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Calvin – Father of Capitalism?

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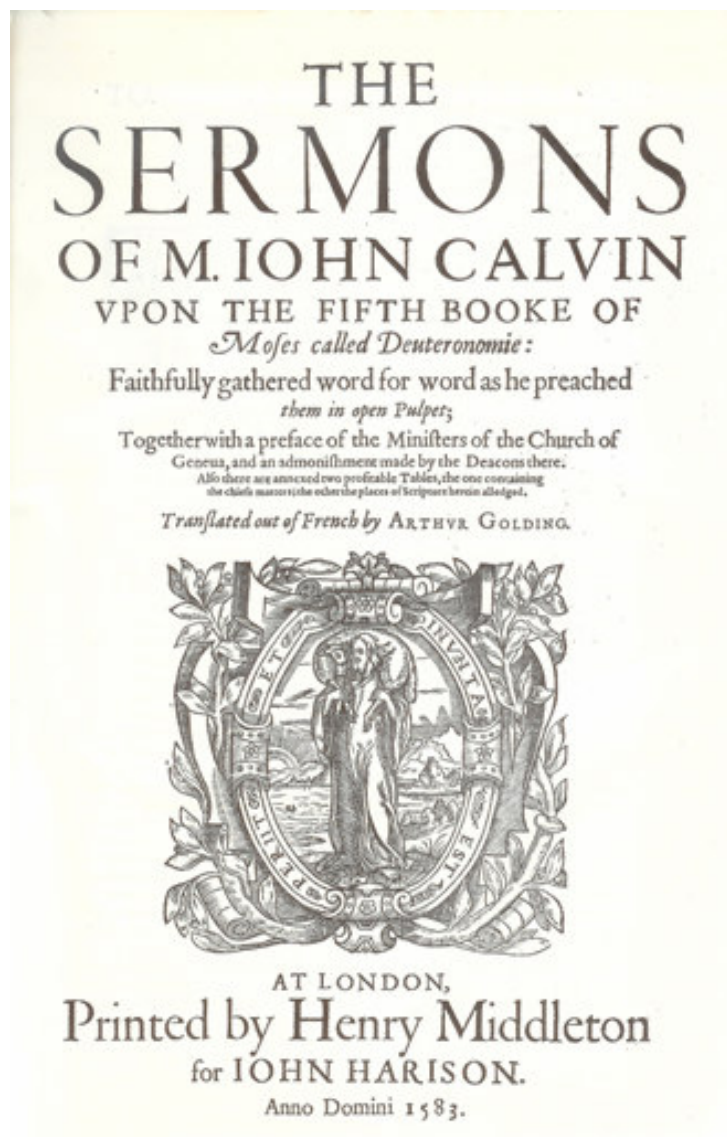
Ladies and Gentlemen,

It is for me a great pleasure to have been invited for this occasion, and I want to express my appreciation for the very friendly welcome I received. „Calvin and Capitalism“. I can very well understand that a lecture on this topic has been included in your anniversary program. Ever since Max Weber's famous essay on „The Protestant Ethic and the Spirit of Capitalism“, written in 1904-1905, one could venture to say, that this topic has constantly been under discussion. Some had received Weber's thesis with enthusiasm and developed it further. Still there were others who raised vehement objection, primarily for reasons of method and also content. The Geneva theologian, André Biéler, in his extensive dissertation in social science, „La Pensée économique et sociale de Calvin“, addressed the issue with particular refinement. In practice, Weber's view has become common place, largely simplified and crude. Today, one simply assumes that the „satiated prosperity“ enjoyed by the City of Geneva up to this day rests on Calvin's reassuring notion of the compatibility of worldly and heavenly success.

It is not the aim of this lecture to, once again, subject Weber's thesis to further discussion. Nor is it about the innumerable branches of Calvinism which, since 16th century Geneva, spread out over France, the Netherlands, Hungary, Scotland, Puritan England, to America and South Africa in the 19th and even into the 20th century. During almost 500 years, Calvinism was subjected to countless modifications. The ensuing history has all but totally shrouded the original image of the Geneva Reformer. To a point almost beyond recognition.

Precisely for this reason, it might well be of interest to read out of Calvin's legacy, a sermon of social and economic relevance on the occasion of his 500th birthday, and thereby re-examine the prevailing image of this religious reformer as it compares with the original.

