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The Role of Calvinism in the Development of Modern Economy



Summary

In 2017 the world has celebrated the 500th anniversary of Reformation, for this occasion countless events and publications commended the significance of this historical event, thus the work of Martin Luther and of course John Calvin as well. Surprisingly, the economic aspects of Calvin and Calvinism have not been stressed, although it seems that the national economy literature, but from other point of views in the scientific world, such as theology, political sciences and history has been controversially working for over more than a century about this topic. This study seeks to fill this gap after the jubilee year. It is achieved by colliding the two extreme positions that Calvin has no effect on the economy or, on the contrary, they see him as the forerunner of capitalism. While the ulterior is also a widespread comprehension, especially in the last century, mainly in German and Anglo-Saxon language areas, is completely exaggerated, because Calvin is not at all identifiable by the so-called “adventurous capitalism” (Max Weber) from the beginning to the present day in its determining practice, but at most can be defined by the strong religious affiliation of Puritan capitalism, which means Calvinism indeed has an effect on the emergence of modern economy. Not only does it have an effect on liberal, also called classical economy system, but has an influence on social market economy, the most successful economic order of all times, as well as the developing Hungarian economy policy, which the author does not conceptually call “unorthodox”, instead he calls it “New Economic Order in Solidar-

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ity". Calvin's influence from the definition of fair interest to his comprehensive work ethos, which includes modern provisions such as "work instead of aid programme" or support for establishing companies can all be observable nowadays.

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THE FOCUS OF THE ECONOMY IS MAN, NOT MECHANICAL EVENTS

First of all, we need to clarify what we mean by "modern" economics. For liberal economists worldwide, it is clear that the birth of it is related to Adam Smith's famous and epoch-making work, *The Wealth of Nations*, published in 1776 (Smith, 1776). Of course, this is an arbitrary date, and from the beginning it is intended to make Adam Smith the intellectual father of a modern, New Age economy. This aspiration coincides with raising liberalism and freedom above all, which leads us to turn this idea into an ideology and raise it to the core of worldly article of faith, it should only be forced on individuals as a "redeeming" worldview, as a way of national thinking and so used only as a guide for different areas of life: from economy to political and social structure and to culture especially within education.

This definition of time is, of course, completely arbitrary and does not cover the long process of economic history. Long before Adam Smith, in the 1500s there was a very well thought-out, theoretically well-founded, and in practice it was a very successful economic system, some of its' elements are still present in the national economic processes of our time. Later on Adam Smith created a name for this, the concept used today: "mercantilism". He led this word down from the name of the god of trade, Mercury, given that this economic trend has placed particular emphasis on foreign trade and regulation. When John Calvin was born, in his homeland in France this economic process was already emerging, which appeared to be a part of the state idea that served the richness and glory of the ruler and the state, which wanted to achieve this goal by the powerful developing of the economy and by creating a centrally supported foreign trade that produces huge surplus. The first well-known representative of the already functioning system was Jean Bodin¹ who was an outstanding personality of state theory. He is known by political sciences as Johannes Bodinus according to the custom of the scientific world with his Latinized name at that time. John Calvin will have a debate with him later on about his view on ("res publica") which leans toward the republican idea. This trend had a significant impact on the later stages of the economic history, and even nowadays as well. Much has been contributed by the so-called "modern", that is to say, modern economic ideas, especially to the practices, thus the development of international economy, well before the emergence of the Smith kind of liberalism. Much later, they called it colbertism after the most famous

representative Jean-Baptiste Colbert,² the finance minister of the “Sun King”³, King Louis XIV. Domestic Liberals consider it as one of the theoretical bases of Hungarian governmental measures and therefore speak judgmentally about “a new mercantile economic policy”.

At the same time, in the 16th century, in the time of Calvin, another economic system emerged more and more strongly alongside mercantilism, later called capitalism⁴ or, at least early capitalism. After it was presented that the formation of the so-called “modern economy” is not a result of liberalism that is related to Adam Smith and its foundations on the theoretical level, but mostly on a practical level was already evolving, we must point out what is economy exactly. The meaning of this constantly used concept seems to be quite clear due to its common everyday use. Everyone believes to know based on their daily experiences what economy is. At the same time, if we ask people what they mean by economics, there are many kinds of answers, partly conflicting answers. If we turn to economics, two definitions seem to be generally accepted among many others. The first is that: “The economy is a sum of activities that aim to balance endless human needs with finite goods.” This definition that is basically the same age as “classical” liberalism first led to the so-called “advanced world” and then later on almost led the whole world to irresponsible environmental destruction. Namely because the concept of goods was linked to their alleged value (Smith, 1776; Dobb, 1975), which is expressed in the market price according to liberalism. Unlimitedly available goods have no price, therefore have no value. The perception that the value of goods can be objectively determined by the cost of means of production and can be quantified in price, following Marx, the Socialists have also taken over (Marx, 1859; 1905).⁵ Even in the 1950s and 1960s, in the vast majority of the economics departments of Western universities and colleges leaning towards and teaching theories of economic liberalism, as well as in the so-called “socialist camps” air was classified as unlimitedly available goods. Based on this common perception, nature could be destroyed in capitalist countries just as well as in socialists without effective legal limitations. In the liberal (and socialist) point of view air as a basic foundation of living belonged to the category of unlimitedly available goods and as such was not a subject of economy. Logically thinking through this approach, we get to the result that air having no price, therefore has no objective value, because that is reflected in the market price.

