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# The tripartite social dialogue in Central Europe – A possible heritage of anti-libertarian political thoughts of the interwar period<sup>1</sup>

#### I. The general situation of Central Europe after WWI

The Great War brought about significant changes in Central Europe: the first worldwide cataclysm did not only rearrange political and geographical relations, but also created several new challenges for the states and societies entering the 20<sup>th</sup> century. On one hand the collapse of former great empires such as the Austro-Hungarian Empire was an economic, political and mental burden. International stabilization was almost made impossible by the series of peace pacts following World War I. The defeated parties (and some of the countries winning the war) experienced significant discontent caused by the conditions of the contracts, which made these countries set the revision of newly concluded peace in the focus of their policies. This process led to an opposite and hostile position between the newly created nation-state formations in Central Europe. The consequence of this was that their foreign policies corresponding to the new framework also resulted in a change in economic policies: they closed their borders and favored protectionism instead of formerly existing free trade. This caused problems primarily because the freedom-contract packages included economic measures that – considering the economic conditions – fundamentally hampered the recovery of the defeated parties (and also Italy and Portugal from the winning side).<sup>2</sup>

This became a source of further problems, especially because war conjuncture was followed by rapid and intense inflation, a decrease in production, unemployment, and hereby economic collapse. The political and economic instability of Central Europe and the increasingly powerful social tension led to the prominence of radical solutions in many countries. The communist movement based on the Marxist theories of class struggle gained ground in Russia, and, following the post-war collapse, in Central and Eastern Europe. The radical left tried to grab power through revolutions in order to rearrange political and social issues according to its own principles. As a matter of course counter-reaction appeared when the extremist leftist revolutionary movements announced anti-capitalism and even undertook the total destruction of social classes. Therefore the extreme forms of rightist theories did not only

<sup>&</sup>lt;sup>1</sup> The making of this study was supported by OTKA K 100546 – "Economic and social reform-concepts and social models in the interwar period" project.

<sup>&</sup>lt;sup>2</sup> See: KEYNES, John Maynard: *The Economic Consequences of the Peace*. New York, Harcourt Brace. 1920.

appear in Europe, but also aspired to realize their own political principles in a similarly radical way.

## II. The critique of "Manchester-capitalism"

Inflation, the emptying of cash reserves, unemployment and poverty generated great social tensions that set light on the drawbacks of liberal capitalism based on the freedom of competition. The capitalist economy based on individualist advantages without brakes and barriers, decreasing labour costs and thus profit maximization soon found itself in a crisis after the First World War. The New York Stock Market Crash in 1929 made it clear that new paths are needed to avoid social explosion. Politicians, sociologists, scholars of social sciences and economists concerned about these problems regarded the clarification of the state's role within national economy as a primary question.<sup>3</sup> They thought that it was inevitable to rethink the trilateral relations of the state, employers and employees, in order to realize and maintain state stability and peace in society. They relied on earlier experiences and new theories in order to make an effort to rethink the options of solving social issues, that is, the motives of state measures and the roles of each social class. In order to avoid any further revolutionary atmosphere or class struggle the governing conservative political camp, the Christian-Social political movement, had to open up for the management of social problems and social tension in our region.<sup>4</sup> In addition, it also had to channel anti-liberal and anticapitalist tendencies.

It became clear for several thinkers of the era, e.g. Johannes Messner, Oswald von Nell-Breuning, Othmar Spann on the one side and Werner Sombart, Robert Hilferding on the other, that the liberal economic, social and political order present before World War I was stricken by a crisis that could only be escaped with its complete renewal or replacement by another system.<sup>5</sup> The overemphasizing of individual freedoms led to the evolution of individualism and the unlimited pursuing of individual advantages, which caused dissatisfaction considering the consequences of the industrial revolution. Several thinkers questioned the liberalists' positive depiction of the individual: humans are not able to improve their own existence on

<sup>&</sup>lt;sup>3</sup> JAMES, Harold: 1929 - The New York Stock Market Crash. *Representations*. Vol. 110. No. 1. (Spring 2010). pp. 129-144.; KINDLEBERGER, Charles P. *The World in Depression, 1929–1939*. Berkeley: University of California Press, 1973.; TEMIN, Peter. *Lessons from the Great Depression*. Cambridge, MA: MIT Press, 1989.

