place, she continued: *“These good-natured men would deprive us of the burden of thinking – they would think instead of us. Moreover, they would deprive us of the obligation and the possibility of being a human with reason, emotion and will”* (quoted in Drápala, 2000, p. 147). Moreover, she also criticized the “positive rights” when opposing the new understanding of “people’s culture”. *“They claim that we have a right to beauty, happiness and education and that everyone should be given that like everything else. Well, that is great and I cannot wait for my portion of happiness”* (Koželuhová, 1945, pp. 53–54). Her claims were similar to the argumentation of Hayek (1976, pp. 25–26) who, in his *Road to Serfdom*, criticized positive freedom as the overthrow of the necessity or even freedom from the “despotism of physical wants”.

<sup>12</sup> In fact, there are historical studies confirming Koželuhová’s claim (see for example Doležalová, 2006). Moreover, it is well documented that throughout history the Czechs held more bureaucratic positions, while the Germans in the Czech lands were entrepreneurs (Jančík, Kubů, 2011, pp. 31–208; Průcha et al, 2004, pp. 38–56).

responsibility, risk and loss. *We lack the pioneers' courage*", stated Koželuhová. And more importantly, she continued by saying that *"We do not think that a person who started out with empty hands and built up a factory from a small workshop has in fact done more for the state than an intellectual who has written a mediocre book."* She tried to interpret the reason for this: *"He [the entrepreneur] is the master and this is the root of the resentment"* (quoted in Drápala, 2000, pp. 132–133). The idea that the entrepreneur is the master was expressed, for example, by the prominent journalist Ferdinand Peroutka, an advocate of President Beneš' "socializing democracy". In fact, Peroutka (1947, pp. 25–26) was one of those who were in favor of economic democracy in the socialist sense: *"A human who is already free in politics is not going to be completely at ease until he or she has full civic values and freedoms, including in the workplace [...] The idea that one human should serve another has immense power."* Elsewhere, he "replied to the rightwingers" that *"men no longer want to serve one another (i.e. capitalism), mankind now has an unquenchable desire for an increase in the material and moral standards of living and growth into a sovereign"* (Peroutka, 1947, p. 120). Not only was his critique purely collectivist, since only the individual can be sovereign, but the idea that socialism can provide a higher material and moral standard of living is highly questionable. We are especially referring to the economic calculation debate which was of high importance in 1940s. Of course, Koželuhová's reply was based more on empirical observations and Christian thought than on theoretical arguments. She replied to Peroutka by stating that halting service would in fact mean the definitive destruction of morality. *"If the service of one man to another is capitalism and man no longer wants to serve another, this would mean the end of civilization, the end of life in society, the end of progress and the standard of living"* (quoted in Drápala, 2000, p. 139). In her Christian perspective, only a fool or an evil man would refuse to serve another. She continued with the economic approach. Koželuhová rightly realized that an individual is both master and servant in a free economic system. *"The most beautiful motto of our time is: 'our customer – our master'"* (Ibid., p. 140). The idea behind that motto is simple - it means that an individual can be a servant in his or her own job, but at the same time can also be a consumer which in fact means that he or she is the master and the entrepreneur is the servant. Of course, she was not the only one to realize that the socialists often only took one side of the mutual relationship into account. As, for example, Bruno Leoni (1972, p. 54) succinctly explained: *"When a grocer or a doctor or a lawyer waits for customers or clients, each of them may feel dependent on the latter for his living. This is quite true. But if no customer or client makes an appearance, it would be an abuse of language to assert that the customers or clients who do not appear constrain the grocer or the doctor or the lawyer to die by starvation."*

What were the implications for her economic system? At first, she refused massive nationalization. Once again, her argumentation was fully empirical. She argued that the industry was oriented towards wartime production and that its nationalization would make the state worse, since it did not have its own money to spend on the transformation of industry. She wondered why the people did not understand the idea that *"we are the state and, if the state squanders money, in effect we have squandered it, because the state can only make payments from our pockets"* (Koželuhová, 1945, p. 48). In effect, she was in favor of private property and free competition, since it had been the reason for the improvement, cheapening