According to another common composition: “The economy is the total sum of all economic activities and related processes as a system of social production.” The common feature of both definitions is that it views economy as a display of mechanical and regular functions, such as economic activities, material needs, production systems and economic processes. They form the object of economy while the subject is human. The subject of economy is indeed human, but it is also the object of it. Economy is not about means of production, processes, indicators, mechanism or “market laws”, but about man, in his complete uniqueness, in his three-sided manifestation: his will, his evaluation, his choice. These can not be objectively defined, but only a small part can be subordinated to the guiding principle of rationality and reasonableness.⁶ There is no such thing as the “homo economicus” (Smith, 1776) of liberals, the economic

man who wants only the greatest achievement at the lowest cost, who is the subordinated subject of economic mechanisms and laws.

Man in his fullness with his three-sided characteristics is the subject of economy as a thinking, sensual and intentional being. It can not be confined by mathematical formulas, it is unpredictable in its behavior and in its manifestations. Bowing with great respect for the wonderful economic models, complicated matrix calculations, complex and yet so vulnerable algorithms, economy is not “exact” science. Especially not when the best representative, so-called “classical exact” science pay attention to the subjectivity of their discipline while advising their colleagues who believe in the omnipotence of science for more humility and modesty.⁷ This demand applies in particular to economists. Because of its human focus, beyond the recognition of the importance of mathematical preparedness, the philosophical, theological, and psychological basics should be given greater scope. This is the only way of avoiding the increasingly common crisis getting deeper made by incorrect theories and the practical use of them. That is why it is so important to deal with the impact of faith and religion on economy and not only for the 500th anniversary of Reformation.

These reflections may seem evasive, but they are important, because they help to understand the central importance of the connection between faith and economy. In the light of this recognition, we return to the ever-growing trend in the time of Calvin, capitalism, which’s one-sided, individuum-focused way of seeing people is in sharp contrast to Calvin’s point of view. The way of seeing man from Aristotle’s⁸ point of view through scholasticism⁹ and reformation and within that especially Calvinism¹⁰ to the Christian Social Teaching¹¹ shows a way of developing a human-centered economic order. Man is an individual being (*ens individualis*), a community being (*ens collegialis*) and a transcendental being, that is open to beyond itself and the world, to God.¹²

THE ECONOMIC ENVIRONMENT OF CALVIN’S LIFE: MERCANTILISM AND CAPITALISM

Capitalism, in particular, is different from other economic systems, because the means of production are privately owned without exception and that economic coordination is governed by the market. Both features sharply separate capitalism from the mercantilism prevailing in France at that time, where the means of production are mostly in the hands of the king himself or by his “grace” was owned by courtiers. Economic governance was centrally carried out by the King’s ministers. The constantly growing number of manufactures, and the increase of their importance, which will later on grow into capitalist large corporations, were the property of state ownership. The purpose of capitalism and at the same time the guiding motive of the market is gaining profit for the capitalist and not for the ruler or state. These key features distinguish capitalism from later economic trends, such as socialism. This is the economic environment John Calvin¹³ lived in. In his homeland, in France, mercantilism reigned, aiming to increase the king’s riches and glory with the means of the economy. He served Francis I of France,¹⁴ who was not only accepted by Calvin as the ruler,

but also whose grace he sought, so he could acquaint him and the most influential courtiers with the original biblical doctrines he focused on. He hoped that he could convince his majesty that they are unfairly persecuting these doctrines and its followers (cf. Huszár, 2011). Reformation is not aimed at overthrowing his authority or the Church. That is why Calvin recommended the first edition of his, in Basel published chef d'oeuvre the *Institutio Christianae religionis*¹⁵ to his anointed king. His intentions failed, the king's anger could not be calmed down and so he had to flee.

