

10-2. Comparative Study on Liberalism of Friedrich von Hayek and Walter Eucken

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Abstract

Purpose of this paper is to clarify some ambiguities in the discussion on economic liberalism, by comparing Hayek and Eucken. Even though the two liberals share individual freedom as meta-economic goal, they have different views about the function of the market competition. For Hayek, market is an information system which enables mobilization of dispersed knowledge in the society. Eucken considers market competition as a mechanism which protects economic agent from the abuse of power by the state or private agents including interest group. As to competitive order of the market, Eucken considered the active role of the state(Ordnungspolitik), while Hayek believed in the spontaneous order and evolution, even though democracy played an important role. Thus, the precondition for the natural freedom seems to be different between the two liberals.