CHAPTER 7

Third Ways Out of the Crisis of Liberalism: Moderation and Radicalism in Germany, 1880–1950

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In his study of moderation in French political thought, *A Virtue for Courageous Minds*, Aurelian Craiutu sketches the long legacy of the politics of moderation, ranging from 'the *juste milieu* between revolution and reaction; Ordoliberalism (in post-war Germany); social democracy in Sweden as a middle ground between pure free market capitalism and state socialism; and the New Deal in the United States'. Among the more recent manifestations of movements following the principles of moderation, Craiutu finally also lists 'the doctrine of the "Third Way" (in the United Kingdom under Tony Blair)'.[1] This list is intriguing for a variety of reasons. First of all, it broadens the geographical scope of the tradition of political moderation beyond French post-Revolutionary political thought. Secondly, it suggests a shift from the field of opposing revolutionary and reactionary political movements, to a confrontation between opposing principles of economic organization—capitalism and socialism. Yet it also invites further discussion of the question to what

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extent political moderation is an independent doctrine, or only a middle way between more extreme positions, that borrows its meaning from the extremes it mediates.

In this contribution, the central aim is to sketch what the tradition of political moderation looks like in the alternative context of the debate on economic organization around the *fin de siècle*, notably in Germany. This context was not only defined by the predicament of the German Empire, the rise of the labour movement, and the emergence of mass democracy, but also by an extended series of experiments in social policy, stretching from Otto von Bismarck's social legislation to the welfare state established in the Weimar Republic. As a result, the constitutional debate on the right political order took a backseat to the much more hotly contested issue of a just, efficient and stable social and economic order. It first of all forced German liberals, who claimed to be the heart of the nation, to formulate a position with regard to the 'social question'. Notably after the apparent failure of the German Empire to square the circle of an authoritarian state and a liberal economic order, the liberal orthodoxy of *laisser faire* came under fire of an anti-liberal critique that formed the foundation of the national-socialist ideology. But it also inspired attempts to create a reconstructed ideology of a more progressive new or social liberalism, and a more conservative neoliberalism.

A crucial observation for this contribution to the study of moderation is that each of these ideological innovations presented itself as a 'third way', which leads us smack in the middle of the debate on the nature of moderation, as either a measured middle way between ideological extremes, or as a third alternative to an ideological pair, which is in itself not necessarily moderate. While both anti-liberal and new or neoliberal ideologues seek a middle way between capitalism and socialism, each of them presents a program which aims to avoid the excesses of both, yet in many ways implies a radical transformation of the social and political order. A more detailed analysis of the German debate on the third way between 1870 and 1930 will therefore help us to get a better understanding of the complexities of a politics of moderation. For this task, it is possible to rely on a number of studies on social and economic thought in Germany.[2] Yet for brevity's sake, the social, anti- and neoliberal explorations of the third way will be illustrated by focusing on three representative figures of each approach, respectively Max Weber, Arthur Moeller van den Bruck, and Wilhelm Röpke.

From France to Germany: Transformations of Liberal Moderation in the Long Nineteenth Century

The scholarly reflection on moderate politics is predominantly focused on the history of liberalism in the long nineteenth century. Craiutu's discussion in *A Virtue for Courageous Minds* covers the Anglo-French connection, central to many of the analyses of classical liberalism. In his view, the French *Doctrinaires* who tried to find a *juste milieu* between Revolution and Restoration took their inspiration mainly from the British experience of a moderate parliamentary regime, supported by a strong middle class, and justified by liberal principles of individual liberty, the separation of powers, and public reason. Seen from this perspective, the politics of moderation was concerned with the constitutional principles of a post-Revolutionary political order, which at least until 1848 defined the essential tension of European politics and turned the gradually developed British constitution into the main measure of political wisdom. As Jörn Leonhard has demonstrated, the opposition between conservative order and republican liberty largely disappeared after 1848, when *libéraux* in France shifted from an opposition to conservatism, to the conservative claim that a 'république ordonnée et libérale' is the best defence of the bourgeoisie and their economic interests against the intrusions of the state.[3] In other words, in the final quarter of the nineteenth century, the post-Revolutionary politics of moderation, defined by a liberal claim that constitutional and representative government created a *juste milieu*, had run out of steam.

With the shift in focus from the Anglo-French connection to Germany, and from the early to the late nineteenth century, a very different constellation emerges. Of course, there are relevant similarities and continuities: in both cases, the politics of moderation had to deal with the institutional tension between the remnants of an autocratic power ruling over a crumbling French or German empire, and with the new power of parliaments and political parties (even if moderates are generally troubled to adopt the label of party). The flagbearers of the politics of the middle way now tried to mediate and moderate tensions which no longer only concerned the competing constitutional principles of a political order, defined by the restoration of order(s) versus the principles of revolutionary freedom and civic equality. Instead, the ideological field now came to be defined in terms of the sociological laws of a mass society; by the need to cope with the impact of mass democracy and the transformation of capitalism. Even if the main protagonist in this story were still liberals, they were no longer the representatives of a self-assured bourgeoisie, celebrating their dominance in the age of ‘high liberalism’. German liberals of the *fin de siècle* represented a *Spätliberalismus*, which, even if it was not a ‘politically sterile and senescent’ ideology which ‘“dies” sometime before 1914, largely unnoticed and unmourned’, it clearly was defined by an all-pervasive sense of crisis.[4] As a result, the politics of moderation now took the form of a search for a renewal, supersession or outright rejection of the legacy of liberalism.