He headed to Strasbourg from Paris through Lyon, also reaching Geneva. In Geneva, in 1536, Guillaume Farel¹⁶ pleaded him intensively to stay and even threatened him with a curse, if he would deny the preaching of the true doctrines to citizens of Geneva and would not help organise the city's life in this spirit. Anteriorly in Geneva they successfully got rid of the Prince of Savoy's reign and expelled the bishop. Rich citizens took control of the city. The ownership of everything in the economy now belonged to them and of course the significant benefits that came from it. Without even knowing it, they created first capitalism with laboratory purity. In fact, these economic reasons were in the background of their rebellion against their former masters, and not the brave upholding for the teachings of the Reformation; they picked up its forms. In Geneva, therefore, the conditions of capitalist development materialized, but the institution of the Church to teach Reformation was not built up. This is why Farel begged for the help of Calvin. Skipping the reason of failure of his first visit to Geneva,¹⁷ it is enough to mention that the "brave" citizens of Geneva were satisfied with their total independence and the enormous economic advantages they had gained in the name of Reformation, and did not ask for Calvin's strict Church organisational provisions arising from the Reformation.

CALVIN'S PRACTICAL VIEW ON ECONOMIC ISSUES

After his exile, Calvin in 1541, now at the request of the whole city, permanently returned to Geneva.¹⁸ As a preacher of the city, he was responsible for determining religious and secular issues with the help of the consultative and decision-making bodies that he had established, in religious as well as in secular matters. Within the four professions he admitted, deacons dealt with helping the sick and the poor and handling church goods. He formulates thoughts and encouraged the practical implementation of helping the poor, which seem to be incredibly "modern" and seems to be addressed directly to us. To avoid accusation, the author examined Calvin's work from an economics perspective and confirm his effect on economy by forced explanations of texts, by referring to an unimpeachable authority, Professor Pál Huszár, the secular president of the Hungarian Reformed Church: "It is known about him (Calvin) that he opposed begging." Later on the quote goes on as: "With his indisputable authority, he sought to reach at the City of Geneva's magistrate that they could bring those who suffered of needs to a better position, to give them community jobs and a decent income and a dignified livelihood." How familiar these phrases are in 2018 in Hungary? But the continuation is even more surprising: "He encouraged, for example, the city could even

help them with recovery loans, to create decent businesses, or to provide the opportunity to start a new life” (Huszár, 2011). At this point, further investigation of whether or not there is, and if there is what is the effect of Calvinism on “modern” economy might seem almost unnecessary. It is as if the Hungarian government’s economic policy programme echoes Calvin’s demanded from 500 years ago: “work instead of aid (public work) and decent income, a dignified livelihood; loans to start a business, start-up loans”.¹⁹ Would it be true that Hungary has a Reformed/Calvinistic Government? Of course, this is not the case, but the economic and social policy guiding the government programme to work-based society is indeed very inspired by Calvin.

The “modernity” of the previous thought can be surprising, but what is not surprising is that Calvin deals in detail and insistently with the question of loan interest. He who called for the return to the Bible, in fact he admitted it as the only basis of Christian faith (*solī scriptura*, only the writing!) he examined the smallest details of it, almost from letter to letter, so obviously he did the same with the Old Testament. God’s chosen people know the devastating effect of interest, and within that the interest rate. Therefore, it is forbidden for Jews to charge interest on loans among themselves: “If thou lend money to my people, the poor with thee, thou shalt not be to him as a usurer: ye shall charge him no interest” (Exodus, 22:25). Moses also affirms this command in other places: “Thou shalt take no interest of thy brother, interest of money, interest of victuals, interest of anything that can be lent upon interest” (Deuteronomy, 23:19). However this does not apply to members of other nations: “Unto of a foreigner thou mayest take interest, but of thy brother thou shalt not take interest; that Jehovah thy God may bless thee in all the business of thy hand in the land whither thou goest to possess it” (Deuteronomy, 23:20). Here the ban on the taking of interest is a principle of power, not only to prevent the torture of the poor and the ones in need, but also to prevent the domination of money (Mammon), called nowadays the decisive power of plutocracy.²⁰ This threat that has been identified for more than three millennia seems particularly timely nowadays.²¹

Since interest leads to power, members of the Old Testament are obliged, according to their religious order (Halacha) to lend with interest to people of other nations in order to rule over them, rather than to be ruled over by. “For Jehovah thy God will bless thee, as he promised thee; and thou shalt lend on pledge to many nations, but thou shalt not borrow; and thou shalt rule over many nations, but they shall not rule over thee” (Deuteronomy, 15:6). For Israel, this is a religious law (Mitzvah), which if they do not fulfill, they will be struck by a divine curse, they will not be the first, but the last (Deuteronomy, 28,38:41). “But it shall come to pass if thou wilt not hearken unto the voice of Jehovah thy God, to take heed to do all his commandments and his statutes which I command thee this day, that all these curses shall come upon thee and overtake thee” (Deuteronomy, 28:15) And the sequel sounds like this: “The sojourner that is in thy midst shall rise above thee higher and higher, and thou shalt sink down lower and lower. He shall lend to thee, but thou shalt not lend to him: he shall be the head, and thou shalt be the tail” (Deuteronomy, 28:43-44). The ban of taking interest was coupled with another very wise command to release it in the Sabbath year.²² This meant that in every seventh year,

the accumulated debts had to be released.²³ This regulation if not completely, but at least partially could give guidance how to solve some of the burning problems of our days, let us just think of the foreign-owned banks, which enormously damaged their Hungarian clients by putting them in the so-called Swiss franc-denominated loans.

