

NAZISM AND THE CONCEPT OF ECONOMIC DEMOCRACY

Nazismul și conceptul de democrație economică

Abstract: *The paper offers a new analysis of the relation between Nazism and Socialism. For example Friedrich August von Hayek showed there are many similarities despite the open animosity between the proponents of both systems. In our paper, we are extending the analysis of these similarities to the “less popular” concepts of both systems – Socialist “economic democracy” and Othmar Spann’s proposal of “Ständestaat”. The analysis focuses on the different philosophical basis of both systems. While Socialist economic democracy starts with the concept of individual freedom, Spann and his followers offered the universalist concept of justice. But our analysis shows the collectivist elements of the Socialist concept of freedom and compares it with Spann’s justice. Then the paper analyses the concrete forms of economic system based upon the concepts of freedom and justice and shows the common economic consequences of the systems as well.*

Keywords: *National Socialism, Economic Democracy, Collectivism, Freedom, Justice.*

In the past, there were many attempts to show the similarities of Nazism and Socialism despite the open animosity between those systems. For example, Friedrich August von Hayek explained that both systems are only different types of collectivism and the animosity is caused by the fight for the same-minded voters.¹ Then Peter Temin approached the topic in a more empirical way and showed that the planning systems of Nazi Germany and Socialist Soviet Union were much more similar than the

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¹ Hayek 1976: 24–31.

leaders of both countries would ever admit.² Emanuel Rádl, a Czech philosopher, highlighted the same philosophical background of left and right Socialism. According to Rádl, both systems were based on the organic understanding of Nation and State.³ On the other hand, there were other authors who disregarded the similarities of left and right socialism. For example, Lionel Robbins did not understand how it was possible that Othmar Spann's work *Types of Economic Theory* was translated into English by the "talented translators of *Das Kapital*". He supposed it was done "by some odd freak of circumstances".⁴

In our paper, we will argue a different way. We are going to focus on the Socialist concept of so called *economic democracy* and its understanding of freedom in contrast with the Nazi critique of these concepts. The Nazi economic theorist Hans Buchner, on the basis of the ideas of Othmar Spann and Gottfried Feder, introduced the uncompromising critique of the aforementioned concepts in his work *Grundriss einer nationalsozialistischen Volkswirtschaftstheorie*. The same applies for Spann. He refused the idea of economic democracy and its understanding of freedom and introduced the *Ständestaat* and the theory of justice. We are going to argue that despite the open animosity there are still common points in the Nazi and Socialist theory which show the similarity of both systems in a different way.

The starting point: freedom vs. justice

While there are many studies on the topic of different understandings of freedom, the relation between freedom and justice is quite ignored. At first, it is necessary to explain the meaning of freedom, which is the basis for the system of economic democracy. Now, for simplicity, we will consider only two concepts of freedom – negative and positive. Negative freedom is the classical liberal concept of freedom. It can be understood as a freedom for freedom, not for other values. As Isaiah Berlin explained: "Everything is what it is: liberty is liberty, not equality or fairness or justice or culture, or human happiness or a quiet conscience."⁵ Of course, there is no strict definition of negative freedom, but it is possible to find basic principles of the classical liberal concept. The "pioneer" of the liberal approach was John Locke with his individualist view. For him, freedom of man ends at the point of interference with another man's freedom:

² See Temin 1991.

³ Rádl 1928: 97.

⁴ Refer to Robbins 1930: 200. Milder review was written by Frank Knight. He considered Spann's work as "thought-provoking" written in a "controversial tone" (Knight 1931: 259).

⁵ Quoted in McMahon and Dowd 2014: 76.