But first, a few comments about this particular sermon! Between March 20th, 1555 and July 15th, 1556, the Geneva reformer held 200 sermons on Deuteronomy (the 5th Book of Moses). All of these sermons were held during the early morning daily work-day services, between one and six times in the week, depending upon where Calvin was staying at the time, his personal work load and the state of his health. The French religious refugee, Denis Raguénier (or Ragueneau) took the sermons down in shorthand and, subsequently, transcribed them in longhand. After Calvin's death (1564) the thick bundle of pages was published in book form in 1567. The result was a volume numbering 1'178 pages. (The proceeds were used to support the religious refugees fleeing France.) An English translation dated 1583, documents the enormous influence which the Geneva Reformer exerted on the Anglo-Saxon culture.



The sermons, straightforward in style, were apparently not read from a manuscript, but were delivered extemporaneously. Having read a text from the Bible, Calvin then summarized its content and then commented upon it, verse by verse. Often he addressed his congregation in a very personal manner:

„Everyone should examine himself and ask: ‚Where do I stand? What, after all, is the meaning of this ...?’“ „You need to be kind toward all those who have little. You are rich! And not because you have lovely eyes!“

By today’s standard, the sermons are long. This particular one lasted almost an hour (without liturgy). At first glance, they appear to be redundant. In a spiral movement, the same thought is repeated over and over. But as soon as one ventures to go deeper, one senses a restrained fire which draws the congregation and the reader into its spell. Calvin the preacher gives his congregation, and the reader, the opportunity to absorb the Bible text in meditative silence, „to ponder it in his heart“. He solicits agreement:

„When we see how difficult it apparently is for us to subject ourselves to God, do we not suddenly feel a sharp pain: ‚What? Who is speaking? It is He who bought us free. We belong to Him. Is it appropriate that He has to labour to win us, that we resist Him? Each and every time when He tries to lead us according to His will, He has to put up with a fight! Should we not be held for monstrous, for abominable?’“

The sermons hold close to the text. Seldom is reference made to anything current. In the example under discussion, Calvin makes reference to the Reformation, which he sees as an act of divine mercy. From today’s perspective, his non-polemic attitude toward Catholics is noteworthy: although he rejected Catholicism as an institution, he warned his congregation not to hold individual Catholics in contempt, and not to look down upon them from a position of moral arrogance.

„As we see, many disdain the Papists and mock them, and have no pity for them. And why? Because they have forgotten how they themselves once were!“

The sermons are important from a socio-historical point of view, as they reveal the social conditions prevailing in Geneva at that time. Calvin warned the poorer members of the congregation not to fancy „communist“ ideas, which would bring chaos to the community and

throw the law into confusion. Calvin had in mind the riots of the not yet forgotten German Peasants' War in 1525, and the anarchistic-totalitarian Baptist Republic in Munster in Westphalia in 1534/35:

„The poor ought to take things patiently, they must abstain from all malice, from pillaging and plundering ... For our Lord did not say: ‚he who has need of corn at harvest time let him take a sickle, and go and cut his neighbours corn to carry it to the mill!‘ ... Otherwise one would see perilous gleaners nowadays!“

But these thoughts are mere asides in the sermon! In general, it is apparent that Calvin addressed a well-to-do congregation and it was to them he wanted to speak. He pointed out that the summer of 1555 provided the region around Geneva with a good harvest. The granaries were full. But even more fundamentally: in ever new turns of expression, Calvin speaks of abundance and prosperity.

„If God has given us abundance of goods beyond our own use, we ought not to be stingy with them. We should support those who are in need.“

„We suffer dogs to eat crumbs and other scraps which fall under the table! How is it with our brethren? Shall we not suffer our brethren, who are made in the image of God!“

A considerable number of Calvin's congregation enjoyed comfortable prosperity.

It can't just be by chance, that Calvin preached on the Deuteronomy all of 200 times. (In church history, this is unique.) The Deuteronomy is the Old Testament's most complete collection of laws. And the social perspective, according to which the individual rules were to be interpreted, is unmistakable in the Bible text. In this sermon, which we are discussing here, the reference is to the following commandment:

„When you reap your harvest in your field, and have forgotten a sheaf in the field, you shall not go back to get it ... When you beat your olive trees, you shall not go over the boughs again ... When you gather the grapes of your vineyard, you shall not glean it afterwards“

This commandment can be found elsewhere in the Laws of Moses as well. Contemporary theologians recognize therein a reference to an archaic taboo: In pre-Israelite times what remained of the harvest was to be left for the spirits of the fertile earth as their part of the yield. In the Old Testament in general, and more extensively in Deuteronomy, this

command was modernized and re-interpreted replacing an ancient taboo with a social imperative: No longer is consideration for the earth spirits required, rather: at harvest time, the Israelite should not forget „the stranger, the orphan, the widow“. This primordial, originally unfounded command, is preached upon here: Anyone who still remembers that he, or at least his forbears, once suffered need, can thus more easily identify with the needy whom he encounters.