THE FAIR INTEREST IN CALVIN'S PERCEPTION AND THE "GOLDEN RULE OF BANKING"

Calvin, the greatest and most respected scholar of the Old Testament, did not know and did not even want to embrace these Mosaic commands. The mandatory laws for Israel were no applicable in the 16th century, in the era of mercantilism under a Geneva circumstances, where the capitalist system completely prevailed. Calvin with his enormous biblical and theological preparedness he was able to distinguish between the true Divine revelation, such as the Ten Commandments, the divine inspiration that appears in the scriptures of the biblical prophets, and general truths belonging to the given age, but should not be followed in every detail as guidelines of the changing times. Besides of the teachings of interest, the reign over other nations is one of these, which at that period was a response to the danger threatening Israel from a ring of powerful nations. Calvin therefore recognizes the word of God in the New Testament, in the teachings of Jesus. He does not just only interpret the dialogue of talents as the command, and it is a duty to take care of our talents from God, our talents, our abilities, our skills and we should give account of them one day. In addition to the metaphorical, transmitted intellect, it literally follows the words of the Lord Jesus Christ. Contrary to the partial interest ban the Old Testament, which only concerned the relationship between the chosen people, Calvin had considered it permissible under certain circumstances and within limits. By this he was opposed to the full interest ban of the Middle Ages' canon law, which strictly forbid the people of the New Testament from taking interest in full, that is from non-Christians as well (Calvin, 1559).²⁴ He found the interest rate acceptable for a maximum of three percent for personal loans and five percent for business loans. But why is it three, and five percent?²⁵

It is well-known that numerology plays a significant role in the Old Testament, as it is later in the Talmud, as the letters also mean numbers. The number 3 and 5 have priority positions in numerology. The number 3 is the letter "Ghimel", which among others, represents the gifts of God to the people, and the merciful man's gift, which he shares from his love for God. In mathematics, the third derivation means a good deed if the three percent is much lower than what is generally required and is a reasonable consideration for the loan provided. The number 5 is the letter "Che", which especially means gap, but in this case it is not the major symbolic meaning of this number, but a very much mundane and common practice in the Middle Ages, according to which the financier or merchant would legally and publicly be beheaded if he should charge interest above five percent.²⁶

Even fifty years ago, some Western European universities not one-sided committed to liberal dogmas taught on finance lessons, that according to the "Golden Rule of

Banking” developed from the guidelines of Calvin, two and a half, up to three percent is the amount of fair interest, that banks and bankers can charge on a yearly basis with the “acting as a decent merchant”. This practice first became widespread and accepted in the banks of the Protestant countries and then later on in the most of the banking world. In some countries this legislation appeared at the levels of law, not even in the special economic regulations, but in the Civil Code, such as in Austria and Germany (Allgemeines österreichisches..., 1853; Bürgerliches Gesetzbuch, 1899). The author was convinced about exactly how reasonable this was from Calvin’s age up to the 1980s, as a practice of banks and merchant houses with good reputation, by being a board member of a German bank with decent tradition and ranking in “top 30” of the world. This financial institution kept itself to the “Golden Rule of Banking” when it came to transactions, taking into account the amount of inflation in the current period. Nevertheless, even with this fair interest they fully achieved the annual profit of their expectations. Not even thirty years later the media was filled with the loud protest of every Hungarian subsidiary of foreign financial institutions, when they were protesting against the Hungarian National Bank, which returning to its fine tradition provided liquidity for zero percent, encouraging them to stimulate their lending activity under the reservation that they can charge “only” 2.5% interest to Hungarian companies. “You can not make a living out of two-and-a-half percent, it’s a loss making business” they shouted out for the world to hear! Yet after this they still stood in line for the generously given resources. It seems a miracle happened because these banks did not go bankrupt! The “Golden Rule of Banking” can still be applied in the present, the only thing to be achieved is a comprehensive financial policy concept and an appropriate will to implement it to support economic development, as did the Hungarian National Bank, led by Dr György Matolcsy. On the contrary there are some immeasurably greedy foreign financial institutions working in Hungary, which manifested itself in the alleged Swiss franc-denominated loans banned in their own country, or in fact, when inflation was just above zero percent, they were offering in their advertising campaign 11.5% personal loans as a uniquely favourable “service”. Today it can be available for 9.7%, and this is “just” slightly more, than three times the so-called “Golden Rule of Banking” 2.5%.