<sup>&</sup>lt;sup>4</sup> See: SCHEUCH, Hanno: Austria 1918-1955. From the First to the Second Republic. *The Historical Journal*. Vol. 32. Issue 1 (March 1989) pp. 177-199.

<sup>&</sup>lt;sup>5</sup> See in detail: ZACHAR, Péter Krisztián: "*Államkapitalizmus" – "szervezett piacgazdaság" – "hivatásrendi állam"? A liberális gazdaságszervezés alternatívái Közép-Európában a két világháború között.* Presentation at the conference "V. Több nemzetiségű államok keletkezése és felbomlása Közép-Európában" in Szeged, 1<sup>st</sup> March 2013.

earth, and a more human and more livable society would not be realized merely based on a freedom for all. The extension of freedom did not become a source of happiness, but a more intense appearance of the "homo homini lupus" principle. Market and economic tendencies also played a serious – if not decisive – role in this phenomenon.<sup>6</sup>

The success of liberalist thinking was justified by the processes of the late 19<sup>th</sup> century: largescale development as a result of the increasingly dominant market economy also resulting in material advancement and a series of scientific and technical revolutions. The other side of the coin was mass poverty, exploitation to an extent never seen before, and early apathy in cities. This was the reason for the emerging of new political ideas and for Pope Leo XIII to circulate *Rerum novarum*, the first social encyclical of the Catholic church (1891).<sup>7</sup>

The "natural social and economic order" regulated by the market remained a utopia because the liberals' belief in natural laws also regarded the market; according to them these laws would realize the appropriate economic processes by themselves. It became clear that the liberal notion of freedom and its application was narrowed down: it only provided "freedom" for individuals, that is, certain privileged rich people.<sup>8</sup>

Several thinkers had the view that capitalism itself eliminated free competition. It replaced it with organizations of market and economic power. According to them this was symbolized by expansive industrialization, rationalization and technical modernization, the repression of agriculture and the following social changes, the creation of stock companies based on a need of capital, and the resulting monopolization. The criticism of the democratic parliamentary structure and party systems became a general idea among Central European thinkers simultaneously. The view that the result of the parliamentary system was "the merciless, open or hidden reign of demagogy and tyranny, backdoor economy and financial powers" was not uncommon.<sup>9</sup> It was an increasingly popular opinion that a parliament stemming from general elections is unable to represent all political views and bring compromise-based solutions to the surface.<sup>10</sup>

<sup>&</sup>lt;sup>6</sup> See: BELL Miklós: *Mi a mostani nyomorúság oka? Az aranyfedezetű pénzrendszer haldoklása.* Első Debreceni Irodalmi Társulat, Debrecen, 1933.; HAVAS Imre: A kapitalizmus vége? *Korunk.* 1928. Nr. 11. (Nov. 1928.); VARGA, E. (1928): Die Wirtschaft der Niedergangsperiode des Kapitalismus. Verlag Carl Hoym. cited by: Az államkapitalizmus "kurzusa". *Korunk.* 1932. Nr. 2. (Febr. 1932.)

<sup>&</sup>lt;sup>7</sup> Rerum novarum. Encyclical of Pope Leo XIII. on capital and labor. Online: http://www.vatican.va/holy\_father/leo\_xiii/encyclicals/documents/hf\_l-xiii\_enc\_15051891\_rerumnovarum en.html

<sup>&</sup>lt;sup>8</sup> See: SZABÓ, Ferenc: A politikai közösség Krisztus fényében. *Távlatok*. 1992/7. pp. 291.ff.