and expansion of production in the past. She especially emphasized the fact that competition served everyone, not only the rich. According to her empirical observations, different kinds of the same goods, for example shoes, appeared in the market with a wide scale of prices, quality and quantity when competition was unhampered. The reason was simple: she repeated the motto, our customer – our master. On the other hand, even if the state tried to take care of its people as parents care for their children, this would involve the negation of free competition by its very nature (Drápala, 2000, pp. 113–114). Moreover, she criticized the socialist politicizing of the economic system which in fact only meant the creation of a system based on nepotism.<sup>13</sup> On the contrary, she demanded a system which would allow social and material progress – free competition and private entrepreneurship. There is no room in this system for nepotism, because the entrepreneur is always under the threat of loss, i.e. the loss of his very own money. Let us quote Koželuhová once more. She concluded the debate thus: *“We are not socialist and we are proud of it. We do not want to support new and powerful Übermenschen who would make slaves of everybody else. We are fighting for free and happy humans and equality of rights”* (quoted in Drápala, 2000, p. 150). In conclusion, we would like to highlight the term “equality of rights”. If we consider her use of the term, we are of the opinion that she used it correctly. There were people, such as Hubert Ripka, Beneš’s close friend and a minister in exile, for example, who confused the term with a more socialist understanding. Ripka confused “equality of rights” with other forms of equality, for example in the material sense. In fact, equality in a material sense could be in direct contradiction to “equality of rights”, because it would mean treating different people differently.<sup>14</sup>

#### 4. Summary

Despite the post-war intellectual atmosphere, which was characterized by all-embracing socialism covered by democratic terms, there were still people who proposed liberal order, both classical and ordoliberal. While classical liberalism was in deep crisis right after the war, we can use German economic miracle as a great example of successful institutional order based on ideas of ordoliberalism. From this point of view, it is quite striking that Czechoslovak ordoliberalism is almost forgotten up to this date. Both Skácel and Koželuhová proposed economic and institutional order which was proved as functional in Western Germany. Skácel even translated few Röpke’s books and they were placed into *Universum* publishing house publications plan. Unfortunately, when the communists took power, the publication plan was cancelled.<sup>15</sup>

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<sup>13</sup> Peter Boettke has undertaken a brilliant analysis of the nepotism in socialist regimes. Boettke (2001, pp. 140–212) argues that personal relations and corruption are inherent features of the socialist system. The institution of central planning allows rent-seeking in the form of corruption. Despite there being no legal framework, rents are protected and enforced by informal quasi-contracts.

<sup>14</sup> Ripka claimed that the idea of the “equality of rights” is common to both democracy and bolshevism and as such cooperation between democracies and communists was, in his opinion, viable. On the contrary, we are of the opinion, that the “equality of rights” is interpreted differently in democracy and bolshevism. Since the ideal of communism is “forced” equality, it is in contradiction to the “equality of rights” (see Ripka, 1944, p. 18).

<sup>15</sup> On the other hand, Czech translation of Henry Hazlitt’s *Economics in one lesson* was still published in 1948 by the Union of the friends of USA.

Skácel's and Koželuhová's ordoliberal thought had its consequences on their lives after the communist *coup d'état*. To save her life, Koželuhová took the train to the state border few days after the "Victorious February". Unfortunately, she was arrested together with her daughter and transported to the police station. During the night, they asked the police officer to go to the restrooms. They were lucky because they were allowed to do it. They left all their stuff, winter clothes and personal belongings in the police station and disappeared in the dark of the night. After the whole-night walk through the woods, they finally crossed the border and reached Bavaria (Drápala 2000, p. 93). Miloslav Skácel was not so lucky. He did not leave communist Czechoslovakia and he was arrested in 1951. He was accused of counter-state plot. The situation was even worse after the emigration of his son. After his release, Skácel was forced to work as a factory worker, truck driver and finally the stoker in the boiler room. During the Prague Spring of 1968, he was thinking about the return to his original profession – the lawyer, but he did not truly believe that the regime was changing and decided to stay in the boiler room (Ibid., p. 516).

We hope that this short summary will bring more attention to the study of the ordoliberal ideas in the Czechoslovakia. While there was strong emphasis put to the study of the influence of Austrian economic school in the Czechoslovakia / Czech Republic, the influence of ordoliberalism is still underappreciated. This is, of course, quite understandable. Not only that ordoliberalism, respectively Freiburg school, never reached so much attention as aforementioned Austrian school, but they did not also create such a homogeneous school of thought – neither in Germany, nor in Czechoslovakia. However, we proposed to study ordoliberalism as a bundle of specific ideas, not as a homogeneous school. This approach allows us to trace ordoliberal ideas and features even in the works which are, on the first sight, unrelated to ordoliberalism or Freiburg school.

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