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### **THE MEANING OF THE SOCIAL MARKET ECONOMY IN THE LEGAL ORDER OF THE EUROPEAN UNION**

Sec. 3, par. 3, of the Treaty on European Union, in delineating the objectives of the Union, contains an apparently contradictory expression. According to this provision, the establishment of the internal market is based on balanced economic growth, price stability and «a highly competitive social market economy». While the second part of the statement recalls to the mind the idea of an economic system oriented also in the social sense, the first part seems to evoke a liberal market, only aimed at the maximization of profit.

The notion of social market economy derives from the economic system conceived by the School of Fribourg and from the movement of ideas known as ordoliberalism. This system supported the idea of a market oriented in a competitive sense, in which the State had to intervene to suppress the competitive abuses and to support the social needs that the market could not guarantee independently. Compared to this approach - which should still characterize the European legal system - the practice nevertheless seems to offer a wide range of exceptions regarding the supervision on economic policies, the application of the provisions on State aids and the respect of the principle of economic responsibility. These partitions from the original idea are most likely due to changes intervened in the functioning of economic systems and to the transition from an industrial to an eminently financial economic system.