*“(...) freedom is not, as we are told, «a liberty for every man to do what he lists» (for who could be free, when every other man’s humour might domineer over him?) but a liberty to dispose, and order as he lists, his person, actions, possessions, and his whole property, within the allowance of those laws under which he is, and therein not to be subject to the arbitrary will of another, but freely follow his own.”*⁶

According to Locke and other liberal authors, the institution of private property is a necessary precondition for the concept of negative freedom. According to Hayek, private property “is the only solution men have yet discovered to the problem of reconciling individual freedom with the absence of conflict. Law, liberty and property are an inseparable trinity.”⁷ While there is no other value hidden within the negative freedom, it can be understood only as an “absence of coercion” of the individual and his property. Again, quoting Hayek: “The state in which a man is not subject to coercion by the arbitrary will of another or others is often distinguished as «individual» or «personal» freedom, and whenever we want to remind the reader that it is in this sense we are using the word «freedom», we shall employ that expression.”^{8,9}

On the other hand, the Socialist approach to the definition of freedom is quite different. According to that, there are always other values in the concept of positive freedom. The Socialists start with the individual as well, but they claim the individual needs the material resources and power to “fulfil his freedom”.¹⁰ Then it is the duty of “society” to help everyone who is in need. As Edward and Jeffrey Martin explained, this Socialist claim is not based on the pragmatic grounds simply because they believe Socialism is more productive than capitalism¹¹, but because even the poorest members of society have a fundamental “human right” to satisfy basic needs.¹² On the other hand, later they claimed that the more equality

⁶ Locke 1824: 241–242.

⁷ Hayek 1998: 107.

⁸ Hayek 1978: 11.

⁹ We are fully aware that there are many different definitions of negative freedom, but it is not the purpose of our study to deal with this problem. There are studies dealing with the definition of negative freedom and its relation to positive freedom. Refer for example to Macmahon & Dowd 2014, Hoccut 2012, and very recently Nikodym & Nikodym & Pušová 2015.

¹⁰ This is precisely the point criticized by the classical liberals who claimed that freedom is freedom, not wealth or power. For example Hayek and Leoni considered it only as a “semantic confusion” used by socialists to exploit the “word with familiar sound” like freedom to other purposes. Refer to Leoni 1972: 33–34; Hayek 1976: 25–26.

¹¹ In fact, there are socialists who did believe. For example David Schweickart in his paper on economic democracy claimed that “we reshape the world over time to make it more rational, more productive, and more congenial to our capacity for species solidarity.” (Refer to Schweickart 2012: 244). Then he continued to say that the system of economic democracy “would not only «work»; it would work better than capitalism.” (Ibid.: 247).

¹² Martin & Martin 2014: 29–30.

there is in distribution of resources, the greater welfare it promotes in favour of “the common good”. While they admitted that different Socialist ideas may vary on the degree of equality, they summarized that:

“all apparently agree that some trend toward a framework for an egalitarian society is optimal, i.e., one where people are not separated from each other by division of wealth and resources that deny the basic subsistence rights of the human person (e.g. food, clothing, shelter, work, leisure, education, retirement, health care, transportation, extended leave from work for child care, spousal care or elder care, etc).”¹³

According to this point of view, abovementioned “rights” are claims which can be demanded upon society if not fulfilled.¹⁴

When talking about human rights, Schweickart highlighted especially the *right-to-work*. In his point of view it means that everyone who wants to work should have access to a job.¹⁵ Actually, the political reality should be a little bit different. Let us consider a historical example. Edvard Beneš, president of Czechoslovakia after WWII, was one of the leading proponents of economic democracy which he understood as a cure for all the problems of society.¹⁶ Economic democracy was the system that would guarantee the *right-to-work*. Beneš continued as follows: “It would involve a major transformation of contemporary society with the whole system of the legal superstructure where consistently applied principles on the right to work and the duty to work would be implemented.”¹⁷ So in reality, the *right-to-work* was just another term for the *duty-to-work*. Furthermore, we can mention Jan Masaryk, Beneš’ Foreign minister, who proposed the complete restoration of the freedom to work, that means the guarantee of the *right-to-work*. He started with the classical Socialist claim that: “Everybody has to be given an opportunity to choose their work”. Then he continued that if an individual was suitable for a particular job, “...the person had to be enabled by the State to fully develop his or her skills.”¹⁸ Or in the words of Stephen Pearl Andrews:

“Socialism proclaims that the Individual has an inalienable right to that social position which his powers and natural organization qualify him, and which his tastes incline him to fill, and, consequently, to that constitution or arrangement of the property relations, and other relations

¹³ Ibid.: 30. Practically the same idea can be found in Amartya Sen’s work *Development as Freedom*, where he described freedom as the level wealth and material capacity. On the contrary, Sen explained that: “*The unfreedom links closely to the lack of public facilities and social care, such as the absence of an epidemiological program or organized arrangements for healthcare or educational facilities...*” (Refer to Sen 1999: 4).

¹⁴ To the critique of the concept of rights as claims see Hoccut 2012.

¹⁵ Schweickart 2012: 247.

¹⁶ “Democratism, consistently implemented, is the cure for all our social problems”, Beneš summarized his thoughts. Refer to Hájková & Horák 2014: 53.

¹⁷ Beneš 1946: 272.

¹⁸ Masaryk 2000: 126.

of society, whatsoever that may be, which will enable him to enjoy and exercise that right,— the adaptation of social conditions to the wants of each Individual, with all his peculiarities and fluctuations of taste, instead of the moulding of the Individual into conformity with the rigid requirements of a preconcerted social organization.”¹⁹

To sum it up, Robin Archer explained “democratic freedom” as a composite concept. Not only is human freedom dependent on the range of options that are available to the individual, but also on the available resources to undertake the concrete choice.²⁰ One more important point has to be made. According to Archer there are two basic propositions about individuals. The first one deals with the aforementioned concept of freedom. The second proposition highlights the “inherently social nature of an individual”. It means, quoting Marx, that: “Man (...) is (...) an animal that can develop into an individual only in society.”²¹ These two propositions are mutually connected, but Archer claims that society as a supra-individual entity is not valued *per se*, but for the value of society as a necessary condition for individual freedom.²²

Let us now move to the Nazi theory of justice. First of all, this theory of justice is based on the refusal of individualism and the individualist concept of freedom. According to Othmar Spann and Hans Buchner, individualism was typical for both liberalism and Socialism.²³ The main critique was aimed against the alleged individualist claim that society is only the sum of discrete entities (i.e. individuals) bound together only by rationalist laws.²⁴ In Spann’s words, “individualist society” is “comparable to a concourse of atoms, to a heap of stones, in which every atom or stone remains independent, self-determined as it were, leading a separate existence; and in which the association of the parts has produced no more than a superficial and purely mechanical community.”²⁵ It is the individual, not the community, who is the basic element in the individualist philosophy. Then the consequences of individualism are purely negative. Spann said that individualism in the extreme form could lead to anarchism, Machiavellism or the natural rights philosophy. As a result, many possible

¹⁹ Andrews 1888: 12.

²⁰ Archer 1995: 12–23.

²¹ Quoted in *Ibid.*: 23.

²² Even the classical liberals stressed that freedom is a human concept and it is impossible to think about it outside society in the framework of pure nature. Refer for example to Mises 1981: 169–172; Leoni 1972: 51–52; Hayek 1978: 12; Knight 1941: 90–91. Although they also praised the importance of society and admitted there is an influence of society on the individual, they would never claim society preceded the individual and that the individual exists only thanks to society.

²³ Novotný 2007; Buchner 1932: 6–10.

²⁴ Refer to Wasserman 2014: 82; Spann 1921: 13–20.

