

Laudation
on the occasion of the award of
the International Prize of the Friedrich-August-von-Hayek-Foundation
to the President of the Republic of Finland, Sauli Niinistö,

by the former President of Germany, Prof. Dr. Horst Köhler
on November 17th, 2013 in Freiburg

Check against delivery!

Dear President Niinistö,
ladies and gentlemen,

I.

as you probably know, Friedrich August von Hayek sometimes used the opportunity of a prize-award to upbraid the science and the politics of economics. Here is an example from his Nobel Memorial Lecture:

"(...) the economists are at this moment called upon to say how to extricate the free world from the serious threat of accelerating inflation which, it must be admitted, has been brought about by policies which the majority of economists recommended and even urged governments to pursue. We have indeed at the moment little cause for pride: as a profession we have made a mess of things."

Actually, one reason why Hayek's works stay so topical and up-to-date is that economists and economic policies succeed in making a mess out of things again and again. Thus, they amply demonstrate what holds true in many walks of life: Once important facts and principles are disregarded or misunderstood, there is hardly a limit to the amount of mistakes, damage and outright tomfoolery that can be reached.

All the more gratifying are examples to the contrary, examples that prove how much progress and wellbeing can be achieved through prudential economic, financial and social policies. The Republic of Finland offers such an example. Today, we honour a man who has contributed

outstandingly to his country's success and continues to do so; we honour President Sauli Niinistö.

II.

Possible interjection: Maybe his secret is that he isn't an economist! Indeed, he has studied and practised law. But as one can learn from Hayek, those who are nothing else but economists will rarely be great economists, and Sauli Niinistö is much more than solely a lawyer, he has got an economist's mind as well, and that means: He, too, has got the right mix and is the right stuff for achieving great results in the field of economical, financial and social policies. My offer of proof: Look at how diligently he steered Finland into the European Monetary Union. Consider his sterling politics of stability that fostered growth. Acknowledge how, as Finland's President, he encourages his citizens to accept the challenges and to shape the chances of globalization in such a way that they "grow as individuals, as a nation and as an economy."

I found this *dreiklang* of individual, nation and economy in your inauguration speech, Mr. President. You will hardly have formed this triad at random. First and foremost, there is the individual, basis and purpose of all that follows. Whoever aims to think and to act politically, should start by contemplating the nature of man (and woman), should ask how their capacity for freedom and responsibility may be developed and secured best. He can turn to Hayek for advice... And whoever puts the individual first will not accept that anyone is left behind, will tackle social exclusion and will work for strengthening togetherness and national unity, as you do, President Niinistö, and will stress that such cohesion is always a fruit of responsibility

on *all* sides, of those who can furnish help as well as of those who need it. It takes cohesion and it takes unity to flourish in freedom - that is something the Finnish nation may have a deeper understanding of than many others do. In any case, one of the distinct and distinguishing characteristics of the Finnish model is its high degree of responsibility and accountability. There is a healthy readiness to assume responsibility for one's own life, there is a great sense of solidarity, and nothing could be more expressive of Finland's sense of responsibility than the formidable contribution she makes both within the European Union and in international politics. At the core of all of this: a healthy self-confidence and a self-esteem that is all too understandable in the light of the successful Finnish social model and the Finnish work ethic at its base.

That is where the third note rings out: economy. Friedrich August von Hayek has shown that the organisation of the economy will always shape and determine the political order of society. He has shown that a liberal economic constitution is vital for a nation's freedom and that such a liberal economic constitution can only develop and thrive if it is founded upon the individual liberty of all citizens and if it holds them responsible for how they use their freedom.

In this respect, Finland and the Finnish people have done admirably, and President Niinistö has helped them do it. No mess, after all. Old Hayek would probably be quite pleased with this performance...

III.

But today's laureate is also a soccer expert, and therefore he might know what the most famous German soccer philosopher Sepp Herberger used to say: “After the match is before the match” or “The next game is always the hardest”. The ball is round, as our globe more or less is, and new competitors challenge the Finnish and the Nordic and the European and the Western social model and their respective triads of individual, nation and economy.

If I understand you correctly, Mr. President, your counsel is as follows: The Europeans should not just and only discuss which elevator going *down* to take - they should look for the elevator that will lift them *up* again. That particular elevator is not driven by ever more sovereign and private debt, it is driven by industriousness, inventiveness and competitiveness, and that is why we need structural reforms to set these habits, skills and qualities free again. That calls for a political negotiation within and between the European societies. Unresolved distribution conflicts have to be straightened out, interest groups that benefit from the present, sclerotic conditions will have to be challenged, and the relationships between the member-states need adjustment, need a fair balancing of solidarity and self-supporting ownership on every nation's part. And I couldn't agree more with the lawyer Sauli Niinistö when he points out that this does not primarily call for additional rules, for the European Union already has reasonable rules aplenty, but for compliance, self-discipline and trust, which are the fundament of any rule of law among nations and within the EU.

In a nutshell: Europe must be honest with herself. She must face the truth, even if it is inconvenient. It will take an effort to rebuild Europe's resilience and promise. No one can do that for us, though many, all over the world, hope for another European spring. Our continent must continue its important contribution to making this world a better place. Europe should help and inspire all who strive for freedom, democracy, the rule of law and the protection of the global common goods. In that sense, our values and our strengths are entrusted to us not only for our own sake: They are meant to be shared, and that will make them even stronger. The world needs good examples. Europe can furnish one.

IV.

Ladies and gentlemen,

these are testing times, economically and politically, and one might easily grow a little impatient. But you, Mr. President, present your positions quietly, friendly, patiently. Maybe patience is a particular strength of the Finnish national character? I do not know. Perhaps you just simply made the experience that the quiet, friendly and patient voice of reason has such an encouraging amount of resonance: I have read that in a parliamentary election, you won more votes than any candidate had before in Finnish history. Those voters had all listened to you, and they were all convinced of you.

Well, this foundation is, too. Congratulations on being awarded the International Prize of the Friedrich-August-von-Hayek-Foundation, President Niinistö!