

CAPITALISM – HISTORY

Apologetics

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הַרְחֵק מִמֶּנִּי רֵאשׁ וְעֹשֶׁר אֱלֹהִים לִי הַטְרִיפֵנִי לֶחֶם חֲקִי
בִּן אֲשֶׁבַע וּכְחֹשֶׁתִי וְאָמַרְתִּי מִי יְהוָה
וּבִן־אֹרֶשׁ וְנִגְבַּחְתִּי וְחִפְּשֹׁתִי שֵׁם אֱלֹהֵי

Pro 30:8-9 ...give me neither poverty nor riches;
feed me with the food that is needful for me,⁹
lest I be full and deny you and say, "Who is the
LORD?" or lest I be poor and steal and profane
the name of my God

OUTLINE

0. INTRODUCTION

- 0.1. CAPITALISM – WHOSE DEFINITION?
- 0.2. CAPITALISM – AND THEOLOGY
- 0.3. CAPITALISM – A MIXTURE OF CONDITIONS AND IDEAS

1. IDEAS AND CONDITIONS

- 1.1. TIMELINE
- 1.2. ACCUMULATION OF WEALTH
- 1.3. DISENCHANTMENT → SCIENCE
- 1.4. ESCHATOLOGICAL HOPE → SECULAR PROGRESS
- 1.5. HUMAN DIGNITY → FREEDOM(S)
- 1.6. KNOWLEDGE → MASS CULTURE
- 1.7. MORAL CAPITAL → WORK ETHICS

2. ABUSES

- 2.1. GREED
- 2.2. EXPLOITATION

3. CORRECTION

- 3.1. REVOLUTION?
- 3.2. KNOWLEDGE
- 3.3. POLITICAL REFORMS
- 3.4. VOLUNTARY ASSOCIATIONS

4. TO REMEMBER

0. INTRODUCTION

0.1. CAPITALISM – WHOSE DEFINITION?

- [STANFORD, J. *Economics for Everyone*, p. 33] There, I've said it: the "C-word." Just mentioning that term sounds almost subversive, these days. Even talking about capitalism makes it sound like you're a dangerous radical of some kind.
- Marxism: C = "exploitation" Economics: C = "value theory", "price mechanism"; Political Economy: C = market economy (private and labor); Sociology: C = "oppression", "injustice"; Industry: C = "effectiveness of production"

- **capitalism** A political, social and economic system in which property including capital assets are owned and controlled for the most part by private persons. ... the purchase of labor for money wages as opposed to the direct labor obtained through custom, duty or command in feudalism¹

“Capitalism gave the world what it needed,” Ludwig von Mises writes sturdily in his *Human Action*, "a **higher standard of living for a steadily increasing number of people.**" But it turned the world inside out. Personal loyalties gave way to financial relationships. The wealthy man ceased to be magistrate and patron; he ceased to be neighbor to the poor man; he became a mass-man, very often, with no purpose in life but aggrandizement. He ceased to be conservative because he did not understand conservative norms, which cannot be instilled by mere logic-a man must be steeped in them. The poor man ceased to feel that he had a decent place in the community; he became a social atom, starved for most emotions except envy and ennuui, severed from true family-life and reduced to mere household-life, his old landmarks buried, his old faiths dissipated. (Russell KIRK: *The Conservative Mind: From Burke to Eliot*, p. 228)

- (1) oligarchic capitalism, (2) state-guided capitalism, (3) big-firm capitalism, and (4) entrepreneurial capitalism²
- “As one sufferer from Yugonostalgia explained it, ‘in Yugoslavia people had fun. It was a system for lazy people; if you were good or bad, you still got paid. Now, everything is about money and this is not good for small people.’³ → Lewis Carroll, running

0.2. CAPITALISM – AND THEOLOGY

- Russell Kirk *A Program for Conservatives* (1954), p. 5

The true conservative knows that the economic problem blends into the political problem, and the political problem into the ethical problem, and the ethical problem into the religious problem.

- Successful capitalism is contingent upon a state monopoly of coercive powers.⁴

0.3. CAPITALISM – A MIXTURE OF CONDITIONS AND IDEAS

- Islam? ([Binderup&Jensen] In Qutb’s writings there is, however, a marked disdain for democracy and civil rights)
- Max Weber: C = a mode of organising society
- C essence → invest little, harvest a lot...

1. IDEAS AND CONDITIONS

It took 500 years for this transition to unfold in Europe, and it is still taking place in Asia, Africa and Latin America. This transformation began in Europe with the crisis of the feudal system in the fourteenth century and continued until the Industrial Revolution (1780–1850).⁵

- class struggle... or competition of ideas?

1.1. TIMELINE

- Appleby *The Relentless Revolution*
 - from the 16th century
 - More effective agriculture started to release workers for other economic activities
 - the Spanish conquests had a similarly aristocratic and military cast.
 - the brutal days of the sugar plantations

¹ *Macmillan Dictionary of Modern Economics*,

² *The Oxford Handbook of Capitalism*, p. 116

³ <http://davidmhart.com/liberty/AmericanLibertarians/LPL/Other/RelentlessRevolution2011.pdf> (15-Nov-19)

⁴ Bruce R. Scott *The Political Economy of Capitalism*,

⁵ HELLER, H. *The Birth of Capitalism*, p. 1.