²⁵ Spann 1930: 59.

political systems can emerge – absolutism, liberalism or democracy.²⁶ Another reason for the refusal of individual freedom was that, in the economic sphere, freedom means economic freedom which is the symbol of capitalism. There was also no doubt that capitalism leads to monopolism – the victory of the strongest, but not the best.²⁷

The critique of individualism and its consequences was the starting point for Spann's philosophy of so called "universalism" and the theory of justice which substituted freedom, especially the liberal concept of freedom as the absence of coercion. According to Spann, Man is not the so called *homo economicus* but rather the *homo socius*, i.e. the individual who fulfils himself in society.²⁸ That is also the reason why, in his opinion, the whole is prior to the parts, i.e. individuals.²⁹ "(...) the individual does not derive his intrinsic essence, his mental or spiritual being and nature, from himself qua individual"; Spann started his consideration saying that "he is only able to form himself, is only able to build up his personality, when in close touch with others..."³⁰ If it is true, then the basis of society could not be individual freedom, but another construct based primarily on community.³¹ It is the theory of justice. Here, from Spann's point of view, justice does not mean socialist equality, but rather the Aristotelian *suum cuique* or "distributive justice".³² In other words, the principles of justice can be loosely understood as "to each according to his due". In practice it means that the members of society recognize and perform the role they are best suited for. In a society based on justice, everyone has his own "natural" place according to his abilities.

It was already mentioned that Spann understood socialism as a consequence of individualism. When Spann asked himself whether it is possible to judge Socialism as a universalist system, he decidedly answered *No*. Spann's influence can also be traced in the Korneuburg oath which declared the fight against Marxism.³³ Spann himself especially criticized Socialist ideas like the "right to the whole product of labour", the demand for democracy and liberty as purely individualist concepts.³⁴ On the other hand, there were some features in the socialist ideology which can be

²⁶ Ibid.: 62; Wasserman 2014: 82; Spann 1921: 20–23.

²⁷ Ibid.: 99–103, 119–125.

²⁸ Ibid.: 81.

²⁹ Barth Landheer noticed that the priority of the whole does not mean temporal priority but the logical priority expressed in Aristotelian *Politics*: "For the whole necessarily precedes the part." Refer to Landheer 1931: 240.

³⁰ Spann 1930: 61.

³¹ Wasserman 2014: 85.

³² Spann 1930: 62–63. As pointed out by Ralph Bowen, the same principle can be traced in Fichte's philosophy. Moreover, Gottfried Feder emphasized the application of this principle of justice in Bismarckian era. See Bowen 1947: 26–31; Feder 1923: 10, 26–28, 67.

³³ Refer to Wasserman 2014: 94–95.

³⁴ Spann 1930: 211–212.

classified as “hybrids” – for example the “right to equality” because equality can be defined in the universalist way – and also features like the abolition of private property which can be fully universalist.³⁵

In our opinion, despite Spann’s interpretation of Socialism as an individualist concept, it can be shown that the opposite is true. If in the universalist philosophy society, or *totality* in Spann’s words, is the original essence from which everything proceeds, then let us recall Archer’s explanation of two basic propositions about individuals. Of course, he mentioned freedom as the first proposition which Spann refused as the individualist concept, but it needs to be reinterpreted – simply because the first proposition is inherently connected with the second proposition, so called *axiom of sociality*. Recently, we were quoting Marx and his claim that man is an animal and only thanks to society can he develop into an individual. In fact, mentioning “individual” does not mean it is the individualist philosophy. As Landheer explained, universalists did not deny the existence of the individual either, they rather “dethroned” him in the name of society.³⁶ Then Archer’s statement that “individuals have an inherently social nature” and that this nature “is determined by their relationship to society”³⁷ can be understood, similarly to Marx’s and Spann’s expression, as a purely collectivist concept.³⁸ It should be clear from the relation of freedom and society. According to classical liberal and individualist philosophy, freedom is something inherent to human nature, it does not matter for us now if it is given by God or discovered by *ratio*. On the other hand, in the Socialist concept freedom comes from society. Why? Since freedom in the Socialist explanation is just another word for wealth or power, it is, of course, dependent on the provision made by society. In our opinion, Spann refused Socialist theories due to the misinterpretation of Socialist freedom when he overestimated the role of the individual in the Socialist theories. We see Socialism rather as the *reaction* to individualism (i.e. collectivism) than the *continuation* of individualism. Finally, it was Spann himself who offered two names for his philosophy – universalism or collectivism.³⁹ There is also much more similarity in the *right-to-work* question than the socialist would ever admit. As we have shown, the *right-to-work* is rather the *duty-to-work* with the condition that it is the issue of society to enable the individual to fully develop his or her skills when suitable for a particular job. Spann’s justice supposed that everyone would naturally recognize and get the place where the individual suits the best.