Calvin, however, was not a naive believer in the Bible, and certainly not a fundamentalist! One must not assume he had at his disposal the historic-critical and theological methods of a modern science of religion. Yet, for a 16th century scholar, he possessed an astonishing historical awareness:

„Now it is indeed true, that we do not dwell in the land of Canaan, as did the Jews. We do not have a communal order as they did.“

Calvin was very much aware, that the Old Testament laws could not be literally applied in the prevailing times. The significant theological event, that of the coming of Jesus, placed human circumstances, in general, on a totally new foundation. Nevertheless, Calvin maintained, that the Old Testament laws, in their basic intention, are timeless and exemplary. He was particularly fascinated by the biblical notion, that God gave the land to its owner on loan. In a certain sense, God is a lender. The landowners are tenants and must pay a tribute. God says:

„What? You don't know? The land belongs to me ... you owe me rent for its use.“ “You are not free to dispose of your possessions as if they were a booty or the loot of a theft!”

„Do you not realize? That which you possess does not belong to you. You must keep seriously to the Covenant He has made with you. It is not intended that you devour and swallow everything up.“

Expressed in the terms of Roman law: according to the manner in which the law was understood in ancient Israel, land was patrimony, not dominion. Neither was it to be exploited. Nor could it be bought and sold. Calvin recognized something in these principles which maintained its validity even under totally new and different circumstances. Strictly speaking, not only the land, but all possessions belonged to God. The earthly owner was entrusted to take care of it. At any moment God could reclaim it.

„The corn could spoil in the granary. God could permit it to go to ruin.“

Calvin reminded his congregation, that Jesus did not teach that only the poor should ask God to give „us our daily bread“, but the rich as well. Which is to say, when understood correctly, „the reserves stored in the granary ... come everyday from God’s hand“, and should be received anew.

„Those who enjoy plenty would have nothing at all, except that God makes it available for their use.“

Members of the congregation who pray the Lord’s Prayer, yet do not recognize this connection, are hypocrites!

Upon this background, Calvin developed a concept, which considered from our contemporary understanding, is surprising: Depending upon the perspective being taken, the poor and also the rich can be seen as God’s representatives. For example, when the poor request from the rich, that they leave something of their wealth to them, they are demanding in God’s behest, a kind of rent.

„It is as if God says: I have given you the land of Canaan. But I have reserved the gleanings and such for myself ... And I appoint the poor as my representatives to go and gather up these things.“

The opposite also applies:

„God says: ‚My nature is to do good. All things proceed from me. I permit the earth to bring forth her fruits. It is I who grant her fertility. But you may act in my stead!‘ We, therefore, are God’s representatives, when He entrusts us with His very own duties. Is that not a great honour?“

„All the rich, when given the opportunity to do good, are clearly being commissioned by God to do so. They are exercising that for which they are here: to help their neighbours survive. If God has given us this honour, yet we do not allow ourselves to be moved to compassion, is that not indication of malice? Would we not then be acting more beastly than the beasts?“

When rich and poor encounter each other, and the abundance of goods flows from the one to the other according to God’s Will, this becomes then a deeply theological process. The giver as well as the receiver stands in God’s place. Calvin’s social and economic ethic is theologically founded.

On to another aspect! Calvin was a sharp observer of human behaviour (whereby the Bible sharpened his view!). He recognized that, in actual practice, it could not be taken for granted that the rich be particularly generous toward the poor. Quite to the contrary: those who owned a lot, as a rule, demanded even more.

„They rake in large amounts for themselves, and are never contented.“
 “They cannot be satisfied. The more they have, all the more is their thirst inflamed.“

Precisely among the rich are to be found numerous „gluttons, who can never get enough and are colossally stingy.“

Calvin was a severe critic of human misdeeds. Yet, it was not his opinion that wealth, per se, is improper:

„He who has a field gathers in the grain to feed himself and his family. He who has a vineyard may produce wine.“ “God leaves to each that which he claims as his own, be it acquired through inheritance or through purchase, or by any lawful title.“

Calvin’s ethic, as we can see, held a favourable attitude with regard to economic issues. Calvin, apparently, was very much aware, that precisely, in the face of so much poverty in the world, a certain degree of prosperity, even wealth, was worth striving for. But only under the condition that such wealth be utilized to assist the needy!