THE EMANATION OF CALVIN’S UNIVERSAL SPIRIT INTO THE “MODERN” WORLD

Why did John Calvin go up against the Mosaic Order of the Old Testament as well as the canon law on the issue of collecting interest? He who at the University of Orleans earned a baccalaureate, then a licentiate, and eventually a doctorate, and in his studies he dealt with church law in the most profound way? The total prohibition of interest of canon law comes from the scholastics morality,²⁷ which goes back all the way from Augustine to Aristotle.²⁸ The theory of interest rested on two pillars, especially in the drafting of St. Thomas Aquinas. On the one hand, those in need mainly took loans for satisfying personal needs, such as food, protection against the vicissitudes of the weather, clothing and heating, building and/or maintaining a simple shelter. That is,

the loans were took to bridge the state of poor conditions. However, taking advantage of others in need is an immoral action. On the other hand, interest is linked to a time difference. Nevertheless, time is a gift of God. To gain profit from God's gift is morally unacceptable. Calvin does not even question these moralistic reasons neither as a lawyer, nor as a theologian. However, he lived in the so-called New Age in Geneva, in a city of wealthy citizens, loans came into view, because they were needed to start up or build a business with promising high profits. Calvin encountered on a daily basis with such business loans in his fatherland, the acropolis of mercantilism, with flourishing trade, and within that foreign trade being supported by all means. After his flee, he comes to an environment, where the new economic system based on money capital emerged in front of his eyes, which its followers call "classical".

Calvin came to the conclusion that the loans borrowed for business purposes in the hope of large profit would be acceptable that the money owner, such as a wealthy citizen of Geneva, to claim interest on the money he had made available to the borrower in the given timeframe. At the same time, while economy was developing rapidly, he strived to obtain a bridging loan with a more accessible "price", that has affordable interest rates for the growing amount of those in need of it, caused by the speedy development of economy. Hoping that by using it well would allow them to recover from their difficult situation. That is why he hoped in such cases that interest rates up to 3% would be more accessible (Calvin, 1559, Book 4). In the case of business loans, he considered the 5% (Calvin, 1559) upper limit important, following the practice of centuries-old, medieval secular authorities in how to overcome the widespread usury.

The economic and social impact of Calvin's notion of interest was significant not just only of his reasonable considerations, but he takes into account the reality of his time, and the acceptable interest of the increasingly growing bourgeoisie. In the Middle Ages as a result of the interest ban of the Canons, Christianity could not deal with financial affairs, if anyone would ever break the rule a serious punishment would be imposed on them. At the same time, the still enormous income was not enough for rulers, courtiers, and last but not least for the Church's power aspirations. There was a need for loans, even more and more. Therefore, it was necessary to allow the secular authorities and, not to much in the background, the Church that someone should deal with finances that were profoundly downgraded in a wider social circle and banned for Christians. In the beginning they were mostly Arabic and non-Arabic Islamic believers, who were called Ismaelites²⁹ in the Middle Ages, who's religion banned the charging of interest as an Israelite, but likewise, loan affairs were allowed with strangers.³⁰ Soon the Israelites took more and more part in this business as well. In fact, they did not have many other living opportunities, such as "business", trading and financial transactions, since they could not own or rent land, military and public services were just as closed to them as guilds, and every craft job. The majority of the population was contempt about the Jews who were earning from lending transactions. This general phenomenon was particularly strong in Luther's time. This can be tracked back to many of Martin Luther's multiple manifestations that condemn the Jews. That is why later ages accused him of anti-Semitism. In the festive year of

the 500th anniversary of the Reformation, resolution on the charge of anti-Semitism against Luther were largely concerned, especially in Germany and the United States. In Calvin's writings, such manifestations can not be found.

Calvin freed the Christians from the interest ban of the Canons, thus opening their way to making financial assets and investment, and toward financial trails. The fast spreading reformation brought tons of people to take part in economy in the time of Calvin's life, and progressively after his death, when Calvinism itself and some other congregations referring to and formed by its doctrines rooted in much of the western hemisphere. Of course Calvin did not think in this perspective, but proclaimed: "Everything in heaven and an earth is created for the glory of God" (Calvin, 1559). As a good pastor, however, he carefully paid attention to the everyday concerns of his followers. He knew it was important to concentrate spiritual forces on religious life so that balanced financial conditions would help overcome the disturbing worldly influences. The influence of his activity in the community of Geneva had an effect during his life, and later even more far beyond national boundaries, beyond faith, extending to other areas, such as economy. Another important area related to this was the government system he elaborated. The church constitution Calvin had established in Geneva had an influence on both religious and secular affairs. While the effect on economy is still disputed today, the opinion is broadly the same through denominations, nations, political affiliations to science camps, that Calvin's universal spirit has contributed significantly to the development of the so-called "modern" world, and the emergence of modern democracy (Biéler, 1959). And this indeed influenced the controversial area, the economy. One of the important, but not necessary and in every case indispensable factor of the emergence, empowerment and broad geographical distribution of capitalism was the emergence of the bourgeois democracies. This economic trend prevailed much later, and much more difficult in the absolutist monarchies, see Russia and Japan.