Social Liberalism and Democratic Socialism

It is in the context of these wide-ranging challenges that the German historians Alexander Gallus and Eckhard Jesse date the first emergence of an ideology of the third way in the work of the progressive liberals and *Kathedersozialisten* of the *Verein für Sozialpolitik* like Adolph Wagner, Lujo Brentano and Gustav Schmoller. These intellectual representatives of a revised liberalism tried to steer a ‘middle course between anarchic individualism, traditionalist corporatism and bureaucratic statism’—as Thomas Nipperdey characterized their position.[5] This was clearly not only a German debate. Around 1900, the sentiment of crisis was widespread among the European liberal bourgeoisie.[6] In all parts of Europe, liberals tried to forge a way out by looking for mediation between ideological extremes. In the United Kingdom, such a road was taken by Leonard T. Hobhouse, who argued that in confrontation with the disruptive tendencies of *laisser faire*, liberal individualism ‘is driven no small distance along Socialist lines. Once again we have found that to maintain individual freedom and equality we have to extend the sphere of social control’.[7] In the Netherlands, the liberal discovery of the social question led to a cross-class cooperation of social reformers, who agreed on the idea that the respectability of the working classes required social policies to protect them from the vagaries of the market economy. It formed the foundation for the installation in 1897 of a ‘government coalition of social justice’, led by the progressive liberals Nicolaas G. Pierson and Hendrik Goeman Borgesius, who introduced a series of social laws with regard to social insurance against labour accidents, housing, education, and child protection.[8]

Yet the search for a middle became particularly acute in Germany. The *Gründerkrise* that had accompanied the founding of the Reich and the simultaneous second Industrial Revolution posed a direct challenge to the German liberals, and urged them to present a coherent ideological alternative to the apparently irresistible democratic demands of the lower classes, to infractions of the rule of law by the imperial regime, and to the ideological challenges to liberalism formulated by socialism, social Catholicism, and nationalism.[9] On the one hand, they had to formulate a position with regard to the transformation of German politics as a result of the introduction of general male suffrage, the rise of mass parties and the participation of broad sections of the population. On the other hand, they had to formulate a convincing answer to the crisis-ridden social relation in the era of an unbridled capitalism. Both tendencies, of rampant capitalism and irresistible democratization, were closely related, and also required a combined answer, in the form of a 'compensation for the social inequalities caused by capitalism'.[10]

German liberals at the end of the nineteenth century rejected the authoritarian and militarist tendencies of the Wilhelmine Empire, exemplified by Bismarck's anti-democratic statement that 'it is not by speeches and majority resolutions that the great questions of the time are decided—that was the big mistake of 1848 and 1849—but by iron and blood'.[11] They discussed the advent of democracy in a 'rhetoric of lost illusions': democracy was irresistible, as the influential liberal theologian Ernst Troeltsch argued, 'the natural consequence of modern population density, connected to its material needs, which require national education, industrialization, mobilization, resilience and politicisation'.[12] Yet they were highly sceptic of mass democracy, not only because of the threat to their electoral support, but also because it would lead to the danger that 'emotional elements will become predominant in politics. The "mass" as such (no matter which social strata it happens to be composed of) "thinks only as far as the day of tomorrow".'[13]

In this context, Max Weber is a crucial figure, not only because of his intellectual stature, but also because of his revision of much of the received political wisdom of his age. As David Beetham had argued, Weber was on the one hand 'a liberal without liberal values, a defender of liberal institutions without liberalism', yet on the other hand he contributed to the innovation of liberalism, by offering 'a redefinition of the relation between state and economy, such that the state, while guaranteeing the conditions for a competitive market, would also provide the working class with its own means of solving the "social problem" by a legal adjustment of its relative bargaining power with capital'.[14] Even if

Weber did not deliberately opt for a ‘third way’, his qualified liberalism struck a middle road between the tendencies of his time. Moreover, he presented his solutions to the predicaments of his time in terms of moderating forces, that could take the edge of the antagonisms he identified.

First of all, he questioned the presumptions of the liberal bourgeoisie. He analysed the individualist ideology they embraced, which undergirded both the ethics of capitalism and the claim to democratic representation, as the product of a very specific historical conjuncture, which at the end of the nineteenth century perhaps had run its course. Weber saw therefore no valid reasons to exclude the lower classes from voting: ‘What does political “maturity” have to do with a doctorate in physics or philosophy or philology?’[15] Neither the educated nor the entrepreneurial classes could claim a political maturity that legitimated the exclusion of workers. Yet majoritarian democracy without a parliamentary check would be unsustainable, not just because of the irrationality of the masses, but more importantly, because a plebiscitary regime would unavoidably result in a bureaucratic ‘pure *rule* by officials’. A parliament was a check on social power, because it enabled debate in which ‘*the power of words*’ could be tested, and because it could investigate the factual assumptions on which political claims were based. It made it possible, ‘to achieve the best solution (relatively speaking) by a process of negotiation and compromise’.[16] Weber was also convinced that the industrial proletariat was susceptible to an orderly and responsible leadership by its fiduciaries, ‘which is to say by politicians who think rationally’, as leaders of the socialist political party. Combined with parliamentary rule, the impact of ‘purely emotional influences’ would thus be reduced as much as possible.[17]