- make natural forces push, pump, lift, turn, twirl, smelt, and grind all manner of things
- break through the restraints of habit and authority of the old economic order.
- In the early twentieth century another astute philosopher, Max Weber, assessed the grand theories of Smith and Marx and found both of them wanting in one crucial feature: They gave attitudes to men and women that they couldn't possibly have had before capitalist practices arrived.

1.2. ACCUMULATION OF WEALTH

- crusades? (Venice, Genoa)
- colonies?
- merchant class?
- Calvin and interest? → “Interest”: lawful and beneficial for both borrower and lender; “usury”: abusive practice (7 Nov 1545 banker Claude de Sachinus to Calvin → letter)
- ...Aristotle's so-called doctrine of the *barrenness* of money.⁴ In stark contrast, and much closer to contemporary thought, is Benjamin Franklin's *Advice to a Young Tradesman*, in which he urges: “remember that money is of a prolific and generating nature.

1.3. DISENCHANTMENT → SCIENCE

- “nature” → “creation” (not animism; not dead matter)

[CAPRA *Newtonian World-Machine*,] To make it possible for scientists to describe nature mathematically, Calileo postulated that they should restrict themselves to studying the essential properties of material bodies—shapes, numbers, and movement—which could be measured and quantified. Other properties, like color, sound, taste, or smell, were merely subjective mental projections which should be excluded from the domain of science. Calileo's strategy of directing the scientist's attention to the quantifiable properties of matter has proved extremely successful throughout modern science, but it has also exacted a heavy toll, as the psychiatrist R. D. Laing emphatically reminds us: "Out go sight, sound, taste, touch and smell and along with them has since gone aesthetics and ethical sensibility, values, quality, form; all feelings, motives, intentions, soul, consciousness, spirit. Experience as such is cast out of the realm of scientific discourse." ³ According to Laing, hardly anything has changed our world more during the past four hundred years than the obsession of scientists with measurement and quantification.

- Alexander Pope (1688 –1744)

Nature and Nature's laws lay hid in night:
God said, Let Newton be! and all was light.

- ... Newton laws substituted for a personal God...
-
- scientific and technological revolution (Francis BACON → violence against nature)

The fate of our times is characterized by rationalization and intellectualization and, above all, by the disenchantment of the world. Precisely the ultimate and most sublime values have retreated from public life either into the transcendental realm of mystic life or into the brotherliness of direct and personal human relations. It is not accidental that our greatest art is intimate and not monumental. (Max Weber, *Science as a Vocation*, 1918)

- [MCGRATH *The Reenchantment of Nature*, p. xi] “The “disenchantment of nature” is one of the most worrying cultural developments of our time. What once evoked a sense of awe from appreciative and respectful human beings has now been explained away, deconstructed and desacralized.”

1.4. ESCHATOLOGICAL HOPE → SECULAR PROGRESS

- “...in The City of God, at one and the same time, the epic of man’s intellectual, artistic, and technological advance and also the epic of his spiritual and moral fall. And it is the genius of AUGUSTINE to fuse these, to make them interdependent.”⁶
- “...the philosophy of history, exemplified in its very origins an ambivalence toward the medieval conception of the world, being “Christian by derivation” and “anti-Christian by implication” as Löwith (1949) observes (p. 61).”⁷

But in the course of the sixteenth century men began here and there, somewhat timidly and tentatively, to rebel against the tyranny of antiquity, or rather to prepare the way for the open rebellion which was to break out in the seventeenth. Breaches were made in the proud citadel of ancient learning. Copernicus undermined the authority of Ptolemy and his predecessors; the anatomical researches of Vesalius injured the prestige of Galen; and Aristotle was attacked on many sides by men like Telesio, Cardan, Ramus, and Bruno. In particular branches of science an innovation was beginning which heralded a radical revolution in the study of natural phenomena, though the general significance of the prospect which these researches opened was but vaguely understood at the time. (BURY *The Idea of Progress*, p. 33)

- sacred significance to the technical and economic pioneering efforts of the industrial revolutionaries ...**this faith in progress was the decisive spark which ignited the explosion made possible by the available "ingredients" – the mixture of (1) individualism, (2) materialism, (3) rationalism, and (4) Puritanism.**⁸

1.5. HUMAN DIGNITY → FREEDOM(S)

- Central power → stability → “unseen hand”

[VOLTAIRE *Letters on England*] The English are the only people upon earth who have been able to prescribe limits to the power of kings by resisting them; and who, by a series of struggles, have at last established that wise Government where the Prince is all-powerful to do good, and, at the same time, is restrained from committing evil; where the nobles are great without insolence, though there are no vassals; and where the people share in the Government without confusion.

- FREEDOM: (1) ‘economic’ (property rights), (2) ‘civil’ (life; security; free speech; religion; equality before law) and (3) ‘political’ (rights of communication and participation)
- dignity of human being → man, the image of God
- human rights: “From a philosophical point of view, it is quite obvious that the idea of universal human rights must rely on presuppositions of a metaethical nature.”