In this context, the right of resistance, which Calvin reinterpreted should be mentioned (also called the tyrannicide). In rebellion against tyranny he saw the "legitimate call of God" (Calvin, 1559), but he wanted to prevent murder by expulsion by all means. The leaders and the bourgeoisie forming the main body of the 16th century Dutch Revolt and after that the 17th century English Civil War fought their combats referring to Calvinistic ideas. It would be a difficult task to doubt the relationship between the exercise of the Calvinistic interest liberation, the republican thought, Calvin's explanation of "res publica" and the right of resistance in the words of Calvin "by the lawful calling of God", as well as the armed uprising that took place there, and between the total expansion of capitalism in those countries.

CALVIN'S EFFECT ACROSS ECONOMIC SYSTEMS AND ORDERS

With the rapid extending of Calvinism came that its descendants had created partially different trends. From a national economic approach, the subjects of our investigation are those who consider themselves the followers of Calvin or those whom referred to him and without a doubt had an effect on economy. Regarding its influence on eco-

nomics, puritanism must be listed here in its Presbyterian, synodic form.³¹ The followers of this direction held most of the uninterrupted economic work as a visible manifestation of following Calvin's command "For the glory of God you have to stand in the world for gratitude" (Calvin, 1559). At this point, it unavoidable to be concerned with Max Weber's famous volume *Die protestantische Ethik und der Geist des Kapitalismus* (Weber, 1904/1905). Weber's thesis can be summarized as the following: Protestant ethics which he primarily means by Calvinism and, in particular, by puritanism had such a permanent and profound influence on the Western rationalism and the faith in mind with its worldly ascetic appearance, that the religious, essentially Calvinist entrepreneurial bourgeoisie became the carrier of the capitalist spirit. Max Weber makes an emphatic difference between the "adventurous capitalism", the capitalism of speculators and between those who established an ascetic rationalist system and work organisation based on a strong religious affiliation, the civilian capitalism following the work ethics of Calvin (Weber, 1904/1905). This difference is most pronounced in the so-called "original capital accumulation" process. Weber describes in detail the methods of adventurous capitalists from the early beginnings, while comparing history and geography (Weber, 1904/1905). From a perspective of a hundred years, the crosstalk was shocking of the full breakthrough of neoliberalism compared to the financial world in the 1980s when the speculators, so-called "adventurous capitalists" gained almost unlimited power with their "business techniques". On the contrary, the religious entrepreneurs described above, who returns again and again to his business the fair profit he achieved with his hard work and with a high level of self-restraint, thus forming and increasing his fund.

In summary, Calvin and Calvinism had a great impact on the development of modern economy. But this can not be confined by an economic system, Calvin "the great reformer of Geneva can not be proclaimed as a forerunner, or perhaps founder of capitalism, of civil society" (Huszár, 2011). However, for the glory of God to stand out in this world with incessant work, the work ethics of Calvin, the high degree of self-restraint, which is the most important basis of fair capital accumulation, Calvin's personal example of taking responsibility for the community, the liberation from the full canonical interest ban and with opening investment opportunities, and financial paths for Christians: all which contributed to the fact that, besides "adventurous capitalism" as Max Weber said, a new economic system was able to emerge, which implemented fair capital formation, and organisation of rational factories and work. Calvin's effect, however, is much later still tangible in the emergence of new economic orders.

385 years after Calvin's death, the social market economy was introduced in the Federal Republic of Germany. The *Wirtschaftslenkung und Marktwirtschaft* written by Alfred Müller-Armack in 1943, which could only appear in 1946, after the collapse of Hitler's empire, gave the German economy its basis and direction (Müller-Armack, 1946). The author is honored to be a fatherly friend of Müller-Armack, whose ancestors were Calvinistic, but were declared to be evangelic after Bismarck's forced unification.³² The Calvinistic origin, however, lived vigorously on in the family, and Müller-Armack developed his theory following this tradition and in an ecumenical spirit.³³ Social market economy is the successful combination of the Calvinist work ethics and

its social approach, the so-called evangelical social ethics, most part of which has Calvinistic roots, and formerly Catholic, now called Christian Social Teaching education system. Social market economy is the most successful economic order of economic history; and it is not a system (Graf Bethlen, 1978; 2005; 2012).