„All in all, we must be so humane, that anyone who enjoys abundance shares it with their neighbor.“ „We should be moved to compassion, when we see how the poor languish and are oppressed by their wants.“

Calvin could be very vehement when he saw that the wealthy did not fulfil their social obligations. Yet, he did not leave it at that! He tried to understand the nature of the greed which drove the wealthy to want to amass even more wealth. As deepest cause, he diagnosed mistrust and a lack of faith:

„People are so distrustful and think the whole earth will let them down.“

Due to a devilish disbelief „they fail to recognize ... that it is the fundamental task of the Almighty, to provide for us!“

“Ah! Misfortune could strike me! I must be prepared for such an incident! That is the reason why people grasp at possessions. They try to hold fast to them.“

Calvin was not satisfied with merely preaching moralizing sermons to his congregation. Neither was he attacking the rich, who were preoccupied with their wealth, with superficial criticisms. Instead, he tried to understand their deepest motivations. The majority were not anti-social because they were mean, but rather because they were incredulous and full of anxiety. A deep rooted uncertainty hindered them from being benevolent. Greed is simply another term for a lack of trust.

Upon this background, it is obvious that Calvin, in his sermons, did not limit himself to demanding social correctness from the wealthy. Because demand alone does not suffice (often the opposite results, that mere demands – be they ever so justified – lead to an even greater rigidity). Calvin refrained from preaching fear into his congregation. (Merely in passing did he make a reference to Judgement Day, only to immediately drop the thought.) The underlying intent of the entire sermon is one of encouragement. Calvin exhorted his congregation not to disregard God’s blessings.

„God said ...: I will make thee to prosper, and thou shalt be increased“
 „By these things He testifies His fatherly goodness towards us.“ „Let us take heed, that we not distrust His goodness, and thereby be hindered from being kindhearted toward those who are in need of our help.“ „I have my God who has promised not to forget me, but will continue His bountifulness towards me. I have found Him to be generous with me unto this day, and He will do yet more for me, if I commit myself wholly to His providence.“

It was not enough for Calvin to remind his congregation of divine mercy and providence. He took the matter even deeper in his penetrating use of language, and spoke about Jesus’ coming into the world to redeem us:

„We were in the bondage of Satan; we were imprisoned in eternal damnation. In short: we were plunged into hell! ... until God cast His eyes upon us. His mercy draws us out of the terrible chaos in which we find ourselves and which we carry within us. Or, instead, we can say: Our Lord created us in His own image and likeness. It is true. But with Adam’s sin, that was wiped out of us. We are cursed; we are by nature shut out from all hope of eternal life. But, behold, our God has redeemed us by the blood of His son, and has opened unto us the Gates of Heaven.“

For our purposes here, it is not possible (and also not relevant) to pursue an extensive theological analysis of this sermon. The examples presented up until now, sufficiently demonstrate that it would be a caricature should one assume that Calvin incessantly threatened his congregation with hell and damnation, as is often claimed. In the majority of his sermons which have been saved for posterity, there is not even an allusion to this! The key characteristic of the entire sermon is encouraging and friendly. Calvin did not want to evoke anxiety in his congregation, because he was well aware that anxiety can cause people to be even more hard hearted. Neither did he preach an externalized compliance to an incomprehensible law:

„God does not demand from us a servile or forced subjection, but would have us, of our own free will, yield to that which he says. ... He does not drag us with ropes or chains to wrest something from us. He does not come like a constable to mortgage our property. On the contrary, he admonishes us with endearments. He shows us that it is wise to give ourselves entirely to him That all that we hold in our hands, we received from him. He testifies therewith, his fatherly goodness towards us. Therefore we ought to be ever so much more moved and inclined to do whatsoever it shall please him to request of us.“

God does not „command“, rather he „requests“, as Calvin, with reference to the Apostle Paul points out. The term „endearment“ is typical for the notion of God being preached here.

Calvin – the father of capitalism? It might seem that one single sermon by this reformer is a narrow basis on which to answer this question. Still, the sermon being called to mind here, enables us to listen to Calvin speak, „live“, as it were. It is immediately obvious, that Calvin’s mentality is quite another one as that of an Adam Smith (even though Smith grew up in a Calvinistic influenced Scotland). Smith’s „invisible hand“ is quite different from Calvin’s God, who became manifest through Jesus of Nazareth, the Redeemer of fallen mankind. Even more evident is the difference in their judgement of human egoism. For Adam Smith, the egotistic drive leads, automatically, to the good of all. Calvin maintains, the egotistic drive is an expression of mistrust and lack of faith and has the fatal effect that the rich want to become even richer. Calvin cannot be addressed as an advocate of an unregulated free market, rather, at best, a social market, whereby, the word “social”, in this case, must be heavily underlined! Wealth is not something reproachable, but justifiable only if

the wealthy recognize their wealth as a loan, and with it, support the poor and the needy.