³⁵ Ibid.: 211.

³⁶ Landheer 1931: 241.

³⁷ Archer 1995: 23.

³⁸ For example Hayek stated that “individualist socialism” is a contradictory term. Refer to Hayek 1976: 141.

³⁹ Spann 1930: 61.

These were the basic principles – freedom and justice – which are the basis of the economic systems. The socialists offered so called economic democracy, while Spann and his Nazi followers, for instance Buchner, proposed similar kind of Corporative State. We are going to analyse both systems in the following chapter.

Economic democracy vs. Corporative State

Let us start with the system of economic democracy. We are going to focus on the Nazi critique of this concept and its own proposal for economic order. Of course, there are various definitions of economic democracy, but we are going to focus on the main principles. For example, from the work of Elizabeth Staples it looks like the motto of economic democracy in the simplified way could be “*Let us do it ourselves*”.⁴⁰ Mark Bonham-Carter proposed to interpret the ideal of economic democracy as follows: “men should utilize economic laws in the same way that they utilize physical laws and that our knowledge of economics should be used to plan for equality and efficiency.”⁴¹ Martin and Martin used historical perspective to show the economic democratic movements in the past, for example Fabians who believed in “democratic socialized economy”, Syndicalism which proposed that participants in economic production should share equal ownership of the production, and finally the Guild Movement emphasizing co-ownership and co-management of production by the workers unions since the workers spend more time producing than consuming.⁴² Schweickart defines the goal of economic democracy as to have “worker-run” enterprises and replace private control over investments by a social control.⁴³ Archer, in very vague terms, describes economic democracy as “a system in which the basic units of economic activity, namely firms or enterprises, are governed according to the democratic principles”.⁴⁴ We may also recall aforementioned Beneš who saw the solution for all the problems of modern society in democracy. He simply claimed that if we accept the principles of democracy in politics, we shall be obliged to apply these principles in social and economic spheres.⁴⁵ One of his main followers, a journalist named Ferdinand Peroutka, expressed his definition of economic democracy thusly: “We admit that we are one of those who do not want democracy to disappear from Socialism, since democracy is only another word for freedom. It is necessary to unite Socialism and freedom.”⁴⁶

⁴⁰ Staples 1942: 185.

⁴¹ Bonham-Carter 1948: 291.

⁴² Martin & Martin 2014: 35–41.

⁴³ Schweickart 2012: 248–250.

⁴⁴ Archer 1995: 38.

⁴⁵ The National Archives of the UK (TNA UK), FO 371/34343: *Speech made by Dr. Benes at Manchester University on 5th December*.

⁴⁶ Peroutka 1947: 112.