<sup>&</sup>lt;sup>9</sup> DASSEL, Reinald: Gegen Parteienstaat für Ständestaat. Wien - Graz - Klagenfurt. 1929. p. 3.;

<sup>&</sup>lt;sup>10</sup> See: BUNZEL, Julius: Der Zusammenbruch des Parlamentarismus und der Gedanke des ständischen Aufbaues. Leuschner & Lubensky, 1923.; KARPELES, Benno: Klassenkampf, Fascismus und Ständeparlament. Ein Beitrag

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One of the great Central European philosophers of the era, Othmar Spann stated that the product of individualist policies is demagogy, which results in that leading positions are not provided for the best candidates, but those who win voters based on their effect on individuals' interests and emotions. People can become popular leaders ("Führers") if they focus on the meanest instincts, and are the loudest and best speakers.<sup>11</sup> As a result of universal and equal suffrage, the representation of people does not create a political mirror image of society: the representation of the interests of all social groups among representatives is only possible by accident. This is the reason why the reform of the representation of economic and political interests became a key question. According to contemporary thinkers legislation can only cover the whole society if it is segmented in accordance with social interests.

The numerous efforts for a solution shared a common base theory: it is not enough to treat symptomatic phenomena, that is, social tension and social problems on the surface, but there is a need for more in-depth solutions, which meant the creation of a new political, social-economic system in each case. During this period these theories were not limited to a narrow circle ("lunatic fringe") that could be qualified as extreme rightist or extreme leftist, reactionary fascist of communist. Much rather, they created a widespread set of ideas that became a part of political "mainstream". Taking the social dimension into account, we can state that they served as a base of reference for several ideologies from the socialist labor movement to political Catholicism, from Marxist class struggle to extremist national socialism.<sup>12</sup>

It seemed clear to those requiring change that the entire system of the representation of social and economic interests should be reconsidered; that is, economic and social structures, and the political decision-making structures embracing these should be reregulated. In the meanwhile the relation system of employers and employees should be settled on a new basis, eliminating opposition that seemed implacable beforehand, and the chance for class struggle paralyzing the whole economy and society should be done away with.

Many people agreed regarding common aims and tasks, but European countries tried to achieve these in various ways: in Soviet-Russia the dominant structure was communist

zur Diskussion über die berufsständische Neuordnung. Olten, Berlin. 1933.; LIFKA, Franz: Kapitalismus und ständische Erneuerung. (= Ständische Ordnung und Quadragesimo Anno). Wien, 1935.

<sup>&</sup>lt;sup>11</sup> SPANN, Othmar: *Der wahre Staat. Vorlesungen über Abbruch und Neubau der Gesellschaft.* Verlag von Quelle und Meyer, Leipzig, 1923. p. 120.

<sup>&</sup>lt;sup>12</sup> See on this: STRAUSZ, Péter: New type of society- and economy-organizing based on historical models. In: Változó világ – Társadalmi és gazdasági útkeresés. Ed.: BESZTERI, Béla – MAJOROS, Pál. Veszprém, MTA VEAB – BGF. 2012. pp. 341-346.; STRAUSZ, Péter: Korporáció vagy hivatásrend? Az érdekképviseleti rendszer átalakításának kérdése Európában és Magyarországon 1926-1940. Múltunk. Politikatörténeti folyóirat. Vol. LV. (2010.) Nr. 1. pp. 83-122.

dictatorship, in Italy it was the fascist corporative state, and in Germany it was the "Führerprinzip" and the national socialist dictatorship. In Central Europe state leadership was strengthened and the society opened up for authoritarian structures.