This particular sermon of the Geneva reformer which we are discussing here, as well as many others, reveals a markedly social-critical component. A last quote:

„If certain people, in whatever way are doing well, there is much playing court to them because of their riches. They consider themselves better than others. They think they are superior; they are indifferent toward the poor. And that is, because they do not understand the deep distress of others ... According to the words of the scriptures, our bowels should cramp at the sight of affliction suffered by others. But no one gives that any thought!”

Through his sermons, Calvin wanted to awaken his congregation to the prevailing social problems, but not only that: in Geneva, Calvin instigated measures for creating employment opportunities, and – even more farsighted – job training programs for the unemployed. Thanks to the assembly of clergymen under Calvin’s chairmanship, it was possible to avoid fierce labour disputes within the printing industry. A kind of „peace agreement“ was settled, sparing Geneva the labour strikes, which, at the time, shook Lyon and Paris.

Calvin – father of capitalism? At first glance, the answer to this question is no. A second look, and the matter appears more complex, particularly when one reflects upon the intended, but also the unintended effects of the Geneva Reformation. Precisely the examples of a comparatively progressive social policy mentioned above, contributed to a calmer economic situation, such that, compared with other cities, Geneva could develop better. Well trained workers produce more. And so do employees who are satisfied with their wages. In addition, Calvin, more than other theologians, took interest in economic issues. Alone, the two hundred sermons on what is considered the unattractive Deuteronomy, is witness thereof. That Calvin held a friendly inclination toward matters of economy – provided the representatives of the the economic system demonstrated social responsibility – has already been stated.

A further point: although it goes beyond the sermon being treated here, it may not be left unsaid, that Calvin, with regard to social science, ventured into new territory when he introduced into discussion the fundamental distinction between credit furthering consumption and credit for investment!

In the Old Testament, we find the following passage:

„You shall not lend upon interest to your brother, interest on money, interest on victuals, interest on anything that is lent for interest. To the foreigner you may lend upon interest ...“

In the church's traditional exegesis, this biblical commandment is interpreted in the sense of an absolute prohibition, which in practice, however, is repeatedly disregarded. Precisely because imposing interest was officially forbidden, and lending and borrowing was forced „underground“, money lenders in compensation for the increased risk, often demanded 20% and more annual interest!

In his commentary on Deuteronomy (not to be confused with the sermons on the same book which were referred to previously), Calvin put forth the following consideration:

„... neither by means of usury nor other forms of exploitation should one bring harm to someone else But this commandment applies only to impoverished people, however, permits, and rightly so, taking interest when doing business with people of means ... Today, taking interest is not forbidden, as long as it does not conflict with fairness and brotherly love.“

The text is significant, as it clearly shows that Calvin's social consciousness and his accurate perception of economic realities were, by all means, compatible. In this regard, he continued:

„True love and pity are shown only then, when dealing with a poor man, one does not even hope for any compensation: if one grants him a loan, possibly the capital itself is endangered ... But if a debtor evades his debts, thus causing troubles and costs for the creditor, is it correct that he then benefit from his malevolent and deceitful methods? When a man of wealth wants to buy a piece of land for which he borrows a part of the money from someone else, should not then the other receive an appropriate part of the yield from the land until the money has been paid back? Such transactions which are nothing less than a legal purchase occur every day. It is a sophistry, when Aristotle maintains, taking of interest is contrary to nature, because money is infertile and cannot, in turn, bear forth money. As if to say, one should not make business transactions which yield a profit!“

Although extremely cautious and prudent, Calvin opens a door to a less constrained attitude toward handling money – however, with the precaution that no more than 6,66% interest should be levied on investment credits. The good Catholic sovereigns, Charles V and Philip II, permitted, at that time, a maximal interest rate of 12%! In the 16th century, a popular saying was: „You don't go to Geneva to earn money, you go to lose money!“ It was not until Calvin's death in 1564 that these limitations were gradually relaxed. In the 17th century, it finally reached the point that Geneva developed into a financial centre of international importance.

Calvin – father of capitalism? Or is capitalism rather a misbegotten child – in good old English: a changeling – of the Geneva Reformer!