The basic interpretations of the system of economic democracy were explained, but how would the concrete economic system look like? Archer argues that if we want to understand the differences between capitalism and economic democracy, we have to start with the position of “traditional industrial antagonists” – capital and labour, i.e. the shareholders vs. the employees. He complains that in capitalism the direct control is exercised by capital, but in economic democracy it should be made by labour.⁴⁷ There is, of course, the direct connection to “democratic freedom”, that means the direct control of those who are subject to an authority. Moreover, he claims that enterprises should be run on the “all-affected” principle. That means whoever is affected by the activity of the concrete enterprise should exercise some kind of control over that enterprise.⁴⁸ Despite the transfer of control over the firm to the various groups, Archer claims the change of property relations is not necessary. So while he claims that the direct control of the enterprise should be exercised by the workers, he concludes that worker ownership is not a necessary characteristic of the model of economic democracy. In our opinion, this statement is erroneous. It can be explained by the economic approach to property. According to this approach, “ownership is the ultimate control and direction of a resource. The owner of a property is its ultimate director, regardless of any legal fictions to the contrary.”⁴⁹ It will be clearer from the economic-democratic program proposed by Schweickart. He claims there should be democratically elected councils in enterprises who should oversee the decisions of the management which is “ultimately answerable to the workforce”.⁵⁰ So in fact, there is a transfer of the control over property to the workers, or a worker-elected council, despite the claim that ownership relations are not affected. Moreover, Schweickart demands the democratic control of investments to secure the rational development of economy. That also means that profit wouldn't be the basic criterion of the economy, but rather other demands like full employment or environmental protection. Martin and Martin claim the ownership question is not important for the economic democracy program as well. For them, democratic participation should rather solve the problem of “commodification of labour power”, not the property relations.⁵¹ In other words, the program of economic democracy is “democratizing labour and capital”. The effect is abolition of private property.

The question of private property was crucial even for the Nazi critique of the concepts of economic order. The theorists of Nazi economic

⁴⁷ Archer 1995: 41–42.

⁴⁸ More precisely, Archer named six groups which should have some control over the enterprises. Of course, these are workers and employees, consumer, capitalists, but also suppliers, banks and local residents (Ibid.: 38–39).

⁴⁹ Rothbard 2009: 1277; Mises 1998: 678–680.

⁵⁰ Schweickart 2012: 246.

⁵¹ Martin & Martin 2014: 44.

order, for instance Gottfried Feder, or later Hans Buchner, claimed private property to be the basic foundation of the proposal of national-socialistic economic order.⁵² Thus, when discussing the question of property rights, at first sight their concept can be considered as being similar to the above mentioned concept of economic democracy, whose advocates did not claim the revision of property rights as necessary. On the other hand, the national-socialistic view of democracy is completely different. We already mentioned in a previous chapter that for Beneš democracy represented a solution to all the problems of society. But Buchner, who was heavily influenced by Feder and Spann as well, saw in democracy the cause of all problems of society and economy.⁵³ The post-WWI “anarchy” was the result of democracy, and the crisis of society and economy a necessary consequence. Thus, the national-socialists did not share Peroutka’s claim about the “equality” between democracy and freedom and according to them democracy in the economic sphere could not solve the problems of economy.

The criticism of democracy itself resulted in an understandable criticism of the concept of economic democracy. The idea of economic democracy was favoured especially among social democrats who introduced different proposals of the organization of economy during the Weimar period. Such proposals were introduced for instance by Richard Calwer or Rudolf Hilferding who proposed the democratization of big business.⁵⁴ But Nazis claimed these proposals to be only an attempt to reform the capitalist system they strongly opposed.⁵⁵ Few serious issues can be found in national-socialist’s denial of social-democratic “revisionism”. For instance, it is possible to find strong emphasis on the role of cartels and monopolies in Calwer’s proposals. Cartels were, not only by Calwer, interpreted as an efficient market organization to coordinate the markets.⁵⁶ The national-socialistic theory of economy saw monopolies as natural results of capitalism and thus the idea of social-democratic reform was refused in

⁵² Feder 1923: 72; Buchner 1932: 7–10.

⁵³ Buchner 1932: 3–4. Spann himself described democracy as *Ochlokratie*, i.e. the rule of mob. See Novotný 2007: 487.

⁵⁴ Engelhard 2010: 21–22, 35–36; Smaldone 2010: 72–75.

⁵⁵ On the other hand, the advocates of economic democracy among the social democrats at that time can be considered as anti-capitalists as well. Even if economists like Calwer or Hilferding weren’t the revolutionists in the Social democratic party, it was heavily influenced by Marxism. And for Marx the capitalist stage was a necessary “predecessor” of socialism. This necessity was not shared by national-socialistic theorists and in consequence they could refuse the idea of capitalism completely. In the end, national-socialists are more radical in this way. For the critique of Marxism and its relationship to capitalism see Buchner 1932: 10, 12.