### III. From "vocational order" to the social dialogue

The followers of the conservative, often Christian social ideas determinant in the region did not deny, but accept the existence and necessity of the state organization. As opposed to Communist or national socialist movements, they did not want to eliminate it, and the building of state providing public welfare became their role. During this period an authoritarian, etatist branch appeared and a moderate branch willing to accept democratic foundations also took form, whose major thinkers were attached to the Vatican and church teachings. It was the building of public welfare that served as a tool for thinkers closely attached to the Vatican to realize "rational and reasonable" politics. This way they encountered totalitarian ideologies that "are fake, lead to illusions (being inhuman), and promise the complete liberation of humans and heaven on earth".<sup>13</sup> They drew their main theses from the two determinant social encyclicals of the period: the above mentioned Rerum novarum (1891) and Quadragesimo anno (1931). In order to understand the era, we must point out that the teachings of the Pope did not set out compulsory patterns; it was not a basic constraint to compose a new political framework. The aim of the church was to formulate organic internal social life within the ever existing framework (democratic, monarchical, authoritarian), create the balance of capital and work, and the internal reconciliation of interests. At the same time, by creating the notion of subsidiarity, encyclicals offered a modern society organization alternative against the almighty state, etatism and totalitarian order.<sup>14</sup> Although this idea was present in arguments within Central Europe, its realization was impossible in the given historical climate.<sup>15</sup>

The papal teaching concentrated on the social aspects of economic life, the distribution of income, and, especially, fair wages. Its primary aim was the harmonization of scholastic natural law with modern liberal economy and social sciences. By means of the new vocational order the aim was to make economy and society "moral" and "Christian", in order to create

<sup>&</sup>lt;sup>13</sup> SZABÓ, 1992. pp. 291.ff.

 <sup>&</sup>lt;sup>14</sup> See: ZACHAR, Péter Krisztián: Alternative Wege der Gesellschafts- und Wirtschaftslenkung im Ständegedanken. In: Változó világ – Társadalmi és gazdasági útkeresés. Ed.: BESZTERI, Béla – MAJOROS, Pál. Veszprém, MTA VEAB – BGF. 2012. pp. 347-355.

<sup>&</sup>lt;sup>15</sup> NOLTE, Paul: Ständische Ordnung im Mitteleuropa der Zwischenkriegszeit. Zur Ideengeschichte einer sozialen Utopie. In: *Utopie und politische Herrschaft im Europa der Zwischenkriegszeit*. Hrsg.: HARDTWIG, Wolfgang. (Schriften des Historischen Kollegs. Kolloquien 56.) Oldenbourg Wissenschaftsverlag GmbH, München, 2003.

public welfare. The organizing principle of economy would therefore be provided by human conscience, autonomous vocational organizations and state law. The foundation of vocational organizations is primarily necessary as these substitute for the state, and autonomous vocational orders possess economic responsibility. Relations with the state providing the legal framework are settled by subsidiarity: the state only intervenes where private efforts fail or public welfare is endangered.<sup>16</sup> As a solution, papal encyclicals placed solidarity in the focus: the support of a social group may never be aimed against another, but the stronger one is required to give a helping hand to the weaker one voluntarily.<sup>17</sup>

They made it clear that for this reason humans can only be interpreted as social creatures; and human dignity is an inseparable companion of character. Not a single person can be considered as a factor of production offering himself/herself for sale in the market, submitting himself/herself to the mechanism of supply and demand. The most fundamental mistake of the contemporary liberal economic approach was that it considered human workforce as goods, depriving people of their personalities. It is important that humans in employment should keep their human dignity and rights including fair wages.<sup>18</sup> The framework for the reconciliation of interests regarding these claims can be provided by organizations coordinating employers and employees together. Therefore it is indispensable to create a new social-economic order. Such thinkers of the era felt that this was the way to eliminate proletariat, avoid class struggle, and develop society towards the direction of welfare societies in a peaceful way.<sup>19</sup> According to sociological surveys the power of vocational order manifested itself in pointing out that individuals exposed to the power of capital can articulate their interests successfully as a part of community.<sup>20</sup>

Several theories emerged regarding the realization of the state of "vocational order", although only one of them was realized in practice: the "authoritarian vocational order state". Its imprints can be seen in contemporary systems such as *Ständestaat* of Austria and *Estado Novo* of Portugal. Both systems thought that the new state order would enable them to get rid of the "liberalistic" notion of state and the "total state", which was embodied by bolshevism,

<sup>&</sup>lt;sup>16</sup> WEBER, Quirin: Korporatismus statt Sozialismus. Die Idee der berufsständischen Ordnung im schweizerischen Katholizismus während der Zwischenkriegszeit. Universitätsverlag Freiburg Schweiz. 1989. pp. 83-85.