[CHAN *Liberalism, Democracy, Development*] The universal goodness of ‘liberal democracy’ is almost always assumed: it will bring economic development, social harmony, enhancement of human rights, etc. In this atmosphere of triumphalism, there is little critical reflection on the concept of ‘liberal democracy’ itself.

1.6. KNOWLEDGE → MASS CULTURE

- knowledge → the most important factor of production in the “new economy”
- education; skilled labour...
- natural sciences → technological knowledge → scientism

1.7. MORAL CAPITAL → WORK ETHICS

- poor countries: the unemployed often do not work, “...because it is prestigious not to do so”⁹
- the dignity of physical work (Luther; Jesus was a carpenter)

[WEBER Max *The Protestant Ethic and the Spirit of Capitalism*, Anthony Giddens: *Introduction*] Although the idea of the calling was already present in Luther’s doctrines, Weber argues, it became more

⁶ NISBET Robert *The social philosophers*, p. 189.

⁷ Angelos Mouzakitis *Modernity and the idea of progress*,

⁸ GOUDZWAARD B. *Capitalism And Progress*, p. 56.

⁹ OLASKY – BERTHOLD – SCHLOSSBERG – PINNOCK *Freedom, Justice and Hope*, p. 48.

rigorously developed in the various Puritan sects: Calvinism, Methodism, Pietism and Baptism. Much of Weber's discussion is in fact concentrated upon the first of these, although he is interested not just in Calvin's doctrines as such but in their later evolution within the Calvinist movement. Of the elements in Calvinism that Weber singles out for special attention, perhaps the most important, for his thesis, is the doctrine of predestination: that only some human beings are chosen to be saved from damnation, the choice being predetermined by God.

2. ABUSES

2.1. GREED

- idolatry → **Col 3:5** Put to death therefore what is earthly in you: sexual immorality, impurity, passion, evil desire, and covetousness, which is idolatry (καὶ τὴν πλεονεξίαν, ἥτις ἐστὶν εἰδωλολατρία)

2.2. EXPLOITATION

- the poor → **James 2:5** Listen, my beloved brothers, has not God chosen those who are poor in the world to be rich in faith and heirs of the kingdom, which he has promised to those who love him?
- the environment → **Gn 2:15** The LORD God took the man and put him in the garden of Eden to work it and keep it (לְעֹבְדָהּ וּלְשָׁמְרָהּ)

3. CORRECTION

3.1. REVOLUTION?

- violence and theft; → **Mt 26:52** "Put your sword back into its place. For all who take the sword will perish by the sword (πάντες γὰρ οἱ λαβόντες μάχαιραν ἐν μαχαίρῃ ἀπολοῦνται)
- **Pro 13:11** Wealth gained hastily will dwindle, but whoever gathers little by little will increase it

3.2. KNOWLEDGE

- faith → **Pro 1:7** The fear of the LORD is the beginning of knowledge; fools despise wisdom and instruction

3.3. POLITICAL REFORMS

- → socialism? etatism
- moral change in the rich → **James 5:1-6** Come now, you rich, weep and howl for the miseries that are coming upon you. ² Your riches have rotted and your garments are moth-eaten. ³ Your gold and silver have corroded, and their corrosion will be evidence against you and will eat your flesh like fire. You have laid up treasure in the last days. ⁴ Behold, the wages of the laborers who mowed your fields, which you kept back by fraud, are crying out against you, and the cries of the harvesters have reached the ears of the Lord of hosts. ⁵ You have lived on the earth in luxury and in self-indulgence. You have fattened your hearts in a day of slaughter. ⁶ You have condemned; you have murdered the righteous person. He does not resist you. (A vy, boháci, plačte a kvíľte nad biedami, ktoré prichádzajú na vás! 2 Vaše bohatstvo zhnilo a vaše šatstvo rozožrali mole. 3 Vaše zlato a striebro zhrdzavelo a ich hrdza bude svedčí proti vám a zožerie vám telo ako oheň. Nahromadili ste si poklady v posledných dňoch. 4 Hľa, mzda, ktorú ste zadržali robotníkom, čo vám žali polia, kričí. A krik žencov došiel k sluchu Pána Zástupov. 5 Tu na zemi ste hodovali a hýrili. Vykrmili ste si srdcia na deň zakáľaečky. 6 Odsúdili ste a zabili spravodlivého; a on vám neodporuje.)

3.4. VOLUNTARY ASSOCIATIONS

- the church; revivals (Methodist revival in GB)
- Elie Halévy. *The Birth of Methodism in England*,
- **Gal 2:9-10** ...when James and Cephas and John, who seemed to be pillars, perceived the grace that was given to me, they gave the right hand of fellowship to Barnabas and me, that we should go

to the Gentiles and they to the circumcised. ¹⁰ Only, they asked us to **remember the poor**, the very thing I was eager to do.

4. TO REMEMBER

- Capitalism is a mixture of natural, good, bad and evil elements.
- We cannot expect completely just society this side of eternity.
- In the meantime we should pray and work for peace and justice for all with the aim of proclaiming the gospel to all.