⁵⁶ The idea that unregulated and free market is not suitable for coordination of human actions was quite common in Central Europe. On the other hand, cartels and monopolies were considered to coordinate the market easier with lower costs. See Nikodym 2014: 25–38.

consequence.⁵⁷ Moreover, national-socialists did not only deconstruct the structure of the capitalist economy, but they challenged the whole “meaning” of capitalism – profitability. If capitalism is only to be reformed there won’t be a change in aims, national-socialists claimed.⁵⁸ Thus, when national-socialists wanted to change the aim (profitability) they did not see a way to do it through the reform of the capitalist system.⁵⁹

As Feder pointed out many times, the task of national-socialistic economy has to be the *fulfilment of demand*, not profitability.⁶⁰ The capitalist economy, according to national-socialists, is profit- and interest-driven, and thus the need for moral standard arose. When the owner, or an entrepreneur, is aware of his role in society, his aims won’t be capitalistic anymore and he will fulfil his *duty* without the need of profit. Thus, the introduction of the moral criterion, according to national socialists, will enable the change of aims and the creation of a new economy on a moral basis.⁶¹ The economy on moral grounds, not driven by interest and monopolists, can then *fulfil the demand*. But there is a question on how demand should be viewed. In case of national socialists it is not possible to consider demand as an individual’s demand arising from his needs. We already mentioned the issue of organic and collectivist approach of national socialists. According to this approach, the State is considered to be a living entity with its own needs and interests.⁶² Moreover, national-socialists, under the collectivist approach, claimed the State to be the “essence” or the highest representative of *Volksgeist*.⁶³ In the end, the State as the unity of Nation should represent the needs and interest of the Nation. As a

⁵⁷ See Feder 1923.

⁵⁸ Buchner 1932: 10–13, Feder 1923: 68–76.

⁵⁹ On this we can note that national socialists did not refuse only the economic democracy as a way to solve social and economic problems. In fact, they refused probably all other concepts except their own. Liberalism was rejected because of the atomistic approach. The same problem can be found in the case of Marxism, because according to Nazis Marxism not only does not oppose capitalism, but has an atomistic background (Ricardian) as well. On the other hand, state socialism, and communism as well, was considered to be another extreme. Even if national socialists did not refuse the idea of state ownership they were against the full state ownership of all property. They also refused the idea of the planning of economy.

⁶⁰ Feder 1923: 14–15.

⁶¹ This “moral approach” advocated by Feder or Buchner was not new in Germany. Especially from Buchner’s work we can identify a strong influence of German romanticism, and of Adam Müller in particular. Müller was not only nationalist but he introduced the moral criterion in his theory of the State. Fichte as well can be interpreted as inspiration for later national-socialistic theorists. For philosophical background of national-socialistic theory see Bowen 1947: 26–30; Briefs 1941: 279.

⁶² Again, it is important to note that organicism and collectivism were not introduced by national socialists. Their approach should be seen as a continuity of ideas developed by German romanticists and historicists.

⁶³ Knapp 1947: 107–118, Briefs 1941: 280.

consequence, the national-socialistic economy exists to fulfil the demand of the state.

Now we can turn our attention back to the question of property rights. We have already mentioned that national-socialistic theorists considered private property as a necessary component of their new economy. Moreover, they criticized other concepts of the organization of economic system on this basis. Thus, there is a question if the national-socialistic economy, as described above, can support the Nazi criticism of state socialism, Marxism, and economic democracy as well. The moral background of economy implies it has some tasks to fulfil and the theory of the State and Nation leads to the conclusion that it is the State who sets the task for the economy. In other words the economy is fully subordinated to the State to *fulfil the demand* because there is no higher authority. Moreover, theorists like Feder or Buchner claimed private property has to have its limits and has to be supervised by the State.⁶⁴ To conclude, when the economy exists only to serve the State, private property exists only to serve as well. When the State determines all the needs and tasks, owners of property are in fact forced to fulfil them. This claim might look too strong but according to economic approach the analysis is clear. Because when the State has the power to decide what and for whom to produce, the claim about private property and its role in national-socialistic economy will lose its sense. In fact, Spann was more concrete in his economic program. His corporatism would be based on the workers' guilds and other bigger communities, like employers. Then the property would be bestowed by the "community" on the individual. Like in the case of economic democracy, Spann also based his economic model on the concept of aforementioned *justice*. The outcome would be perfect class organization. Moreover, Spann highlighted that his economic system would not serve only for the satisfaction of material needs, but, what is even more important, there should be strong social and aesthetic basis of the economic system.⁶⁵