<sup>&</sup>lt;sup>17</sup> KOWNACKI, Robert P.: Catholic Social Thought – From Rerum Novarum to Centesimus Annus. *The Ecumenical Review*. Vol. 43, Issue 4 (October 1991) pp. 430–434.

<sup>&</sup>lt;sup>18</sup> MUZSLAY, István: Gazdaság és erkölcs. *Távlatok*. 1992/7. pp. 322.ff.

<sup>&</sup>lt;sup>19</sup> See: PESCH, Heinrich: *Christlicher Solidarismus und soziales Arbeitssystem*. Flugschriften des Generalsekretariates der Studentischen Ortsgruppen der Deutschen Zentrumspartei. Heft 1. Berlin. 1922.

<sup>&</sup>lt;sup>20</sup> ALMÁSY József: Magyar hivatásrendiség? Magyar Szemle. 1944. Vol. XLVI. Nr. 2. (198.) pp. 67-76.

fascism, or national socialism.<sup>21</sup> These states denied the grounds for the existence of the multi-party system. As we have mentioned earlier, they regarded parliament in its liberal form as a place of the exclusive enforcement of parties and interest groups organized around them. For them, the aim of the new advocacy and economic control system was to preserve the state's scope for action. For that purpose they used the "vocational order" notions presented by papal encyclicals, thus legitimizing authoritarian state.

Within this framework they strove to organize all kinds of advocacy under state supervision; they tried to organize both employers and employees, both manufacturing industry and agriculture within the framework of legal interest-representing bodies and develop these organizations towards the direction of "vocational orders". Later on creating a 'council of orders' based on advocacy bodies emerged which became a dominant issue of political polemy. This was the reason why they thought that factors of economy and segments of society would be more deeply involved in the regulation of general economic and social issues, and the preparation and control of legislation.<sup>22</sup> "Social partnership" appearing on a theoretical level (that is, a new model of advocacy) could bring about the realization of real "res publica"; that is, all citizens could take part in the decision-making process of advocacy bodies. The economic advocacy groups welcomed the creation of the assembly of orders, which would enable factors of economic life to take their well-deserved place in state administration. In order to justify this they emphasized their right to propose bills, their expert role during the creation of bills, and the solidarity and subsidiarity expressed in these roles.<sup>23</sup>

The political climate of the 1930's did not leave enough time for Central European states such as Austria or Hungary to work out the elements of the new interest-representation (advocacy) system. Considering the organization of economy – and this is an area where various theoretical approaches agreed – the isolated representation of the interests of various professions could not be successful. We must also point out that many (catholic, Christian socialist) experts emphasized again and again the necessity of preserving democratic political entities, as opposed to etatist control. For them the new structure of state organization would enable control over the government regarding orders, provinces and democracy. The separation of the conceptual spheres of state, society and economy was crucial for those

<sup>&</sup>lt;sup>21</sup> See on this: KARPELES, Benno: *Klassenkampf, Fascismus und Ständeparlament*. Typographische Anstalt, Wien, 1933. p. 11.

<sup>&</sup>lt;sup>22</sup> For more information see: GEIBLER, Franz: Österreichs Handelskammerorganisation in der Zwischenkriegszeit. Eine Idee auf dem Prüfstand. Österreichischer Wirtschaftsverlag, Wien, 1977. II. pp. 70-78. GEIBLER, 1977. I. p. 3.