Next to mass democracy held in check by parliamentary debate, Weber also saw a moderating force in the logic of organizations. Both political and economic organizations, ‘Staat’ and ‘Betrieb’, were characterized by a separation of the main actors, be it the citizens or the workers, from the material forces of production and power. As the American sociologist Talcott Parsons had acknowledged already in 1929, ‘this all-important bureaucracy is essentially the same phenomenon whether it appears in a great corporation, a government department, or a political party machine’.[18] Both in companies and in the state, the means of power had come into the hand of bureaucrats, who all followed the logic of rational calculation. Weber observed a close correlation between the development of the modern state and of modern capitalism: ‘The main inner foundation of the modern capitalist business is *calculation*. In order to exist, it requires a system of justice and administration which, in principle at any rate, function in rationally calculable manner, according to stable, general norms, just as one calculates the predictable performance of a *machine*'.[19] The same principle applied to political parties: whether they were 'organizations for the *patronage of office*', aimed to distribute the spoils of power, or 'parties of a particular *Weltanschauung*', aiming to put ideologically reliable politicians in a position of power, their 'techniques of electoral struggle have become increasingly rationalized', which turned them into bureaucratic organizations, subject to the same logic of calculation as companies and the state:[20]

> The only thing that matters here is the fact that in the administration of *mass* associations the permanently appointed officials with *specialist training* always form the core of the apparatus, and its "discipline" is an absolute prerequisite of success. This is increasingly the case, the larger the association becomes, the more complicated its tasks are, and – above *all* – the more its existence is determined by power (whether in the shape of power struggles in the market place, on the electoral battlefield or on the military battlefield). The same is true of the parties.[21]

The equation of political and economic rationalization made it possible for liberals to forge a compromise with moderate socialists about the requirements of social reform. Before the First World War, left-leaning liberals in Germany still rejected any collaboration with social democrats.[22] They took basically the same position as social liberals like Hobhouse or Pierson, who mainly looked for ways to compensate for capitalism's injustice, without fundamentally challenging its principles. The implication of Weber's attention to bureaucracy was to 'strongly minimize the differences between capitalism and socialism, emphasizing rather their continuity'.[23] As a result, Weber's argument could inform an plea for what Troeltsch called a 'new order of the property and acquisition'. Such fundamental reform of capitalism was not only the logical outcome of the development of the modern state, but 'the only to entrench the reversal of class rule, the rule of the proletariat in a healthy and just state structure and to save the healthy kernel of a state-supporting socialism'.[24] The progressive liberal founder of the constitution of Weimar, Friedrich Naumann, argued even more radically, that the renewal of liberalism could only take place in the guise of a reformist social democracy: 'The social opening of liberals to the left, the "core issue of the development of a new German liberalism", is connected to the question, how "social democracy can become a national, pragmatic political party".'[25] At the same time, Weber's vision informed the argument of the reformist wing of the German social democrats to embrace the parliamentary road, and to participate in the Weimar coalition with the left-liberal Deutsche Demokratische Partei and the Catholic Zentrumspartei, ruling under a constitution which in article 151 declared: 'The organization of economic life must conform to the principles of justice to the end that all may be guaranteed a decent standard of living. Within these limits the economic liberty of the individual shall be assured'.[26]

Anti-liberalism and National Socialism

While the social liberals of the *fin de siècle* looked for ways to reconcile liberal capitalism and democratic socialism in a higher synthesis, the search for a third way led others to a full rejection of both liberal capitalism and socialist collectivism. As Dirk van Laak argues, 'young European conservatives […] set out for a "third way" between bourgeois liberalism and Bolshevik communism'.[27] Fascism was the most prominent alternative. In Italy, Mussolini defined fascism first and foremost in opposition to Marxism, liberalism and democracy. Even if he claimed that 'Fascism uses in its construction whatever elements in the Liberal, Social or Democratic doctrines still have a living value', it was clear that very little was left that met this criterion.[28] Also French fascism aimed for a 'Revolution of the Centre', looking for a position that was 'neither left, nor right', as Zeev Sternhell entitled his controversial study of French Fascism.[29]

There are of course good reasons to refuse fascists admission to the ranks of moderates. If anything, fascists are not moderate. They aim for a radical transformation of society, by a totalizing policy that subverts all established values and eliminates anything and anyone standing in the way of their perfectionist political and social ideals. However, as Craiutu argues, 'while it may be tempting to equate centrism with moderation, an identification between the two must not be taken as a universal axiom, for we can find moderates on the left, at the centre, and on the right of the political spectrum'. The reverse argument also holds, since not all centrist positions are moderate. Craiutu draws attention to the politics of the ‘extreme centre’ of Benjamin Constant and Germaine de Staël, who argued that a third or neutral monarchical power could restrain fanatical parties, and as such might even elicit a non-extremist form of political enthusiasm.[30]

Given that moderation is not necessarily centrist, but can be a radical third alternative to two dominant positions, nor that policies of the third way always means one steers a careful middle way between extremes, the question how to distinguish between moderate and non-moderate third ways becomes very urgent. When is third way thinking still part of the tradition of moderation, and at what point does it cease to be so? This question is not very easy to answer. Just to give one example: Friedrich Naumann, one of the main protagonists of the social liberal third way and a most radical proponent of a reconciliation of social liberalism and social democracy, started his career as a supporter of the antisemitic Christlich-Soziale Arbeiterpartei, and in 1896 became one of the founders of the National-Sozialer Verein. Even if this was not an actual precursor of Nazism, its *National-Sozialen Kathechismus* (1897) propagated a set of principles, which according to the historian of Nazi Germany Götz Aly ‘mixed social, imperial and national ideas into a closed intellectual system, which ultimately became entangled with the ideas of the NSDAP’.[31] This is not to say that all third ways ultimately lead to Hitler, but it points to the fact that in the 1930s the third ways of social liberals and anti-liberal national socialists had more in common than presumed after the military, political and moral demise of the latter group.[32]

At the same time, the third way followed by national socialists clearly took an anti-liberal turn, as becomes clear in the work of Arthur Moeller van den Bruck. Although he is not known as a deeply engaged political or social theorist—his interests were mainly literary and artistic— and despite the fact that he died in 1925 and had not played a role of any significance in the Nazi movement, the work Moeller van den Bruck published in 1923, *Das dritte Reich* (The Third Empire), can be seen as a compendium of much of the more widespread ideological claims by which prominent Nazis pointed towards a third way.[33] In the book, for which he originally had envisaged the title *Der dritte Partei* (The Third Party), he called for a national renewal after the collapse of Wilhelmine Germany, based on a revolutionary conservatism, which found its ultimate expression in a new German nationalism.