CALVINISM'S CONTINUES INFLUENCE IN HUNGARY

The teachings of Calvin spread early in Hungary, where in the time of his life the Calvinists came to a huge majority. At the same time, from the beginning, ecumenical thinking became a Hungarian tradition, which Calvin sought to refer. In Transylvania, the religious peace³⁴ was accomplished in 1560, after that the first comprehensive Edict of Religious Tolerance was proclaimed in Torda in 1568, far ahead of other European countries. Thus, in 1604, Prince István (Stephen) Bocskai forced the Habsburgs with weapons at arm to admit the freedom of religion in the whole of the Kingdom of Hungary. Gábor (Gabriel) Bethlen, the "Great Prince", who participated in the Thirty Years' War on the Protestant Party, also achieved in three peace treaties the compliance and widening of the agreement made with Bocskai. At the same time, he actualized complete religious peace in his homeland, which for centuries has been an example for the world's ecumenical existence. The effect of Calvinism on the economy unfolded during the time of his reign, so successful that: "Bethlen in economic aspects, also created a model state in Transylvania, to which under the storms of the Thirty Years' War sorely tried old Europe looked envious to..." (Beregi, 1930).

After the Habsburgs extended their power in the whole of Hungary by 1690, there was a big downturn in economy as well, because the Imperial leadership degraded the country into a cheap raw material colony. After the "Austro-Hungarian Compromise of 1867", which restored Hungary's autonomy, at least in dealing with internal affairs, was then a huge boost for the economy as well. This economic soaring in European dimensions is associated with the names of two prime ministers committed, and the followers of Calvin's teachings: Kálmán Tisza and his son, Count István (Stephen) Tisza, where the embodiments of the Calvinist work ethos (Horánszky, 1994). In the central focus of their economic policy was an ascetic civil capitalism, which creates a rational plant system and work organisation, that grew out of Calvinism according to Max Weber.

The Trianon Peace Dictate of 1920 demolished Hungary in a way history has not known before by taking away two-thirds of the country and one-third of the native Hungarian population and had a catastrophic impact on the economy as well. The unanimous opinion of internationally recognized experts, was that Hungary has become economically unviable. Count István (Stephen) Bethlen accepted his nomination as Prime Minister in this seemingly hopeless situation. Over ten years of governance, the country that has been sentenced to death has not only recovered economically, but besides growing in all areas, including workers' living standards to a Central European level, has created an "excellent" social security system (Macartney, 1975; Schmidt-Pauli, 1931). To his great predecessor, Prince Gábor (Gabriel) Bethlen,

and the the two Tiszas, Count István (Stephen) Bethlen, also expressed his statesman activities by his deeply rooted creed in Calvinist doctrines and in terms of ecumenism.

The Second World War, the German occupation, then the following 45 years of Soviet occupation (Graf Bethlen, 1989) and the communist dictatorship forced on Hungary also blocked the country from the huge economic prosperity from 1945 to 1990 in the free part of Europe (C.S. Bethlen, 1985). The so-called “Regime change” in the 1990s did not bring the rightfully expected economic recovery for the adverse effect of the dictate of IMF. The decisive turning point came in 2010 when after his landslide victory, the Orbán government freed the country from the overbearing wardship of the IMF, and built up a new economy coordination practice developed by Dr György Matolcsy secretary of economy, later on the President of the National Bank. The author calls it a “New Economic Order in Solidarity” instead of “unorthodox”, because Hungary developed in the last seven years an autonomous conception for the organisation of economy and society significantly differing from other economic systems of our time. As a result of this process Hungary joined the group of countries with best annual basic economic indicators within the European Union, strongly reflecting the centuries-long impact of Calvinism and according to Hungarian tradition in an ecumenical manner (Comte Stefan von Bethlen, 2010; Graf Bethlen, 2014).

From a perspective of 500 years, in the age when neoliberalism’s rule seemed to be unlimited in the western hemisphere, the concern of Calvin’s teachings tells our time that the economy is only a slice of the worldly life and not even the most important, as the false prophets of the so-called “consumer society” proclaimed. Education, instruction and tuition, the democratic organisation of society, participation and taking part of responsibility in public life, social commitment to helping the ones in need (the deaconess) are all areas that appear strongly emphasized in Calvin’s teachings as they continue to effect economy.

NOTES

- ¹ Jean Bodin, lat. Bodinus (1530-1596). In this context, his most important work is Bodin, 1756.
- ² Jean Baptist Colbert (1619-1683), Louis XIV’s chancellor, the outstanding individuality of mercantilism.
- ³ Louis XIV of France (Louis Quatorze), “the Sun King” (Le Roi du Soleil) (1638-1715), his long reign meant the high-point of absolutism.
- ⁴ Louis Blanc (1811-1882) and Karl Rodbertus (1805-1875) in Marx’s disparaging rankings they were both “utopian socialists”, whom both independently named in 1850 and later on in 1854 the liberal economic system as capitalism.
- ⁵ Karl Marx (1818-1883).
- ⁶ Rationalism, also referred to as natural law, in its vast literature in this context: Locke, 1689.
- ⁷ With this question both Werner Heisenberg (1901-1976) Nobel Prize Physicist and Carl Friedrich Freiherr von Weizsäcker (1912-2007) who was a nuclear physicist, researched and thoroughly dealt with the connections between philosophy and the so-called “exact” sciences.
- ⁸ Aristotle (384-322 BC) looks to God as a “pure thought”, who is the driving force of the world. He had a great influence on the medieval scholasticism.
- ⁹ The philosophical theology in the medieval 11th-14th century, built primarily on Aristotle and the Fathers of the Church, developed Christian personalism.