<sup>&</sup>lt;sup>23</sup> See: FISCHER, Peter G.: Wirtschaftliche Interessenverbände in der Krise des politischen Systems der ersten Republik Österreich 1927 bis 1938. Manuscript, Bundesministerium für Wissenschaft und Forschung. pp. 56-60.

adhering to their opinion regarding the abovementioned principles. They thought that social justice needed to accompany justice by law. Crisis – according to its contemporary interpretation – necessarily led to economic dictatorship, a win of the stronger or more aggressive party. This brought about uncertainty of existence for the majority of society; individualism and economic policies aiming for the greatest possible profit at the lowest possible price.<sup>24</sup>

As a matter of course this became one of the reasons of class struggle; it made the danger of revolution permanent, and plunged societies into crisis. This can only be done away with if social justice becomes the major fundamental principle of national economy instead of free competition and the dictatorship of capital. The distribution of incomes is carried out according to this, and class struggle is replaced by a cooperation of various professional spheres (vocational orders), besides state leadership and control. Subsidiarity and solidarity is realized in this new society, whose primary focus is "social dialogue".<sup>25</sup>

However though, in Central Europe, this has only remained a high-sounding promise and philosophy. Given the conditions of the era, the etatist and authoritative state became the most determinant entity, and also played a dominant role in the organization of economy. In these circumstances they tried to eliminate class struggle and move public welfare forward utilizing the dominant role of the state.

## IV. The afterlife of vocational thoughts

In the era of World War II it became clear to the ordoliberal thinkers and the politicians receptive to Christian social teaching that an etatist, over-regulated (authoritative) state is just as improper as market economy without any limits. "While individual rights and interests were emphasized in the liberal socio-economic system and the interests of the community and the governing party were emphasized in totalitarian systems, resulting in consequences that were tragic for the whole society, the ever valid and authentic harmony of the individual and the community can be found in the Christian notions of society."<sup>26</sup> This enabled society to create a new philosophy between the two extremes – the model was based on independent action and self-government, and required the inclusion of legal regulations and social control

<sup>&</sup>lt;sup>24</sup> See: GSCHEIDLINGER, Fridolin: Die historische Entwicklung der Sozialpartnerschaft in Österreich, bis in die Anfänge der Zweiten Republik unter besonderer Berücksichtigung der Position der katholischen Kirche. Wien, 1996.; KLOSE, Alfred: Geistige Grundlagen der Sozialpartnerschaft im katholischen Sozialdenken. In: Historische Wurzeln der Sozialpartnerschaft. Ed. STOURZH, Gerald – GRANDNER, Margarete. Oldenbourg, München, 1986.

<sup>&</sup>lt;sup>25</sup> Lásd bővebben VARGA, László S.J.: Új társadalmi rend felé. Magyar Kultúra. Budapest, 1933.

<sup>&</sup>lt;sup>26</sup> MUZSLAY, István: Az egyház szociális tanításának alapelvei. *Távlatok*. 1997/34. sz.

in the system. We must note that this was one of the reasons why – in spite of heated arguments and polemy – several ideas of classical liberalism make up the unquestionable foundations of all moderate political ideologies (be it conservative, or leftist, socialist).<sup>27</sup> Modern market economy could combine those liberal foundations with the social teaching of the church and the service of public welfare.

One of the most significant reasons of this process was that several countries were lead by committed Catholic politicians such as Adenauer, de Gaulle, and de Gasperi, who were able and willing to enter compromises of historical importance, and – as their education and earlier activities proved – the church played an important role in education, and had a great influence in social policies. They might have also been influenced by the contemporary ideas of Oswald von Nell-Breuning and Johannes Messner, which aimed to transfer the notion of vocational orders into the framework of a modern, democratic state, suggesting that the deep conflict between employers and employees (which had seemed irreconcilable before) might be resolved by cooperation as equal parties. Class-based society, making the parties entering the labor market into enemies, should be replaced by self-government organs, as the development of economy and society greatly depends on the common performance of employers and employees. Therefore an essential element of the system is not conflict, but concordance and an agreement of several parties.