In the exposition of his position, Moeller van den Bruck deployed many of the *topoi* of the third way as the middle between extremes.

The main part of the book was a critique of parties both left and right, which according to Moeller van der Bruck was possible 'only from a third standpoint, which includes all other standpoints a German partisan can take—from the standpoint of a third party'.[34] He rejected both liberalism—'the selfdestruction of mankind'—and a Marxist materialism that ignored the hierarchy of values.[35] Instead he argued for a nationalism that was at the same time conservative—rooted in the past—and revolutionary—aimed at the future. This was not just a romantic nationalism, committed to the preservation of the nation, but a German nationalism, which would bring about 'a shift in history's point of gravity', based on the idea that the German nation had asserted itself 'in the revolutionary transformation processes of the bygone era. It wants to maintain Germany, because it is the centre, because only from there Europe can be kept in balance'. He appealed to 'the conservative Germans of a third party' who 'between all party-political oppositions', and beyond the liberal and communist ideologies that corrupted both Germany and Europe, reached out 'to the humanity in the Germans and to the German in mankind'. This balancing act would not be easy, as became already clear from the motto to the final chapter of *Das dritte Reich*: 'We need the power to live in oppositions'.[36]

In the end, Moeller van den Bruck chose as title for his book *Das dritte Reich*, and as such minted the concept adopted by Hitler for his political project. It was more than the adoption of a catchy phrase: Moeller van den Bruck also offered an ideological legitimation of Hitler's destruction of the Weimar Republic, by fomenting against its political parties, and against democracy as such. Democracy, according to Moeller van der Bruck, had been corrupted by liberal individualism. It could only be saved if it would be reconnected 'to the people itself, to the character rooted in this people'. That meant, that 'we in Germany will embrace democracy when there are no longer "democrats"'. Only then, the nation would be able to act on its own will.[37] Moeller van den Bruck developed a similarly contradictory argument about socialism. While he rejected the international orientation and the principle of a class struggle characteristic of Marxism, he proposed a German socialism, based on a 'organic conception of the state and the economy', for which he found inspiration in the works of Friedrich List and Freiherr vom Stein. His kind of socialism was at once organic and dualistic,

> in accordance with a country, which is dualistic in all of its connections, from geographical to transcendent, and in which life must be kept in a balance of opposite forces. It requires a man who knows how to make a difference, and not, like the man of the West, who only adds up. We don't want differences to divide. We want them to connect. Socialism to us is rootedness, scaling, layering.[38]

Moeller van den Bruck thus sketched a third way for the German state as a middling force that was able to balance the various tendencies in Europe. But even if the core of his view was the reconciliation of opposite tendencies, it was not a view informed by political moderation. Its conservatism was revolutionary, its socialism was national, and democracy could only mean the untrammelled expression of the popular will.

Neoliberalism Beyond Laisser Faire and Collectivism

A final third way beyond capitalism and socialism followed a neoliberal route. The intellectual reconstruction of this trajectory was first initiated by Michel Foucault in his lectures for the Collège de France in 1979.[39] This part of his work was neglected until the late 1990s, when it was included in a historical analysis, which put the ideological program of Margaret Thatcher and Ronald Reagan, inspired by Milton Friedman's and Friedrich Hayek's defence of the free market, into a much longer genealogy of neoliberalism, starting already in the 1930s. Early neoliberals, like Alexander Rüstow, Alfred Müller-Armack and Wilhelm Röpke, were all inspired by the economist Walter Eucken who held the metaphysical belief of a natural order, or 'Ordo', as he called it, 'which accords with the essence of humans: this means an order in which proportion (measure) and balance exist'.[40] In this way, Eucken identified a particularly moderate principle as the foundation of his critique of both *laisser faire* liberalism and collectivist socialism.

In the footsteps of Eucken, Röpke published a series of studies, which all continued the search for the middle ground between capitalism and socialism. Looking back at his intellectual trajectory in 1959, Röpke observed he 'sided with the socialists in their rejection of capitalism and with the adherents of capitalism in their rejection of socialism. […] The third way I have pursued, beginning on it as it were out of the accident of history, has come with good reason to be called "economic humanism".'[41] Röpke's central argument in defence of his third way was that not only collectivism but also capitalism had to be rejected. The conventional defence of capitalism—in terms of the economic as well as moral superiority of free competition and the idea that markets, if let alone, were self-regulating—was no longer convincing to Röpke. First of all, he seriously doubted the beneficial nature of free competition: 'Historical liberalism (particularly the nineteenth century brand) never understood that competition is a dispensation, by no means harmless from a moral and sociological point of view; it has to be kept within bounds and watched if it is not to poison the body politic'. But also, since the middle of the nineteenth century, it had become clear that markets tended towards concentration of power, to 'colossal monopoly capitalism'.[42]