It is also worthy to mention how socialists understood the national-socialistic-corporative order. We have already said that from the national-socialistic point of view economic democracy was only the continuation of the capitalistic system. On the other hand, according to Haag, Spann's contemporaries had the same problems with national-socialistic system. So while they agreed with Spann's critique of capitalism, they refused the idea of *Ständestaat* since it was perceived as the "defense of the capitalistic *status quo*".⁶⁶ On the other hand, a different approach to the study of corporatism can be found in Archer. After his proposal of an economic-democratic system, he made a quite comprehensive analysis of corporatism.

⁶⁴ Feder 1923: 7; Buchner 1932: 30–33.

⁶⁵ Haag 1969: 69–86.

⁶⁶ *Ibid.*: 71.

Later he concluded that, while there are many dangers of corporatism, “it also offers the prospect of making some headway towards economic democracy”.⁶⁷ He is afraid that unions can give up their “radical” program and preserve capitalism, but on the other side, Archer realized that the situation can turn out in quite the opposite. That means the corporative State can be good for the economic democracy proponents when it would be the working class that would “dictate” the terms of consensus between the guilds or communities.⁶⁸

So not only is there some kind of consensus on the means by which to reach the aims of both systems, but there are other similarities between these “implacable enemies”. At first, they agree on the abolition of the profit motive as a leading power in the economic system. According to proponents of both systems, there are much more important values which economy should fulfil. Of course, the values to be fulfilled are different in both systems, but the economic consequences are principally the same. In consequence, both systems mean abolition of private property. Despite the fact that the proponents on both sides claimed that private property is either the basis of the economic system or it would not be affected, the economic approach to the theory of property showed the opposite. Finally, both systems were proposed to be anti-capitalistic and anti-liberal.

Final remarks

We introduced two concepts of economic order in our study. On the first sight, and according to proponents of these concepts, both ideas of economic order contradict each other. Of course, the proponents of economic democracy saw “democratization” as a solution to all problems and on the other hand theorists of *Ständestaat* rejected democracy in general as a cause of all problems. But we showed there are also similarities between these two concepts and in the end similar consequences when discussing the economic point of view, especially in the question of property rights. It implies the importance of economic approach of property rights, advocated for instance by Mises or Rothbard. Using this approach we were able to conclude the claims about the preservation of property rights (among both groups of theorists of economic democracy and corporative State) as unfounded. The appeal for introduction of some kind of moral criterion can be found in both concepts of economic order. In consequence private (i.e. individual) aims are replaced by collective aims and the role of economy is reduced to *fulfil the demand* that is determined not by individuals but by different collective entities. In such economies, where the activity of economic subjects is subordinated to “higher moral standard” (for instance rejection of profitability) there is, in fact, a transfer of property

⁶⁷ Archer 1995: 85.

⁶⁸ *Ibid.*: 86.

rights to the authority that sets the demand which has to be fulfilled. To conclude, both economic order proposals lead to abolition of private property despite their advocates' claim of property to be a basis of their "new order". Thus the economic approach to property rights that we used in this study, and the claims resulting from the chosen method, can be seen as another attempt on how we can show the similarities between Socialism and Nazism, even if these concepts are commonly considered to be in contradiction, not only by its advocates.

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