The theoreticians and practical politicians of the era had a clear vision that only a political system including elements of "social dialogue" is able to operate as a comprehensive political representation embracing the entire range of social forces. If this is accompanied by the idea of social solidarity, then the resolution of antagonistic class oppositions may be resolved successfully (bipartite dialogue). As Johannes Messner explained between the two world wars<sup>28</sup>, parity between employers and employees is realized through the workers' participation in decision-making and related responsibilities ("Mitbestimmung und Mitverantwortung"). As a result, workers become full members of society, therefore employers and employees take joint responsibility for the future.<sup>29</sup> The dialogue of labor

<sup>&</sup>lt;sup>27</sup> The dignity and freedom of individuals have become a common domain of Liberalism (emphasizing modern freedoms) and Christianity. We have left behind those times when the church could not handle the social liberal ideas of Hughes Felicité Robert de Lamennais, theologist, priest and politician, later referred to as a forerunner of Christian social thinking. See.: BOTOS, Máté: *Gazdaságetika és a gazdasági gondolkodás története*. Budapest, PPKE JÁK, 2000. p. 48.

<sup>&</sup>lt;sup>28</sup> MESSNER, Johannes: Die soziale Frage der Gegenwart; eine Einführung. Innsbruck, Verlagsanstalt Tyrolia, 1934.

<sup>&</sup>lt;sup>29</sup> For more information about the ideas of Johannes Messner, see: ZACHAR Péter Krisztián: Német-Ausztria keresztény-konzervatív gondolkodói és válaszaik a gazdasági-társadalmi válságperiódusra. *Közép-Európai Közlemények. Történészek, regionalisták és geográfusok folyóirata.* Vol. V. Nr. 2. sz. (2012/2. No. 17.) pp. 29-41.

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market parties that seemed irreconcilable earlier leads to the development of social solidarity, which formulates proposals for the state in order to develop and organize economy (tripartite dialogue). For that very reason in modern economy, if necessary, it is the responsibility of the government to "find a solution with an active cooperation of social groups".<sup>30</sup>

Social peace and economic stability – at least in the German-speaking region, belonging to Central Europe in a broad sense – became closely related to the institutionalized dialogue between employers and employees.<sup>31</sup> This is the reason why modern states realizing social market economy laid stress upon concordance independently of momentary party interests, and emphasized public welfare instead of particular class interests. As a result of the papal teaching, their attitudes incorporated subsidiarity, which enabled them to create the self-government of specific social groups.<sup>32</sup> Therefore we may also notice the conservative anti-libertarian thoughts of the interwar era in the attempt to overcome the crisis of capitalism by strengthening the community instead of maintaining the individualist society having start to fall apart. The designed social dialogue was able to solve the political-economic crisis-situations after WWII, eliminating the lacks of democracy and capitalism.

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<sup>&</sup>lt;sup>30</sup> BOTOS Katalin: Katolikus gazdaságetika néhány kérdése. In: Kapitalizmus és kereszténység. Ed.: BETHLENFALVY Gábor. Budapest, Igen Katolikus Kult. Egyesület, 2004.

<sup>&</sup>lt;sup>31</sup> MÜLLER, J. Heinz: Grundgedanken der Enzyklika Quadragesimo anno und die Nachkriegsentwicklung in der Bundesrepublik Deutschland. In: *Die Enzyklika Quadragesimo anno und der Wandel der sozialstaatlichen Ordnung*. Ed. MÜCKL, Wolfgang J. (Rechts- und Staatswissenschaftliche Veröffentlichungen der Görres Gesellschaft. Neue Folge, Heft 62.) Schöningh Verlag, München – Wien, 1991.

<sup>&</sup>lt;sup>32</sup> See: SCHNARRER, Johannes Michael: Interessenverbände und Gewerkschaften als Sozialpartner in der christlichen Soziallehre. In: *Solidarität und Sozialstaat*. Ed: SCHNARRER, Michael J. Institut für Sozial- und Wirtschaftspolitik, Wien. 2000.

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