To counter these dangers of an untrammelled capitalist development, he called for a positive economic policy', based on a 'strong and impartial state'. Quoting Benjamin Constant, such a neutral state 'has no power outside its own sphere; within that sphere, it cannot have enough'. Such a strong state was necessary to keep the market within the confines of a constitutional framework, but it also had to adjust the outcomes the market produced, based on the assumption that 'also the working of an entrenched and monitored market economy requires measured and considered state intervention'.[43]

Steering the middle course meant first of all breaking the power of economic monopolies in favour of small businesses, but a more fundamental issue was at stake, which Röpke identified in his essay *Mass und Mitte* (Measure and Middle, 1950) as the 'core problem' of the age, namely 'concentration'. Stretching the meaning of the concept far beyond an economic context, Röpke argued:

> It is not an accidental play of our language that the concentration camp has become the most horrifying symbol of modern tyranny. We increasingly live in a "Univers concentrationnaire" (D. Rousset), and the only hope in such a world is the fact that there are small and independent people, the farmers, the artisans, the entrepreneurs, the merchants, the liberal professions, and that we have the opportunity to maintain and expand these islands of rescue of mankind without violence, but with cleverness and farsightedness.[44]

To reach such a decentralized and small-scale society, a moral reversal was necessary, which would replace 'our quantitative culture by a qualitative one'. That required the values of the small business: 'quality, honesty, persistence, nobility, moderation and simple beauty'. Röpke argued that such a vision was based on the insight of Goethe, namely that both in theory and in practice, people 'needed a certain kind of middle'.[45]

One could say that Röpke reproduced many of the *topoi* of the moderate tradition: a neutral state, steering a middle course towards a decentralized society, in which measured and moderate virtues prevail. He embedded his discourse of moderation in a socio-economic framework, arguing that such virtues flourished best in an economy of small businesses. Deviation from this ideal would lead to a collectivist society, characterized by coercion, monopolies, international conflict and economic paralysis and disorder.

At this point, Röpke's third way branches off from the trajectory of the moderate tradition. His critique of collectivism was not just another opinion with which 'the economist steps outside the temple of science on the political market. It is a genuinely scientific judgment, a sober assertion that collectivism is a completely unfit means to an aim we all agree about'.[46] In the name of these judgments, Röpke notably rejected an economic democracy that would put economic decisions in the hands of a political collective. He also abhorred a democratic 'popular nationalism', in which nationalism and collectivism were merged in a 'democratic-collective' model of the nation, that since the French Revolution 'has spread across Europe with an almost Islamic zeal'.[47] With a reference to Richard Cobden, who had observed about the 1857 elections, 'that the most warlike returns have come from the most popular constituencies, the least warlike from the most aristocratic counties', Röpke suggested that a 'modern educational Jacobinism' had made us forget that nations 'communicate among itself only through elites, and not by its masses'.[48]

In short: an elite had to guide the people on the third way towards a free society, thus sacrificing the constitutional safeguards that characterized the nineteenth-century discourse of moderation. In the end, and despite his uncontested anti-fascist reputation—in the Spring of 1933 he was dismissed from the University of Jena, and in 1935 he fled the country, first to Istanbul, then to Geneva—Röpke's position was not that different from someone like Moeller van den Bruck, both in its attempt to find a third way in between liberal capitalism and socialist collectivism, and in his scepticism regarding democracy.

Conclusion: The Entanglement of Third Ways

Coming to the end of this exploration of third ways beyond liberal capitalism and socialist collectivism, a first conclusion to draw would be that for social liberals the search for a third way implies the attempt to integrate capitalism and socialism, by moderating the extreme manifestations of both. Yet for both national socialist and neoliberals, the third way is actually an alternative path, which does not necessarily lead through the middle. Its radical nature is also revealed by the rejection of two main characteristics of modern societies: mass democracy and the bureaucratic political and economic organization. For Weber, both were not only inevitable facts of modern life, but the starting point for an argument to integrate capitalism and socialism. Since there was no fundamental difference between large-scale firms and state bureaucracies (as both implied a separation between workers or citizens and the bureaucratic apparatus of power), the main challenge of modern societies was how to control the bureaucrats. For Weber and his social liberal companions, parliamentary democracy was the solution to this problem, while for national socialist, but also for neoliberals, democracy was a predicament that needed to be overcome. Yet the way to do this differed fundamentally: while Moeller van den Bruck wanted to nationalize democracy, this was for Röpke exactly the Jacobinism that would undo an unavoidable elite rule—which brought him again closer to Weber's observation that a certain measure of *Beambtenherrschaft* was unavoidable in large-scale organizations. Yet the rationale between the embrace of the rule of experts was very different. For Weber, this stemmed from the irresistible, yet ultimately beneficial rise of large bureaucracies, governed by the principles of rational calculation. Even if Weber warned against the *stahlhartes Gehäuse*, which could result from an unrelenting rationalization process, Röpke was much more pessimistic about the consequences of unmitigated accumulation of power in bureaucratic organizations. He shared Weber's integrative perspective on firms and states, in the sense that both were subject to processes of monopolization. Yet instead of the foundation for a reconciliation of capitalism and socialism, this was for Röpke the rationale to reject both, and to look for a truly radical alternative.

The third ways that were followed in the twentieth century were first of all visions of an economic order, not blueprints of a political constitution. In its radical form, the third way was presented as solution for a society corrupted by individualism and collectivism, which had to find the energy to escape from its predicament from some outside force, be it Moeller van den Bruck's nation or Röpke's scientific elite. In contrast to Weber's social liberal defence of a parliamentary state, anti- and neo-liberals failed to acknowledge the institutional safeguards that are central to moderation as a political ideology and political virtue. Instead, their ideologies of the third way were visions of a socio-economic order that was radical in design and execution. They were ultimately examples of a radical centre, not of the politics of moderation.