- ¹⁰ Calvin also saw the man in his three sided nature and besides his individual existence and to be a great creature of God and emphasized his characteristic devotion to the community much more than Luther.
- ¹¹ The main pillars of Christian Social Teaching, earlier in its time called Catholic Social Teaching; besides the Bible, the doctrines of the Fathers of the Church, the medieval scholastics, the papal social encyclicals, more increasingly the intellectual treasury concerning the society of universal Christianity.
- ¹² The Scottish moral philosophy positively assessed egoism as a determining force of social development.
- ¹³ John Calvin (1509-1564) was born in Noyon, France with the name Jean Cauvin, which he later Latinized. In 1535 he had to flee from his country because of his teachings of Reformation.
- ¹⁴ At the time of the reign of Francis I of France (1515-1547), emerged mercantilism to governing economic system. He ruthlessly pursued advertisers and followers of Reformation.
- ¹⁵ The first version of Calvin's multi-expanded chef d'oeuvre.
- ¹⁶ Guillaume Farel (1489-1565) had to flee from France, because of his teachings of Reformation. He became the reformer of Western Switzerland.
- ¹⁷ Calvin after his expulsion from Geneva, he worked in Strasbourg from 1538 till 1541 and participated in negotiations for the abolition of the Great Schism in 1539 in Frankfurt, then in 1540 in Hagenau, and in the same year in Worms, then in 1541 in Regensburg.
- ¹⁸ In 1541, at the request of the city's leaders, Calvin returned to Geneva and worked there until his death.
- ¹⁹ Csaba Lentner is a member of the workshop preparing the government programme in 2010, as well as the reform of the Hungarian National Bank targeting the return to the original goals of the founder Count Stephen Bethlen's government, after the Bank's degradation during the 45 years of communist regime and the following 23 years of neoliberal domination, both serving primarily foreign interests. Lentner, 2014; 2015; 2017.
- ²⁰ Moses, 1332 BC, in his book the warnings appearing besides the Divine Orders are for his age and partly timeless.
- ²¹ The Old Testament considered the deification of Mammon as the main sin. Moses has the Golden Calf crushed and makes the creators and worshipers eat the debris of it, who, for their great sin with a cruel death paid the price. "In the Enlightened Age of our time" the worship of Mammon (money) has spread once again.
- ²² At the end of each seventh year, the accrued debts had to be released (Deuteronomy 15:1-3).
- ²³ In addition, every year in the jubilee, every fifty year, everyone got back their land, which he gave as a guarantee for a loan (interest-free).
- ²⁴ The last edition published in Calvin's life, compared to the earlier one multiply extended in four volumes.
- ²⁵ In the ancient Hebrew language a few letters and numbers are the carriers of the Divine Report.
- ²⁶ The death penalty for charging interests on loans goes back to religious law (Mitzvah) of the Old Testament (Ezekiel 18:13).
- ²⁷ For the Middle Ages the Christian philosophical school system is decisive.
- ²⁸ This teaching of interest goes back to the Aristotle conception, which Augustine (354-430), bishop of Hippo, one of the Fathers of Church, shares in the statement that "Money does not have sexual signs, so it can not make birth".
- ²⁹ Abraham's son Ismael, the 2nd millenary BC, was born from wife Sarah's servant, Hagar, as the first but not legal son. The definition of Islamic followers comes from his name.
- ³⁰ The Islamic interest rates are as strict as the Israelites ones: "As for those who revert to it, they are the people of the Fire, and in it shall they abide" Koran 2:275-276. This command did not apply to aliens.
- ³¹ Puritanism intended originally to purify the Anglican Church, working in a Presbyterian, synodic organisation, teaching the Calvinist doctrine in strict, rigorous manner, which became the strongest Protestant Church in America.
- ³² Otto von Bismarck (1815-1898), the imperial chancellor, fought ruthlessly within the framework of the "Kulturkampf" against the Catholic Church using the Prussian model of 1817, he enforced against the will of Calvinists "Unification" of their Church with the Lutheran Evangelic Church, in order to strengthen the Protestants against Catholics in 1886.

- ³³ Calvin's ecumenical efforts are less known to eliminate the Great Schism, as for to establish a Protestant unity.
- ³⁴ Western analysts predicted in 2010 that the Hungarian economy would fall apart sooner than the Greek economy. Like so many times, this assessment of the situation proved wrong, thanks to the new Hungarian economic policy.

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