Finally, it is important to note is that the search for a third way was not a uniquely liberal project. For rather different motives—theoretical aporia's and revisions, reluctance to revert to revolutionary violence, pragmatic and tactical arguments in favour of gradual reform—a more moderate perspective also emerged within the socialist movement, of revisionists like Eduard Bernstein; Austromarxist like Max Adler, Otto Bauer Karl Renner; by Christian socialists like Alfred Delp, R.H. Tawney, or Paul Vignaux; and by the proponents of workers' self-government in Prague, Paris, and Berlin. As such they are all precursors to the post-1989 third way between, or maybe better beyond, socialism and liberalism of Tony Blair, Gerhard Schroeder and Bill Clinton.[49] Even when such type of moderation was presented as an attempt to end the era of ideology, for most of the twentieth century, third ways were alternative ideologies, and seldom an alternative to ideology.

Notes

1. Aurelian Craitutu, *A Virtue for Courageous Minds: Moderation in French Political Thought 1748–1830* (Princeton: Princeton University Press, 2012), 15.
2. Harry Ritter, 'Austro-German Liberalism and the Modern Liberal Tradition', *German Studies Review* 7, no. 2 (May 1984), 227–248; Jens Hacke, *Existenzkrise der Demokratie. Zur politischen Theorie des Liberalismus in der Zwischenkriegszeit* (Berlin: Suhrkamp, 2018); Anselm Doering-Manteuffel and Jörn Leonhard (eds.), *Liberalismus in 20. Jahrhundert* (Stuttgart: Franz Steiner Verlag, 2015); Marc Lüdders, *Die Suche nach einem Dritten Weg. Beiträge der deutschen Nationalökonomie in der Zeit der Weimarer Republik* (Frankfurt a.M. [etc.]: Peter Lang, 2004).
3. Jörn Leonhard, 'Semantische Deplazierung und Entwertung. Deutsche Deutungen von liberal und Liberalismus nach 1850 im europäischen

Vergleich', *Geschichte und Gesellschaft* 29 (2003), 1, 'Europäischer Liberalismus', 5–39.

4. Ritter, 'Austro-German Liberalism', 233.
5. 'Mittelkurs […] zwischen anarchischem Individualismus, traditionalistischem Korporatismus und bürokratischem Etatismus', Thomas Nipperdey, *Deutsche Geschichte 1866–1918. Erster Band: Arbeitswelt und Bürgergeist* (München: Beck, 1993), 336; quoted by Alexander Gallus and Eckhard Jesse, 'Was sind Dritte Wege? Eine vergleichende Bestandsaufnahme', *Aus Politik und Zeitgeschichte* 16–17 (2001), 6–15: 9. All translations by Ido de Haan except when noted otherwise.
6. J.W. Burrow, *The Crisis of Reason: European Thought, 1848–1914* (New Haven: Yale University Press, 2000); Steven Seidman, *Liberalism and the Origins of Social Theory* (Berkeley: University of California Press, 1983); Edmund Fawcett, *Liberalism: The Life of an Idea*, 2nd edition (Princeton, Oxford: Princeton University Press, 2018), 137–280.
7. Leonard T. Hobhouse, *Liberalism*. Introduction by Alan P. Grimes (London: Oxford University Press, 1964 [1911]), 54.
8. Stefan Dudink, *Deugdzaam liberalism: Sociaal-liberalisme in Nederland 1870–1901* (Amsterdam: IISG, 1997). See also Michael Freeden, 'Social Liberalism in European Perspective Since the Late Nineteenth Century', in Doering-Manteuffel (ed.), *Liberalismus*, 56–67.
9. Wolfgang J. Mommsen, 'Der deutsche Liberalismus zwischen "klassenloser Bürgergesellschaft" und "Organisiertem Kapitalismus". Zu einigen neueren Liberalismusinterpretationen', *Geschichte und Gesellschaft* 4 (1978), 1, Liberalismus im aufsteigen den Industriestaat, 77–90.
10. 'Ausgleich für soziale Ungleichheiten, die der Kapitalismus verursachte', Hacke, *Existenzkrise der Demokratie*, 57.
11. 'Nicht durch Reden und Majoritätsbeschlüsse werden die großen Fragen der Zeit entschieden - das ist der große Fehler von 1848 und 1849 gewesen -, sondern durch Eisen und Blut'. Bismarck's speech at a meeting of the budget commission of the Prussian Parliament on September 30, 1862, http://germanhistorydocs.ghi-dc.org/sub_document.cfm?document_id=250&language=english (consulted 24 June 2019); see also Leonhard, 'Semantische Deplazierung und Entwertung', 22.
12. 'Rhetorik der Illusionlosigkeit', …'die natürliche Konsequenz der modernen Bevölkerungsdichtigkeit, verbunden mit der zu ihrer Ernährung notwendigen Volksbildung, Industrialisierung, Mobilisierung, Wehrhaftmachung und Politisierung', Ernst Troeltsch, 'Demokratie' [1919], in *Kritische Gesamtausgabe Band 15: Schriften zur Politik und Kulturphilosophie (1918–1923)* (New York, Berlin: De Gruyter, 2012), 211–224: 211.
13. Max Weber, 'Parlament und Regierung im neugeordneten Deutschland. Zur politischen Kritik des Beamtentums und Parteiwesens' [1918],

translation: 'Parliament and Government in Germany Under a New Political Order', in Peter Lassmann and Ronald Speirs (eds.), *Max Weber, Political Writings* (Cambridge: Cambridge University Press, 1994), 130–271: 230.

14. David Beetham, 'Max Weber and the Liberal Political Tradition', in Asher Horowitz and Terry Maley (eds.), *The Barbarism of Reason: Max Weber and the Twilight of Enlightenment* (Toronto: University of Toronto Press, 1994), 99–112: 100–101.
15. Max Weber, 'Wahlrecht und Demokratie in Deutschland' [1917], translation: 'Suffrage and Democracy in Germany', in *Political Writings*, 80–129: 84.
16. Weber, 'Suffrage and Democracy', 125.
17. Weber, 'Suffrage and Democracy', 127. See also Marcus Llanque, *Demokratisches Denken im Krieg. Die deutsche Debatte im Ersten Weltkrieg* (Berlin: Akademie Verlag, 2000), 237–263.
18. Talcott Parsons, '"Capitalism" in Recent German Literature: Sombart and Weber (Concluded)', *Journal of Political Economy* 37 (1929), 1, 31–51: 38.
19. Weber, 'Suffrage and Democracy', 147–148.
20. Weber, 'Parliament and Government', 152–153.
21. Weber, 'Parliament and Government', 154.
22. James J. Sheehan and Wolfgang Mock, 'Deutscher Liberalismus im postliberalen Zeitalter 1890–1914', *Geschichte und Gesellschaft* 4 (1978), 1, Liberalismus im aufsteigenden Industriestaat, 29–48.
23. Talcott Parsons, *The Structure of Social Action: A Study in Social Theory with Special Reference to a Group of Recent European Writers* (New York: Free Press, 1968 [1937]), 509; see also Joshua Derman, *Max Weber in Politics and Social Thought: From Charisma to Canonization* (Cambridge: Cambridge University Press, 2012), 80–116.
24. 'Neuordnung der Besitz- und Erwerbverhältnisse … das einzige Mittel, die umgekehrte Klassenherrschaft, die Herrschaft des Proletariats, in die Bahnen einer gesunden und gerechten Staatsbildung hineinzuführen und den gesunden Kern eines staatserhaltenden Sozialismus zu retten'. Troeltsch, 'Demokratie', 215.
25. 'Die soziale Öffnung des Liberalismus nach links, die "Kernfrage der Bildung eines neudeutschen Liberalismus", knüpfe sich an die Frage, wie "die Sozialdemokratie zu einer nationalen, praktisch-politischen Partei" werden könne'. Leonhard, 'Semantische Deplazierung und Entwertung', 27.
26. Weimar Constitution, https://en.wikisource.org/wiki/Weimar_constitution (consulted 25 June 2019); original: 'Die Ordnung des Wirtschaftslebens muß den Grundsätzen der Gerechtigkeit mit dem Ziele der Gewährleistung eines menschenwürdigen Daseins für alle

entsprechen. In diesen Grenzen ist die wirtschaftliche Freiheit des Einzelnen zu sichern'. See also Llanque, *Demokratisches Denken im Krieg*, 283–289.

27. Dirk van Laak, 'From the Conservative Revolution to Technocratic Conservatism', in Jan Werner Müller (ed.), *German Ideologies Since 1945: Studies in the Political Thought and Culture of the Bonn Republic* (Basingstoke, New York: Palgrave Macmillan, 2003), 147–160: 149.
28. Benito Mussolini, 'The Political and Social Doctrine of Fascism', *The Political Quarterly* 4, no. 3 (1933), 341–356: 351.
29. Zeev Sternhell, *Ni droite, ni gauche. L'idéologie fasciste en France* (Paris: Seuil, 1983); Robert Wohl, 'French Fascism, Both Right and Left: Reflections on the Sternhell Controversy', *The Journal of Modern History* 63, no. 1 (1991), 91–98.
30. Craitutu, *Virtue*, 208–215.
31. 'vermengte soziale, imperial und nationale Gedanken zu einer geschlossenen Geistesströmung, die sich am Ende mit dem Gedankengut der NSDAP vermischen könnte'. Götz Aly, *Warum die Deutschen? Warum die Juden? Gleichheit, Neid und Rassenhass 1800–1933* (Frankfurt a.M.: Fischer, 2012), 143.
32. See also Wolfgang Schivelbusch, *Entfernte Verwandschaft. Faschismus, Nationalsozialismus, New Deal 1933–1939* (München: Hanser Verlag, 2005).
33. See Volker Weiß, *Moderne Antimoderne: Arthur Moeller van den Bruck und der Wandel des Konservatismus* (Paderborn: Ferd. Schöningh Verlag, 2012). For an early evaluation of his work in the context of the Nazi movement, see Gerhard Krebs. 'Moeller van den Bruck: Inventor of the Third Reich', *American Political Science Review* 35, no. 6 (December 1941), 1085–1105.
34. 'nur von einem dritten Standpunkte aus, der jeden anderen einschliesst, den Parteideutsche haben können—von dem Standpunkte einer dritten Partei aus': Arthur Moeller van den Bruck, *Das dritte Reich*, 3rd edition (Hamburg: Hanseatische Verlagsanstalt, 1931 [1923]), viii. The English translation by Emily Overend Lorimer, *Germany's Third Empire* (London: G. Allen & Unwin Limited, 1934) is a very liberal improvisation on the original text and unfit to use.
35. 'die Selbstauflösung der Menschheit', Moeller van den Bruck, *Das dritte Reich*, 100.
36. 'Schwerpunktverschiebungen der Geschichte'…'in den revolutionären Umschichtungsvorgängen des heraussteigenden Zeitalters. Er will Deutschland erhalten, weil es Mitte ist, weil nur von ihr aus Europa sich im Gleichgewicht halten lässt'… 'der conservative Deutsche einer dritten Partei'… 'zwischen allen parteipolitischen Gegensätzen'…'an den

Menschen im Deutschen, und and den Deutschen im Menschen'. … 'Wir mussen die Kraft haben, in Gegensätzen zu leben'. Moeller van den Bruck, *Das dritte Reich*, 299–302.

37. 'an das Volk selbst, an die Wurzelcharactere in diesem Volke'…'wir uns in Deutschland zur Demokratie werden bekennen können—wenn es keine "Demokraten" mehr gibt'. Moeller van den Bruck, *Das dritte Reich*, 152.
38. 'körperschaftliche Auffassung von Staat und Wirtschaft'… 'wie dies einem Land entspricht, das in jener Beziehung, von der geographischen bis zu der transzendenten selbst dualistisch ist und in dem das Leben von seinen Gegensätzen her im Gleichgewichte gehalten werden muβ. Er setzt einen Menschen voraus, der zu unterscheiden weiβ, und nicht, wie der Mensch des Westens, immer nur summiert. Wir wollen nicht, daβ die Unterschiede trennen. Wir wollen, daβ sie verbinden. Sozialismus is für uns: Verwurzelung, Staffelung, Gleiderung'. Moeller van den Bruck, *Das dritte Reich*, 61.
39. Michel Foucault, *Naissance de la biopolitique. Cours au Collège de France 1978–1979* (Paris: EHESS/Gallimard/Seuil, 2004); see Wendy Brown, *Undoing the Demos: Neoliberalism's Stealth Revolution* (New York: Zone Books, 2015), 47–111.
40. Walter Eucken, *Grundsätze der Wirtschaftspolitik* (Tübingen: UTB 1990 [1952]), 372, quoted in Ralf Ptak, 'Neoliberalism in Germany. Revisiting Ordoliberal Foundations of the Social Market Economy', in Philip Mirowski and Dieter Plehwe (eds.), *The Road from Mont Pèlerin: The Making of the Neoliberal Thought Collective: With a New Preface* (Cambridge, MA: Harvard University Press, 2015), 99–138: 105.
41. Wilhelm Röpke, 'The Economic Necessity of Freedom', *Modern Age: A Conservative Review* 3 (1959), 3, 227–236: 231–232.
42. Wilhelm Röpke, *The Social Crisis of Our Time* (Chicago: University of Chicago Press, 1950), 52.
43. 'positiven Wirtschaftpolitik'…'starken wie unparteiischen Staat'…'en dehors de sa sphère ne doit avoir aucun pouvoir; dans sa sphère, il ne saurait en avoir trop'… 'auch der Ablauf der so eingerahmten und überwachten Marktwirtschaft bestimmter wohldosierter und wohlerwogener Eingriffe des Staates bedarf'. Wilhelm Röpke, *Civitas Humana. Grundfragen der Gesellschafts- und Wirtschaftsreform* (Erlenbach/Zürich: Eugen Rentsch Verlag 1946 [1944]), 76. The English translation, *Civitas Humana: A Humane Order of Society* (London: William Hodge, 1948), was characterized by one of its reviewers as 'an unfortunate publication'… 'his German peeps through the English of his translator with a dreadful squint'. Review by R.J. White, *The Economic Journal* 60, no. 239 (1950), 575–577.

44. ‘Es ist kein launischer Zufall der Sprache, das zum abschaulichen Symbol der modernen Tyrannis—der Konzentrationslager geworden ist. Wir leben mehr und mehr in einem “Univers concentrationnaire” (D. Rousset), und wenn in solcher Welt noch Hoffnung ist, so ist es die Tatsache, dass es die Kleinen und Selbständigen gibt, die Bauern, die Handwerker, die Gewerbetreibenden, die Kleinhändler, die freien Berufe, und dass wir die Möglichkeit haben, diese Rettungsinseln der Menschen ohne Gewaltsamkeit, aber mit Klugheit und Weitsicht zu erhalten und zu vermehren’. Wilhelm Röpke, *Mass und Mitte* (Erlenbach/Zürich: Eugen Rentsch Verlag, 1950), 194.
45. ‘unsere quantitative Kultur durch eine qualitative’…‘Qualität, Ehrlichkeit, Dauer, Noblesse, Mass und einfache Schönheit’…‘auf ein gewisses Mittlere angewesen’. Röpke, *Mass und Mitte*, 195.
46. ‘der Nationalökonom aus der Tempel der Wissenschaft auf den politischen Markt tritt. Es is vielmehr ein echtes wissenschaftliches Urteil, durch das nüchtern festgestellt wird, dass der Kollektivismus ein durchaus untaugliches Mittel zur Erreichung der Ziele ist, in denen wir uns allen einig sind’. Röpke, *Mass und Mitte*, 114–115.
47. ‘Popularnationalismus’…‘demokratisch-kollektivistischen’… ‘mit einem fast islamitischen Elan über ganz Europa getragen wird’. Röpke, *Mass und Mitte*, 245.
48. ‘modern Bildungsjakobinismus’…‘nur durch ihre Eliten, nicht durch ihre Massen miteinander innerlich kommunizieren’. Röpke, *Mass und Mitte*, 246.
49. Gallus and Jesse, ‘Was sind Dritte Wege?’.